

Agriculture Workers Across the Eighth District

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One of the most important economic developments of the past few years is the prevalence of labor shortages. While the exact details have varied across geographies and industries, some degree of labor market tightness has been felt almost everywhere in the U.S. The agricultural sector in the Eighth Federal Reserve District is no exception. Regional contacts have consistently cited labor shortages as a key issue for farmers—on par with input price increases.

Contacts have stated that they've used a variety of strategies to meet labor needs. One key strategy is the use of foreign-born workers, either through seasonal visa programs or otherwise. Examining the share of foreign-born workers in agriculture across Eighth District states and the nation provides some useful insight: More Eighth District employers have been obtaining H-2 visa workers,¹ but the sector as a whole has a lower share of foreign-born workers than the national average due to the region's demographic composition and lower immigration rates.

Background

To obtain information on foreign-born agriculture workers across the District, we draw from two sources. First, the U.S. Department of Agriculture (USDA) maintains records of the number of H-2 Seasonal Worker Visas granted each year. Secondly, the American Community Survey (ACS), a yearly survey by the Census Bureau, gathers information on a respondent's industry and place of birth. This allows for information about all foreign-born agriculture workers, not just those on H-2 visas. Combined, these two sources of information capture multiple channels of employer demand and worker supply.

The table shows H-2 visas granted by state, and a few things stand out. First, the number of H-2 visas supplied has increased in all Eighth District states over the past five years. For the District as a whole,² the number of H-2 visas supplied rose from 20,351 in 2018 to 30,209 in 2023—an increase of 48%. Missouri (95%), Tennessee (95%), and Arkansas (88%) had the largest percentage increases, though Kentucky had the largest overall number of H-2 visas, with 7,037 in 2023.

The discrepancies between states reflect differences in industry composition and workforce needs. Kentucky, for example, is the United States' second-largest tobacco producer, behind only North Carolina. Tobacco growing requires large amounts of unskilled labor to harvest the crop, and this industry is the major source of Kentucky's large H-2 worker numbers. Fruit and vegetable production is similar in its unskilled labor needs, but these growing industries are concentrated in the Southeast and West, outside of the Eighth District.

The USDA also records the average number of workers requested per employer. Across the Eighth District, H-2 workers per employer have fallen from 21.5 in 2018 to 14.08 in 2023 (in line with the national decrease from 31 workers per employer in 2018 to 20.5 in 2023), while the total number of employers has grown. Put another way, many more employers are using H-2 workers, but on average each employer is using fewer. Again, there's considerable variation by state due to industry mix. Kentucky's requested workers per employer increased from 9.3 in 2018 to 10.2 in 2023, while Arkansas' went from 14 to 8.3.

H-2 Visa Usage in Eighth District by State

Year	Arkansas	Illinois	Indiana	Kentucky	Missouri	Mississippi	Tennessee	Entire Eighth District
2018	2,998	2,049	1,979	5,543	733	4,205	2,844	20,351
2023	5,625	3,154	2,951	7,037	1,432	4,449	5,561	30,209
5-year change	87.6%	53.9%	49.1%	27.0%	95.4%	5.8%	95.5%	48.4%

SOURCE: U.S. Department of Agriculture and American Community Survey.

Foreign-Born Workers

Looking at the ACS-derived share of all foreign workers in the total agriculture industry through 2021, a few things stand out. First, the Eighth District as a whole had a lower share of foreign-born workers in the agriculture sector than the nation as a whole. Nationally, 41% of agriculture workers in 2021 were foreign-born, while across the District only 14% were. Geography and demographics likely play a major role in this regard; Eighth District states have much lower foreign-born populations in general than Western and Southern states with higher immigration levels.

District states saw year-to-year fluctuations in the foreign-born share of workers in the agriculture sector, but the overall share remained largely steady. While figures from 2022 and 2023 are not yet available, population growth and H-2 visa data suggest that the overall ratios remain largely unchanged. Since immigration restrictions were put in place during the COVID-19 pandemic, regulations around H-2B visa workers were temporarily amended “to facilitate the continued employment of certain H-2B non-immigrants in the United States, who are essential to the U.S. food supply chain.”³ ■

Notes

¹ The H-2B program allows eligible American firms to use foreign national workers to fill temporary agricultural positions. The program is often used to meet seasonal agricultural labor needs. The [USCIS](#) page on the H-2B program has additional information.

² In this analysis, Illinois is included and Indiana is excluded.

³ U.S. Citizenship and Immigration Services, Department of Homeland Security. Published May 14, 2020; <https://www.federalregister.gov/documents/2020/05/14/2020-10486/temporary-changes-to-requirements-affecting-h-2b-nonimmigrants-due-to-the-covid-19-national>.