California Ag Employment: 2014

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In 2012, there were 6.0 million Mexican unauthorized immigrants in the U.S., a decline of about 900,000 from 2007.

Newcomers down, Farm wages up
Highlights

• **US ag employment** stable at 1.2 million FTE; California rising slightly to 400,000, 1/3 of US

• **About 2 farm workers for each FTE ag job**, so 2.4 million US farm workers and 800,000 CA farm workers. 2/3 of FB farm workers = unauthorized. CA unauthorized share = 67% vs US 50% because almost all CA farm workers = FB

• **Farm labor market**: immigration reform pivot
  – FLCs & intermediaries: 30% of employment on US crop farms, 55% of employ on CA crop farms
  – H-2A: almost 10% of average employ on US crop farms, WA up sharply via associations
  – Imm: what accompanies E-Z guest workers?
CA Ag 3 S’s: Sales, Labor’s Share, Seasonality

• **Farm sales** = $45 bil (2012); IA = $32 bil
  – CA = 12% of US $380 billion in US farm sales because of FVH commodities
  – US ag: 55% crops & 45% livestock; CA 73% crops; 27% livestock; FVH = 62% of CA sales

• CA FVH crops: **labor’s share** = 20-30% of production costs (labor =10% of mfg costs)
  – Fruits & nuts = $17 billion in 2012 or 38%
  – Vegs & melons = $7 billion or 16%
  – Hort specialties (nursery, flowers) = $4 bil, 8%

• **Seasonality**: Peak 470,000 in June; low of 320,000 in March. Peak/trough ratio = 1.5
3 C’s of Farm Labor

• **Concentration:** 30,000 CA farmers had farm labor expenses in 2007 COA; the 6,900 with > $100,000 had 92% of farm labor expenses

• **Contractors:** intermediaries who recruit & deploy crews of workers. Win-win specialization in labor matching OR risk-absorbers in labor market with violations?

• **Conflict:** Exit versus **voice:** easier to exit a “bad” job (ag & fast food) than to organize & voice demands to change wages and conditions (as workers with employer-specific skills do)
  - Exits of “best” workers = hard to sustain unions in ag, fast food & other high turnover industries
Half of ag emp in SJV; 1/6 each in Central & South Coast

Average Employment by California Ag Region, 2004-2013

San Joaquin Valley
Central Coast
South Coast
California 2007: more workers brought to farms by FLCs than hired directly. Big shift in early 1990s
Crop support: $4.5 billion or 43% of $10.5 billion in ag wages paid in 2012 (QCEW); 55% of crop support wages paid by FLCs
Fruit: $2.5 billion or 24% of California ag wages paid in 2012
Vegetables: $1 billion or 10% of ag wages paid
Nursery: $800 million or 8%
Dairy: $600 million or 6%
Big 5 = 95% of ag wages paid
Hired Crop Workers: NAWS

- **Young, male and born in Mexico**
  - Big change: fewer newcomers (workers in US less than 1 year). From 20% newcomers in 2000 to 2-3% today, so average age & weeks of farm work up
  - 50% of all crop workers, & 2/3 of foreign born farm workers, are unauthorized. CA has >% unauthorized because more CA farm workers are foreign born, 98%, versus rest of US, 58%

- **Employ and earns: more weeks, higher wages**
  - Average $9.50/hour across US; $10 in CA in 2009
  - About 33 weeks of farm work and another 6 weeks of nonfarm work: workers find work for ¾ of year
  - Annual earnings of $15,000-$17,000/year
Fewer Mexican newcomers = fewer new farm workers


Source: Passel, 2012
Big jump in average hourly earnings in CA (7%) & SJV (11%), 2011-12
Unions: from statewide to farm-specific impacts
UFW: 3,300 active members; 25 contracts; hard to win wage increases >3% dues. UFW certified to represent workers on 600+ farms, max 200 contracts. Can request MMC at “old certs” IF employer has ULP
Immigration: 1980s

• 3-5 million unauthorized in US. 20-25% of CA farm workers = unauthorized; Enforcement = worker chase, & share unauthorized workers reflected perishability (more in citrus, fewer in lettuce and strawberries)

• 1987-88: IRCA: SAWs, streamlined H-2A program, & new RAW program

• Expectation: farm wages & labor costs UP
  – Raise wages to retain newly legalized SAWs OR
  – Build housing to obtain H-2A guest workers

• But: wages fell in 1990s as unauthorized workers with false documents spread throughout USA.

• 1.1 million SAWs. 35% of FWs = SAWs 1989-93; 10%, 150,000 SAWs still in ag (NAWS)
Ag: 2% of US workers, but SAWs = 40% of those legalized under IRCA

Migrants' False Claims: Fraud on a Huge Scale
By ROBERTO SURO, Special to The New York Times
November 12, 1989

"One certain product" of the agricultural program [SAW] amnesty, Rep Schumer (D-NY) said, "is that in developing immigration policies in the future, Congress will be much more wary of the potential for fraud and will do more to stop it."
SAW share of crop workforce fell from 35% in 1989 to 10-15% within 3 years. Legalization speeds exits from ag
Immigration and Farm Labor 2

• Since 1995: over 50% of hired workers on US crop farms have been unauthorized

• Farm employers: we need an E-Z guest worker program that does NOT require us to:
  – recruit US workers under DOL supervision
  – provide free and approved housing to guest workers

• December 2000: AgJOBS negotiated in anticipation that Presidents Bush and Fox would embrace a new Mexico-US guest worker program

• AgJOBS = Try IRCA again:
  – Legalization for workers (this time earned legalization, farm workers must continue to do farm work for 3-5 years)
  – E-Z guest workers for employers (limited recruitment, housing allowance rather than housing, lower AEWR)
AgJOBS: legalization + E-Z guest workers.
Pending since 2000
Immigration 3: AgJOBS

- **Legalization**: unauthorized farm workers would become probationary immigrants & earn regular immigrant status with:
  - >150 days of farm work a year for 3 years or
  - >100 days a year for 5 years
  - New mechanisms to credit workers for farm work not done due to natural disaster, strikes, pregnancy etc

- **Guest worker changes**:
  - Attestation replaces certification; end of DOL-supervised recruitment of US workers
  - Housing allowance instead of free housing; workers find own housing (adds $1 to $2 an hour to labor costs)
  - AEWR of $11 an hour (CA in 2014) rolled back by $1 to $2 an hour and studied (offsets new housing allowance)
5% of 155 million US workers = 7.5 million unauthorized
>50% of 2-2.5 million farm workers = 1 to 1.2 million

### Popular Destinations for Illegal Workers

Places with the largest share of illegal immigrants in the labor force in 2010

<table>
<thead>
<tr>
<th>State</th>
<th>Est. number (thousands)</th>
<th>Pct. of labor force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nevada</td>
<td>140</td>
<td>10.0%</td>
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<tr>
<td>California</td>
<td>1,850</td>
<td>9.7</td>
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<td>Texas</td>
<td>1,100</td>
<td>9.0</td>
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<tr>
<td>New Jersey</td>
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<td>Arizona</td>
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<td><strong>Georgia</strong></td>
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<td><strong>7.0</strong></td>
</tr>
<tr>
<td>Florida</td>
<td>600</td>
<td>6.6</td>
</tr>
<tr>
<td>Maryland</td>
<td>190</td>
<td>6.2</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>20</td>
<td>6.1</td>
</tr>
</tbody>
</table>

Source: Pew Hispanic Center
Washington: shift to H-2A

- **H-2A program**: no cap on visas, but employers must try to recruit US workers, provide free housing, pay AEWR (WA = $11.87; CA = $11.01)

- **WFLA**: employer association that is co-employer of H-2A guest workers, shifts them from one farm employer to another:
  - Why H-2A: easier to build & operate housing
  - Saddle labor demand: June-July cherries & Sept-Oct apples; average employment of 88,000, or ¼ of California

- **California**: end of workplace raids, still I-9 audits, increased reliance on FLCs & intermediaries, and hope for alternative to H-2A program
What next for farm labor?

• Major features of the FVH labor market have not changed, viz, seasonality, FLCs, & exit, not voice

• But recent changes:
  – Fewer new entrants, higher wages, more farm work
  – Will supply-chain pressure expand from safety to labor?

• California & farm workers:
  – Worry but muddle through with FLCs until Congress approves E-Z guest workers?
  – Will rising wages induce more labor-saving mechanization & crop changes (peaches to nuts)

• Immigration: the labor supply wild card
  – Other labor issues, including min wage to $9 July 1, 2014 & implementation of ACA