Rural Migration News

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Farm and Nonfarm Labor Markets in the 21st Century

For most of the 20th century, farm labor reformers such as Varden Fuller and Carey McWilliams wanted farm labor markets to be more like nonfarm labor markets. Reformers criticized three features of many farm labor markets: limited coverage of farm workers under labor laws, intermediaries such as labor contractors who were often in a weak bargaining position relative to the farmers for whom they provided workers, and piece-rate wage systems that made costs predictable for farmers but earnings uncertain for workers.

Over the past half century, labor law coverage has expanded to cover many farm workers. When federal protective labor laws were enacted in the 1930s, farm workers were excluded due to agricultural exceptionalism, the belief that agriculture is different from nonfarm industries because of the predominance of family farms, biological production processes, and the desire of farm workers to climb the ladder from hired hand to farmer.

Reformers wanted farm employers to comply with the same minimum wage and child labor laws that covered nonfarm private sector workers, and wanted farm workers to be included in employment-linked safety net programs such as Social Security and unemployment and workers' compensation insurance. Many farm labor reformers hoped that extending union organizing and bargaining rights to farm workers would help them to negotiate higher wages and grievance and seniority systems with their employers, thereby shifting some of the risk inherent in farm work from workers to employers.

Farm workers today have many of the rights and benefits that were first available only to nonfarm workers, although most states do not require agricultural employers to cover all farm workers under workers' compensation for injuries at work. However, federal labor laws continue to exempt workers employed by smaller farmers, and some states continue to treat farm workers differently under employment-linked safety net programs such as unemployment insurance. The federal National Labor Relations Act (1935) continues to exclude farm workers, although California's Agricultural Labor Relations Act (1975) provides more rights to farm workers and their unions than would be provided by the NLRA.

Labor intermediaries, the second item decried by labor reformers, have become more rather than less important in the farm labor market. Total employment in U.S. crop agriculture averages 1.1 million, including two-thirds who are crop workers hired directly by farmers (NAICS 111) and a third who are brought to crop farms by nonfarm employers known as crop support services (NAICS 1152). In California, crop support services are over half of average crop employment of 400,000, that is, more workers are brought to crop farms by nonfarm employers than are hired directly by crop farmers.

The third item, the piece rate wage system, is mixed. When employers find it hard to monitor the pace of work but easy to measure worker output, many offer piece rate wages, such as $25 to pick a 1,000 pound bin of apples. However, conveyor belts that move in front of workers in the fields can set the pace of work, allowing many farm employers to switch to hourly wage systems, often with a group bonus to induce

Carey McWilliams in 1939 reviewed the impacts of waves of newcomer farm workers and concluded that farm worker unions could rationalize the labor market and confront large farmers on more equal terms.

Source: https://www.ucpress.edu/book/9780520224131/factories-in-the-field
Varden Fuller was executive secretary of President Truman’s Commission on Migratory Labor (1951), which recommended against more Braceros

April 31, 1951

207 Central Ave
Berkeley, California

Dr. Maryott T. Van Houtte
Executive Secretary

National Labor Relations Board

I am happy to receive your letter of April 29, 1951. While I cannot make any recommendations for the Commission’s report and I am not aware of any reports which have been made recently, I should like to express my appreciation of the work that has been done by the Commission and to express the hope that the recommendations will be given careful consideration.

I have been impressed by the work of the Commission and I am aware of the difficulties that it has faced in trying to reconcile the interests of the laboring people with the needs of the nation.

I am aware of the complexities of the labor market and I believe that the Commission has done an excellent job in attempting to analyze the situation and to make recommendations that will help to solve the problems that exist.

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Most nonfarm workers in the 1950s and 1960s had labor law protections, employers who hired them directly, and unions that negotiated wages and established seniority and grievance systems with firms that offered careers to employees. Farm labor reformers wanted to bring these nonfarm labor market features into agriculture.

In the 21st century, many nonfarm labor markets have adopted features of farm labor markets, offering fewer labor law protections, using more intermediaries, and paying piece rate wages. Gig or app-based workers are an example. As independent contractors, they are not covered by most protective labor laws and receive piece rate wages that reflect the number of passengers they transport or the number of deliveries they make. Some nonfarm workers are hired by staffing agencies and placed in a series of short-term jobs in various businesses, never getting a foothold in a firm with a job ladder to climb.

Staffing firms or labor contractors are prominent in major guest worker programs, including the H-1B visa program for college-educated workers in computer occupations, the H-2A program for farm workers, and the H-2B program for low-wage and seasonal nonfarm jobs such as landscaping and construction.

Instead of farm labor markets becoming more like the nonfarm labor markets of the 1950s and 1960s, many nonfarm labor markets in the 21st century are becoming more like the farm labor markets decrying by farm labor reformers. A growing number of farm and nonfarm workers do not know whether and where they will be employed tomorrow or next week, how much they will earn, or the name of the business that benefits from their work.

Most states do not require all agricultural employers to provide workers compensation insurance for farm workers

Source: https://www.farmworkerjustice.org/workers-compensation-map/

Source: https://www.trumanlibrary.gov/library/research-files/varden-fuller-maurice-t-van-hecke

the entire crew to work faster. H-2A guest workers are selected for high productivity, enabling employers to pay hourly wages and still obtain high worker productivity.
### Average annual employment in U.S. and CA crops (111) and crop support (1151)

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Crops (111)</th>
<th>U.S. Crop Support (1151)</th>
<th>CA Crops (111)</th>
<th>CA Crop Support (1151)</th>
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<td>563,580</td>
<td>274,652</td>
<td>189,192</td>
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<td>2002</td>
<td>555,075</td>
<td>266,888</td>
<td>186,335</td>
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<td>2003</td>
<td>555,926</td>
<td>270,101</td>
<td>184,247</td>
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<td>2004</td>
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<td>268,106</td>
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<td>540,682</td>
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<td>172,267</td>
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<td>2007</td>
<td>538,528</td>
<td>287,457</td>
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<td>290,855</td>
<td>174,697</td>
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<td>279,642</td>
<td>170,041</td>
<td>166,885</td>
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<tr>
<td>2010</td>
<td>528,867</td>
<td>287,480</td>
<td>170,068</td>
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<td>2011</td>
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<td>294,081</td>
<td>170,333</td>
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<td>2012</td>
<td>543,075</td>
<td>305,784</td>
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<td>2013</td>
<td>550,459</td>
<td>315,493</td>
<td>174,776</td>
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<td>2014</td>
<td>557,083</td>
<td>321,058</td>
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<td>561,016</td>
<td>323,757</td>
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<td>560,049</td>
<td>330,901</td>
<td>172,847</td>
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<td>2017</td>
<td>554,994</td>
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<td>2018</td>
<td>549,393</td>
<td>338,780</td>
<td>165,014</td>
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<td>2019</td>
<td>546,549</td>
<td>342,323</td>
<td>162,902</td>
<td>225,097</td>
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</table>

#### 2001-19:
- U.S. Crops: -3%  
- U.S. Crop Support: 25%  
- CA Crops: -14%  
- CA Crop Support: 44%  

#### 2001-19:
- U.S. Crops: 3%  
- U.S. Crop Support: 19%  
- CA Crops: -4%  
- CA Crop Support: 27%

Source: QCEW. www.bls.gov/cew

### Average annual employment in U.S. and CA crops declined since 2001, while crop support employment rose (2001 = 100)

![Graph showing the comparison between U.S. and CA crops and crop support employment from 2000 to 2020.](image_url)
Employment in the U.S. temporary Help Services Industry Doubled Between 1990 and 2009


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