Rural Migration News

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Rural America

California: Covid, Fires

Governor Gavin Newsom in summer 2020 highlighted Covid-19 cases in the eight-county San Joaquin Valley, where up to 20 percent of Covid tests are positive, compared with less than 10 percent statewide. The San Joaquin Valley emerged as the number one concern of state health officials as Covid spread among essential workers who often live in crowded and multigenerational housing.

There were Covid outbreaks in May 2020 at two Ruiz Foods frozen-food plants in Tulare county and at the Central Valley Meat Company in Kings county. After these plants were closed for deep cleaning, employers reported that subsequent Covid cases linked to their workplaces arose from their employees participating in family gatherings away from work.

California was the first state to order a lockdown to prevent the spread of Covid-19 on March 19, 2020, cases rose quickly after the lockdown was eased in June 2020, prompting the state government to order many businesses to close, including bars and indoor dining in restaurants. In July 2020, 33 of the state's 58 counties with over 80 percent of the state's residents were on the Covid watchlist because they had high rates of new infections per capita, high rates of positive tests, and high hospitalization rates.

Most public K-12 schools began the 2020-21 school year with remote or on-line learning. The University of

California, California State University, and California community colleges offered only remote instruction in fall 2020.

Fires

Lightening aggravated a bad wildfire season in 2020. In a typical year, 310,000 acres of California are burned in wildfires. In August-September 2020, over four million acres burned, doubling the previous record two million acres burned in 2018.

The largest 2020 fire was the August complex fire started by some of the 14,000 lightning strikes over three days in August 2020. After burning over a million acres in the Mendocino National Forest, the August complex fire became the state's first gigafire. Previously, the largest California wildfire burned less than 500,000 acres.

The fires led to 30 consecutive spare-the-air days in Northern California, the longest stretch of poor air quality on record. California emitted about 60 million tons of carbon dioxide in 2017; the 2020 fires released over 90 million tons of carbon dioxide.

The 10 largest fires since California began keeping records in 1932 have all occurred since 2000. The fuel for fires in 2020 was created by droughts between 2012 and 2017 that led to over 150 million dead trees in the Sierra mountains.

In a bid to reduce the wildfires sparked by its equipment in 2018, PG&E shut off electricity to 172,000 homes in September 2020, far fewer than in October 2019 due to the installation of more micro grids that allow more exact targeting of wildfire dangers.

A heat wave August 14-15, 2020 forced the California Independent System Operator to order the first rotating blackouts since 2001. California enacted laws that require a rising share of its electricity to come from solar and wind. When these sources produce too little power, the state must import electricity from neighboring states. The ISO underestimated the amount of electricity available, leading to the blackouts.

Housing

Housing prices reached record levels in August 2020, when the median price of a California house was $707,000, and $1.8 million in San Mateo county. Almost 30 percent of California households spend more than 50 percent of their income on rent.

The benefits of agglomeration, the gravitational pull of densely populated places, intensified as tech firms with educated workers expanded, helping home prices to double in many cities in less than a decade. Tech cities such as San Francisco drew more inventors and generated more patents, fueling a virtuous circle. Ten US cities, including San Francisco and Los Angles, have a quarter of the US population and account for a third of US economic output.

Venice, a coastal part of Los Angeles, illustrates what happens after Snap and other tech firms expanded. Median home prices were $372,000 in 2000, and $1.5 million in 2018, when almost a quarter of Venice households earned more than $200,000 a year. Homelessness rose, and many government and private sector workers moved away from Venice.

A combination of lockdowns due to Covid-19, protests over policing, and strained city budgets could slow gentrification and urbanization. Vaccines may restore confidence in densely populated areas, but cities with budget deficits may have to reduce spending on parks and other amenities. Allowing workers to work remotely could expand the pool of workers willing to be employed by firms located in major cities, perhaps at lower wages. Some of the firms that announced they would not expect employees to return to their offices until 2022 are seeing employees move out of state.

California depends on personal income taxes for two-thirds of its tax revenues, and one percent of state taxpayers pay 50 percent of the state's income taxes. The top personal tax rate is 13.3 percent, although some legislators wait to raise the top rate to 16.3 percent to cover the drop in tax revenue associated with the Covid recession.

Governor Gavin Newsom in September 2020 announced that that new gas-powered cars could not be sold in California after 2035. The federal government must approve such a gas-powered sales ban, which would not apply to the sale of used cars. About 40 percent of California's carbon emissions are from transportation. California has already enacted laws that require 60 percent of the state's electricity to come from renewables by 2030, and 100 percent by 2045.

Economy

Warehouse employment is rising in the San Joaquin Valley. The Inland Empire of Southern California became a distribution hub for the 20 million residents of southern California, and Fresno could become a distribution hub for the eight million residents of the Bay Area. Some activists complain that warehouses increase truck traffic and pollution while creating minimum wage jobs that could be eliminated with automation.

The Riverside-San Bernardino metro area added 400,000 residents over the past decade, bringing the two counties' population to 4.7 million. The expansion of the logistics industry to over 560 million square feet added jobs and residents. The world's largest warehouse, with 40 million square feet, is under construction in the Moreno Valley.

The Imperial Irrigation District receives several million acre feet of Colorado River water annually for 500,000 acres of farm land. Drought led to a 2019 agreement to store more water at Lake Mead behind Hoover Dam. The IID sued the Metropolitan Water District of Southern California in summer 2020, arguing that reducing water flows to the IID could accelerate the drying out of the Salton Sea, which receives run off from IID-watered farms.

California's Sustainable Groundwater Management Act requires local water districts to halt the overdrafting of groundwater by 2040, which occurs when farmers pump more water from underground aquifers in summer than is recharged with winter rains. Land may have to be fallowed in the San Joaquin Valley to bring pumping and recharging into balance.

Child Care Providers United in July 2020 announced plans to organize 45,000 child care workers who receive subsidies to care for the children of low-income parents; defined as having an income of up to $42,216 in 2016 for a family of three. Many of the subsidized child care workers operate out of their own homes. The union is a collaboration of AFSCME and SEIU, which persuaded Governor Newsom to sign AB 378 in 2019 after similar bills were vetoed by earlier governors.

California reformers a century ago allowed voters to recall elected officials, to challenge laws passed by the Legislature in referendums, and to create new laws via initiatives. The November 2020 ballot included a dozen propositions. Prop 15 would create a split tax roll so that businesses but not private homes would be assessed property taxes at their current value rather than the purchase price and Prop 16 to reverse Prop 209, which in 1998 banned affirmative action.

Meat and Migrants

Over 10 percent of the 3,200 employees at the JBS Greeley, Colorado plant tested positive for Covid-19 in spring 2020. The United Food and Commercial Workers International Union Local 7, which represents JBS Greeley employees, said that 70 percent of Greeley employees were minorities. Thirty different languages are spoken by the refugees. JBS closed the Greeley plant for two weeks in April 2020 at the urging of local health officials, but reopened it soon afterward with new safety protocols.

Worker advocates filed civil rights complaints against JBS and Tyson Foods with USDA, alleging that the failure of these meatpackers to prevent coronavirus outbreaks among Black and Latino workers was racial discrimination. At least six JBS Greeley workers died, and some of their families sued JBS after it opposed requests for death benefits from workers compensation insurance. JBS argued that it was not clear where the dead workers contracted Covid.

The Occupational Safety and Health Agency fined JBS's Greeley, Colorado beef plant $15,615 in September 2020 for failing to keep its plant "free from recognized hazards that were causing or likely to cause death or serious physical harm to employees in that employees were working in close proximity to each other and were exposed to" Covid. JBS contested the fine.

Tyson Foods, which processes 20 percent of US beef, pork, and chicken, announced plans in September 2020 to open medical clinics operated by Marathon Health for employees and their families at seven of its US plants. The United Food and Commercial Workers Union, which represents 24,000 of Tyson's 120,000 US workers, welcomed Tyson's decision to open plant clinics, noting that 18,000 of the 500,000 US meatpacking workers contracted Covid between March and August 2020, and over 100 died.

OSHA fined Smithfield Foods $13,500 for not maintaining a safe workplace in its Sioux Falls, South Dakota plant, where 1,300 of the 3,700 workers who process 20,000 hogs a day tested positive for Covid. The UFCW, which represents the workers in the Sioux Falls plant, called the fine inadequate. Smithfield appealed the fines, saying they were for violations in March 2020 even though OSHA did not issue safety guidelines until April 2020.

OSHA was criticized for small fines and dismissing over half of the 1,750 complaints from workers filed between April and July 2020 alleging that employers retaliated against the workers during the pandemic. OSHA countered that it regularly dismisses two-thirds of worker complaints.

Cal/OSHA fined Vernon-based frozen food manufacturer Overhill Farms $222,075 in September 2020, and fined Jobsource North America an additional $214,080 for failing to install barriers, ensure that workers practiced physical distancing, and train employees on the dangers of Covid. Both firms said they would appeal the fines. Cal/OSHA also fined Overhill Farms $103,780 and Jobsource $29,700 for an incident in February 2020 that resulted in two workers having their hands caught in machinery. The UFCW represents many of Overhill's workers.

Cal/OSHA was praised for levying higher fines than federal OSHA, but criticized for not investigating more worker complaints. Instead of inspections, Cal/OSHA sent letters to employers in response to 95 percent of complaints received asking them to explain how the hazards cited by worker complaints had been remedied. Cal/OSHA said that "letter inspections" were the best use of limited resources.

Between February and May 2020, the spread between the farm and retail prices of fresh meat increased because consumers stocked up on meat while farmers could not sell their animals due to closed meat packing plants. Between 2017 and 2019, beef farmers received an average 42 percent of the retail price of beef, and pork farmers 21 percent. Between February and May 2020, the farm share of beef retail prices fell to 31 percent, and the pork share to 14 percent.

By September 2020, supermarkets that limited fresh meat purchases in April 2020 were putting meat on sale as processors worked off the inventory of animals that accumulated and exports of meat were slowed by Covid.

Supermarkets employ 2.7 million workers for an average hourly wage of $13.20. Some supermarket employees complained in summer 2020 that they were expected to do more work such as cleaning but were no longer receiving the extra $1 to $2 an hour that some stores paid to front-line workers early in the pandemic. Some employees complained that enforcing orders to wear masks inside stores put them in danger from angry customers.

Labor, Covid, AB 5, H-1B

RUS employment fell by 22 million in March-April 2020, but increased by 11.4 million between May and September 2020; the unemployment rate fell from a peak of almost 15 percent in April to 7.9 percent in September. In February 2020, the unemployment rate was 3.5 percent, meaning 6.5 million were unemployed; by April, there were 23 million unemployed.

Payroll protection loans kept many workers on employer payrolls even while they were not working, as with airline and theme park staff. Payroll protection benefits ended September 30, 2020, prompting widespread layoffs.

Qualifying laid-off workers received state unemployment insurance benefits and, between March and July 2020, an additional $600 a week in federal benefits. State UI benefits vary between $200 to $400 a week, making combined federal and state UI benefits for many low-wage workers more than their earnings while employed. The federal UI benefit dropped to $300 a week in August 2020.

Some employers complain that, with workers receiving more from UI benefits than earnings from work, they cannot fill low-wage positions. However, workers who were laid off often return to their old jobs even if their take-home pay drops because they fear permanent loss of their jobs.

Covid-19 is speeding changes already underway, increasing the demand for skilled workers who can work remotely and eliminating jobs for low-skilled workers who can be replaced by machines or self-service. To help low-skilled workers cope with the changing labor market, the Skills Renewal Act (S 3779) would create a $4,000 refundable tax credit to allow workers who lost jobs due to Covid-19 to train for new jobs.

A K-recovery is appearing in the US labor market. Professionals who can work remotely have adapted to working from home and benefited from rising stock markets. Meanwhile, some essential workers were displaced by machines or lost their jobs because wealthier Americans traveled less and stopped eating in restaurants.

Covid speeded a transition to remote work and more automation, benefitting professionals with less commuting and travel and leaving fewer jobs for less-educated and skilled workers. Worker advocates believe that more unionization, fewer leveraged buyouts, and treating employees as stakeholders in firms could slow automation.

Nursing and care homes for the elderly were hotspots for Covid cases and deaths. One reason is the tension between mandatory staffing ratios and low wages, which encourages some staff to work at several nursing homes. Nursing homes have directly hired workers and employees of staffing agencies, some of whom work part-time and move between care homes. Care home operators say they cannot raise wages due to low reimbursement rates from the government agencies that pay for elderly care.

Median US household income was a record $68,700 in 2019, and the share of US residents with below-poverty level incomes was 10.5 percent, the lowest rate since 1959. Some 9.2 percent of US residents lacked health insurance for some or all of 2019.

The richest 20 percent of US households, those with incomes of at least $142,500, collectively received 52 percent of US income, and the top five percent with incomes above $270,000 received 23 percent. The poorest 20 percent of households had incomes below $28,100, and they collectively received three percent of US income.

The Census Bureau publishes a supplemental poverty rate that includes factors such as the cost of living, and found that over 17 percent of California's residents had below-poverty level incomes in 2019, primarily due to the high cost of housing. The cost of creating housing for the homeless can be very high. Creating 250 square foot rooms in Sacramento's Capitol Park Hotel cost $445,000 per room, more per square foot than the cost of building a detached single family home.

The US budget deficit was $3.1 trillion in FY20, which was 15 percent of the $20 trillion GDP and the largest government deficit as a share of GDP since 1945 the federal government increased spending by about $4 trillion between March and September 2020 in response to Covid. Accumulated government debt topped 100 percent of GDP.

AB 5

California's AB 5 requires app-based firms such as Uber and Lyft to treat their drivers as employees rather than independent contractors. The state sued Uber and Lyft in May 2020 to enforce AB 5, but the two ride-hailing firms blocked AB 5 temporarily and funded Proposition 22, an initiative on the November 2020 ballot to overturn AB 5. Prop 22 has become the most expensive in the state's history, with over $185 million spent for and against efforts to endorse or overturn AB5.

Uber and Lyft argue that treating drivers as employees would increase costs by 20 to 30 percent. Uber made changes to its app to reinforce the independent contractor status of drivers, such as showing fares to drivers upfront and allowing them to decline rides without penalty. Uber and Lyft announced that if Prop 22 fails, they may franchise their apps so that franchisees would become the employers of drivers, which is the way Uber operates in Germany and Spain.

DOL in September 2020 unveiled draft regulations that would allow more workers to be considered independent contractors if they controlled how they performed their work and had the opportunity to make a profit based on their own initiative. DOL would consider the nature and degree of the worker's control over the work, and the worker's opportunity for profit or loss based on initiative and/or investment, to determine whether the worker is an employee or independent contractor. Under the proposed regulation, gig workers could be treated as independent contractors.

SB 1399 would have banned piece-rate pay for workers in California's garment industry, which employs 45,000 workers, and make "brand guarantors jointly and severally" liable for any wage theft that occurs in the production of their clothing. After 72 Thais were found sewing garments in 1999 in El Monte, garment manufacturers were made jointly liable for labor law violations committed by their contractors.

Worker advocates say that the piece-rate wages paid by the contractors who sew garments for Fashion Nova and Forever 21, many owned by Korean immigrants, leave Mexican immigrant workers with below minimum wage earnings, even though contractors are supposed to "make up" worker wages to at least the state's $13 an hour minimum wage. DOL's analysis of contracts between garment brands, manufacturers, and contractors found that manufacturers often received too little to ensure that they and their contractors could pay minimum wages. SB 1399 failed in 2020, but Senator Maria Elena Durazo (D-LA) promised to re-introduce it in 2021.

US government debt of almost $21 trillion surpassed US GDP in June 2020. The debt rose from $17 trillion at the end of 2019, adding the US to the list of countries including Japan and Italy where debt exceeds GDP. Low interest rates, 0.7 percent on 10-year Treasury bonds, have reduced the cost of servicing large government debts.

H-1B

DOL and DHS proposed new regulations in October 2020 that will require employers of H-1B foreign workers to pay higher salaries, at least the 45th percentile of wages in the occupation rather than the 17th percentile. Foreigners (except fashion models) must have a college degree in the occupation in which they are working rather than simply a college degree. The administration predicted a third fewer H-1B petitions would be filed.

Most H-1B visa petitions offer workers Level 1 or 2 prevailing wages, which are the 17th and 34th percentile of wages in the occupation as show in Occupational Employment Statistics. The new regulations raise Level 1 and 2 prevailing wages to the 45th and 62nd percentile of OES wages.

A federal judge in October 2020 blocked implementation of a June 2020 executive order barring the issuance of some H-1B, H-2B, J-1, and L-1 visas through the end of 2020. The judge said that the order barring entries violates immigration laws and that DHS provided no analysis to explain how the bar would protect US workers.

Indians receive two-thirds of H-1B visas, and uncertainty over the future of the H-1B program could lead to more US jobs being out-sourced to India as working remotely becomes the norm. Tata Consultancy Services, the largest IT outsourcer with more than 400,000 worldwide employees, wants to improve India's IT infrastructure so that more Tata employees in India can work remotely.

Education

Covid-19 made back-to-school planning difficult for the 56 million US K-12 students and the 20 million US college students. President Trump and many doctors urged K-12 schools to open for in-person teaching, arguing that children are less likely to get the virus, and that children need in-person instruction to learn and so their parents can work. Teachers unions, who represent about 70 percent of US teachers, countered that in-person instruction endangers their members.

Western Governors University, an online nonprofit university for working adults who want to learn new skills, granted a sixth of the US bachelor's degrees in nursing in 2019. The Trump administration wants to expand apprenticeship programs and ensure that federally funded training programs are attuned to the needs of private business. Because US workers often change jobs, employers have been reluctant to invest in training for their employees.

Farm Workers

California: Covid, Laws

Farm employers and workers struggled to minimize Covid-19 in summer 2020. Many employers tried to keep crews isolated from one another to limit the spread of Covid. However, there were reports of workers who tested positive at one farm changing employers rather than going into quarantine, potentially spreading the virus. More common appeared to be instances of farm workers contracting Covid at away-from-work events such as family gatherings and discovering they had Covid when tested at work.

Smoke from wildfires made field work uncomfortable and dangerous in August-September 2020. Under a 2019 regulation, farm employers must provide workers with N-95 masks when the air quality index exceeds 150.

There was a Covid outbreak among H-2A workers in summer 2020 at Alco Harvesting, which provides workers for Bonipak in Santa Maria. Alco housed H-2A workers in motels with four workers per room in bunk beds. By one estimate, some 350 H-2A workers contracted Covid by August 2020, prompting Santa Barbara and Ventura counties to require farm employers to screen H-2A workers daily for Covid-19 symptoms.

Health officials recommended that H-2A workers be segregated into groups of no more than 14 workers for housing, work and transportation in order to limit the spread of Covid.

The California Farm Bureau Federation received 500 responses to a survey that was online between April and August 2020 that ask how Covid affected farmers and their farming operations. A quarter of respondents laid off some employees due a Covid-related loss of business. Of the 100 respondents who explained what their laid off employees did, 45 percent reported that some laid-off workers applied for UI benefits and a third reported some of their employees applied for California's mandated sick leave.

A fifth of respondents had some employees who were unable to work due to a Covid restriction, most often because the employee was in a high-risk group. A sixth of respondents said that they were unable to undertake a normal seasonal activity due to employee absences.

A quarter of respondents reported that some work days were lost due to Covid-related employee absences, but 85 percent of these respondents lost fewer than 60 workdays, equivalent to 10-six day weeks. Over 80 percent of respondents who lost employees due to Covid were able to hire replacements, usually via word of mouth.

Respondents did not report the total days worked on their farms, but the Census of Agriculture suggested 856 million hours worked in California crops and livestock in 2017, equivalent to 107 million eight-hour days. The COA reported 30,000 farms with labor expenses in 2017, including 12,000 with $50,000 or more in farm labor expenses or 500 work days at $100 a day. These 12,000 farms accounted for 96 percent of the state's direct-hire labor expenses. If a quarter of these 12,000 farms lost an average five work days due to Covid, 3,000 farms would have lost a total of 15,000 work days, a tiny fraction of total workdays.

The CFBF survey suggests disruptions due to Covid, including lost sales and reduced off farm income, but little reduction in the farm labor supply due to the virus. Most employers were able to hire workers to replace those unable to work due to Covid.

Some media reported that Covid was rampant among farm workers and was spread by workers who migrate from area to area. A Purdue University dashboard that estimates Covid cases by state relies on Census of Agriculture data for 2017, which reports in Table 7 the number of workers hired directly by farmers (in California, over half of workers on crop farms are brought there by crop support service employers). (https://bit.ly/33T8gdn)

Purdue sums the number of farm producers and hired workers by state and county, and assumes that agricultural workers contract Covid at the same rate as other residents of the county.

Purdue estimated 128,000 cases of Covid among US farmers and farm workers at the end of September 2020, about 1.7 percent of the almost seven million US cases. The purpose of the Purdue model is to estimate how supplies of farm commodities might be reduced by Covid, but the model does not permit increases in production, which occurred for some commodities in 2020.

Laws

Governor Newsom signed several bills into law. AB 2043 requires the Department of Industrial Relations to develop an outreach campaign to inform farm workers of best practices to avoid Covid-19 and to educate them about paid sick leave, workers' compensation and other coronavirus-related services. DIR estimates the cost at $1.8 million over two years.

SB 1159 presumes that front-line employees including farm workers who contract Covid-19 did so at work and are entitled to workers' compensation benefits.

AB 685 requires California employers to report to their employees, as well as to Cal/OSHA and the state Department of Public Health, any COVID-19 infections they "knew or should have reasonably known of." Employers may not retaliate against employees who request Covid tests, and Cal/OSHA may close workplaces due to Covid hazards. Most county health departments do not publish the names of employers or the occupation of people who test positive for Covid.

AB 1867 requires employers with over 500 employers to provide paid sick leave to their employees, closing a gap in federal law that exempted large employers, SB 1383 expands the California Family Rights Act to require all employers with five or more employees to provide paid sick leave for employees who care for family members with serious health conditions.

SB 1102, which was vetoed, would have required employers to provide written notice to H-2A guest workers of their rights, and made H-2A workers in employer-provided housing tenants under California housing laws.

Housing for the Harvest, a state program that uses FEMA money to provide hotel rooms for agricultural workers who test positive or were exposed to the virus so they can isolate safely, was launched in several counties in September 2020. County governments are expected to provide isolating farm workers with food, and NGOs are expected to provide other services.

There were Covid-19 outbreaks in summer 2020 at several packing houses including Primex Farms, a pistachio processing plant in Wasco with 400 year-round employees where a third tested positive for the virus. After some Primex workers protested unsafe working conditions and demanded paid sick leave for workers who were afraid to work, the UFW asked the state to investigate Primex and filed charges with the NLRB alleging that Primex unlawfully fired some of the protesting workers.

Primex processed six percent of the state's one billion pounds of pistachios in 2018. Yields vary from year to year, and were 2,400 pounds an acre in 2017 and 3,700 pounds an acre in 2018. Projections assume that growers will continue to add 15,000 acres a year and produce 1.5 billion pounds of pistachios from 400,000 acres in 2026.

The UFW represents 2,000 of the 3,700 workers at several Foster Farms plants in Livingston, where 400 workers tested positive for Covid by September 2020 and eight died. The Merced County Health Department ordered one of the Foster Livingston plants to close for a week in September 2020; Foster sent 1,400 workers home with pay before reopening under monitoring from the Health Department. Foster Farms employs a total of 12,000 people in Turlock, Livingston, Fresno, Porterville, Oregon, Washington, Louisiana and Alabama.

The UFW displaced the International Association of Machinists and Aerospace Workers as the representative of Foster's Livingston workers in 2017, and is re-negotiating its first contract with Foster in fall 2020. The UFW wants Foster to do more testing and to establish a health and safety committee.

Impacts

There were three major impacts of Covid on California farm labor in 2020. First, there are some suggestions that farm workers were more likely to contract Covid away from work rather than at work, while nonfarm food-processing workers were more likely to contract Covid at work.

Second, despite record unemployment rates, the number of H-2A workers rose, suggesting that it will be hard to fill seasonal farm jobs with unemployed US workers.

Third, Covid is likely to speed changes already underway, including more labor-saving mechanization, more H-2A workers, and more imports of fresh fruits and vegetables.

Fuller

Agriculture evolved to expect a just-in-time workforce that is paid when it works. A 1930 spokesperson for vegetable growers argued that farmers need an "ample, fluid, and unfailing supply of labor ... to harvest the crops on the hour, not the day, not the week, or the month." (Fuller, 1955, p18).

By paying workers only when they work, hourly farm wages are high but labor costs are low. The value of land used to produce labor-intensive commodities increases, giving land owners an incentive to maintain a just-in-time workforce.

Fuller, Varden. 1955. Labor Relations in Agriculture. UCB. https://oac.cdlib.org/ark:/28722/bk0003t0b6j/?brand=oac4

Florida, Southeast

Florida produced 68 million boxes of oranges in 2019-20, including 38 million boxes of Valencia oranges, down slightly from 2018-19. Another 4.8 million boxes of grapefruit were harvested.

Florida had $7.6 billion in farm sales in 2017, including 77 percent from crops. The leading crops by sales were oranges, $1 billion; strawberries, $337 million; tomatoes, $262 million; and bell peppers, $206 million.

At the behest of Florida and Georgia fruit and vegetable growers, the US is considering tariffs on blueberries, strawberries, and peppers imported from Mexico. The USTR in September 2020 announced so-called 201 investigations into Mexican production of these commodities to determine whether imports of berries and vegetables from Mexico hurt US producers.

In the first half of 2020, the US imported $500 million worth of blueberries, including half from Mexico, $610 million worth of strawberries, almost all from Mexico, and $800 million worth of peppers, 80 percent from Mexico. Florida blueberry growers say that the Mexican government subsidizes berry production in Mexico, where labor costs are a tenth those of Florida growers.

Midwest, Northeast, Northwest

Michigan

The state Department of Health and Human Services in August 2020 ordered newly arrived migrant and seasonal workers to have a negative Covid-19 test before beginning to work on Michigan farms with 20 or more employees; greenhouses and food processing firms are also required to test newly arrived migrants.

True Blue Berry Management and Smeltzer Orchards, as well as six farm workers, sued to block implementation of the Covid-testing requirement, alleging that requiring Covid-19 testing unlawfully targeted Hispanics and encouraged some to leave or not enter Michigan. However, at the urging of worker advocates, a federal judge refused to block the testing requirement, and the Sixth Circuit Court of Appeals refused to overturn the judge, noting that there was a "legitimate government purpose of protecting migrant workers, their families, their communities, and the food supply chain, enforcing it [testing requirements] serves the public interest."

New York

A federal judge in July 2020 ruled that the state's farmers cannot block the implementation of provisions of the Farm Laborers Fair Labor Practices Act enacted in 2019 that grants collective bargaining rights and overtime pay to farm workers, including H-2A workers. A state Farm Laborers Wage Board held hearings in August 2020 on whether to lower the current 60-hour-a-week threshold before overtime pay is due to an estimated 24,000 farm workers.

Pennsylvania

Southeastern Pennsylvania is a major producer of fresh mushrooms. Kennett Square-based South Mill Champs, which has 1,800 employees, announced plans in July 2020 to buy the 200-employee Loveday Mushroom Farms in Manitoba, bringing South Mill's total production to 100 million pounds a year. The US produced about 850 million pounds of fresh mushrooms, and Canada 300 million pounds, in 2019. South Mill is owned by private equity firm Eos.

Colorado

Sweet corn farmer John Harold's Tuxedo Corn company employs 180 H-2A workers to harvest 34 million ears of sweet corn, which is shipped to supermarkets in containers with 50 ears each. Field conveyor belts called mule trains have 20 foot wings on both sides of a packing platform for a crew of 50 workers, half pickers and half packers. A crew can pick and pack 420 containers with 50 ears each in 30 minutes.

New Mexico

Chile pepper farmers complained of labor shortages in August 2020, especially those trying to pick the peppers while they were green; peppers turn red with more time to grow. Growers complained that local workers, many based in El Paso, received more from unemployment insurance benefits than from working, forcing them to hire H-2A workers. Piece rates were reportedly $1.20 a bucket for picking chile, the same as previous years.

Texas

Supervisor Jose Ramon Huaracha of Larsen Farms, a potato farmer and packer with operations in Idaho, Colorado, and Texas, was accused in July 2020 of charging H-2A workers for jobs. Huaracha, the brother of the farm's general manager, allegedly charged H-2A workers $1,500 each for their jobs. About 100 of the 400 workers on the 45,000-acre Larsen Farm near Dalhart, Texas are H-2A workers housed in mobile homes near the packing plant and in nearby motels. One of the H-2A workers died of a heart attack perhaps aggravated by Covid in July 2020.

Blaine Larsen Farms is based in Hamer, Idaho. Larsen was found to have violated H-2A regulations in 2009 and 2015.

Five percent of the 65,000 residents of Starr county tested positive for Covid by September 2020, one of the highest positive rates in the US. Starr county's residents are 99 percent Hispanic, and 35 percent have below-poverty incomes. Many of the mobile homes of poor residents were flooded by Hurricane Hanna in July 2020.

Idaho

The Snake River Farmers Association, which assists 500 farmers to obtain H-2A workers, reported that it filled only one of the jobs advertised as required by H-2A regulations with US workers in 2020. There were 4,468 jobs certified to be filled with H-2A workers in Idaho in FY19, including 1,249 in the Magic Valley, where H-2A workers arrive in March and April and depart in October.

Many sheep farmers in the western states rely on H-2A sheepherders from Peru, each of whom tends a flock of 1,000 sheep. Farmers pay the US Forest Service $0.27 per sheep per month to graze their flocks on public lands, and normally sell lambs born in spring to meat-processing plants in August.

The closure of several lamb processors lowered prices to less than $1 a pound for lamb, forcing some farmers to keep lambs longer. Rams that cost $650 each in 2019 could be bought for less than $400 each in 2020.

Washington

Yakima county emerged as a Covid-19 hotspot in summer 2020. Apple packing workers began to contract Covid in March-April 2020, prompting some to strike to demand more protections. By summer 2020, a combination of cherry harvesting, large family gatherings, and few masks allowed the virus to spread.

One Covid outbreak was at a Gebbers Farm labor camp in Okanogan county. Gebbers employs a peak 4,500 workers to harvest apples and cherries, including half who are H-2A workers. As of July 2020, some 120 Gebbers workers tested positive for Covid, prompting the state to order Gebbers to test all of its workers for the virus. Gebbers uses WAFLA to obtain H-2A workers, and two Mexican H-2A workers died of Covid complications in summer 2020.

Washington is expecting 134 million 40-pound boxes of apples in 2020, the same as in 2019. Gala is 23 percent of the crop, followed by Red Delicious, 17 percent; Fuji, 14 percent; and Granny Smith and Honeycrisp, 13 percent each.

Zirkle Fruit, one of the state's largest blueberry producers, picks blueberries by hand. In 2019, Zirkle was paying H-2A workers $0.50 a pound when a state survey found that the prevailing wage was $0.75 a pound. Zirkle sued, and an analysis of the survey found that 54 growers responded, including 17 who reported only a piece-rate wage. Growers want to be required to pay H-2A workers only the AEWR of $15.83 in 2020, not a per-pound prevailing wage.

H-2A workers employed by Stemilt Ag Services sued in July 2020 under the Trafficking Victims Protection Act (TVPA), alleging that Stemilt H-2A job orders did not include a production standard in 2017. However, when they arrived in Washington, the H-2A workers were told they had to pick a minimum number of bins of apples a day to keep their jobs. The workers want the judge to certify a class action covering all Stemilt H-2A workers in 2017.

Green Acre Farms and Valley Fruit Orchards of Wapato in August 2020 agreed to pay $325,000 to 105 Thai H-2A workers, ending a suit that began when Global Horizons brought them H-2A workers a decade ago. A federal judge dismissed the EEOC suit seeking payments for the Thai workers, but the Ninth Circuit Court of Appeals reversed that decision, leading to the settlement.

California and New York extended overtime wages to farm workers via legislation, while in Washington worker advocates are seeking overtime pay for farm workers via the state supreme court. Advocates argue that the state law exempting farm employers from overtime pay requirements was based on racism against Blacks. Farmers counter that most hired farm workers were white when the state exempted farm workers from overtime in the late 1950s.

Asian giant hornets, first found in late 2019 in Washington state, are spreading southward. The two-inch long hornets use their mandibles to attack and destroy honeybee hives in a matter of hours, and kill up to 50 people a year in Japan.

ALRB, DOL

ALRB

The ALRB's report for 2018-19 noted that the Board issued 11 decisions in the fiscal year, including three involving Gerawan, two involving Premiere Raspberries, and two involving the UFW. The General Counsel received 103 ULP charges in 2018-19, and issued 23 complaints based on 32 charges, including some filed earlier. Unions filed 24 notices to take access to farm workers, but they filed no petitions for elections.

The California Court of Appeals, Fifth District, upheld an ALRB decision in July 2020 that required Gerawan Farming to provide make whole payments to its employees for failing to bargain in good faith during five months of 2013. The ALRB ordered mandatory mediation in April 2013, and concluded that Gerawan failed to provide the UFW with information and refused to include workers brought to its farms by farm labor contractors in the bargaining unit. The UFW was decertified at Gerawan in a November 5, 2013 election.

Gerawan classifies its workers as cultural, including those who work year round as equipment operators and irrigators, and crew workers who prune, thin, and harvest. Up to 1,500 of the 5,000 peak employees were brought to Gerawan by FLCs in 2013.

The court's decision reviewed the party's bargaining postures in 2013. The UFW wanted an agency shop, meaning that all Gerawan workers must join the union or pay agency dues to keep their jobs, while Gerawan wanted its employees to decide whether they wanted to join the UFW or pay fees for representation. The ALJ and the Board found that Gerawan's bargaining positions were indicators of bad-faith bargaining because they were unacceptable to the UFW.

DOL

DOL released new projections of the US labor force to 2029 in September 2020, highlighting the slower-growing and aging US labor force. Employment of 163 million in 2019 is projected to increase to 169 million in 2029, with all of the employment growth in services, including over half of the six million employment increase in health care and social assistance services.

Agriculture accounted for 1.4 percent of total employment in 2019, including an average of 740,000 self-employed persons and an average 1.6 million wage and salary workers, making hired workers 68 percent of average agricultural employment.

The average employment of self-employed farmers and family members declined by 12 percent between 2009 and 2019, and is projected to decline another 10 percent by 2029. By contrast, average wage and salary employment in agriculture rose 33 percent between 2009 and 2019, and is projected to rise an additional two percent by 2029, so that hired workers would account for 71 percent of average agricultural employment in 2029. Agricultural employment includes forestry, fishing, and logging, which collectively account for less than five percent of agricultural employment.

DOL narrowed the definition of joint employment under the Fair Labor Standards Act under regulations issued in January 2020, but a federal judge in September 2020 blocked their implementation because DOL violated the Administrative Procedure Act. Worker advocates have been trying to expand the definition of joint employment in order to hold those who benefit from workers supplied by contractors and staffing agencies liable for violations of the FLSA committed by contractors and staffing agencies.

Immigration

Trump, Biden

Candidate Trump pledged to reshape the US immigration system, and President Trump issued executive orders and took administrative actions to make over 400 changes to immigration policies so far in his presidential term. Trump orders aimed to reduce unauthorized migration over the Mexico-US border and limit asylum seeking from Central America and elsewhere.

Since Trump took office, over 340 miles of fencing on the Mexico-US border has been built or upgraded using funds appropriated by Congress and funds taken from other federal agencies. Trump ordered DHS to make all unauthorized foreigners in the US priorities for detection and removal, which increased the share of foreigners detained who were not convicted of a US crime from a sixth in FY16 to a third in FY19.

Candidate Biden promised to end construction of a wall on the Mexico-US border, end the ban on entries from 13 Muslim-majority and African nations, reverse Trump's changes to the public charge rule for applicants for immigrant visas, and increase the refugee quota to 125,000 a year. Biden promised to encourage Congress to create a path to immigrant status for the 11 million unauthorized foreigners in the US.

The US admitted 11,800 refugees in FY20, the smallest number since the Refugee Act of 1980 created the current system, under which the president sets a quota each year, 18,000 for FY20 and 15,000 in FY21. Covid was cited as the reason why so few of the 120,000 refugees abroad who have been vetted for admission to the US actually arrived. DOS estimated that 290,000 foreigners would apply for asylum in the US in FY21.

Census

President Trump in July 2020 signed an order directing the Census Bureau to report two counts of residents by state, including one that excludes unauthorized foreigners. The constitution requires an enumeration of the US population every decade, and the 14th amendment requires House seats to be apportioned by counting the "whole number of persons in each state." Trump abandoned an effort to add a citizenship question to the 2020 census after legal challenges.

The effort to exclude unauthorized foreigners from state population totals was challenged in court. A federal judge in September 2020 ruled that Trump may not exclude unauthorized foreigners from state census counts, citing the "whole number of persons" requirement. Another federal judge refused to allow the Census Bureau to stop counting US residents a month early, requiring enumeration to continue until October 31, 2020 and delaying the delivery of final census counts from December 31, 2020 to April 2021. The Trump administration got this judge's order overturned.

The US has 330 million residents and 435 House seats, so the population in each House district is 760,000. California, with an estimated two million unauthorized foreigners, could lose two House seats if unauthorized foreigners are excluded from the count used for redistricting. Census data are used to distribute $700 billion in federal funds to states and cities.

DHS: Border, Visas

CBP

The Customs and Border Protection agency detained 40,786 foreigners just inside the Mexico-US border in July 2020, more than double the 17,086 apprehensions in April 2020. Almost 80 percent of the July 2020 detentions were Mexicans, including some who reported paying $5,000 to $10,000 to smugglers. Financing was provided by US-based relatives.

One reason Mexicans are trying to enter the US illegally is because they are usually returned to Mexico within hours in order to prevent covid in US detention facilities. Quick returns mean that those who are apprehended can try again right away.

The recidivism rate, the share of foreigners caught by CBP agents who were apprehended before, was over 30 percent in summer 2020, up from less than 10 percent in 2019. Recidivism is expected to increase as Mexico undergoes a recession and those caught repeatedly are not prosecuted.

The US Supreme Court in July 2020 overturned lower courts and allowed DHS to use money transferred from the Pentagon to continue building a wall on the Mexico-US border. The Trump administration spent $15 billion on the wall since taking office in 2017, including $5 billion appropriated by Congress and $10 billion from the Pentagon. In fall 2020, contractors were building two miles of border wall a day in order to complete 450 miles of new and rebuilt wall by the end of 2020.

The Trump administration in spring 2020 made changes to asylum procedures that make it more difficult for foreigners to enter the US and apply for asylum. In August 2020, Trump proposed to bar the entry of US citizens and legal immigrants from Mexico if CBP officers believe they are infected with Covid; this plan was not implemented.

ICE

The Immigration and Customs Enforcement agency announced that it apprehended over 2,000 unauthorized foreigners inside the US in July-August 2020, including 85 percent charged with or convicted of US crimes. ICE normally detains up to 50,000 unauthorized foreigners as they contest deportation, but had only 20,000 in detention in September 2020 due to Covid dangers.

Interior apprehensions in FY20 are likely be lower than in FY19, when there were 143,000. Of foreigners charged with or convicted of US crimes, 74,000 had DUI-related and 67,000 had drug offenses. A record 409,849 foreigners were deported in FY12, and 267,258 in FY19.

ICE in October 2020 announced more raids in sanctuary cities, where local law enforcement does not cooperate with ICE by holding foreigners who have served their sentences and for whom ICE has issued requests that prisons and jails hold foreigners who have completed their sentences.

ICE in July 2020 proposed to bar foreign students from the US if they take only on-line classes. Since many colleges plan to offer only on-line classes in Fall 2020, foreign students could not stay at or enter the US to enroll in such colleges.

Colleges sued, noting that ICE did not require foreign students to leave the US in March 2020 when they switched to on-line instruction, and the ICE policy was quickly reversed. There were 1.1 million international foreign students in the US in 2018-19, including those working after graduation on student visas. A third are from China.

ICE and migrant advocates reached agreement in July 2020 on a plan for parents with children whose applications for asylum have been rejected. Parents will choose between releasing their children to relatives in the US or into long-term foster care while they remain in detention, or keeping their children with them in detention, thus waiving any rights granted to children under the 1997 Flores court settlement that requires children to be released after a maximum 20 days in detention while awaiting the outcome of asylum proceedings.

The Trump administration began to prosecute criminally all unauthorized entrants in April-May 2018, which led to the separation of parents from their children. Family separation ended in June 2018, but the Covid-19 pandemic resulted in regulations aimed at making it harder to enter the US and apply for asylum.

USCIS

The US Supreme Court in June 2020 ruled 5-4 that DHS did not provide proper justification for ending the Deferred Action for Childhood Arrivals program created by President Obama in June 2012. Some 640,000 unauthorized foreigners had DACA-issued work and residence permits in summer 2020.

USCIS accepted renewal applications while the DACA case was pending. A federal judge in July 2020 ordered USCIS to accept new applications from so-called Dreamers until DACA's fate is determined. However, the Trump administration announced in July 2020 that it would not accept new DACA applications and would reduce renewal permits to one year while deciding the fate of DACA.

USCIS raised the fee to apply for naturalization to $1,160 in July 2020 and announced that asylum applicants would have to pay a $50 application fee. USCIS says that 97 percent of its budget comes from applicant fees, and that even a $50 asylum fee would not cover the average $366 cost of adjudicating each asylum application. Australia, Fiji, and Iran also charge foreigners to apply for asylum.

A federal judge in September 2020 blocked the higher fees from going into effect because the regulations were signed by acting secretary Chad Wolf. The judge agreed with migrant advocates that the USCIS fee increases would discourage low-income applicants from applying for immigration benefits.

Migrant advocates fear that some of the most far-reaching impacts of Trump policy changes involve changes to "public charge" regulations. US immigration policy has long barred the entry of persons who could become dependent on government support. DHS and other federal agencies issued regulations that lengthen the list of federal benefits that could make foreigners ineligible for immigrant visas.

The US Supreme Court in January 2020 allowed the public charge regulations to go into effect. A New York federal judge in July 2020 blocked USCIS from enforcing the public charge rule during the Covid-19 pandemic, but the US Court of Appeals for the 4th Circuit in August 2020 reversed another federal judge's nationwide injunction blocking the implementation of the public charge rule.

The Court of Appeals for the Ninth Circuit overturned a 2018 federal district court and ruled 2-1 in September 2020 that DHS may end Temporary Protected Status for 400,000 foreigners from El Salvador, Haiti, Nicaragua and Sudan. TPS was granted to citizens of these countries who were in the US when natural disasters or war occurred in their countries of citizenship. Their TPS was renewed for decades.

President Trump said there was no reason to continue TPS for citizens of these countries, and the Ninth Circuit agreed. The case is likely to be appealed to the full Ninth Circuit and perhaps to the US Supreme Court, meaning that the foreigners with TPS will be able to remain legally and work in the US for up to another year. TPS was created in 1990, and citizens of 10 countries had TPS in 2020.

There are over a million cases pending in the immigration courts; some 276,500 were adjudicated in FY19, resulting in 215,400 deportation orders.

H-2A; H-2B

DOL certified 12,750 farm employers to fill 252,700 farm jobs with H-2A workers during the first 10.5 months of FY20, pointing to more H-2A employers and certified jobs than in 2019, when 258,000 jobs were certified. The top five states accounted for 45 percent of the FY20 jobs certified: Washington, 26,700; Georgia, 24,200; Florida, 21,400; North Carolina 20,700; and California, 20,600. Almost 40 percent of H-2A jobs were certified to farm labor contractors.

DOL began to report jobs by occupation rather than commodity in FY20, and 88 percent of the occupation titles were crop farm worker and laborer.

USDA in September 2020 announced that it would not collect the employment and earnings data from farm employers that is used to set Adverse Effect Wage Rates. The October 2020 survey was scheduled to collect data for the week that includes the 12th of the month of July and October.

The owners of H-2A Placement Services of Rancho Cucamonga and J&D Harvesting in Santa Paula, California were fined for charging workers in Mexico and unauthorized Mexicans in the US up to $3,000 for H-2A visas. J&D requested the visas to harvest avocados and lemons in Ventura county, while H-2A Placement recruited the workers. Workers employed by J&D cashed their pay checks at a Santa Paula store that deducted charges levied by H-2A Placement.

H-2B

DHS in June 2020 banned further issuance of H-2B and J-1 visas for foreigners who often fill seasonal US jobs through the end of 2020. Businesses that have depended on these foreign workers complained about the sudden cut off of foreign workers, which DHS justified by high US unemployment rates.

Some employers sued, arguing that DHS should have first proven that H-2B and J-1 workers displace US workers before banning them. Critics counter that US firms should redouble their efforts to hire US workers.

Canada, Mexico

The US government, citing national security, imposed a 10 percent tariff on Canadian aluminum imports in August 2020 despite the new USMCA that went into effect July 1, 2020. Canada retaliated with tariffs on goods imported from the US. Most economists decried the tariffs on Canadian aluminum, which costs less because of Canada's low electricity costs due to its hydro power. The US imports primary aluminum from Canada and turns it into manufactured products, from autos to cans.

The World Trade Organization in August 2020 agreed with Canada that the US violated WTO rules by imposing a 20 percent tariff on Canadian softwood imports in 2017. The US used the benchmark lumber prices in one province, even though each of the 10 provinces sets its own price for logging trees on public lands.

The Federal Court of Canada in July 2020 ruled that the Canada-US Safe Third Country Agreement breached Canada's Charter of Rights and Freedoms, which guarantees the right to "liberty" and "security." The ruling criticized the US for detaining asylum applicants in what the judges considered to be poor conditions. The Canadian government has six months to respond to the ruling and can appeal to the Federal Court of Appeal.

Prime Minister Justin Trudeau, who has been in power since 2015, came under fire in summer 2020 after the government made a grant to the WE Charity to provide payments to postsecondary students who volunteer in their communities; WE Charity would have received $33 million of the $690 million grant. We Charity's for-profit division made payments to Trudeau's friends and relatives. Trudeau's government won a vote of confidence 177-152 in October 2020.

Activists in August 2020 toppled a statute of John Macdonald, Canada's first PM, because he launched a residential schooling program for indigenous children that included banning them from speaking Indian languages. The Montreal statute of MacDonald was erected in 1895 and was vandalized in 1992 by protesters who emphasized that MacDonald ordered the 1885 hanging of Louis Riel for treason.

Mexico

Mexico's economy is expected to shrink at least 10 percent in 2020. The government resisted calls to support businesses and their employees because President Andres Manuel Lopez Obrador does not want to increase the public debt, which is approaching 60 percent of GDP, to help private firms.

Formal sector private sector workers are enrolled in the social security system IMSS, which had 20.8 million workers registered in November 2019 and 19.5 million in June 2020, down six percent. IMSS job growth resumed in August 2020, taking IMSS enrollment to 19.6 million, still a million below pre-Covid levels.

AMLO in July 2020 proposed higher employer contributions for IMSS pensions, with total contributions rising from 6.5 to 15 percent of wages over eight years. Workers have since 1997 contributed 1.1 percent of their pay for pension benefits, employers 5.2 percent, and the government 0.2 percent on wages up to 25 times the minimum wage. The new employer contribution rate will be 13.9 percent when fully phased in.

Currently, workers and their employers must contribute for 1,250 weeks or 25 full-time years and workers must be at least 60 to receive pension benefits. AMLO's reform would reduce the work requirement for pension benefits to 750 weeks or 15 years, but leave the age for receiving IMSS pension benefits at 60.

The goal of the IMSS pension reform is to raise the pension replacement ratio from the current average of 40 percent of previous earnings, the lowest in the OECD, to 80 percent to provide Mexicans with a "dignified retirement." However, raising the pension portion of mandatory contributions to IMSS, which are already 30 percent of wages to cover the cost of health insurance, child care, and pensions, may keep more jobs in the informal sector. AMLO's coalition controls both houses of Congress, making it likely that the pension reform will be enacted.

The USMCA that went into effect July 1, 2020 includes 24 revised chapters and 10 new chapters. A new Chapter 23 on labor requires Mexico to reform its labor laws to give workers more rights vis-à-vis union leaders and collective bargaining agreements. Article 23.9 acknowledges that migrant workers are vulnerable, and commits all three governments to "ensure that migrant workers are protected under its labor laws."

Chapter 23's Annex A includes a rapid response labor mechanism that allows complaints about violations of labor laws at specific workplaces and promises quick government responses. The AFL-CIO in summer 2020 said it would file a complaint under Annex A because Mexican labor attorney Susana Prieto was arrested in Matamoros for inciting riots in June 2020 after leading strikes at border-area manufacturing plants and ordered to stay outside the state of Tamaulipas.

The US Department of Labor's ILAB released its 2019 report on child and forced labor in September 2020, finding that China had 17 products made with forced labor, including processed tomato products from Xinjiang, the 25 million resident northwestern province with Muslims who are being "re-educated" in government-run labor camps. (www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/2019_TDA_Report_Online_Final.pdf)

The report included an 18-page section on Mexico that estimated 2.1 million children aged five to 17 worked in 2017, down from 3.5 million in 2007. Mexico's minimum age for work is 15. Among children five to 14 who were employed, 36 percent were employed in agriculture, including in avocados and tomatoes, the most valuable fruit and vegetable exported to the US.

Funding for labor law enforcement was $30 million in 2019 for 420 investigators who conducted 36,000 investigations, down sharply from 111,000 investigations in 2018 due to fewer investigators. ILO guidelines call for one labor law investigator for each 15,000 workers, which would suggest over 3,600 investigators for the Mexican labor force of 54 million.

The social development agency Coneval in September 2020 reported that most of Mexico's 17 anti-poverty programs have not identified their target populations nor collected data to evaluate their effectiveness. Most of the programs lacked baseline data against which to assess the effects of the programs. President AMLO's the tree-planting initiative and the apprenticeship scheme were singled out for corruption.

A former CEO of Pemex alleged that ex-President Enrique Pena Nieto used bribes to persuade legislators to vote in favor of partial de-regulation of Pemex, the government-owned oil company formed after foreign oil firms were nationalized in 1938.

Over 288,000 people were killed in Mexico since the war on drugs began in 2006 and July 2020, including 73,000 who disappeared and whose bodies were not found. Those who disappeared include 43 students who were detained by police in September 2014 in Ayotzinapa and never seen again. There were 35,600 homicides in 2019, and 7,350 people disappeared.

Chiapas is one of Mexico's poorest states despite significant federal investment in education and infrastructure since the January 1, 1994 Zapatista uprising. However, per capita income in Chiapas declined in the two decades after NAFTA came into effect, and earnings in Chiapas remained much lower than in other Mexican states for workers in similar jobs. However, workers who left Chiapas had earnings similar to other workers in the states to which they moved.

One multinational, Japanese car board manufacturer Yazaki, established plants in Chiapas to assemble car harnesses that employed 3,000 workers, most around the capital of Tuxla Guiterrez. Most residents of Chiapas live in rural areas, including many in highlands where communal ownership of land is common, which may contribute to lack of investment and job creation. Investors cannot own land in communal areas, and disputes between villages often lead to roadblocks that can block travel and force factory closures.

The Equitable Food Initiative certified Promotora Agricola El Toro BB in July 2020, a JV Smith Companies farm with 3,500 workers and 10,000 acres in Ciudad Morelos in the Mexicali Valley. EFI has certified 42 farms, including 25 in Mexico.

Latin America

Many governments that pioneered mandatory contributions to pension funds in summer 2020 allowed contributors to withdraw some of their contributions during the Covid-19 pandemic. Chile, where pension fund assets of $184 billion are equivalent to two-thirds of GDP, allowed the 11 million contributors to withdraw up to 10 percent of their contributions.

Some $20 billion is expected to be withdrawn, with critics asserting that the result will be "bread for today, but hunger tomorrow" because future pensions will be smaller. Workers in Chile must contribute up to 12 percent of their earnings, but management fees reduce payouts so that the average retiree receives less than half of previous earnings.

Argentina teetered on the edge of its 10th default on government debt before reaching agreement with creditors in April 2020. Past governments borrowed money to provide subsidies for consumers, and then asked creditors to forgive some of the debt. Argentina in 2020 offered creditors 40 cents for each dollar of debt, and eventually settled for 55 cents.

The Inter-American Development Bank, which lends $13 billion a year to Latin American countries for infrastructure, may be headed by an American for the first time. The US nominated Mauricio Claver-Carone, a member of President Trump's National Security Council, to head the IADB. Some Latin American countries are strong supporters of Claver-Carone, while others fear that American leadership could mean that the bank stresses private rather than public investment.

Many Latin American countries, especially Caribbean islands, depend on tourism and remittances to fuel their economies. The shutdown of travel led to unemployment in tourist areas, threatening to reverse internal rural-urban migration toward areas such as Cancun, Mexico, which attracts mostly US tourists. The Moon Palace hotel complex in Cancun that once employed 10,000 workers to serve up to 25,000 guests had fewer than 1,500 guests in August 2020.

Europe, Asia

The European Commission in September 2020 released a draft pact on migration and asylum that was akin to a three-floor house. The EU proposed to use EU aid to keep potential migrants at home, strengthen border and maritime enforcement to prevent unauthorized arrivals, and redistribute asylum seekers who reach EU front line states such as Greece, Italy, and Spain, so-called burden sharing. Countries that accept asylum seekers from front-line states would receive E10,000 for each.

Unlike a 2015 plan to re-allocate asylum seekers from front-line states by country, the new plan allows EU member states to accept asylum seekers or to assume responsibility for deporting foreigners who are not recognized as refugees. However, these countries would have to integrate foreigners who cannot be deported within eight months. The new emphasis on deportation reflects the fact that over half of the foreigners who applied for asylum in recent years are from countries whose citizens are rarely recognized as refugees but are hard to deport.

Asylum seekers from countries where recognition rates are less than 20 percent would have their applications adjudicated quickly, so that they can be removed within 12 weeks. Only a third of the foreigners who are ordered to be deported from EU member states are actually removed, in part because they develop roots in host countries while their countries of origin make returns difficult by not recognizing their citizens and issuing passports.

European countries such as Italy and Spain were Covid-19 hotspots in March-April 2020. They reopened in summer 2020 when Covid-19 appeared to be largely under control, a sharp contrast to daily new record high cases in the US in July 2020. However, the number of Covid cases rose in August-September 2020. Governments blamed tourists returning from Spain, Greece and other tourist destinations and some required returning residents to be tested on arrival and quarantine for two weeks after returning from Covid hotspots.

When the national pandemic plans of European countries proved inadequate in March 2020, many governments planned for worst-case scenarios of modelers such as Neil Ferguson of Imperial College London, who projected that hundreds of thousands would die in the UK and millions in the US. Such projections were used to justify tight lockdowns. However, during the second-wave of Covid infections in fall 2020, there were far fewer hospitalizations and deaths, perhaps reflecting more cases among young people or doctors learning how to treat the virus.

EU leaders in July 2020 agreed to a €750 billion ($857 billion) package of loans and grants to member countries hit by Covid-19. The bonds will be sold collectively by the EU rather than by individual countries, and E390 billion will be grants to the hardest-hit countries such as France, Italy and Spain. EU leaders also agreed on a €1.1 trillion budget for the EU for the next seven years.

Some 60 million private sector workers in the EU were put on short-time or similar programs that kept them in jobs and paid them 60 to 85 percent of their usual salaries. As government subsidies ended in Fall 2020, layoffs began in the travel and manufacturing sectors, prompting protests from workers. Temp firm Adecco, which helps firms to find other jobs for displaced workers, predicted that many EU firms would use the Covid pandemic to restructure and automate.

France

Many residents believe there is too much crime, which conservatives such as the National Rally (ex-National Front) link to African immigrants. France permitted family reunification immigration in 1976, which increased immigration from Africa. Security, a code word for crime, is expected to play an important role in forthcoming elections.

Germany

Chancellor Angela Merkel on August 31, 2015 announced “wir schaffen das,” or we can integrate the Syrian and other refugees traveling from Greece to Turkey and north through the Balkans. Some 890,000 foreigners applied for asylum in Germany in 2015, adding 1.1 percent to the 82 million Germans.

The status of the 2015 arrivals were assessed after five years in August 2020. BAMF reported that three-fourths of 2015 arrivals felt welcome in Germany and 44 percent spoke good German. About 40 percent of those who arrived in 2015 had a job at the end of 2019, including part-time jobs.

However, only half of the 2015 arrivals have skilled jobs in Germany, even though 80 percent said they held skilled jobs in their home countries. Migrants earn two-thirds as much as similar German natives. Migrants report trouble dealing with the 600 foreigners’ offices that issue work permits and handle deportations.

The 800,000 Syrians are the second largest Muslim group in Germany after Turks. Foreigners who have lived legally in Germany for at least five years, learned German, and are not dependent on welfare can become permanent residents, and many of the Syrians who arrived in 2015 are expected to naturalize.

Germany celebrated 30 years of unification October 3, 2020, emphasizing the narrowing of gaps between the five eastern states and western Germany. Wages are on 15 percent lower in the east, and no publicly traded firms have their headquarters in the east. East-West migration stopped in 2013 after 1.3 million mostly young people moved west, and resistance to immigration is stronger in the east. The right-wing Alternative for Germany party is strongest in the east.

Germans protesting face-masks mandates August 29, 2020 stormed the Reichstag in Berlin, waving the flag of the pre-1918 German empire and unleashing a debate about the stability of democracy in Germany. Some 10 percent of the 40,000 protesters were neo Nazis.

Greece

Migrants have crossed the often narrow waterways that separate Turkey's western coast from nearby Greek islands for years; in 2015, hundreds of thousands used rubber boats to travel the 10 to 20 miles between Turkey and Greece. In March 2016, the EU reached an agreement with Turkey that allowed Greece to return migrants who arrived illegally via boat back to Turkey.

Greece has returned few of the migrants arriving from Turkey. In February 2020, the Turkish government bussed some of the 3.6 million Syrians in the country to its land border with Greece and encouraged them to try to enter Greece. In summer 2020 Greece began to return migrants who reached Greek islands from Turkey by putting them in rubber boats and leaving them for the Turkish Coast Guard to rescue.

In September 2020, the Moria migrant camp on the island of Lesbos, a Greek island near western Turkey, was burned and destroyed by some of the 12,000 residents protesting Covid quarantine restrictions; two-thirds of the Moria migrants are Afghans. Most migrant camps on Greek islands near the Turkish coast are overfull.

France and Germany agreed to accept 400 solo youth from the Moria camp, and Germany later agreed to accept 1,550 migrants displaced by the Moria fire who had been recognized by the Greek government as refugees. Some local residents erected road blocks so that the camp cannot be rebuilt. The Greek government announced that it would not "reward" migrants who burned the Moria camp by moving them to the Greek mainland.

Italy

Some 12,500 migrants arrived in Italy in the first seven months of 2020, including 5,600 in July 2020. About 20 percent of the 2020 migrants were from Bangladesh, but there were also many Tunisians who traveled 70 miles to the Italian island of Lampedusa.

Politicians such as Lega leader Matteo Salvini charged that newly arrived migrants spread Covid, unleashing a debate between those who argued that Italy has a moral duty to assist asylum seekers and those who argue that Italy must protect itself from Covid. Over 60,000 foreigners live in Italian shelters, many of which are overcrowded.

A record 180,000 migrants arrived in Italy in 2017. An agreement with Libya that involved providing boats to intercept and return migrant boats slowed the migrant exodus in 2018 and 2019. There are fewer NGO rescue boats in 2020, so smugglers are using sturdier boats to transport migrants.

The Lega-Five Star Italian government was replaced by a Socialist-Five Star coalition in 2019. This coalition in June 2020 launched a legalization program that allowed unauthorized foreigners in Italy before March 8, 2020, and employed in agriculture and fishing, to obtain work permits if their employers apply on their behalf and pay E500 in fees. Unauthorized foreigners who were legal before November 1, 2019, and whose residence permits expired, can apply for six-month residence permits if they worked in agriculture in 2019. Italy has 62 million people, a GDP of $2 trillion, and government debt of $3 trillion.

China

China rebounded from the covid pandemic in summer 2020. Chinese real estate was worth $52 trillion at the end of 2019, up $1.4 trillion over 2018. China's real estate is worth more than twice as much as Chinese stocks and bonds. By contrast US real estate is worth $27 trillion, while US bonds are worth $43 trillion and US stocks are worth $33 trillion.

Over 95 percent of Chinese urban households owned at least one home in 2019, compared with 65 percent of Americans. Almost 80 percent of the wealth of urban Chinese residents is in real estate, compared to 35 percent in the US.

In 2017, some 65 million of the 310 million housing units in China were empty, largely because many middle class families with one condo bought additional condos to benefit from rising prices. Those investing in more housing believe that the Chinese government cannot allow housing prices to fall because local governments rely on the fees paid by developers to fund local services.

China has been accused of suppressing its Turkic-speaking Muslim Uighur minority in the Xinjiang region in northwestern China. In July 2020, a coalition of 190 NGOs from 36 countries called on garment manufacturers to refuse to buy garments or fabric from Xinjiang because the cotton is harvested and handled by Uighurs under forced labor conditions. The Better Cotton Initiative has stopped certifying any cotton from Xinjiang.

The US government in September 2020 considered a ban on imported garments made from Xinjiang cotton, adding to a July 2020 list of garment firms that allegedly had forced labor in their supply chains.

Japan

There were 1.7 million migrant workers in Japan in October 2019. The government opened doors wider to migrant workers under policies developed under now PM Yoshihide Suga, who took power in September 2020 and continued the political dominance of the Liberal Democratic Party, which has been in power continuously since WWII except for four years.

After borders were closed due to Covid in March 2020, the government allowed foreign workers already in Japan to change employers and remain; they were also eligible for the $940 payouts given to all residents. Some of the migrant workers laid off from factory jobs were allowed to remain in Japan and work for lower wages in elderly care homes.

Philippines

Over two million Filipinos are employed as overseas foreign workers with contracts for employment in other countries or on the world's ships; their remittances are 10 percent of Filipino GDP. About 10 percent of Filipino migrants abroad were laid off due to Covid and forced to return, and an equal number could not leave for foreign jobs as planned. The cruise industry stopped sailing in March 2020, displacing hundreds of thousands of Filipinos who earned $1,000 to $2,000 a month on cruise ships.

Singapore

The city state of 5.7 million is seeking to replace Hong Kong as Asia's financial center. A quarter of the 1.7 million professionals in Singapore are foreigners, many from India. Some of the majority Chinese population believes that Indian migrants are taking jobs from Singaporeans.

Government policy is to welcome foreign talent to grow the economy and create jobs for Singaporeans. Critics say that Indian and other professionals use work in Singapore as a stepping stone to jobs in Europe or North America.

India

There were 2.5 million residents of Kerala in the Gulf oil exporters before Covid in March 2020. A million are expected to return in 2020, and half were back by September 2020. Remittances to Kerala were $15 billion in 2019, and are expected to fall significantly in 2020, reducing the construction of so-called gulf houses in Kerala that are paid for by remittances.

Saudi Arabia and other Gulf countries are using the pandemic to accelerate the nationalization of their workforces by barring foreigners from some occupations. Kuwait wants to reduce foreigners from 70 percent to 30 percent of residents.

Prime Minister Narendra Modi imposed one of the world's strictest lockdowns in April 2020 to prevent the spread of the virus, but closing the economy boomeranged and spread the virus as migrants in cities returned to their villages. One result of Covid was more suicides by indebted farmers and farm workers, at least 10,000 in 2019. Modi in June 2020 allowed farmers to sell some essential commodities to private buyers rather than to agricultural buyers licensed by state governments, which some fear could lead to more exploitation of farmers by middlemen.

The government has offered 100 days of labor at $3.70 a day in 2020 to rural Indians under the MGNREGA program for the past 14 years. Some 60 million people participated in MGNREGA sometime between April and September 2020, and 14 million more people applied for MGNREGA jobs, including laid-off white collar workers who returned to their villages.

ANZ

Australia expected 168,000 immigrants in the year ending June 30, 2020, but received about 36,000, well below the 239,600 for the year ending June 30, 2019. Australia went 28 years without a recession, attracting ever more immigrants and raising the population to 25.5 million in 2020. Housing prices are expected to fall as immigration slows.

Australia in 2020 prohibited citizens from leaving for non-essential travel, and limited the return of Australians to prevent the spread of Covid. There were 50,000 to 100,000 Australians abroad in fall 2020 who wanted to return, and the number allowed to return was raised from 4,000 to 6,000 a week in September 2020. Airlines arriving in Australia have over 100,000 seats a week available, but the government allows only 4,000 to 6,000 to be filled, forcing many who wanted to fly economy class to purchase business class seats in order to obtain one of the available seats.

Australia has a Seasonal Worker Programme and New Zealand a Recognised Seasonal Employer scheme to bring workers from Pacific Island countries to fill farm jobs. Over

23,000 workers were admitted under both programs in 2018-19. The SWP began in August 2008, and has since 2015 allowed an unlimited number of foreign workers into Australia to fill farm and tourist jobs in rural or regional areas for up to nine months. Labor hire firms or contractors hire many of the SWP workers; the four largest account for half of all SWP hires.

Australia in 2020 entered recession for the first time since 1991 due to Covid lockdowns. The future course of the economy depends in part on whether China will continue to purchase Australia's crops and rocks, farm commodities and minerals. Other issues include climate change on the world's driest inhabited continent and high levels of consumer debt.

Global: Covid, Migration

Most governments reacted to Covid-19 by closing their borders to non-essential travel in a bid to slow the spread of the virus. Proponents of restricting travel to slow the spread of the virus used the metaphor of speed limits on highways, where slower speeds save lives. Critics used the metaphor of air speeds, where slower planes do not mean fewer fatalities.

After the second wave of Covid-19 cases in summer 2020, critics of restrictions on labor migration offered a range of objections, from the need for migrants to fill essential jobs that create or preserve better jobs for local workers to warning that governments that closed their borders to "necessary" labor migration would simply increase unauthorized migration. Migrant advocates argued for inclusive policies toward migrant workers so that they do not work while sick and spread the virus.

The World Health Organization generally urges countries to keep their borders open to travelers during pandemics, a policy based on a plague outbreak in Surat, India in 1994 that prompted countries to halt flights and trade and cost India an estimated $3 billion despite only 50 deaths. WHO was sympathetic to India's complaint that it was punished economically for reporting the plague, prompting a reassessment when SARS erupted in 2004.

The WHO in 2005 recommended that countries not close their borders to travel and trade in pandemics. The failure to close ski resorts in Ischgl, Austria after a Covid outbreak in March 2020 was blamed for helping to spread covid around the rich world.

Pre-Covid modeling suggested that a pandemic may kill over 70 million people worldwide and reduce GDP by five percent. After six months, the death toll appears to be far lower, but GDP is likely to shrink by more than five percent. China's lockdown of Wuhan in January 2020 was considered to be impossible in democracies, but most nonetheless implemented lockdowns as Covid spread.

The International Transport Workers' Federation reported that a fourth of the world's 1.2 million seafarers were stranded on their ships in summer 2020 due to border closures that prevented them from flying home and from being replaced on the world's cargo and tanker ships. Seafarer contracts can be for a maximum 11 months, but workers whose contracts expired since lockdowns began in March 2020 often had their contracts extended because they could not return home and be replaced.

Covid-19 closed schools in many countries, reducing the access of poor children to meals provided at school. Many poor children were pushed into the workforce to supplement the reduced incomes of their parents. Tens of millions of children who are not in school may work in 2020, backtracking on progress aimed at keeping children in school to break the cycle of poverty.

India closed all elementary and middle schools, idling 200 million children. The minimum age for work in India is 14, but there was little enforcement in 2020 due to covid, worrying those who say that once children go to work, many will not return to school. Covid surged in rural India, where many residents must continue working to earn enough to eat.

Migration

The UN estimated 272 million international migrants in 2019, meaning that 3.5 percent of the world's people were outside their country of birth a year or more. Two-thirds of the world's international migrants were in 20 countries led by the US (51 million) and followed by Germany and Saudi Arabia (13 million each).

A third of international migrants, 18 million, were from India, followed by Mexico, 12 million, and China, 11 million.

Gallup World Polls suggest that a billion more people want to emigrate, including over half of the people in Sierra Leone, Liberia, Haiti and Albania. The most populous country with high emigration pressure is Nigeria, where almost half of the 200 million Nigerians said they want to emigrate.

Migrants sent $554 billion to developing countries in 2019. The World Bank in April 2020 predicted that remittances to developing countries would decline 20 percent to $443 billion in 2020 due to Covid-19 shutdowns that displaced migrants and reduced international labor migration.

However, during the first six months of the pandemic, remittances to many countries rose. Mexico received more remittances in summer 2020 than a year earlier, as did Guatemala. Latin America received over $100 billion in remittances in 2019, most from the US, and may receive a similar amount in 2020.

Three Ds

The Covid pandemic accelerated changes already underway, including the rise of China, low interest rates, and more rapid digitalization. Meanwhile, there may be a retreat from globalization to ensure that supply chains are less vulnerable, and high levels of government debt may restrict what governments can do to counter future recessions.

China's more rapid recovery from the pandemic is likely to increase tensions with the US, moving from disputes over the US trade deficit with China to concerns about Chinese influence over the digital infrastructure of other countries. The digitalization that permitted remote work may create a global labor market in white-collar jobs, which would put downward pressure on the wages of workers who were spared much of the fallout from trade in goods that affected blue-collar workers.

Rising debts in developing countries may lead to a repeat of the lost decade in Latin America in the 1980s, when there was no economic growth. Zambia's government debt exceeds its GDP due to borrowing from private creditors and China when copper prices were high. The prices of copper and other commodities have fallen, so Zambia will devote a third of its government revenue to foreign creditors in 2020 unless there is debt relief.

In the early 2000s, industrial countries forgave the debt of Heavily Indebted Poor Countries, allowing governments in Africa and elsewhere to spend more on education and health. HIPC proved to be a short-term fix. After 2010, many HIPC governments began to borrow from private investors and China, leading to the 2020 debt crisis.

Ten of Africa's 54 countries are holding national elections in fall-winter 2020, and leaders in nine took steps such as amending constitutions to evade term, age, and other limits and continue to be eligible for office. Rulers and ruling parties want to stay in power to keep their jobs and avoid the scrutiny of their actions that may come with a change of government.

The UN's World Food Program, which won the 2020 Nobel Peace Prize, predicted that the global recession linked to Covid will make 265 million more people food insecure in 2020 as informal jobs disappear in Africa and South Asia. Food prices are rising in many African countries because of border checks and tests of drivers, who must often wait days for test results.

Other

Food Spending: 2019

The US Bureau of Labor Statistic's Consumer Expenditure Survey (www.bls.gov/cex) reported a total of 132 million US "consumer units" or households in 2019. They had an average of 2.5 persons, 1.3 earners and 1.9 motor vehicles; 63 percent were homeowners and the average age of the reference person in the household was 51. Average consumer unit income before taxes was $82,850, and average annual expenditures were $63,000.

Household expenditures included $8,200 for food, 13 percent of total expenditures. Food spending was divided between food eaten at home, which accounted for 56 percent or $4,600 of food spending, an average or $88 a week, and $3,509 or $67 a week for food bought away from home. The cost of food away from home largely reflects convenience, service, atmosphere and other factors. The cost of food represents 35 percent of what is spent in cafeteria-style restaurants, 30 percent of spending in fast food restaurants, and 25 percent of spending in fine dining restaurants.

Other significant consumer-unit expenditures were $20,700 for housing, $10,700 for transportation, $5,200 for health care, $1,900 for apparel, and $3,000 for entertainment.

The largest food-at-home expenditures were for meat and poultry, an average of $980 per household in 2019. Expenditures on cereal and bakery products, $585, exceeded the $455 spent on dairy products.

Expenditures on fresh fruits ($320) and fresh vegetables ($295) were $615 a year or $11.80 a week in 2019, and consumer units spent an additional $110 on processed fruits and $145 on processed vegetables. Consumer units spent almost as much on alcoholic beverages, $580 in 2019, as on fresh fruits and vegetables, $615.

Data on food spending by pre-tax income are available only for 2018. The 13 percent of consumer units with incomes of less than $15,000 in 2018 spent 54 percent of their pre-tax incomes on food, while the seven percent with incomes of $200,000 or more spent five percent of their income on food. Lower-income consumer units spent a higher share of their incomes on food, and more of their spending was for at home.

Higher income units spent more on fruits and vegetables, about three times more for those with incomes of $200,000 or more compared with households earning less than $30,000 in 2018. Spending on alcoholic beverages rose with income as well; households earning $200,000 or more were the only group to spend more on alcoholic beverages than on fruits and vegetables.

Half of spending on fruits and vegetables was on fresh fruits and fresh vegetables. The leading fresh fruits by expenditure were fresh apples, an average $44 spent per consumer unit in 2018; bananas, $44; oranges, $32; other fresh citrus, $54; and other fresh fruits, $149. The leading fresh vegetables were potatoes, with $45 spent per consumer unit in 2018, followed by lettuce, $30; tomatoes, $48; and other fresh vegetables, $172.

A quarter of consumer units had incomes of $100,000 or more in 2018, and these households accounted for 38 percent of total spending on fresh fruits and vegetables. By contrast, almost half of consumer units had incomes of less than $50,000 in 2018, and they accounted for a third of total spending on fresh fruits and vegetables.

Farmers get less than 20 percent of the average retail food dollar, but slightly more for fresh fruits and vegetables. Farmers received an average 38 percent of the average retail price of fresh fruits in 2015 and 28 percent of the average retail price of fresh vegetables, the most recent data available. This means that average consumer expenditures on these items include $203 a year for farmers (0.38 x 320 = $120 + 0.28 x 295 = $83).

Farm labor costs are about a third of farm revenue for fresh fruits and vegetables, so farm worker wages and benefits for fresh fruits and vegetables cost the average consumer unit $67 a year (0.33x$203 = $67). In fact, farm labor costs are less than $67 because over half of US fresh fruits, and a third of US fresh vegetables, are imported.

Even though strawberries are picked directly into the containers in which they are sold, and iceberg lettuce is wrapped in the field, farmers and farm workers receive only a third of retail spending on fruits and vegetables. Consumers who pay $3 for a pound of strawberries are paying $1 to the farmer, who pays 33 cents to farm workers. For $2 worth of fresh field-grown tomatoes, farmers receive 50 cents and pay workers 15 cents.

About half of the workers employed on US crop farms are unauthorized. These unauthorized crop workers are aging and settling, making them less mobile and flexible. Farmers are adjusting to fewer unauthorized newcomers by substituting machines for workers and supplementing the current workforce with legal H-2A guest workers.

What would happen to consumer expenditures on fresh fruits and vegetables if farm labor costs rose, perhaps due to the introduction of E-Verify, the internet-based system that allows employers to check the work authorization of newly hired workers.

The closest natural experiment of such a labor-supply shock occurred after the Bracero program ended in 1964. Mexican Braceros were guaranteed a minimum wage of $1.40 an hour at a time when US farm workers were not covered by the minimum wage. Some table grape workers who were paid $1.40 an hour when they worked alongside Braceros in 1964 were offered $1.25 in 1965, prompting a strike. Cesar Chavez became the leader of the strike and won a 40 percent wage increase in the first UFW table grape contract in 1966, raising grape workers' wages to $1.75 an hour.

What would happen to consumer expenditures if there were a similar 40 percent wage increase today? The average hourly earnings of US field and livestock workers were $14 an hour in 2019; a 40 percent increase would raise them to $19.60 an hour.

For a typical household or consumer unit, a 40 percent increase in farm labor costs translates into a four percent increase in the retail price of fresh fruits and vegetables (0.30 farm share of retail prices x 0.33 farm labor share of farm revenue = 10 percent; if farm labor costs rise 40 percent, retail spending rises 0.4 x 10 = 4 percent). If average farm worker earnings rose by 40 percent, and the increase were passed on to consumers, average spending on fresh fruits and vegetables for a typical household would rise by $25 a year (4 percent x $615 = $24.60).

A 40 percent wage increase, on the other hand, would raise the average earnings of seasonal farm workers from $14,000 for 1,000 hours of work to $19,600, lifting the earnings of a farm worker household of four from half of the federal poverty line of $25,750 in 2019 to three-fourths of the poverty line.

California Agriculture

California tree nut farmers harvested record crops in 2020, including three billion pounds of almonds, a billion pounds of pistachios, and 780,000 pounds of walnuts. Tree nut acreage has expanded rapidly in California. Almonds were the most valuable commodity in Kern county in 2010, one of the state's Big 3 farm counties, displacing grapes for the first time.

Some 2,000 California farms produce almost all US raisins from 150,000 acres around Fresno; a third of US raisins are exported. However, raisin exports and US sales have fallen. Given a large raisin inventory, grower prices are expected to drop in 2020 and drive smaller growers whose vineyards yield less than two tons of raisins per acre, out of business. USDA expects 1.4 million tons of raisin grapes and 1.4 million tons of table grapes in 2020.

California has 270,000 acres of citrus: led by 117,000 acres of navel oranges;66,000 acres of mandarins; and 50,000 acres of lemons. The acreage of mandarins is growing rapidly, the acreage of lemons is growing slowly, and acreage of the other citrus crops is falling. The largest acreage mandarin variety is tango, accounting for 30 percent of mandarin acreage.

The Produce Marketing Association estimates that 45 to 48 percent of fresh produce tonnage goes to food-service firms, including restaurants, cafeterias and institutional dining, from hospitals to prisons. Uncertainty about their ability to open or remain open prompted most food service buyers to reduce fresh produce purchases to avoid waste. Pizza and pasta replaced salads on many restaurant take-out menus, and salad bars closed.

U.S. Ag, Dairy

Net farm income, which averaged $90 billion a year between 2000 and 2019 and peaked at $138 billion in 2013, is projected to be $103 billion in 2020. Net farm income includes net cash receipts from farm sales and $37 billion in government payments to farmers, making government farm aid in 2020 about 36 percent of net farm income, the highest since aid's 41 percent share of farm income in 2001. Farm equity, mostly the value of farm land, was $2.8 trillion in 2020.

Corn and soybean farmers are expected to have record harvests in 2020, with average corn yields of 178 bushels an acre and average soybean yields of 52 bushels an acre. Farmers hoped that the phase one trade agreement with China in January 2020 would raise prices, but instead corn and soybean prices fell.

Farmers buy more than $40 billion worth of seed, chemicals and other inputs each year, usually from physical farm supply stores based on advice from the stores and the sales representatives of major input producers. Farmers Business Network wants to create an Amazon-style online marketplace for farm seeds and chemicals, with farmers paying $700 a year to compare prices and performance. However, many seed and chemical companies refuse to supply FBN with their products.

Dairies

Dairy cows are being concentrated on fewer and larger farms. The Census of Agriculture reported that the midpoint dairy herd size was 1,300 in 2017, meaning that half of the 9.4 million US dairy cows were on farms with 1,300 or more cows. Over 2,000 US dairies had 1,000 or more cows, and they had over half of US dairy cows. The number of dairies fell sharply in Minnesota, New York, Pennsylvania and Wisconsin.

The 189 US dairies with 5,000 or more cows in 2017 included 1.5 million or a sixth of all US dairy cows; some of these large dairies have more than 25,000 cows in a series of pods with cow barns, feed bunkers, and milking facilities. In 2018, California with 1.7 million cows produced 40 billion pounds of milk; followed by Wisconsin with 1.3 million cows and 31 billion pounds of milk; Idaho and New York, each with 600,000 cows and 15 billion pounds of milk each; and Texas with 535,000 cows and 13 billion pounds of milk.

There are economies of scale in dairies; larger farms have lower costs per unit of milk produced. Costs decline in larger dairies that hire workers to care for and milk cows. Most large farms milk cows three times a day.

Over half of US milk is marketed by dairy cooperatives, but coop-branded milk is losing market share to lower-cost private-label milk. Private-label milk in the year ending in July 2020 accounted for 57 percent of refrigerated milk sold, followed by nine percent for Dean Foods and eight percent for HP Hood. Dean Foods filed for bankruptcy protection in November 2019 and was bought by Dairy Farmers of America, the largest US dairy cooperative, in May 2020.

Wine, Food

California has too much wine, due in part to a record 4.3 million ton harvest in 2018 and a drop in demand for wine in 2019, when 3.9 million tons were harvested. Some 200,000 tons of wine grapes were not harvested in 2019 because growers could not find buyers for their wine grapes, and there may be more unwanted wine grapes in 2020.

California wineries shipped 276 million nine-liter cases of wine in 2019, including 87 percent to US consumers and 13 percent abroad. In 2019, Chardonnay was 20 percent of US wine sold, Cabernet Sauvignon 15 percent, and red blends and Pinot Grigio 10 percent each. The US has been the world's largest wine market since 2010, with total sales of $75 billion, including $44 billion worth of California wine.

The Glass Fire broke out in September 2020 in northern Napa and Sonoma counties, damaging or destroying at least 14 wineries and prompting some wineries to announce they would not make wine in 2020 because smoke tainted their grapes. Napa county has 45,000 acres of wine grapes and 475 wineries, and Sonoma county has 60,000 acres of wine grapes and 400 wineries.

There is too much wine in France, Italy, and Spain, the three countries that produce almost half of the world's wine and consume about 40 percent of all wine. Many French wineries with unsold wine from 2019 accepted less than $1 a liter from the

French government in summer 2020 to distill the surplus into industrial alcohol products including hand sanitizer. A similar wine glut in 2009 prompted subsidized distillation of surplus wine.

Grape growers represented by the SGV and buyers represented by the UMC negotiated over the permissible yield of grapes for champagne in summer 2020. Average yields are about 12,000 kg per hectare or 5.4 tons per acre. Buyers want the 2020 maximum yield to be less than 10,000 kg per hectare or 4.5 tons per acre due to falling sales of champagne, while grape growers want higher yields. France produces about half of the world's sparkling wine.

Eastern Europeans harvest many of the wine grapes in France, Italy, and Spain, and Covid-related travel restrictions reduced harvest workforces in 2020. About 20 percent of Romanian workers are abroad. Many work seasonally in Italy's grape harvest, earning E1,200 a month. Italian grape growers said they were short 36,000 workers for the fall 2020 harvest, prompting some provincial governments to allow newly arrived Romanians to work in pods or crews upon arrival that were separated from other crews to avoid the spread of covid.

South Africa's government imposed several bans on alcohol sales to slow the spread of Covid, hurting the wine industry. Two-thirds of South Africa's wine is consumed domestically; the alcohol bans threatened to bankrupt many smaller producers. South Africa's government debt is approaching 100 percent of GDP, the value of the rand is dropping, and the government wants to borrow more money to launch infrastructure projects that create jobs.

Food

Walmart, which sells over 20 percent of US groceries, announced Walmart+, a $98-a-year subscription that provides free home delivery for orders over $35. Walmart hopes that the option of ordering online and picking up orders at one of its 4,700 US stores will attract subscribers. Walmart is the largest private US employer, with 1.5 million employees. The competing Amazon Prime costs $119 a year and has 150 million subscribers.

Bakersfield-based Thomson International recalled onions in summer 2020 after hundreds of people were sickened by salmonella-tainted onions. Salmonella causes 1.4 million infections and 26,500 hospitalizations a year in the US. Cal-Maine Foods, the largest US egg producer, reported an average price of $1.58 a dozen in spring 2020, up from $1.06 in spring 2019.

More people working remotely is expected to reduce rents for downtown office buildings, prompting speculation that vertical farms producing leafy greens and herbs could take over some downtown space. Hydroponic and aeroponic farms using high-performance LED grow lights are expanding to produce root and vine vegetables as well as berries. Indoor farms attain much higher yields and are closer to their customers, but are not economical for orchard fruits and field crops.

The Supplemental Nutrition Assistance Program (SNAP), previously Food Stamps, provided electronic benefit transfer cards to 40 million people in FY18 who had gross monthly incomes of under $2,790 or net monthly incomes under $2,146 for a family of four. The difference between gross and net income reflects deductions for earnings and certain medical expenses. The maximum SNAP benefit for a family of four in 2020 was $646, and for one person households $194. Recipients must have assets of less than $2,250 excluding homes and retirement assets, and those 18 to 49 with no dependents must work or be in training at least 80 hours a month.

Americans normally consume 40 million turkeys at Thanksgiving, most processed by Butterball and Hormel Foods, but may consume fewer in 2020 due to the pandemic. Up to half of Americans in surveys said they would limit Thanksgiving celebrations to those in their immediate households, which is expected to reduce the demand for whole turkeys.

Climate: U.S., Amazon

The Government Accountability Office released a report in July 2020 that found the Trump Administration reduced the social cost of carbon to future generations to justify relaxing regulations aimed at slowing global warming. Democrats who requested the GAO review argued that the Obama administration's estimate that the social cost of carbon should be $50 a ton in 2020 is correct. The Trump administration reduced the social cost of carbon to less than $10 a ton, which makes large energy projects feasible.

The two critical Trump administration assumptions are measuring only US damages from emitting carbon and changing the discount rate. Obama assumptions put the social cost of carbon at $82 a ton in 2050, while Trump assumptions make the cost $11.

In July 2020, new regulations were issued to reduce the time for environmental reviews under the National Environmental Policy Act, and to limit consideration of the cumulative effects of climate change of major projects to limit suits that often delay projects. The Trump administration re-interpreted regulations that aim to protect air and water over 100 times to speed up the construction of energy and infrastructure projects.

The Trump administration in July 2020 reversed an Obama administration environmental impact statement to allow the development of the gold and cooper Pebble Mine, which would be the largest mine in North America. The issue is whether the mine would adversely affect salmon in Bristol Bay, the world's largest sockeye salmon fishery worth $1.4 billion a year. Pebble's leaders were taped while boasting of their abilities to ensure government approval of the mine, putting a projected that aimed to mine $500 billion worth of minerals in jeopardy.

A September 2020 report on the Convention on Biological Diversity warned that the world is losing its biodiversity as plants and animals disappear. The report warned that loss of habitat due to farming, overfishing, and climate change were threatening many species. Governments spend five times more on environmentally harmful activities, such as building coal-fueled power plants, than they do to protect biodiversity.

China has the world's largest long-distance fishing fleet of up to 17,000 vessels, compared with 300 for the US. Chinese fishing ships sometimes encroach on the 200-mile exclusive economic zone granted to all coastal nations by the 1982 United Nations Convention on the Law of the Sea, but more often overfish on the high seas.

Electric cars are two percent of vehicles sold in the US, and five percent of those sold in Europe, where the price of gasoline is higher and governments provide more subsidies to electric car buyers. The price of lithium-ion batteries is falling as their energy density increases. When the cost of battery packs drops from the current $150 or more per kilowatt hour to below $100, electric cars will be as cheap as gas-powered cars. As batteries improve, the range of electric cars should increase beyond the current maximum 300 miles on one charge.

Amazon

The Amazon is about 55 percent of the world's rainforests, and 55 percent of the Amazon rainforest is in Brazil. President Jair Bolsonaro took office in January 2019 and relaxed restrictions on clearing the rainforest to plant crops and to develop pasture for cattle.

Some 3,900 square miles of Amazon were burned during the May through October dry season of 2019, up from an average 2,500 square miles a year burned during the previous decade. A similar amount of the Amazon forest is expected to be burned in summer 2020 despite the presence of army troops meant to deter illegal deforestation.

A study released in July 2020 that mapped new farm land in the Amazon rainforest and rural Cerrado over the past decade found that 20 percent of the soy exported by Brazil may have come from recently deforested areas; most Brazilian soy exports become feed for cattle, hogs and chickens. An even higher share of Brazilian beef exports may begin with cattle that are pastured in recently deforested areas.

The Amazon rainforest is believed to produce 20 percent of the world's oxygen. Several European investment funds threatened to sell the stocks of Brazilian beef producers and grain traders unless more is done to prevent deforestation; Brazil's bid to join the OECD is also threatened by deforestation. In response, the Brazilian government in July 2020 banned fires in the Amazon for 120 days.

Covid-19 was especially prevalent along the Amazon river in summer 2020. The largest city on the river, Manaus with 2.2 million people, was especially hard hit. Indigenous peoples were affected as the boats plying the river with passengers spread the virus.

Water

South Asia's monsoon season between June and October brings cyclones and floods to low-lying areas of Bangladesh and India. A third of Bangladesh, a country the size of Iowa with 165 million people, was flooded in August 2020, as the Brahmaputra and other rivers overflowed their banks due to heavy rains and snow melt upstream in India.

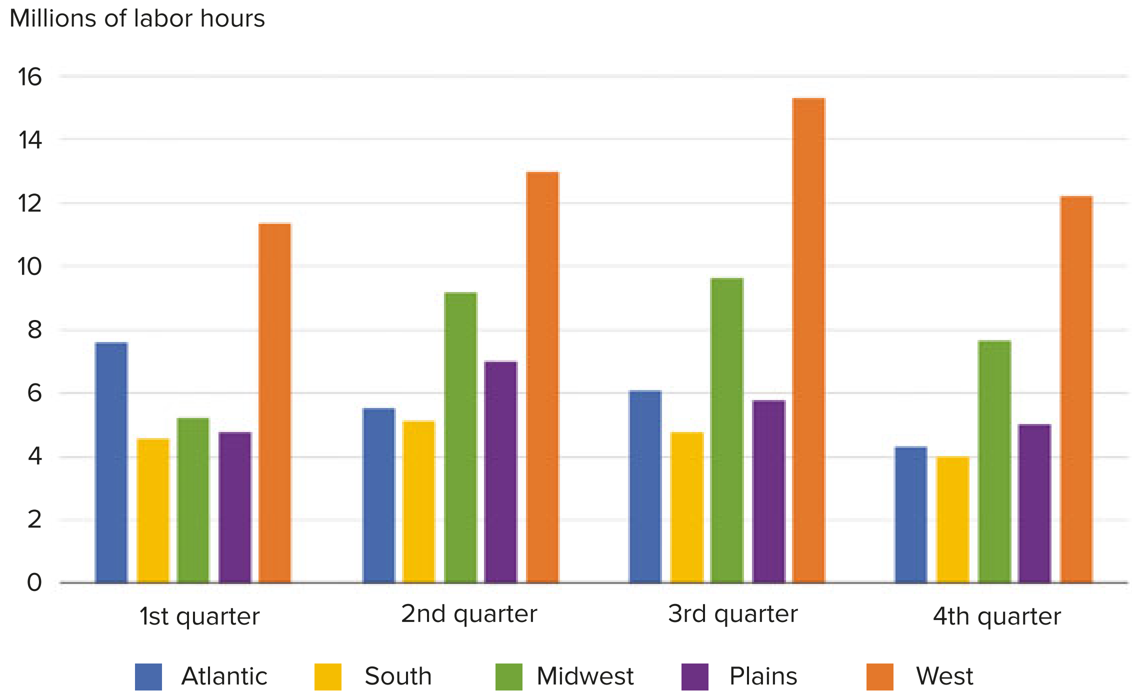
The 2,400-mile long Brahmaputra begins in Tibet, flows into northeastern India, and merges with the Ganges before passing though Bangladesh en route to the Bay of Bengal. Bangladesh could lose up to 10 percent of its land area within a decade due to rising sea levels.

Metro Mexico City has over 21 million people and receives more rainfall each year than London, but struggles to provide water for its residents. Most of the Mexico City's water is from dams up to 125 miles away, and over 40 percent is lost through leaks. Rainfall often mixes with sewage, making it unusable.

Isla Urbana aims to help residents capture rainwater before it is polluted with a $750 house-by-house system that collects rooftop rainwater, filters it, and collects the water in an in-home tank. Filters are needed because rainwater collected from rooftops often includes dirt and organisms.

Direct-hire Labor Hours Reported by Farmers by Quarter in 2018

USDA's ARMS survey obtains data on the hours worked by farmers and their unpaid family members as well as workers farmers hire directly. In 2018, some 38 percent of hours worked were contributed by hired workers, a share that is too low because the ARMS does not include workers brought to farms by contractors. The ARMS divides the US into five regions. A third of direct-hire hours were in the west. Direct-hire labor is most important in the second and third quarters of the year.



Notes: Data do not include contract hours. Farm production regions are defined in the documentation for the Agricultural Resource Management Survey (ARMS).

Source: https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=99062

Rural Migration News summarizes the most important migration-related issues affecting agricultural and rural America. Topics are grouped by category: Rural Areas, Farm Workers, Immigration, Other, and Resources.

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