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TIGHT MARKET FOR FARMHANDS

By Miriam Jordan and Mark Peters

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Red Bryan says he has never seen a labor shortage like this in more than four decades as a berry farmer.

"Labor is the No. 1 issue for agriculture," says the California grower. "It's not pesticides, water supply or land use. Without workers, we're out of business." Mr. Bryan, a partner in California Giant Berry Farms, which operates fields throughout the state, says he fears for the strawberry harvest getting under way.

The tight labor market explains why farm groups are pressing Congress to include, in any immigration overhaul, provisions that would ensure a steady flow of workers and prevent an exodus of newly legalized laborers from the sector. Under one possible scenario, agriculture workers would earn permanent legal residency by working a certain number of days on farms each year; those who worked longer would get a green card sooner.

"It's important that existing experienced workers be encouraged to remain in the agriculture sector for a while," says Craig Regelbrugge, national co-chairman of the Agriculture Coalition for Immigration Reform. A Senate immigration proposal, which could be in a bill next month, calls for stabilizing the current workforce and establishing a new temporary-worker program.

Farmers attribute the worker shortage to a tightened border and drug-cartel violence, which is preventing migrants from sneaking into the U.S. from Mexico. J. Edward Taylor, a professor at the University of California, Davis, also cites a shift in the Mexican economy, which is generating low-skilled jobs in other sectors as well as agriculture that keeps would-be migrant workers home.

The government estimates half of all field workers in the U.S. are illegal immigrants. Many farmers believe as many as eight out of 10 workers are undocumented, and say that despite relatively high unemployment in the U.S., they have seen little interest among native-born Americans to apply for the physically demanding and seasonal jobs.

The U.S. Department of Agriculture estimates farms had more than one million hired workers last year, a number that has held relatively steady in recent years. However, many farmers say they have expanded their planted acreage.

Hundreds of thousands of laborers quit agriculture for higher-paying, year-round work in other areas in the decade after the latest legalization program, in 1986, only to be replaced by a new influx of illegal workers.

Meanwhile, ahead of their coming harvest, many farmers are turning to a temporary agricultural visa, known as the H-2A program, which allows growers to bring workers into the U.S. for a short period. Growers have long avoided this program because it means they have to pay higher wages, housing costs and other expenses. But in a difficult labor market, "there is no room for error," said Mike Carlton, director of labor relations for the Florida Fruit & Vegetable Association.

In North Carolina, growers are using the program to avert huge losses from not being able to pick tobacco—it can cost \$3,000 to \$4,000 an acre to grow—rather than to avoid fines for hiring illegal workers.

"What's driving it is not a fear of enforcement, but a fear they're not going to have a workforce there when they need it," said Lee Wicker, deputy director of the North Carolina Growers Association, which handles visas for 750 farms.

Recent data from the U.S. Department of Labor show the number of positions requested through the visa program grew in the first three quarters of fiscal year 2012 by 8% from a year earlier to 74,889.

Many farmers say that to cope with the labor shortage last season, they offered higher wages, delayed pruning and harvesting, used mechanization if possible, or failed to harvest some of their crop.

Some experts contend there is an ample supply of workers to meet demand.

Philip Martin, a professor at UC Davis, says the hiring practices of farms can paradoxically create localized labor shortages and surpluses at the same time. Growers looking to ensure proper staffing request the maximum number of workers sooner than they may need. The result can be slack in the system as workers wait around unpaid until there is enough work.

According to the USDA, crop workers earned an average of \$10.76 an hour last year versus \$10.33 a year earlier and \$9.40 in 2007. "We're not seeing a dramatic escalation in wages so I discount the worker shortage a bit," said Rob Williams, director of the Florida Migrant Farmworker Justice Project.

Rob Valicoff, who grows apples, cherries and other fruit in Washington, says machinery can save labor in some orchards. But he says crops must be replanted to adapt to equipment, at a cost of thousands of dollars an acre, and farmers don't want to uproot productive trees.

Mr. Bryan, the California berry grower, says mechanization doesn't work for picking berries, which ripen at different rates.

"You can't get a machine to pick one strawberry and not the one next to it," he said