



U.S. Pork Processors Ask for More Foreign H-2 Visa Workers

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The federation's March 10 letter to Congress said:

The U.S. pork industry, which is suffering from a severe labor shortage on farms and in plants, is headed for a serious market disruption with catastrophic implications for hog farmers. According to industry economists and analysts, there are not enough available workers to run weekday second shifts or Saturday shifts in many of the nation's pork packing plants. Hog farmers are also struggling to find a sustained supply of workers as unemployment rates have fallen dramatically.

The demand was denounced by the union, which represents 30,000 workers at the pork slaughterhouses, according to Bloomberg News:

Allowing for additional migrant workers will "destroy American jobs and further weaken the economy," [United Food & Commercial Workers Union] International President Marc Perrone said in a statement. "The last thing Americans need is giant corporations watering down safeguards that protect American workers and our country's food safety," he said.

The pork producers pushed back, Bloomberg reported March 13:

"Our farms and plants tell us they are paying over-prevailing wages and still can't find people," said Nick Giordano, a vice president at the pork producer council. "If UFCW can supply us with employees, that would be great, because our farms and plants are hiring now."

Wages for slaughterhouse workers have dropped since the early 1980s, and companies invest little in automating the grueling and gruesome work because the companies have enjoyed a flood of migrant — and often illegal — labor.

But President Donald Trump is forcing wages up by constricting the supply of new refugees and southern migrants.

Before the 1980s, the industry's wages were higher than manufacturing wages, but the industry broke the union and moved the slaughterhouse into rural areas. By 2016, wages fell to \$22,000 per year.

In May 2018, median wages for the 75,000 slaughterhouse workers were just \$28,260.

In 2020, Indian Packers Corp. offered starting pay of \$16.22 per hour or almost \$34,000 per year. Some companies are also offering bonuses for new workers. For example, a poultry processor in New Market, Virginia, is offering a \$1,500 “stay on bonus.”

But many other employers were still offering only \$11 or \$12 per hour or just \$23,000 per year.

The industry’s claimed inability to recruit workers is worsened by China’s Wuhan virus, said the pork producers’ March 10 letter:

the COVID-19 situation could cause significant capacity shortfalls much sooner and put daily animal care needs at risk. School closures preventing parents from going to work are already a concern in farm and plant communities. The specter of market-ready hogs with nowhere to go is a nightmare for every pork producer in the nation. It would result in severe economic fallout in rural communities and a major animal welfare challenge.

We call on federal and state officials to work with the U.S. pork industry to mitigate the impact on our industry and the communities which depend on us. Specifically, we ask for solutions for more and expedited worker visas and for the administration to develop support plans for pig farmers impacted by bottlenecks in the supply chain

In 2015, Chinese investors bought the largest pork firm in the United States, Smithfield Foods.

Many low-tech American business sectors are now facing problems because their lower-income workforce is being dispersed amid the coronavirus shutdowns. For example, the *New York Times* reported the hardship caused by the shutdown of the city’s hospitality industry:

About 154,400 people work in the city’s bars, restaurants, cafes and food trucks, earning \$4.7 billion in wages a year, according to a 2019 city study. The city’s comptroller, Scott M. Stringer, estimated on Monday that restaurant sales would decline by 80 percent during the shutdown, a figure that will cripple some businesses.

“We have never experienced something like this,” said Daniel Boulud, the chef and restaurateur who owns Daniel. “Everybody is on temporary leave and we hope to bring them back as soon as the green light will come, but we have no idea when.”

Across the East River in Queens, Quy Tran, a 55-year-old waiter and delivery man for a Vietnamese restaurant in Jackson Heights, said he had two or three weeks of cash in the bank. “I feel nervous, scared,” he said, “not about the sickness but about money.”

The pork producers’ letter does not say if they are looking for more H-2A or H-2B blue-collar visa workers.

H-2B workers are usually used by landscapers, hotels, and resorts — but they are also used by crab producers.

In March, Chad Wolf, the head of the Department of Homeland Security, okayed an extra 35,000 H-2B workers for use by companies in 2020. The extra H-2Bs will allow companies to hire 101,000 new H-2Bs throughout 2020 — even though hundreds of thousands of Americans are facing layoffs during the epidemic. Many H-1Bs approved in 2019 and 2018 are also allowed to work in the United States.

In 2019, farm employers imported more than 240,000 H-2A workers, up from 100,000 in 2013.

The supply of H-2A farm workers does reduce pressure on companies to invest in labor-saving technology for the slaughterhouses. But the supply may not force down wages for Americans because the H-2A wages are set by the Adverse Effect Wage Rate (AEWR) — which sets wage levels too high, according to a January 2020 complaint by the Cato Institute:

The AEWR is unfair discrimination against farmers who are trying to follow the rules and hire foreign workers legally. It is supposed to reflect the actual hourly wage that farmers are already paying workers. But in practice, this is not the case.

... the AEWR artificially inflates the base hourly wage in the following before including these types of extra compensation.

“The AEWR is a political wage that the administration or Congress should terminate,” Cato concluded.

Also, many high-tech industries have redesigned their management culture to maximize the use of cheap H-1, OPT, and L-1 visa workers. For example, Silicon Valley companies have imported several hundred thousand white-collar workers from India, despite the risk of civil rights lawsuits and the visible loss of innovation.

Nationwide, roughly one million Indian contract workers hold white-collar jobs needed by young American graduates, partly because there are no caps on the inflow of foreign graduates into white-collar U.S. jobs.

In the Senate, Utah GOP Sen. Mike Lee is pushing his S.386 bill that would reward more Indian graduates if they take jobs from American graduates.