Rural Migration News
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RURAL AMERICA

CALIFORNIA: WATER, HOUSING

California had record precipitation in 2022-23, with 31 atmospheric rivers that helped to recreate Tulare Lake in Kings county. Statewide precipitation was 140 percent of normal, and the Sierra snowpack was over 200 percent of normal in April 2023. By some estimates, over a million acres of farmland were not planted in 2023 due to flooded land.

The 2023-24 weather season began dry, with a Sierra snowpack that was only a quarter of average in January 2024. Sierra snowmelt typically provides a third of California’s summer water supply.

After the worst fire seasons on record in 2020 and 2021, only 310,000 acres burned in California in 2023, well under the average 1.6 million acres a year of the past five years. A heavy snowpack meant that trees and brush that may have burned in drier years did not burn in 2023.

The Colorado River basin continues to grapple with drought. Over 90 percent of the basin’s precipitation falls in the mountainous areas of Colorado, Utah, and Wyoming; water flows into the largest US reservoirs, Lakes Mead and Powell, which were full in 2000 and a quarter full in 2023. The Mississippi River basin is the largest in the US, draining an area five times larger than Texas, and carries 25 times more water than the Colorado.
About 80 percent of the water taken from the Colorado River basin is used to irrigate crops; most Colorado River irrigation water is used for alfalfa and hay to feed cattle. Some 450,000 gallons of water, enough for four average homes for a year, is used to produce a ton of hay.

California’s water resources board began to issue permits for water in 1914, but those who staked claims to water before 1914 remain exempt.

Housing

California had over 180,000 homeless people in 2023, two-thirds of whom lived on the streets. The federal government estimated that the US had 650,000 homeless people in 2023.

A major question is whether housing should come before or after homeless people deal with drugs, alcohol, and other issues. Liberal proponents of housing first say that a stable place to live should precede voluntary or required services, while conservatives argue for a tough-love approach to the homeless, requiring them to receive services to obtain and remain in housing.

California’s Department of Housing and Community Development issued a report in October 2023 alleging that San Francisco made it harder to build new housing than any other city or county. Objections from one neighbor can stall a project, and the local Board of Supervisors can require extensive environmental reviews, generating at least a two-year permitting process for new housing.

HCD wants cities and counties to permit more housing units by reducing rules and delays, while some housing advocates want to keep the rules in place and raise funds to build affordable housing that complies with current rules. The USSC in January 2024 considered a case that challenged El Dorado county’s $23,000 impact fee for a new mobile home as a “taking” of the private land where it would be located.

Many cities and counties levy impact fees that range from five to 20 percent of the median price of a house in the area ($157,000 in impact fees for a single family home in Fremont), arguing that they have no other means to fund local infrastructure because of Prop 13’s capping of property tax rates in 1978.

San Francisco is a tech leader and a testing ground for driverless cars. GM’s Cruise Google’s Waymo cars were suspended after an October 2023 accident that dragged a jaywalker who had been struck by a hit-and-run driver under a car. Over 40 firms have permits to test self-driving cars in San Francisco.

The US median sales price for existing homes reached a record $400,000 at the end of 2023. Across the US, rents rose over 20 percent between 2019 and 2023, and home prices rose almost 50 percent; the cost of housing is based on rents and owner-equivalent rent and is a third of the CPI. Two-thirds of US adults live in owned homes.

California’s median existing-home sales price was $755,000. Home insurers are requesting large increases in rates to continue to write policies in California.

The California Forever project aimed to raise $1 billion to build a new city near Fairfield, California, home to Travis Air Force Base. Flannery Associates LLC began to buy land in 2018, and eventually sued some landowners who Flannery alleged conspired to fix and raise prices for the land that Flannery wanted to buy.

Budget

California faces a $38 billion deficit on its $226 billion budget for 2023-24 due to the declining incomes among the top one percent of earners who pay half of the state’s income taxes; the top one-tenth of one percent of state taxpayers pay a third of the state’s income taxes. The budget deficit could widen to $68 billion in 2024-25 and exceed $150 billion over the next four years, a sharp reversal from the state’s $100 billion surplus in 2021-22.

California’s minimum wage is $16 an hour, but AB 1228 raises the minimum wage for fast food workers to $20 an hour after April 1, 2024 and to $25 an hour for health care workers by 2028. California has about 500,000 fast-food workers, and some fast-food restaurants announced that they would no longer employ delivery drivers to avoid the $20 minimum wage. A third of California residents live in 40 counties and cities with minimum wages that are higher than state’s $16; the highest minimum wage is $19.08 in West Hollywood.

The California High-Speed Rail project continues to spend money but has not yet opened. A 2008 bond approved $10 billion to travel the 400 miles from San Francisco to Los Angeles by 2020 in less than three hours at a cost of $33 billion. The cost has risen to $100 billion for a 170-mile train between Merced and Bakersfield.

San Francisco is trying to repair its image with “It all starts here” and “Never the same. Always San Francisco” slogans. Oakland, with 420,000 residents, may have an even more severe problem than SF with crime, homelessness and vacant downtown office space.
Major Oakland employers are the government and health care, including Kaiser Permanente’s headquarters.

The 2002 California Voting Rights Act discourages at-large elections in the state’s 480 cities, 1,000 school boards, and 3,300 other local boards and agencies because they may limit the election of minority candidates if minorities are clustered in one area. Minority plaintiffs may sue local entities when at-large elections may harm minority voters, and the attorneys bringing suit can collect fees of over $600 an hour. Courts often require cities and agencies to switch to district elections, so agencies that receive CVRA letters often pay $30,000 and change from at-large to district elections.

Robert Rubin and Joaquin Avila wrote the CVRA, which was guided through the Legislature by Democratic Senator Richard Polanco. The key hurdle for minority plaintiffs is to prove the existence of “racially polarized voting,” which means that different racial groups vote as blocs. Kevin Shenkman and other attorneys study voting patterns and sue cities, leading to large awards for them in court decisions and prompting a 2016 amendment to the CVRA that allows attorneys for minorities to collect $30,000 from cities and agencies that agree to restructure their voting systems after receiving a demand letter.

**Meat and Migrants**

A 16-year-old Guatemalan died in a Mar-Jac Poultry plant in Mississippi in July 2023, re-igniting a debate over the US policy of sending foreign youth under 18 who are encountered just inside the Mexico-US border to sponsors who may not be their relatives.

Over 300,000 minors, most from Central America, entered the US between 2021 and 2023. Half travel to distant relatives settled in the US, many of whom expect them to work and to pay rent, which encourages the teens to find jobs.

Mar-Jac hired workers via staffing firms, and said it did not know the 16-year-old was under age. DOL reported that violations of child labor laws rose by over 50 percent between 2015 and 2022. HHS was criticized for not vetting the US sponsors of under-18 migrants, and state legislatures have been criticized for relaxing regulations that prohibit youth under 18 from working in dangerous jobs.

A 14-year-old Guatemalan who lost an arm at a Perdue Farms poultry processing plant in Parksley in Virginia’s eastern shore was sent to the US by his parents to work in the US. Using false documents that said he was 20, he was hired by Tennessee-based Fayette Industrial and earned $100 for a six-hour overnight cleaning shift. The injury kept the teen from working, leaving his parents with unpaid smuggling debts.

Community members who knew about the injury did not contact DOL. Some said that they knew teens were filling dangerous jobs cleaning chicken processing plants, but they also knew that the teens had to earn money to send to their parents.

DOL in September 2023 announced an investigation into child labor cleaning poultry processing plants. Most plants rely on third party cleaning services; one question is whether the owners of the plants being cleaned are liable for labor law violations. Tyson announced that it would begin to employ cleaners directly.

Tyson, which employs 124,000 US workers to process about 20 percent of US beef, chicken and pork, is closing several chicken plants and eliminating 3,000 jobs. Beef accounts for 40 percent of Tyson’s revenue.

Good Meat and Upside Foods produce meat from cells rather than animals. Lab-grown meat or cell-cultivated meat is often billed as a solution to both slowing climate change and feeding ever more people, since less land is needed to produce feed for animals.

**Children**

Tony Bran and Exclusive Poultry in December 2023 were ordered to pay almost $4 million to underage workers and to other workers who were not paid overtime wages. In April 2023, five of Bran’s Los Angeles-area firms were ordered to pay $1.5 million to underpaid workers.

There are hundreds of children among the 500,000 employees in US meat processing, including many under 18-year-olds who arrived from Central America without their parents and were released to "relatives," some of whom charged the children rent and helped them to get jobs using false documents that said they were 18 or older. Some of the meatpacking plants that used cleaners who employed minor children on overnight shifts had been audited for compliance with labor and safety standards by part of the $80 billion a year global private compliance industry.

The private audit industry has three components: the buyer who requires the audit, the supplier who pays for the audit, and the independent auditor who conducts the audit. Ex-auditors say they are encouraged to work quickly and not look “too hard” and are usually on site only during the day shift. DOL labor investigators, by contrast, normally work in teams of two, are on the road for a week or two and then return the office for a similar
Many meat suppliers rely on staffing firms for some or all of their workers; some staffing firms refuse to provide records or allow their employees in the plants to be interviewed. Most compliance audits last less than a day and cost $2,000 to $3,000. UL Solutions says that an audit is a snapshot, not a motion picture of conditions at a plant, and “cannot and does not guarantee that an audited facility is in full compliance with requirements against which it was audited, and does not confirm or certify compliance with laws.” Ex-auditors recount stories of the suppliers who pay for audits complaining to their managers when they report violations.

**Rural**

Iowa-born painter Grant Wood recruited his sister and dentist to stand in front of a Gothic window in Eldon, Iowa for American Gothic in 1930, one of the best-known US art works. Both the window and the clothes were from Sears Roebuck. The sense that rural America is the “real America” lingers, even as over 80 percent of Americans live in metro areas.

Rural or non-metro America includes mostly people who do not live or work on farms. Instead, many rural residents work in factories that have moved closer to animals or in search of cheaper land and labor. Meatpacking moved from Chicago and other cities to small towns near feedlots.

**Labor: Jobs, H-1B, Housing**

The US added 2.7 million jobs in 2023, bringing employment to 161 million; 62.5 percent of persons 16 and older were employed or looking for jobs. There were 6.3 million unemployed workers and 100 million people 16 and older who were not in the labor force at the end of 2023. The unemployment rate remained below four percent throughout 2023.

Minimum wages rose in 22 states in 2024, to $16.28 in Washington, while the federal minimum wage of $7.25 and was the minimum in 20 states (30 states have minimum wages above the federal level). Many employers pay more than the minimum wage, saying that they are unable to hire workers unless they pay $18 to $20 an hour.

DOL in January 2024 resurrected a regulation that uses six factors to determine whether an individual is an employee or independent contractor, including how much control an employer has over working conditions, a worker’s financial investment in their job, and any opportunities a worker has for turning a profit. If upheld by federal courts, the new DOL regulation would rescind a 2021 rule that made it easier for businesses to consider gig drivers and others to be independent contractors by stressing how much “entrepreneurial opportunity” factored into the job.

If the new DOL regulations are upheld, they would supersede California’s Prop 22 that guaranteed gig workers 120 percent of the state’s minimum wage for the hours they are driving, but no wage for waiting time.

Few economists predicted the rise and fall of inflation, with unemployment remaining below four percent in 2023. Some predicted that government covid spending and the Fed’s easy money policy would spur inflation, especially as supply chains snarled in 2021-22, and most expected a recession and higher unemployment to reduce inflation. Instead, the US appears in 2024 to have achieved a soft landing, that is, a reduction in inflation without a recession.

Economic prospects for the US are mixed. An aging population and more global conflicts that reduce international trade may slow the productivity growth that lies at the core of economic and income growth. Artificial intelligence, hybrid work arrangements that attract and keep more people in the labor force, and immigration may raise productivity over time.

Analysts distinguish flexible and greedy occupations. Flexible occupations have few penalties for dropping out for several years, while greedy occupations require long hours and continued commitment to climb the job ladder. Flexible occupations such as K-12 teaching often have compressed wage distributions compared to greedy occupations such as law.

US government debt was $34 trillion at the beginning of 2024, 120 percent of US GDP of $28 trillion. Democrats favor higher taxes on the rich to reduce the annual deficit and the accumulated debt, while Republicans favor cuts to government spending; neither party wants to reduce spending on the three largest federal items, Social Security, Medicare and the military.

US stocks as measured by the S&P 500 index rose 24 percent in 2023 on the back of the Magnificent Seven, Apple, Amazon, Microsoft, Nvidia, Tesla, Alphabet (Google’s parent) and Meta (Facebook’s parent).

**H-1B**

The H-1B program allows US for-profit employers to request three-year visas for up to 85,000 foreign workers with college degrees to fill US jobs that require college degrees; an unlimited number of H-1B visas are available for non-profits. The program is controversial because most US employers do not have to try and fail to recruit US workers before hiring H-1Bs, and some have required US workers to train H-1B
replacements in order to receive severance pay.

Employer requests for H-1B visas are 500,000 or more, and USCIS uses a lottery to determine who obtains visas. There have been proposals to rank employer requests by the salary being offered and to give H-1B visas to foreigners who will receive the highest US salary.

DHS in November 2023 proposed to make it easier to hire H-1B workers by issuing regulations to expand the number of visas available. For-profit employers could partner with non-profits and become exempt from the 85,000 cap, and DHS proposed that the US job does not necessarily need to require a college degree. DHS made it easier for foreign students who graduate from US universities to remain in the US and wait for an H-1B visa to become available.

Housing

US sales of existing homes topped seven million in 2005, dropped to just over four million a year between 2008 and 2011, and were below four million in 2023 as home owners provided reluctant to refinance at higher rates. A fifth of homes for sale in September 2023 reduced their asking price.

A federal jury in October 2023 found that the National Association of Realtors conspired with brokers to keep the commissions involved in buying and selling homes at six percent, typically shared between the buyer’s and seller’s agent. The NAR required sellers to sign a cooperative commission agreement before listing homes on the Multiple Listings Service. US real estate commissions are about $100 billion a year.

Software from RealPage and Yardi Systems helps landlords to set rents using airline-style algorithms that aim to price each unit to maximize revenue. Several suits allege that the software permits collusion between landlords and violates anti-trust laws for many of the 22 million investment-grade US apartment units. DOJ sued Agri Stats in September 2023 for developing software that meatpackers use to reduce the price processors pay for pork and wages for poultry workers. Some analysts want to slow the spread of automated pricing software.

Institutional investors own over half of US apartments and are increasing their ownership of family homes to benefit from more stable tenants. Those who rent single family homes remain an average four years, double the average tenure of apartment tenants. The US has 900 build-to-rent communities, each with up to 150 homes and often aimed at students or seniors.

Commercial real estate was dealt a blow by covid and remote work. With fewer in-person workers, office space remained vacant in tech hubs such as San Francisco as well as centers of finance such as New York and London. Coworking landlord WeWork, which signed long-term leases for office space in many cities expecting to profit from leasing the space on a short-term basis to startups, declared bankruptcy in November 2023, leaving 777 landlords in 39 countries with the task of negotiating lower rents or finding other tenants, including almost 50 locations with seven million square feet in New York City.

Japan’s Softbank lost over $14 billion of the $16 billion it invested in WeWork. WeWork founder Adam Neumann, once worth $10 billion when WeWork was valued at $50 billion, can walk away with up to $500 million from Softbank.

The number of US families with wealth of $1 million or more rose from 10 million in 2019 to 16 million in 2023, and the number with $2 million or more rose from five to eight million. About 90 percent of millionaire families own their homes and have stocks. Almost half of families headed by college graduates had $1 million or more in wealth.

Where does the money go in higher education? Auburn, with 27,000 undergraduates, raised student costs over 60 percent in real terms to $25,000 since 2000 and devoted much of the extra money to administrative salaries, buildings, and sports. There were also more out-of-state students who paid more; the 40 percent of Auburn students who are out-of-state pay $57,000 a year. Auburn’s spending almost doubled between 2002 and 2016 while the number of students rose 20 percent, a period during which the faculty count rose 10 percent and the administrative staff expanded by 70 percent.

FARM WORKERS

CALIFORNIA: OT, UI

AB 1066 was enacted in 2016 to phase in overtime for farm workers. Employers must pay 1.5X the normal wage for hours worked after eight hours a day or 40 a week for most farm workers beginning in 2022, down from 10/60 overtime before AB 1066. New York, Washington, Oregon and Colorado have enacted overtime for farm workers laws, although not necessarily on an 8/40 basis.

An effort to predict how many hours workers would have worked without AB 1066, and how many hours they actually worked in 2019 and 2020 using NAWS data, found that employers reduced the hours of workers who would have been expected to work more than 55 a week. As a result, the weekly earnings of workers who normally work long hours fell.
Some Salinas Valley farm workers are suing growers who apply nine million pounds of pesticides a year in Monterey county and the chemical companies that make pesticides, alleging that their cancers were due to Telone and other chemicals. Proving that exposure to pesticides caused cancer in any particular individual is very difficult.

Settled farm workers are aging. The NAWS found that California farm workers were an average 31 in 2000 and 41 in 2020. Media reports emphasize that many settled farm workers in their 60s and 70s are unauthorized, having worked on US farms for 20 or 30 years, and many intend to keep working as long as they can because they are not eligible for Social Security or Medicaid.

UI
California’s unemployment insurance fund is $20 billion in debt to the federal government due to higher and extended benefits that were offered during covid. Employers, who pay an average 3.5 percent tax on the first $7,000 each employee earns, must pay an extra $21 per employee per year until the debt is repaid. California makes it relatively easy for laid off workers to collect UI benefits, although the maximum benefit has been $450 since 2005. EDD is embarking on a five-year $1.2 billion overhaul of its system for collecting UI taxes and paying UI benefits.

California operates 24 housing centers at a cost of $12 million a year that can house up to 7,000 farm workers and their families if they are poor and live at least 50 miles away from the center for the three months a year. Many center residents, who pay subsidized rents of up to $100 a week, are legal immigrants who return to Mexico when the centers close for three months. One survey found that 40 percent of center residents in 2023 had returned to the same center for a decade or more.

SB 831, signed in October 2023, requires the governor to work with the US Attorney General to develop a program that gives unauthorized farm workers some type of immigration parole. The goal is to develop a pilot program with the federal government by 2024 to provide farm workers with a status similar to the Deferred Action for Childhood Arrivals (DACA) program that grants two-year work permits to unauthorized youth who arrived before age 16 and graduated from US high schools. Previous versions of SB 831 called for federal-state cooperation to develop a path to immigrant visas after five years of farm work.

Florida, Southeast
Florida orange acreage continues to shrink, from 680,000 acres in 2003-04 to 340,000 acres in 2021-22. Citrus greening disease and the opportunity to sell land for housing is expected to shrink acreage further to less than 300,000 acres. Frozen concentrate orange-juice prices approached $4 a pound in Fall 2023, double the $2 in October 2022. Brazil supplies about 70 percent of the world’s orange juice.

The University of Florida developed a tomato variety that does not need to be staked and can be harvested mechanically. The researcher joined Lipman Family Farms.

Miami-Dade county commissioners in November 2023 rejected a proposal to create the first county-level workplace heat protections; California, Washington and Oregon have statewide heat-safety standards. The Miami-Dade proposal would have required employers of outdoor workers to train their employees about heat illness and provide a 10-minute break every two hours on hot days, with fines of $2,000 for violations. Costa Farms, with 5,000 acres in the southeast, opposed the bill.

The Farmworker Association of Florida (FWAF) is suing in federal court to block enforcement of SB 1718, the law effective July 1, 2023 that requires employers of 25 or more workers to use E-Verify and imposes state penalties for transporting unauthorized foreigners. The FWAF argues that regulating immigration is an exclusive federal prerogative.

Georgia
There are three state inspectors to check on 2,500 housing units in 730 locations for over 35,000 H-2A workers, compared with six inspectors for a similar number of H-2A workers in Washington. The Georgia Department of Labor receives about $850,000 a year to review and enter employer job offers into databases so that US workers know about the jobs, to inspect farm worker housing, and to conduct prevailing wage and practice surveys.

The Technical College System of Georgia will replace the Georgia DOL as administrator of the H-2A program in the state in 2024, making Georgia unique in not having the state labor agency in charge.

North Carolina
FLC Valentino Lopez was debarred in October 2023 for charging H-2A workers for their jobs and withholding their passports in 2020 and 2021; Lopez sent workers to pick blueberries at Ronnie Carter Farms.
McClenny Farms of Mount Olive relied on debarred FLC Francisco Valadez Jr to obtain 65 H-2A workers who were underpaid and had their passports held by the employer. There were numerous other violations, including failing to pay worker expenses and failing to maintain accurate records.

North Carolina produces about 60 percent of US sweet potatoes, but growers reduced sweet potato acreage from over 100,000 in 2021 to 65,000 in 2023; US prices rose to $19 per 42-pound carton. Egypt has expanded its sweet potato production, reducing US exports to Europe.

**NORTHEAST, MIDWEST, NORTHWEST**

**New York**

New York’s Farm Laborers Fair Labor Practices Act, which took effect January 1, 2021, provides farm workers with overtime benefits and right-to-organize protections, including a card-check procedure that allowed the state’s Public Employment Relations Board to certify a union as the representative of farm workers if enough signed union authorization cards.

As of October 2023, the UFW said it won majority support via card-check on five New York farms and two New York-based unions organized workers on other farms. The UFW wants farm employers to guarantee H-2A worker employees the right to return next year in exchange for union dues of three percent of their wages.

The Grow New York Farms Coalition in September 2023 sought an injunction to block implementation of the FLFPA arguing, for example, that federal law and regulation govern H-2A contracts, not state law. Employers say that unions mislead H-2A workers by promising that a CBA can guarantee the opportunity to return year-after-year because farmers must search for and hire any US workers that are available.

Growers obtained a video of a UFW organizer in Mexico telling workers to sign union authorization cards before they left Mexico for New York. PERB has so far refused to hold hearings on employer complaints and workers who said they want to rescind their signed UFW cards, but the New York Attorney General in December 2023 suspended enforcement of the union provisions of the FLFPA until the Grow New York case is decided, prompting the UFW to appeal to DOL to intervene.

**Vermont**

Students often leave for college and do not return, while more long-time residents are retiring, giving Vermont the lowest share of working-age residents. Vermont has 650,000 people whose median age is 43.

The unemployment rate in Fall 2023 was less than two percent. Employers are raising wages and recruiting older workers and the disabled, often for part-time and flexible shifts. Many employers raised wages and offered benefits such as subsidized housing, while others turned to automation and robots to replace worker or increase their productivity.

Employer adjustments in Vermont are exactly what economic theory would predict. Agri-Mark, owner of Cabot Creamery and employer of 700 workers, raised wages and added benefits to retain and recruit local workers, hired guest workers and automated some processes.

**Michigan**

US workers employed between June 2019 and August 2023 sued Mastronardi Produce’s Maroa Farms in Coldwater in November 2023 for exposing them to chemicals at work and labor law violations.

North Dakota and other plains states have low unemployment rates, sometimes less than two percent. The Sanford Hospitals in these states lost RNs during covid, and aimed to replace them with nurses from the Philippines and elsewhere recruited by a staffing firm for EB-3 immigrant visas for college graduates rather than the H-1B temporary work visas favored by IT firms. There is a long wait for EB-3 immigrant visas, creating frustration.

**Washington**

Senate Bill 5172 enacted in 2021 requires overtime pay for farm workers after 40 hours a week in 2024. Some farm workers protested that they are working fewer hours as their employers avoid overtime.

The state’s Supreme Court in 2020 found that the exclusion of dairy workers from overtime pay violated the right of Washington workers to health and safety protections. In response, SB 5712 phased in overtime pay for all farm workers. However, farmers want a 12-week seasonal carve-out during which workers could be employed 50 hours a week before being eligible for overtime pay. By 2027, farm workers in California, Oregon, and Washington will earn overtime pay after 40 hours a week.

Washington harvested 140 million boxes of apples in 2023, which reduced grower prices and made cutting costs a priority. Many growers are adopting hydraulic platforms to increase the productivity of hand pickers by 20 percent or more and make harvesting jobs more attractive to older workers and women.
**ALRB, Unions**

The United Farm Workers endorsed Rep Adam Schiff (D-CA) to be the next California Senator. The UFW has about 5,000 active members and plays a significant role in state politics.

**ALRB**

The first Majority Support Petition under AB 113’s card check procedure to determine if workers want to be represented by a union was filed by the UFW on behalf of the tomato workers employed by FLCs utilized by DMB Packing (DiMare Fresh) in Newman in September 2023 with the signatures of 51 percent of the 297 employees, triggering ALRB certification October 21, 2023 and an obligation for DeMare to bargain in good faith with the UFW for a CBA.

DiMare objected to certification, saying that not all of the signatures submitted by the UFW were from eligible employees. The UFW, which said that DMB workers now earned $0.77 per bucket of tomatoes picked, complained that DiMare did not maintain a complete and accurate list of employees.

DiMare is required to begin to bargain for a CBA with the UFW under the mandatory mediation process even while objecting to the ALRB’s certification of the UFW as bargaining representative for its employees.

The UFW said that it represents 7,000 workers on 20 California farms and last won an election at a Watsonville raspberry farm in 2017 by a vote of 269-236. The farm went bankrupt in March 2020 without negotiating a CBA.

**Unions**

There were almost 400 strikes involving over 500,000 workers in 2023. Almost half were in California, where Hollywood writers went on strike for over 20 weeks and actors were on strike over 15 weeks. The 330,000 UPS workers represented by the Teamsters won wage increases without a strike in July 2023 that will generate top wages of $50 an hour.

Some 75,000 nurses and other employees of Kaiser went on strike in October 2023, accusing the health care provider of not raising wages and outsourcing jobs to save money. The Coalition of Kaiser Permanente Unions wanted a 24 percent wage increase over four years, while Kaiser offered a 15 percent increase; the compromise is a 21 percent over four years.

Kaiser, which has almost 13 million members, including ten million in California, said it lost almost $5 billion on revenues of almost $100 billion in 2022 after having $8 billion in net income in 2021.

The 350,000-member United Automobile Workers won new contracts with the Big 3 US automakers, Ford, General Motors and Stellantis, in Fall 2023 after 45,000 workers went on strike to win increases in the top wage by 25 percent over 4.5 years, from the current $32 to $40 an hour. The UAW won a voice in how plants operate, such as giving workers the ability to refuse overtime or strike to protest plant closures.

US auto workers in the past earned a significant premium over other production workers, earning an average $28 an hour when other production workers averaged $15 in 2003. The auto wage premium has shrunk, to $33 and $30 in 2023, for many reasons, including bankruptcies after the 2008-09 recession, the shift of many auto jobs to southern states and few union contracts there, and recovery after covid that increased the demand for non-auto workers.

Foreign automakers have plants in southern states that are not unionized but sometimes offer starting wages that are higher than in unionized Big 3 plants, $19 compared to $17 an hour. The UAW has tried and failed to organize workers in southern plants. After its victories at the Big 3, the UAW announced plans to try to organize Tesla plants in California and Texas.

Tesla discourages its 127,000 employees around the world from joining unions. Some of the 130 technicians who service Tesla in Sweden went on strike in Fall 2023 to force Tesla to sign an agreement covering wages and benefits. With 90 percent of Swedish workers covered by collective agreements, IF Metall asked other unions to pressure Tesla.

Amazon workers at the Staten Island JFK8 warehouse voted for the Amazon Labor Union in 2022, but there is not yet a contract. Meanwhile, workers at other warehouses accuse Amazon of firing pro-union workers who return to warehouses when they are not on duty, but the workers say they have no other way to talk to their fellow employees.

Many firms are rethinking their DEI (diversity, equity and inclusion) programs, often established in the wake of George Floyd’s death in 2020. The US Supreme Court ended affirmative education in higher education in June 2023, business leaders such as Elon Musk of Tesla oppose DEI programs, and some governors and state attorneys generals are challenging DEI programs in private businesses and government programs that favor or restrict grants and loans to minority-owned businesses. There are also private challenges to DEI policies that favor hiring minorities.

Claudine Gay was ousted at Harvard in January 2024 after six months as president, the shortest tenure in the school’s 387-year history, amid charges that her selection
made for DEI reasons despite plagiarism in her academic writings and an ambivalent stance on antisemitism. The backlash against DEI may lead to a rethinking of environmental, social, and governance or ESG policies that were widely adopted by private businesses.

**IMMIGRATION**

**IMMIGRATION, POLITICS**

The foreign-born population was a record 50 million or 15 percent of US residents at the end of 2023, including 12 million unauthorized foreigners. There were 44 million foreign-born US residents in 2020, including 10 million unauthorized foreigners, suggesting a rapid increase since the end of covid restrictions.

The 50 million foreign-born US residents include 12 million people born in Mexico, 5.4 million people born in the Caribbean, 4.8 million born in Central America, and 4.3 million born in South America. Some 8.2 million foreign-born US residents are from East Asia, 4.3 million are from the Indian subcontinent, 4.5 million were born in Europe and 750,000 were born in Canada.

Slower population growth and internal migration are reallocating seats in Congress. One projection expects California to lose four seats after the 2030 census and New York three, while Texas could gain four and Florida three seats.

**Politics**

The Senate was negotiating major changes to asylum policy in January 2024 as part of a $14 immigration package to be included in a $111 billion bill to support Israel and Ukraine.

Republicans pushed for changes that would make unauthorized entrants ineligible to apply for asylum if too many migrants cross the border and force some of those who apply to be detained or wait in Mexico for asylum hearings and appeals, a process that can take several years. They also wanted limits on humanitarian parole, a presidential authority being used by Biden to admit Cubans, Venezuelans and Nicaraguans as well as Ukrainians.

There were three million cases pending in immigration courts at the end of 2023, up from two million at the end of 2022. The US has about 700 immigration judges who each close about 1,000 cases a year.

Refugees and genuine asylum seekers are those outside their country who fear returning because of “persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group or political opinion.” Most foreigners who cross the Mexico-US border legally and illegally do not satisfy this definition, but by passing a lower-level credible fear test, reported to be a 10 percent probability of satisfying the refugee standard, they receive court dates sometimes several years in the future and an opportunity to work legally in the US for several years.

Only 15 percent of the foreigners who passed credible fear tests at the border between 2015 and 2019 were deemed refugees by immigration judges. Republicans want to change the credible fear standard from “a significant possibility” of persecution at home to “more likely than not,” to require foreigners who transit safe countries to apply for asylum there rather than in the US, and to detain asylum seekers until their cases are decided.

The major changes may include a higher bar to establish “credible fear” of persecution at home, the detention of single adults until their immigration cases are resolved, and perhaps the re-introduction of the remain-in-Mexico program that returns migrants to Mexico while they wait for US hearings on their asylum applications. Humanitarian parole, under which the Biden administration admitted some 350,000 Ukrainians and others, may be restricted.

Migrant advocates, who in the past insisted that any toughening of asylum regulations and border control efforts be accompanied by legalization of some unauthorized foreigners in the US, called on the Biden Administration to maintain the status quo. Some House Republicans want any Senate agreement to include all of the restrictive measures included in HR 2, the border security bill approved by the House in May 2023.

**Democrats**

President Biden and Democrats came into office in January 2021 with plans to reverse many Trump immigration policies. After the number of unauthorized migrants surged in 2023, DHS announced that it would waive environmental regulations to construct 20 more miles of border walls in South Texas despite Biden’s campaign promise to stop building border walls.

Over 50,000 Venezuelans were encountered just inside the Mexico-US border in September 2023, a quarter of the 200,000 encounters that month, prompting the US to resume deporting Venezuelans to Venezuela. Similar deportations of Haitians in 2021 sharply reduced illegal Haitian immigration.

Democratic governors and mayors in Chicago, New York and other cities and states have complained that too many migrants are arriving. New York City Mayor Eric Adams said “there is no more room in New York” for migrants, and Massachusetts in October 2023 suspended a state law that guarantees shelter
to new arrivals after housing 7,500 migrant families. Over 160,000 migrants went to New York City in 2022 and 2023, and almost 70,000 were in city housing at the end of 2023. Most migrants are allowed to work legally, but some have been slow to apply for work authorization.

Since Biden took office, there have been over six million encounters with unauthorized migrants just inside the US border with Mexico, an average of over two million a year or over 5,000 a day.

**Republicans**

Speaker Mike Johnson led 60 House Republicans to the border in January 2024 to highlight the influx of migrants and to demand “transformational change” in asylum policies to reduce unauthorized arrivals that reached a record 250,000 in December 2023. House Republicans skeptical of more aid to Ukraine believe they can extract major changes to migration policies from Democrats.

Donald Trump, reacting to the influx of migrants in Fall 2023, said “Nobody has any idea where these people are coming from. We know they’re terrorists. Nobody has ever seen anything like we’re witnessing right now. It is a very sad thing for our country. It’s poisoning the blood of our country.” Trump’s echoes of Hitler’s language about the Jews drew strong condemnation.

Trump is making reducing unauthorized migration a central theme of his effort to win the 2024 Republican presidential nomination. If re-elected, Trump would try to end birthright citizenship, reduce the number of foreigners with temporary protected status, and deport more unauthorized foreigners from inside the US.

Migrant advocates fear that a second Trump term would find now-experienced loyalists reducing refugee admissions, blocking entrants from Muslim-majority countries, and sharply restricting asylum. Safe-third country agreements could be expanded, so that migrants from or transiting countries that are deemed safe would not be able to apply for asylum in the US.

Some Trump advisors suggest that workplace raids and neighborhood sweeps to detect unauthorized workers would encourage the unauthorized to “self-deport” in a manner similar to Operation Wetback in the mid-1950s, when some US-born children were deported along with their parents.

After the Hamas attack on Israel October 7, 2023, some Republicans warned that terrorists could cross the Mexico-US border. Polls find that Americans believe Republicans are better at managing the economy and reducing crime and illegal migration.

**Perspective**

A common narrative is that demography favors Democrats in the 21st century. The argument for an emerging Democratic majority is that the rising share of Black, brown and Asian voters should increase the Democratic share of the vote. With minorities poised to become a majority of voters before 2050, and with these minorities giving two-thirds to three-fourths of their votes to Democrats, the US should have persisting Democratic majorities in federal and state governments.

Authors Ruy Teixeira and John Judis revised their demography-favors-Democrats theory in a 2023 book, “Where Have All the Democrats Gone?” Many professionals and educated women have shifted from Republican to Democrat, but a rising share of working-class minorities are voting Republican for several reasons, since many are more concerned about economics than the cultural issues often highlighted by college-educated Democrats. If more minority working-class voters join their white counterparts and vote Republican, US politics may become even more polarized.

Many Democrats once opposed large-scale immigration. Senator Bernie Sanders (I-VT) in 2015 said that business wants to “bring low-wage labor of all levels into this country to depress wages for Americans, and I strongly disagree with that.” Campaigning in 2008, Barack Obama said that Americans are hurt if “an employer undercuts American wages by hiring illegal workers.”

After President Trump was elected in 2016, leading Democrats changed their position on immigration, arguing that the presence of immigrants did not hurt US workers and that all foreigners in the US should be legalized so that they can enforce their rights. Some progressive Democrats seem to favor few or no limits on immigration, and more assistance to NGOs who help to integrate migrants, while other Democrats want especially illegal immigration curtailed to appeal to moderate voters.

**DHS: CBP, ICE, USCIS**

**CBP**

Customs and Border Protection encountered a record 2.5 million unauthorized foreigners at and between ports of entry on the Mexico-US border in FY23, up from 2.4 million in FY22, 1.7 million in FY21, and 460,000 in FY20. The peak month was September 2023, when there were 270,000 encounters.

Some 2.3 million migrants were released into the US since President Biden took office in January 2021, including almost 400,000 Venezuelans, over 300,000 Cubans, and over 200,000 each from Nicaragua and Honduras. Over four million unauthorized entrants
were expelled to Mexico or otherwise removed from the US since Biden took office, including 2.5 million expelled under Title 42, which ended in May 2023.

Many of the foreigners who are encountered are released to join the backlog of almost three million cases pending in US immigration courts, up from less than 500,000 cases a decade ago. Asylum applicants can receive work permits after 180 days and work for several years before being denied asylum and ordered removed.

Encounters rose further in FY23, which began October 1, 2022, to a record 12,000 a day around Christmas 2023. In response, CBP closed truck and railroad crossings to deal with the surge, facilitated by smugglers who cut holes in the border wall.

President Biden sent senior officials to ask Mexican President AMLO to help prevent migrants from surging through Mexico toward the US border. AMLO suggested that the US provide more aid to help people at home rather than to build more barriers on the Mexico-US border.

Encounters are interactions between migrants and CBP agents. Gotaways are migrants CBP has seen enter the US visually or on cameras, but who were not encountered. CBP estimated 600,000 gotaways in FY22, up from 400,000 in FY21.

Media reports and studies note that smugglers operate openly from Colombia to Mexico, charging migrants up to $5,000 for transport via Panama and Central America to the US border. Over 500,000 migrants transited the Darien Gap in southern Panama in 2023, double the 250,000 of 2022, creating an estimated 3,000 jobs for local residents, after which migrants can travel northward by bus.

Some Central American governments are bussing migrants, 55 per bus, north through their countries, charging them $30 to $60 each for the service. Nicaragua has emerged as a flashpoint, allowing Africans, Haitians, and Cubans to arrive without visas and charging them to move north toward the US. Many migrants prefer to fly to Managua and move north rather than trek through the Darien Gap in Panama.

At the border, asylum officers screen about 500 people a day and determine that about 60 percent have a credible fear of being persecuted at home. However, with up to 5,000 unauthorized foreigners a day crossing the Mexico-US border, most migrants are not screened before being allowed into the US to join the queue of almost three million cases pending in immigration courts.

China refuses to accept the return of its citizens that the US wants to deport, meaning that even the one-third of Chinese who do not win asylum in the US are allowed to remain in the US. About 100,000 of the 1.3 million foreigners in the US with final deportation orders are Chinese.

Chinese citizens can fly to Ecuador without visas, and from there travel via Panama’s Darien Gap through Central America and Mexico to the US. Some 24,000 Chinese were apprehended just inside the Mexico-US border in FY23. After being released into the US, most Chinese head to New York City, often to Flushing in Queens.

A federal judge in December 2023 approved a settlement between the ACLU and DHS that prohibits the separation of families who cross the Mexico-US border illegally for the next eight years. The settlement also allows families that were separated in May-June 2018 to obtain three-year work permits and allows those who were deported to return to the US and apply for asylum.

A tentative offer of $450,000 to families experiencing separation was shelved in 2021 due to high costs, but $315,000 was paid in 2023 to a father and son who were separated for two months in 2018.

US Immigration and Customs Enforcement deported 142,000 foreigners from the US in FY23, prioritizing recent border crossers and convicted criminals. About 2,500 of the 72,000 non-criminals were deported from inside the US, reflecting sensitivity to sanctuary cities and states that do not cooperate with ICE. ICE has stopped workplace raids.

ICE has about 6,000 officers to deal with the six million foreigners on the list of persons subject to deportation.

USCIS

US Citizenship and Immigration Service adjudicates immigration benefits, including processing applications for immigrant visas filed by foreigners inside the US and petitions from employers seeking guest workers. USCIS charges applicants fees for its services, but often requires significant time to complete the processing of applications for immigration benefits.

The US is warning Americans, especially dual citizens who are naturalized in the US, against traveling to D-countries because they risk being wrongfully detained and charged with violating local laws: Burma, China, Eritrea, Iran, Nicaragua, North Korea, Russia and Venezuela. There are about 50 Americans wrongly detained abroad including Evan Gershkovitch, a Wall Street Journal reporter who is detained in Russia.
**H-2A; H-2B**

DOL certified 378,000 seasonal farm jobs to be filled by H-2A workers in FY23, up two percent from 372,000 in FY22. The top five states, Florida, California, Georgia, Washington and North Carolina, each had 25,000 to 50,000 H-2A jobs certified and collectively accounted for half of all H-2A jobs certified.

The number of H-2A jobs rose by two percent among the top five states, from 188,000 to 192,000. Growth was fastest in Georgia and Washington, up eight percent, but H-2A jobs fell seven percent in California.

USDA published average hourly earnings data for workers hired directly by farm employers, reporting that US field and livestock workers earned an average $17.55 in 2023, up almost $1 an hour from 2022 and reflecting the average six percent annual increases of recent years.

There are 15 USDA multistate farm labor regions plus three states: California, Florida and Hawaii. California at $19.75 and Oregon and Washington (one region) at $19.25 have AEWRs of over $19 in 2024, while seven southeastern states including Florida and Georgia have AEWRs of less than $15 an hour.

**DOL**

DOL in September 2023 proposed new regulations to protect H-2A workers that require, for instance, US employers to submit to DOL any agreements they have with foreign recruiters and ensure that these agreements prohibit recruiters abroad from charging the workers they recruit for US jobs. DOL wants to collect more information on who owns and operates farms that apply for H-2A workers.

Farm workers are excluded from the NLRA, which governs private sector union activities. DOL proposed a new “no unfair treatment” standard to judge whether an employer’s treatment of particular H-2A workers is fair, a requirement that DOL found in its duty to prevent H-2As from adversely affecting similar US workers. Employers oppose this DOL interpretation, arguing that DOL is attempting to grant H-2As union rights by protecting them from discipline if they engage in concerted activities such as protesting a low piece rate.

DOL also proposed that employers provide the names and contact information of H-2A and US workers in corresponding employment to US unions within a week of receiving a request from a union. DOL would allow workers to designate a representative to attend meetings with employers that could lead to disciplinary action, and must allow union representatives to take access to H-2A workers in their housing for up to 10 hours a month and to bargain in good faith with a union over the terms of a labor neutrality agreement that includes a promise by the employer to be neutral in a union campaign to represent the employees or explain why they cannot.

DOL’s regulations require employers to state explicitly any productivity standards in H-2A contracts if they want to fire slow workers, replacing current language in many H-2A contracts that require H-2A workers to do diligent work or keep pace with the crew to retain their jobs.

Farmers oppose DOL’s proposed H-2A changes, as well as previous regulations that set AEWRs by job title. Farm worker advocates generally welcomed the DOL regulations.

**House**

The House Agricultural Labor Working Group released a report in November 2023 on the H-2A program that emphasized the need to recruit H-2A workers to ensure that food is produced in the US. The report summarizes the history of importing farm guest workers and reviews the administration of the H-2A program, noting the complexity of the process and the rising AEWR, which two-thirds of employer responses to the Group considered the H-2A item most in need of change.

The Group held five roundtables, including four with grower representatives who emphasized the cost and complexity of trying to recruit US workers that, they assert, “everyone knows” are not available. Growers want year-round farm jobs to be open to H-2A workers and complained about the eight new rulemakings under the Biden administration that they said raised the cost of employing H-2A workers. The worker advocate roundtable emphasized the dangers of farm work and the vulnerability of unauthorized and H-2A workers.

**FLSP**

USDA invited farm employers to apply for grants of up to $2 million under the $65 million Farm Labor Stabilization and Protection Pilot Program. In order to qualify for FLSP grants, applicants must satisfy basic requirements and are more likely to receive grants if they recruit H-2A workers from El Salvador, Honduras or Guatemala via government-run work pools in these countries.

The FLSP aims to fill vacant farm jobs, reduce illegal migration and improve the working conditions for all farm workers.

**H-2B**

DHS will double the number of H-2B visas available in FY24, adding 64,000 supplemental visas to the 66,000 annual limit, with 20,000 reserved for workers from the Northern Triangle and other countries.
An H-2B Worker Protection Taskforce released a report in October 2023 that recommended more protections for H-2B guest workers, including for H-2Bs involved in labor disputes, more disclosures from employers who employ H-2Bs, and new rights for unions and others to visit H-2Bs.

**CANADA, MEXICO**

Canada had a record fire season in 2023: almost 46 million acres burned, more than double the previous record 18 million acres burned in one year. Over 6,500 fires burned more acreage than the previous seven years combined. Most of the fires were in the unpopulated far north, resulting in evacuations rather than deaths.

PM Justin Trudeau's popularity is waning after winning three elections since 2015. Many Canadians are frustrated by high inflation and a sense that Trudeau’s Liberals have been in power too long; Trudeau’s disapproval rating is over 60 percent. Conservative Leader Pierre Poilievre leads Trudeau in polls.

Canada aims to admit up to 1.5 million immigrants between 2023 and 2025. Many Canadian immigrants arrive as foreign students or skilled guest workers, gain Canadian work experience, and qualify for an immigrant visa under the point selection system. Middle-class families in China and India often send their children to Canadian universities, some of which have 80 percent foreign students, so that there were over a million foreign students in Canada in 2023.

In 2022, 95,000 of the 432,000 immigrants were previously foreign students.

**Mexico**

Mexican and US officials met in October 2023 to discuss drugs and migration. Despite contrary evidence, Mexican officials insist that fentanyl is not produced in Mexico. President AMLO said “we do not produce fentanyl, and we do not have consumption of fentanyl.” AMLO urged the US to reduce the demand for drugs to reduce fentanyl deaths.

Despite the rising role of the military in Mexico, AMLO has not tackled the growing power of drug cartels, especially the Sinaloa cartel and the Jalisco New Generation Cartel, which often act with impunity in many areas of Mexico.

Mexicans will elect a new president, 128 senators, and 500 members of the House of Deputies on June 2, 2024. The leading candidates for president are the ruling Morena party’s Claudia Sheinbaum and the opposition’s Xóchitl Gálvez, with Sheinbaum favored to win in part because AMLO’s Morena party controls 22 of Mexico’s 32 states. AMLO, who has 60 percent approval in polls, is bolstering Sheinbaum by further increasing welfare and pension spending, which rose from $8 billion in 2018 to $24 billion in 2023 and may increase to $30 billion in 2024. AMLO has crafted an anti-elite narrative that is popular with ordinary Mexicans.

On July 31, 2023, some 110,000 union contracts, 80 percent of the total, were cancelled; they can be reinstated if the workers who are covered ratify them. So-called Charro unions affiliated with the CTM and CROC in the past signed sweetheart protection contracts with employers even before any workers were hired. The USMCA required Mexico to revise its labor laws to give employees more of a say in their unions, resulting in more independent unions that are winning significant wage increases for workers in auto and auto parts plants.

Mexico had 22 million workers registered in IMSS in mid-2023, including almost 600,000 with agricultural employers; a sixth of the IMSS farm workers were in Jalisco and 10 percent each in Sinaloa and Michoacan. IMSS-covered farm workers included 325,000 permanent and 275,000 temporary workers. Temporary workers outnumber permanent workers in many export areas, including three to one in Baja California.

Between 2018 and 2024, Mexico’s minimum wage tripled from about $0.60 to $1.80 an hour, mandatory vacation pay for IMSS-registered workers doubled from six to 12 days, and employers are restricted from subcontracting full-time employees. Many IMSS-registered workers are employed six days a week, and Mexicans average over 2,200 hours a year, far more than the 1,800 in the US and 1,600 in Europe. Hourly wages are low in Mexico because productivity is low.

The base wages of IMSS-registered farm workers averaged 350 pesos ($19) a day, and ranged from about 500 pesos a day in Zacatecas and Baja California to less than 300 pesos a day in Guerrero and Oaxaca. The six major states that export fruits and vegetables to the US, Guanajuato, Michoacán, Jalisco, Sinaloa and Baja California, have higher daily wages, an average 360 pesos compared to 320 pesos in the other states. Mexico’s minimum wage rose from 207 pesos to 249 pesos ($14.50) a day January 1, 2024.

About 90 percent of the avocados consumed by Americans are imported from Mexico, most from Michoacan, where 300,000 workers are employed to grow, harvest and pack avocados. Environmental groups allege that criminals and others are burning pine forests to plant avocado orchards.
Salmonella linked to cantaloupes with the Malichita/Z Farms label from Sonora sickened and killed consumers in Canada and the US in December 2023.

Otis struck near Acapulco in October 2023 as a Category 5 hurricane with 165 mph winds, the strongest storm to hit Mexico and unusual for transforming quickly from a tropical storm to a hurricane. Otis dumped more than 10 inches of rain in many places and knocked out electricity to many of the million residents of metro Acapulco.

Mexico expects over $100 billion in foreign direct investment in 2023, including 42 percent from firms based in the US, 12 percent from China and 10 percent from Denmark. Over half of the 2023 FDI is for manufacturing, mostly autos.

Northern Triangle

Guatemala was rocked by protests in October 2023 when President-elect Bernardo Arévalo accused the Attorney General of plotting a coup against him by investigating allegations of voting fraud. Some two million people with Guatemalan roots live in the US, and turmoil at home may encourage more of the 17 million residents to emigrate.

Ecuador

Ecuador elected 35-year-old Daniel Noboa, son of a banana king, to be the country’s president in October 2023 for an 18-month term. After a period of populist rule that does not lead to promised transformational change, voters often elect an outsider who promises a return to normality. Populist Rafael Correa was the exception, winning re-election twice.

The contract price of bananas was $6.50 per 16 kg or 35-pound box in 2022 and will be $6.85 a box in 2024. Growers say that yields average 2,000 boxes a hectare, and growing costs are $7 a box, almost half for labor. Some growers prefer the spot market, where prices range from $4 to $11 a box.

Argentina

Voters elected President Javier Milei on a 56-44 vote in November 2023 amidst the worst economic crisis in a generation, marked by inflation of 200 percent, interest rates of 130 percent, and a peso that has lost 90 percent of its value since 2019. The government has set various exchange rates for different interactions, so that the exchange rate varied from $1 = 36,000 pesos at the official rate to $1 = 90,000 pesos on the street.

Milei devalued the peso by 50 percent, promised to introduce the US dollar, reduce the power of entrenched elites, and grapple with the worst economic crisis since 2001. Many Argentinians earn the equivalent of $200 to $300 a month.

Chile

Chile had a 17-year military dictatorship after leftist Salvador Allende was ousted in a 1973 coup. The “Chicago boys” trained at the University of Chicago transformed the economy, and made the country of 20 million the economic star of South America. However, inequality increased, and protests in 2019 led to a new constitution that replaced a 1980 constitution enacted under General Augusto Pinochet.

Democracy was restored in 1990, but a new constitution drafted after 2019 protests that guaranteed over 100 rights, including the right to housing, education, internet access, clean air, sanitation and care “from birth to death” was rejected in September 2022. Another effort to rewrite the constitution, this time by rightist politicians, that would have allowed private markets to allocate most goods was rejected at the end of 2023, leaving the 1980 constitution in place.

Europe, Asia

The 27-member EU reached a Pact on Migration and Asylum in December 2023 to restrict migration after the arrival of a million asylum seekers in 2023, including a quarter in Germany. The agreement allows foreigners seeking asylum to be detained and processed quickly at the EU’s external borders so that “the EU, not smugglers, determines who enters the EU.”

Other EU member states are to accept some of the foreigners recognized as refugees or provide financial support to the front-line states receiving migrants such as Greece and Italy, a form of burden sharing. Some migrants rejected for asylum are to be returned to countries such as Tunisia and Albania, pushing out EU borders.

The rising number of migrants and asylum seekers in most industrial countries has made migration a political lightning rod. Most Europeans believe there are too many newcomers, which is helping center-right parties that promise to reduce migration to win elections.

Center-left parties that want to open doors to low-skilled migrants and asylum seekers, and provide government support to integrate newcomers, are fighting to defend the system established after WWII that grants rights to all persons and is especially careful not to return foreigners seeking asylum to face persecution. Migrant advocates say that migrants are unfairly blamed for many problems, from depressing wages and displacing local workers to rising crime and housing prices.

The EU Migration Pact may further embolden anti-migrant rightist parties that are already in power in Italy and Hungary.

The EU has fallen behind the US economically. EU GDP was over 90 percent of US GDP in 2013, but...
only two-thirds as large in 2023. Per capita US GDP is almost twice GDP per capita in the EU. The EU and national governments are investing to accelerate the transition to green energy while revamping its industries to compete with China and the US.

Few EU firms compete with leading Chinese and US high-tech companies, and some fear that the EU will miss out on AI and quantum computing despite a population of 450 million, compared with 335 million in the US. EU firms complain of national regulations that reduce competition and EU bureaucracy that insists on excessive reporting of carbon emissions and due diligence in supply chains.

The EU is based on the four freedoms: to move goods, workers, services and capital freely within 27 member nations. However, barriers remain, such as those making it hard for professionals to practice law, medicine or other services in another EU country.

The EU has high levels of long-term unemployment. Almost 40 percent of the unemployed were jobless more than 12 months in 2022, including two-thirds in Greece and Italy.

**Britain**

Britain voted to leave the EU in 2016 to regain control of its borders and reduce the number of migrants. However, net legal migration has gone up, not down, reaching 750,000 in 2022, double the level of 2016, as the UK reduced the number of intra-EU migrants but accepted more from non-EU countries, such as doctors from India and nurses from the Philippines to staff the NHS.

Today’s migrants may be less visible in larger cities than the Polish plumbers and fruit pickers in rural areas who were the focus of pro-Brexit voters.

Brexit did not solve the problem of migrants arriving illegally from continental Europe and applying for asylum. PM Rishi Sunak appealed a Supreme Court order in October 2023 that blocked removal to Rwanda of asylum seekers who arrived illegally by boat. The removal-to-Rwanda policy first announced in April 2022 aims to deter migrants from using small boats to cross the English Channel.

Under the Illegal Migration Bill enacted in 2023, asylum seekers who arrive in the UK illegally are deemed inadmissible, meaning they must be returned to their country of citizenship or to a safe third country. There are up to a million foreigners in the UK whose legal status is unclear, including many who are fighting removal.

Sunak unveiled legislation in December 2023 that declares Rwanda to be a safe third country for asylum seekers. The UK has paid Rwanda, a country of 13 million, over $175 million but had not flown any asylum seekers to the country as of December 2023.

Net migration to the UK was a record 750,000 in 2022, prompting the government to raise the minimum salary for skilled workers to £38,700 in 2024.

More residents are refusing to participate in government surveys, prompting the Office for National Statistics to use tax and benefit rather than household data to estimate employment and unemployment. The Labor Force Survey has since 1973 questioned sample households by phone every 13 weeks for five times to estimate employment and unemployment, but fewer than 15 percent of sample households participate.

Many British residents complain that underinvestment in infrastructure is hobbling the economy, citing the slow pace of improving the electrical grid and delays that are built into the complex process for winning approval for new construction. Scottish wind farms generate cheap electricity, but there are too few transmission lines to move it to where it is demanded due to local opposition.

**France**

President Emmanuel Macron won approval of a law in December 2023 that aims to reduce unauthorized migration while opening doors to migrants with skills. Interior Minister Gérald Darmanin’s law expedites the deportation of foreigners convicted of crimes in France and requires foreigners to pass a French test to obtain residency rights while offering one-year work permits to skilled foreigners in sectors with labor shortages.

The 29th change to French immigration law in the past 40 years was approved by the National Assembly on a 349-186 vote with the support of the National Rally led by Marine Le Pen. The Darmanin law reduces government support for newly arrived foreigners and makes it harder to unite families in France.

France collects one of the highest shares of GDP in taxes, 46 percent, followed by 39 percent in Germany, 35 percent in the UK, and 28 percent in the US. Tax shares are rising as inflation pushes residents into higher income tax brackets. Government spending is a higher share of GDP, 55 percent in France, 44 percent in Germany, 39 percent in the UK, and 38 percent in the US, explaining persistent budget deficits that have lifted government debt to more than 100 percent of GDP in most rich countries.

There are more French speakers outside than in France, including many in the 20 West African colonies that were French colonies. Anti-French sentiment is widespread, and French efforts to help
ex-colonies combat terrorism are being replaced by cooperation with Russia and China. France no longer relies on its ex-colonies for natural resources; the three major African trading partners are Nigeria, Angola and South Africa, three countries France never colonized.

Germany

Germany received over 300,000 asylum applications in 2023 and spent over $50 billion caring for and processing asylum seekers. About half are not recognized as refugees, but it is often difficult to remove them to their countries of citizenship.

Chancellor Olaf Scholz in October 2023 said that Germany would “deport on a large-scale, foreigners who have no right to stay.” Decisions on asylum applications are to be made quicker, and Germany plans new agreements with African countries to return their citizens.

After Hamas attacked Israel on October 7, 2023, there were pro-Hamas demonstrations in many European cities including Berlin, prompting some German cities to ban pro-Hamas rallies. Germany has about 150,000 Jews, down from 500,000 before WWII. There are fears that the influx of Muslims over the past decade could fuel anti-Semitic attacks from the six million Muslim residents of Germany, including four million Turks.

The Alternative for Germany party attracts over 20 percent support in polls, second only to the CDU-CSU. Henry Kissinger said “it was a grave mistake to let in so many people of a totally different culture and religion and concepts” referring to Muslim migrants who arrived in Germany over the past decade.

Germany enacted a “debt brake” in 2009 that limits government borrowing to 0.35 percent of its GDP or about €12 billion a year except in emergencies. Courts in November 2023 declared that a government effort to shift €60 billion in unused covid emergency funds to combat climate change was unlawful, prompting the German government to freeze most additional public spending for the rest of 2023. Germany’s government debt is about 64 percent of GDP, and polls suggest that 60 percent of Germans want to keep the debt brake, which limits government deficits to 0.35 percent of GDP.

Greece

Greece employs an estimated 70,000 farm workers, and the PM in December 2023 proposed a legalization program for 30,000 unauthorized foreigners in the country, half of the 60,000 unauthorized foreigners in the country. Greece has legalized 680,000 migrants since 2021.

Italy

The Italian economy was smaller in 2023 than it was in 2007, a sharp contrast to French and German economies that are 15 percent larger and the US economy that is 30 percent larger. Many economists attribute Italy’s stagnation to HR systems that reward seniority rather than meritocracy and special interests that impede change. Italy has a high government debt, widespread tax evasion, and persisting gaps between the richer north and poorer south.

Taxi drivers have blocked Uber while local governments collect little revenue from those who are allowed to rent umbrellas on beaches.

Netherlands

The populist Party for Freedom led by populist Geert Wilders won 24 percent of the vote and 37 seats in the 150-seat Parliament in November 2023 elections, making it the largest political party. Wilders made Trump-style arguments against especially Muslim immigrants and asylum seekers, and attributed higher housing prices to too many immigrants.

Net migration was 223,000 in 2022 and is expected to be higher in 2023. The Netherlands received 70,000 of the million asylum applications made in Europe in 2023. Anti-migrant parties hold or share power in Italy, Hungary, Finland, Sweden and Slovakia, and are becoming more important in Germany, France, Austria, Belgium and Greece.

The Netherlands had 1,100 greenhouse vegetable operations with 5,600 hectares, including 1,800 or one-third devoted to tomatoes and another third devoted to bell peppers. There are about 700 hectares of greenhouse fruit, 80 percent strawberries, and 2,500 greenhouse flower and tree businesses. Many Dutch greenhouse growers rely on staffing agencies who also provide housing to obtain farm workers, leading to cases of exploitation as workers were overcharged for bad housing that was not certified by local governments.

Russia

The government in January 2023 allowed foreigners who volunteer for the 1.3 million strong Russian Army to become Russian citizens quickly. Instead of the usual five-year wait, new recruits and their families can become Russian citizens after one year and do not have to pass a Russian language and civics test.

There are more than three million migrant workers in Russia from ex-USSR republics, including many from Kyrgyzstan, Tajikistan and Uzbekistan.

Bangladesh

Some four million workers, over half women, earned about $75 a month sewing clothes before protests in November 2023 that were aimed at doubling garment wages prompted
the government to pressure employers to offer at least $113 a month. Garments account for over 80 percent of Bangladesh’s exports.

Many workers who sew garments for major Western brands earn more, but not enough to live in Dhaka, a city with a metro area population of 22 million that attracts rural workers seeking opportunity. Garment and shoe workers in Southeast Asia often earn more than Bangladeshis, sometimes $200 a month, the minimum wage demanded by Bangladeshi unions.

Bangladeshis re-elected Awami League PM Sheikh Hasina in January 2024 in an election marred by suppression of the opposition Bangladesh Nationalist Party, which boycotted the election and called for protests. Under Hasina, Bangladesh has become a one-party state.

China

China’s economy is stagnating. Chinese leaders called on educated jobless youth to move to rural areas and help farmers to raise their productivity, offering them $300 a month to forestall urban protests and to revitalize rural China. Most of the youth in rural areas plan to return when the economy rebounds.

Chinese factories continue to turn out goods, some of which are exported at a discount, with the support of banks and local governments that want to preserve jobs. Chinese exporters benefit from the falling value of the yuan, displacing the production of EVs, batteries and solar panels in importing countries. China has over 100 car brands, both EVs and conventional, many of which are struggling to sell enough to achieve economies of scale and lower manufacturing costs.

Housing is a store of wealth for many Chinese households. Developers often “pre-sell condos” to obtain the financing needed to build new housing. Evergrande, one of the largest housing developers, financed itself by preselling condos and, as debts mounted to over $300 billion, over 800,000 presold condos remained unbuilt or unfinished in 2023. If new buyers do not prepay for homes, Evergrande, Country Garden and other developers are unable to complete already presold homes.

China welcomed leaders of 150 countries to Beijing in October 2023 to celebrate its Belt and Road initiative that has made $1.3 trillion in loans for infrastructure projects that were built by Chinese contractors. As more developing countries are unable to repay their loans, the US has accused China of debt diplomacy, saddling developing countries with unpayable debts.

China financed a $11 billion port in Hambantota, Sri Lanka that proved unviable, so China wound up with a 99-year lease and 15,000 acres around the port.

Some 120,000 people work as scammers in Myanmar, including 100,000 in Cambodia who are employed or required to work for Chinese criminal gangs that use social media to develop relationships with the Chinese diaspora and induce them to invest in crypto. Scammers create false statements that show the investments increasing in value to entice more investment, and then disappear with all of the funds, a practice known as pig butchering.

India

India, with a per capita GDP of $2,000, aims to be a developed nation before 2050, which requires its annual economic growth to reach almost 10 percent. PM Narendra Modi (2014-) will seek to stay in office in spring 2024 elections by emphasizing Made in India, a campaign to persuade local and foreign investors to build factories in India.

Modi’s government has been spending on infrastructure to achieve a crowd-in effect, the belief that a government investment in a port or roads encourages private investment nearby. However, the Modi government has made abrupt policy changes and favors local conglomerates such as Reliance Industries and the Adani Group, discouraging foreign investors who fear India’s bureaucracy and sometimes corrupt legal system.

India’s farm workforce has been growing rather than shrinking due to too few jobs in urban areas, as many workers prefer being poor in villages to low-wage jobs in cities. The agricultural workforce of farmers and farm workers has risen from 200 million in 2019 to 260 million in 2023 due to lockdowns and food that is distributed to 800 million Indians. India has 65 million manufacturing jobs.

Workers in villages say that the 12,000 rupees or $150 a month they earn in small urban factories is similar to their income in villages from farm and nonfarm work and government jobs and food distribution programs.

The Indian government’s agricultural policy shifts highlight these sudden shifts. India is the world’s largest exporter of rice, and is also a major exporter of onions, wheat and sugar, sending farm commodities worth $50 billion abroad in 2022. The government in 2022-23 banned exports of these commodities to reduce food price inflation at home, hurting exporters as world prices rose.

The government guarantees farmers that it will purchase 20 commodities at minimum prices and subsidizes inputs such as fertilizer and electricity. The result is overproduction, wastage of up to 40 percent of what farmers produce, and collusion between licensed buyers that can leave farmers little better off despite
the high costs of the system to the government. Many farmers would be better off without the government subsidies and regulation.

Japan

Japan has several guest worker programs, including the technical intern or TITP program that admits mostly Chinese youth to work in agriculture and fishing and, since 2018, the Specified Skilled Worker program.

Toyota, which sells over 10 million cars a year, is trying to re-invent itself as a maker of electric rather than gas-powered cars. Like VW, the second-largest auto producer, Toyota fell behind Tesla and BYD in EVs, and Toyota’s catch-up efforts failed to deliver the promised “computer on wheels” based on Arene software.

Philippines

Spanish colonial policies allowed large landowners to control the economy, and the US did not require land reform before Filipino independence in 1946 because the country was a WWII ally. Families with roots in colonial-era mansions continue to dominate the economy and political life, forcing Filipinos who want to get ahead to emigrate, and the strong peso favored by the US favored importing rather than producing manufactured goods.

Agriculture and working abroad are major centers of employment in a country of 115 million. Pineapples, coconuts and bananas are exported from plantations, including some that have replaced workers hired directly with workers hired via contractors who typically pay less.

ANZ

Voters on October 14, 2023 rejected the Indigenous Voice to parliament in a blow to Labor PM Anthony Albanese, who championed the concept of enshrining a role for the indigenous in the constitution that arose from the 2017 Uluru Statement from the Heart. The one million Aboriginal and Torres Strait Islanders are four percent of Australia’s population.

Australia’s Labor government in October 2023 enacted the Pacific Engagement Visa to allow up to 3,000 Pacific Islanders to win immigrant visas in an annual lottery, with visas distributed by country. New Zealand has a similar lottery to distribute 2,400 Pacific Access immigrant visas a year to Pacific Islanders. People from Niue, Tokelau and Cook Islands are considered New Zealand citizens, while US compacts with the Marshall Islands, Federated States of Micronesia and Palau give visa-free access to the US.

In November 2023, the Australia–Tuvalu Falepili Union Treaty was signed to allow up to 280 of the 11,200 Tuvalu residents displaced by climate change to immigrate to Australia each year. Tuvaluans in Australia will have immediate access to education, health care and income support.

Since 1989, students at Australia’s 38 public universities (there are also four private universities) can repay the cost of their education via the income-contingent student loan scheme (HECS-HELP), deferring any repayment until their income surpasses a threshold. In 2019, the 500,000 international students were a third of the 1.5 million students enrolled in Australian universities.

Some 45 percent of Australian exports went to China in 2021, but the share dropped amid trade disputes that saw China block imports of Australian coal, wine and other commodities.

Some 141 foreigners were released, prompting the Labor government to enact legislation that allows the detention of people who are likely to reoffend.

New Zealand voters in October 2023 ended six years of Labor governments in favor of a coalition government led by PM Christopher Luxon, the ex-CEO of Air New Zealand whose National Party (48 seats) is likely to form a coalition with the ACT (11), a free-market party formed in 1993 by Labor’s Roger Douglas who liberalized New Zealand’s economy in the 1980s, and New Zealand First (8). The Parliament will have 122 seats, up from the normal 120 seats.

The October 2023 New Zealand vote was a rebuke to the Labor Party, fell from 65 to 34 seats in the 120-seat Parliament as Labor failed to deliver promised transformational change to reduce child poverty and slow the rising cost of living. Labor lost previously safe seats in areas with Māori areas, some of which shifted to the Te Pāti Māori party, which won four seats. The National-ACT coalition may try to reduce special Māori privileges.

The median wage rate for migrants employed under the Accredited Employer Work Visa is NZ$31.61 after February 2024.

The Solomon Islands in 2019 switched from diplomatic ties with Taiwan to China. One reason for the change is the tension between ethnic Malaitans on the largest island and politicians in the capital, Honiara, prompting some Malaitans to call for independence. China helped to build a new stadium in Honiara, but shortages of medicine persist.

GLOBAL: AFRICA

Global economic growth is projected to slow from 2.6 percent in 2023 to 2.4 percent in 2024,
making it doubtful that the 17 UN SDGs will be achieved by 2030. Global inflation is projected to decrease from 5.3 percent in 2023 to 3.7 percent in 2024.

Many developing countries have high levels of debt, so that rising interest rates and the stronger US dollar require more effort to make repayments. Low and middle-income countries paid $444 billion to repay loans and interest in 2022, and are likely to pay over $500 billion in 2023. Many of the loans were in the local currency and used to pay for ongoing expenses such as government worker salaries rather than for infrastructure investments.

Egypt, Sri Lanka, Ghana and Kenya are among the most indebted countries. Foreigners who bought these governments’ local currency bonds sold them when prospects for repayment dimmed, deflating currencies and increasing inflation in borrowing countries.

**Africa**

Africans were less than 10 percent of the world’s 2.5 billion people in 1950, but the number of Africans is projected to be more than a quarter of the world’s 10 billion people in 2050 and could reach four billion in 2100. The median age in Africa is 19, half the median 38 in China and the US; the global median age is 30. A third of the world’s 15-to-24-year-olds will be Africans in 2050, a “youthquake” with consequences that include more migration as well as more African music and fashion.

Africa has the world’s youngest population due to fertility of 4.4, meaning that the average woman has 4.4 births. However, Africa’s 54 nations have some of the world’s oldest leaders, many in power for several decades, a recipe for coups and instability.

African youth may study hard but find few formal jobs at home, encouraging emigration. Some tried to emigrate to Europe but, as North African countries made crossing the Mediterranean more difficult, more are trying to enter the US by flying to Nicaragua and traveling north through Mexico, paying up to $10,000 for the trip. Almost 60,000 Africans were encountered just inside the Mexico-US border in FY23, half from Mauritania and Senegal.

The Asian and Chinese economic miracles were based on local and foreign investors creating factory jobs for rural youth who migrated to cities. Most of Africa lacks the infrastructure, including transport and reliable electricity as well as the stable governments, needed to attract such investment. Africa’s per capita GDP has grown one percent a year since 1990, compared with almost 10 percent a year in China.

Nigeria, the most populous African nation with 230 million people, adds five million people a year and is projected to have more people in than the US by 2050. Most Nigerians are poor, including two-thirds who live on less than $2 a day, and life expectancy is only 53. The Yoruba slang for “run away” is japa, a reference to the millions of youth who emigrate each year. Remittances to Africa of $100 billion a year are three times official development aid.

International organizations are pushing African governments to embrace green energy to jumpstart development and create jobs. The US suspended several countries from the African Growth and Opportunities Act because of laws, for instance, banning gay sex (Uganda) or had military coups (Gabon and Niger), leaving 31 African countries able to ship goods to the US duty free.

South Africa is the major beneficiary of AGOA, and some in Congress want to remove South Africa from AGOA because of its ties to Russia. South Africa has struggled to create jobs. A third of those in the labor force are jobless, and over 60 percent of youth 15 to 24 are unemployed, increasing frustration in a country with labor laws that protect insiders but create few private sector jobs. Frustration among educated youth in urban areas could threaten autocratic leaders.

South Africa’s minimum wage is R25 or $1.35 an hour, and may rise 10 percent in 2024 despite an unemployment rate of 33 percent. Farmers say that further increases in the minimum wage will force them to automate or change crops in the face of problems exporting fruit efficiently through state-owned Transnet and an unreliable electricity grid.

Zimbabweans continue to cross the border Limpopo River into South Africa in search of jobs and higher wages, prompting the South African government to assert that illegal migration “exacerbated many of the country’s social and economic problems.” Polls show that most South African citizens believe that migrants take jobs and increase crime, while employers say that South African citizens wait for government jobs, making them dependent on migrants.

**Middle East**

The Hamas-Israeli war that began October 7, 2023 highlighted the 5.5 million Palestinians, including a third in Gaza. The number of Palestinians is increasing as the descendants of those displaced in 1948 wars increases over time. Gaza has one of the world’s highest fertility rates.

Some 30,000 Thais are employed on Israeli farms, typically for two or three years. Dozens were killed or taken hostage by Hamas militants, leaving their families in Isan in Thailand’s northeast unsure of their fate. Israeli wages are at least five times Thai wages, explaining why fewer than 10,000 elected to return to Thailand after the attacks.
Protests for and against the two sides in the conflict rolled many cities in industrial countries. One flashpoint was the Palestinian slogan, From the River to the Sea, which is interpreted by some Jews to suggest that there should only be Palestinians between the Jordan river and the Mediterranean Sea.

In the US, conservatives attacked the leaders of universities who allowed pro-Palestinian groups to call for “the genocide of Jews.” Many Democrats joined Republicans to call for tougher and more consistent policies to limit hate speech at universities.

United States

The US population of almost 340 million people in 2023, about 4.2 percent of the world’s eight billion people, is projected to peak at 370 million in 2080 and then decline. The US population declined in 1918 due to the Spanish flu and little immigration during WWI, and the US is projected to have more deaths than births after 2038.

With immigration the main driver of US population growth, the CBO estimated that net immigration was 1.3 million in 2022, including 500,000 unauthorized foreigners who settled in the US. If current trends continue, the foreign-born share of the US population will continue to increase, surpassing 15 percent. Among industrial countries, Australia and Canada are expected to grow faster than the US, while populations in Germany and Japan are projected to decline.

Cruising

Ocean cruising may be the ultimate migration industry, with guests, crew, and supplies brought to the 300 cruise ships that are expected to carry 36 million passengers in 2024. Cruising was an activity for the “newly wed and nearly dead” until the ABC show The Love Boat began its nine-season run in 1977, making cruising more popular.

The number of cruise passengers has increased along with the size of ships. The largest cruise ship is the Royal Caribbean’s Icon of the Seas, which can carry 7,600 passengers and 2,350 crew, making it five times larger than the Titanic. Icon of the Seas has 20 decks and seven swimming pools, dozens of restaurants and shops, and a range of activities.

Turkey-based Miray Cruises announced a three-year cruise in March 2023, deemed Life at Sea, to visit 382 ports over 1,095 days at a cost of $100,000 to $1 million. Troubles between the Turkish ship owner and the US marketer doomed the voyage, leaving many prospective long-term cruisers frustrated as they waited for refunds.

California Agriculture

Ag tech is booming, with robotic weeder and other devices replacing hand workers. FarmWise, Stout and Carbon Robotics and other robotic companies planned to provide weeding as a service, but are now selling their machines to large growers and ag rental businesses that lease them to farmers. Pacific Ag Rentals allows farmers to rent robots that both replace and assist workers, as with the Burro to carry harvested produce from pickers to packers.

California farmers have been replacing vineyards and tree fruit orchards with tree nuts, especially almonds and pistachios. The bearing acreage of the almonds rose from about 300,000 acres in the early 1980s to almost 1.5 million acres today, pistachio acreage rose from 30,000 acres to almost 450,000 acres, and walnut acreage doubled from 200,000 to 400,000 acres. Revenue per acre peaked in 2013-15 at $8,000 an acre for almonds and pistachios and $6,500 for walnuts. Since then, revenue per acre has fallen by half or more as tree nut production increased faster than demand.

The value of US almonds exceeded $7 billion in 2014-15 and was $3.6 billion in 2022-23.

Prima

Prima Wawona, the largest US producer of stone fruit with 13,000 acres of peaches, was bought in 2018 by Paine Schwartz Partners and filed for bankruptcy October 13, 2023. Former CEO Daniel Gerawan, who merged Gerawan with Paine-owned Wawona in 2019, was fired in December 2020.

Prima Wawona was valued at $560 million in September 2019, and accumulated debts of $680 million since then. Paine Schwartz wants to auction Prima Wawona, setting a minimum bid of $275 million.

Gerawan, who owns 25 percent of Prima Wawona (MVK FarmCo), alleged that Paine hired McKinsey for $10 million without approval, and drained $24 million from a farming operation that had revenue of $300 million in 2022.

Paine Schwartz cut costs, picking fruit less frequently to reduce harvest costs per acre, which lowered quality. Gerawan says that his family invested decades to build a fruit farming business that Paine Schwartz ruined in four years.

U.S. Ag, CEA

US farmers had record cash receipts of $555 billion in 2022, including $282 billion or 52 percent from the sale of crops and $267 billion or 48 percent from the sale of animal products. Fruits and nuts worth $27 billion and vegetables...
and melons were worth $23 billion; the fruit and vegetable total of $50 billion was almost 20 percent of crop sales.

The US Farm Bill is renewed every five years; Congress must enact a new Farm Bill before the end of 2024. Farmers typically plant all of their land and use fertilizer to increase yields, and the increased yields reduce prices and prompt government efforts to protect farm incomes. A rising share of US corn, soybeans and other crops are exported.

Deficiency payments were introduced in 1961 to pay farmers the difference between the market price of a given commodity and a target price aimed at keeping farmers viable. Payments are supplemented by subsidized insurance such as Agricultural Risk Coverage and Price Loss Coverage that allow farmers to lock in a price for their commodity and receive a payment if the price falls below a target.

The Freedom to Farm Act of 1996 entrenched the current payment and insurance system for major field crops. Its goal was to encourage farmers to produce and export as much as possible and rely on federal safety nets when market prices fall.

Tractor Supply is the largest US retailer of farm and ranch materials, selling farm supplies to rural residents with small farming operations and weekend farmers from over 2,000 stores. About half of TS sales are feed and supplies for livestock and pets, while the other half were crop and gardening supplies and parts for farm equipment. TS is known for providing service that makes customers loyal.

**Vegetables**

The US has about six million acres of vegetables, including three million acres of beans and lentils, a million acres of potatoes, and a million acres of other vegetables that are consumed fresh and processed. US-produced vegetables are worth $20 billion, including $10 billion worth of fresh vegetables, $5 billion worth of potatoes, and $2.5 billion worth of processing vegetables (half are processing tomatoes).

The US imports vegetables worth $20 billion and exports vegetables worth $8 billion. Over $12 billion or 60 percent of US vegetable imports are fresh.

Fresh vegetable prices vary by month. In 2023, the FOB farm price of fresh broccoli was about $1 a pound, celery $0.50 a pound, lettuce and onions $0.30 a pound, and tomatoes $0.50 a pound.

**CEA**

Controlled Environment Agriculture is evolving, with green and shade houses switching from tomatoes to leafy greens and berries. Some larger CEA firms lend money and sign distribution agreements with new CEA entrants. Tomato grower and distributor Mastradoni lent money to AppHarvest and eventually took over an AppHarvest facility that was unable to repay its loan due to high building and operating costs.

Plenty uses vertical farming systems rather than stacked trays, maximizing plant exposure to light and increasing yields. Plenty’s main facility in Compton, California produces the same quantity of leafy greens as 250 acres of open fields, and with a workforce that is a third local Compton residents. A Plenty facility opening in Richmond, Virginia in 2024 will produce strawberries.

CEA needs to reduce energy costs and find consumers willing to pay higher-than-usual prices for fresh produce to be successful. Some believe that the key to profitable CEA operations may be more smaller and dispersed facilities rather than fewer large facilities that quickly exhaust the local labor market.

**Global**

The share of US fresh fruit that is imported topped 60 percent in 2022, or 50 percent if bananas are excluded. Less than five percent of fresh apples are imported, compared to 90 percent of avocados, 70 percent of blueberries, 55 percent of table grapes, 85 percent of raspberries, and 20 percent of strawberries.

Many African countries are struggling with rising food prices and less locally produced food due to the higher fertilizer prices that followed the Russia-Ukraine war. Globalization failed to cushion African countries against rising prices for grain and fertilizer, encouraging farmers in Nigeria and elsewhere to switch to crops that require less fertilizer. Fertilizer is typically made from potash, nitrogen (urea) and potassium.

Higher interest rates and a strong US dollar reduced the value of many other countries’ currencies, making it harder for them to buy products priced in dollars and harder to pay back USD debt. Most low-income countries are in debt distress, meaning that they cannot repay their USD debts to creditors that include China, a major lender that often prefers to stretch out repayment rather than cancel debts.

China is a world’s leading food importer, buying $200 billion worth of food from abroad each year. Beef and tropical fruit are popular among middle-class Chinese, prompting farmers around the world to cater to Chinese tastes; China imported 90 million bushels of soybeans in 2022 to feed pigs and make tofu. The Chinese market can be uncertain. China imposed 100 percent tariffs on Australian wine, doubling the price from $8 to $16 a bottle and reducing Australian wine imports to
near zero. The China market is an opportunity and poses risks.

Tobacco is farmed in many countries, including industrial countries where many processes are mechanized and developing countries where tobacco is planted and harvested by hand. China produces a third of the world’s six million tons of tobacco grown a year, followed by about 750,000 tons each in India and Brazil and 200,000 tons each in Zimbabwe, Indonesia, and US and Mozambique.

Major tobacco companies in 2014 pledged to eliminate child labor in their supply chains, but DOL in 2022 reported that child labor was used in the production of both sugarcane and tobacco in many countries. Many farmers call tobacco “green gold” because they can generate high revenue from small plots, and many expect their children to help to produce tobacco. There are relatively few buyers of tobacco, which means that farm prices are often low, about $2 per kilo in Malawi, where tobacco is harvested in March and is the country’s major export.

FOOD, WINE

Over 40 percent of US adults are obese, and another 30 percent are overweight, fueling the $136 billion US weight-loss industry. Eating less salt, sugar, and fat while exercising more is difficult for many people, prompting more people to seek out weight-loss drugs. Denmark’s Novo Nordisk, maker of Wegovy and Ozempic, is expected to earn over $200 to $700 a month.

Obesity costs an estimated $2,000 per person per year in excess health care costs from diabetes and other problems, but Medicare is prohibited by law from covering weight-loss drugs. Some poor US residents receive produce prescriptions that include vouchers for free or discounted fresh produce.

Americans eat too much sugar, including high-fructose corn syrup. On average, Americans obtain an eighth of their daily calories from added sugar, double the recommended five to 10 percent. The added sugars found in processed foods such as soda, cereal and yogurt are different from the natural sugars in fruit because they add taste and calories rather than nutrients. Sugar-sweetened beverages, often called liquid candy by nutritionists, are the source of a quarter of the added sugar in US diets.

A teaspoon of sugar is about four grams, so a cup of yogurt with 20 grams of added sugar includes five teaspoons.

Many nutritionists want the government to discourage consumption of ultra-processed foods ranging from frozen pizza and chips to ice cream and pasta sauce. Diets high in ultra-processed foods are linked to health problems, but the links are uncertain. Food manufacturers say that processing makes food safe and affordable, while nutritionists say that adding ultra-processed to more food labels could guide consumers to healthier choices.

The Canadian and Mexican governments have urged their citizens to reduce their consumption of highly processed foods.

Inflation raised food prices, prompting consumers to switch from national brands to the private-label brands that were over 20 percent of grocery sales in 2023. Private label’s share is higher for some categories, almost half for cheese and 40 percent for canned vegetables. Grocery chains such as Aldi and Trader Joe’s sell mostly private-label foods.

Chipotle founder Steve Ells is testing Kernel, a restaurant that relies on robots to make meat-free sandwiches in 1,000 square foot units with three employees. Ells founded Chipotle in 1993 as an assembly-line burrito chain, and left in 2020 after a wave of food-illnesses between 2015 and 2018.

Shrimp is the most consumed seafood in the US; consumption averages six pounds a year, followed by three pounds of salmon. About 85 percent of US salmon is from aquaculture. Most salmon is imported from Norway and Chile, where salmon are raised in open-net pens, sometimes called floating feedlots. Some US entrepreneurs are trying to raise salmon in land-based closed systems.

Olive oil hit a record $9,000 a ton in Fall 2023 after Spain’s harvest was reduced due to drought in 2023; prices were less than $2,000 a ton in 2021. Southern European countries led by Spain produce half of the world’s olive oil, and there were reports of criminal gangs stealing olive oil and mixing premium with inferior oil to sell. The US imports 96 percent of the 400,000 tons of olive oil consumed each year.

France has over 1,000 cheeses, including almost 50 that carry the Appellation d’Origine Protégée or Protected Designation of Origin label as expressions of the feed eaten by the animals in that place. Climate change is eliminating some AOP cheeses, such as those made using milk from cows that eat only mountain grasses that are no longer available.

France has two of the world’s largest bug farms, one near Nesle that produces 15,000 metric tons of protein from fly larvae a year and another near Amiens that produces 100,000 tons. These VC-funded bug farms feed food waste to cicadas, mealworms, and fly larvae in temperature-controlled plastic vats that turn out protein that is fed to animals as a substitute for soybeans.
or fish meal. The goal is to recycle food waste into protein for animals and reduce the emissions associated with farming.

Wine

Napa county is the best-known US wine region. Napa has about 46,000 bearing acres of grapes, eight percent of the state’s 575,000, but makes only four percent of the state’s wine, about 11 million cases, due to lower yields. The four largest owners of Napa vineyards are Treasury Wine Estates, TIAA Silverado Investment Management, the Laird Family, and Gallo, which has 1,500 Napa acres and wineries that include Martini, William Hill and Stagecoach.

The US has about 12,000 wineries, half in California and at least two in every state. Napa has almost 30 percent of California’s wineries, including 900 physical wineries and hundreds of virtual wineries that produced 11 million of the state’s 280 million cases of wine in 2022. Napa markets itself as a place to enjoy the good life, emphasizing gourmet food and some of the world’s best wine.

Napa county has 120 stand-alone wine tasting rooms and 3,000 places that serve alcohol, including restaurants and bars. Some four million people visit Napa each year, but competition from other areas in California and other states may slow the growth of tourism in Napa.

The state’s Department of Alcoholic Beverage Control in Fall 2023 listed 6,700 Type 02 winery licenses required for wineries, warehouses and tasting rooms, including 1,900 in Napa. Some wineries have two or more 02 licenses, such as one for a warehouse and one for a tasting room, and several labels can emerge from one winery. Napa requires physical wineries to be on at least 10 acres and generally prohibits weddings and other events except for a dozen wineries that were grandfathered when restrictions on winery events were enacted in 1989.

Napa Cabernet grapes sold for an average $9,000 a ton in 2022. About 2.7 pounds of grapes are required to make a bottle of wine, making the cost of the grapes in a typical bottle $12. One rule of thumb is that the retail price of wine should be one percent of the price of a ton of grapes, so $9,000 a ton grapes suggest $90 a bottle wine.

US alcohol guidelines assume that a standard drink includes 0.6 ounces of alcohol, equivalent to five ounces of 12 percent wine or 12 ounces of five percent beer. Alcohol levels in wine are rising, and many red wines have 15 percent or more alcohol. Craft beers often have high alcohol levels.

Washington and Oregon have a similar number of wineries, 1,100, but Washington has more vineyards, 60,000 acres compared to 45,000 acres, and produces almost twice as many grapes, 240,000 tons compared to 135,000 tons. Oregon grapes are 60 percent Pinot Noir worth $2,700 a ton, while Washington is a third Cabernet worth $1,400 a ton.

World wine production is expected to be 244 million hectoliters in 2023, the lowest since 2017’s 250 million hectoliters. Southern European countries produced less wine in 2023, allowing France (45 million hectoliters) to surpass Italy (44 million) as the world’s leading wine producer. One hectoliter is 100 liters or 133 bottles or 26.4 gallons.

The third leading wine producer in 2023 was Spain with 31 million hectoliters, followed by the US with 25 million. Southern Hemisphere countries produced 45 million hectoliters in 2023, the same as France, led by 10 million hectoliters each in Australia and Chile, nine million each in Argentina and South Africa, and 3.5 million in New Zealand.

France is tightening enforcement of labor laws. Five grape pickers died in Champagne in 2023, and seven people were arrested in October 2023 in Bordeaux for exploiting underage Romanians. Many vineyards turn to employment agencies to recruit migrants to pick grapes for piece-rate wages, encouraging some to work fast even in hot weather and to crowd into hotel rooms.

An average 750 ml glass bottle weighs 550 grams (without wine); the Sustainable Wine Roundtable in November 2023 pledged to reduce the weight to 420 grams to reduce emissions from shipping wine. The glass bottles used for high-end red wines often weigh 700 grams or more.

Many Americans avoid alcoholic beverages during dry January. Reducing alcohol consumption can reduce weight and blood pressure and lower risks for cancer and other diseases.

Climate Change

The world is getting warmer: 2023 was the hottest year on record, an average 1.5C or 2.7F warmer than in the second half of the 19th century. The previous record was in 2016. Many areas had record heat, including Southern Europe and the Southern US, while Canada lost a record 45 million acres to wildfire.

Greenhouse gases are the major cause of global warming, but natural factors including an underwater volcanic eruption near Tonga spewed massive amounts of water vapor in the atmosphere and trapped heat near the earth’s surface. El Niño warmed surface water in the Pacific Ocean and raised temperatures on land with a lag.
United States

Most Americans acknowledge that the climate is changing, but only a third believe that scientists understand the causes and solutions to climate change. The scientific consensus is that human activities are the primary causes of climate change, but only a quarter of Americans agree, including 40 percent of Democrats and less than 10 percent of Republicans.

College-educated Americans are more likely to trust scientists’ understanding of climate change than less-educated residents.

The Biden administration in November 2023 modified federal benefit-cost calculations to impose greater regulatory costs today to save more lives in the future. The major adjustment is to lower the discount rate from three to two percent, the cost of delayed benefits from future benefits, which makes regulations that generate future benefits more beneficial. Biden’s EPA also raised the social cost of carbon from about $5 a ton under Trump to $190 a ton to justify more aggressive policies to reduce carbon emissions.

The transition to renewable energy slowed in 2023 as the cost of solar and wind projects rose while oil and gas prices were stable. Some of the largest US oil companies acquired smaller rivals, while some large wind projects along the US East Coast were canceled as interest rates and costs rose.

European countries have over 6,000 offshore wind turbines that generate 32 gigawatts, while the US has only 25 and, despite plans for more, expects only 15 gigawatts from offshore wind by 2030. There are several reasons why building turbines offshore is expensive in the US, including the need to find US-built and manned ships to haul 300-foot blades and turbines out to sea.

Global

Over half of the world’s forested land is in five countries led by Russia, which has 20 percent of the world’s forests. Brazil has 12 percent, Canada nine percent, the US eight percent, and China five percent. Trees turn carbon dioxide and water into oxygen using sunlight, with coastal redwoods most efficient at photosynthesis.

Antarctica is covered by ice sheets that are over a mile thick in places. Over 90 percent of Antarctica’s ice is in eastern Antarctic; most visitors arrive in southwestern Antarctica, where glacial ice extends into the sea. Warming water is loosening West Antarctica ice shelves, making them more likely to break off as icebergs, eventually melt and raise sea levels.

Is the world moving too fast toward electric vehicles? Toyota is challenging the rush toward EVs by continuing to develop hybrid vehicles such as the Prius at a time when US automakers are confronting slowing sales of EVs.

Drought has reduced the number of ships that can transmit the Panama Canal. Water is lost from Gatun Lake each time ships are raised to and lowered from the lake, so that the canal’s capacity has been reduced from 38 to 32 ships a day. Ships pay about $200,000 for the transit, or more if they want to move up in the queue of waiting ships. Panama may build a new reservoir to ensure that Gatun Lake has sufficient water for 38 ship transits a day.

Panama is a country of over four million with a per capita GDP of almost $20,000, one of the highest in Central America. The government owns all mineral resources and agreed to allow Canada’s First Quantum to mine copper in Donoso on the Caribbean coast, prompting protests in November 2023 that led to several deaths.

South Africa-born Elon Musk, briefly the world’s richest person, wants to save humanity from itself by selling Teslas to prevent global warming, using SpaceX to settle Mars, and allowing Twitter-X to preserve free speech. Biographers emphasize that Musk thrives on crises, often creating crises to motivate employees to reduce costs and speed up the production of cars and rockets. Musk in Fall 2023 warned of a “civilizational risk” if the US goes to war against China, Russia and Iran.

Musk warns that the world is not prepared for a large asteroid hitting the earth, as occurred when a six-mile-wide asteroid struck the Yucatan peninsula 66 million years ago and wiped out the dinosaurs, and that low birth rates are a greater risk to humankind than global warming.

COP28

COP28 was held in Dubai in November-December 2023, a city-state of 3.6 million that attracts five million visitors a year. Some 190 countries called for more actions to slow carbon emissions to keep global warming at less than 1.5C compared to pre-industrial times (the world is about 1.2C warmer in 2023). If emissions of carbon are not slowed, the world may warm by 3C over the next half century and lead to more extreme weather and rising sea levels.

The final agreement called for "transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner" in order to reach net zero carbon emissions by 2050; some advocates wanted the COP to call for phasing down or phasing out fossil fuels. Developing countries want the industrial countries that have emitted most of the world’s carbon to provide them with funds to cope with climate change.

Can carbon removal, removing carbon dioxide from the atmosphere, complement phasing out
fossil fuels by neutralizing their emissions? There are few carbon removal projects that operate at scale because the technologies are under development, such as those of Occidental and Climeworks. The goal is to remove carbon for less than $100 a ton.

Dubai is part of the UAE, a major oil exporter. Dubai has little fresh water and many water-based attractions that rely on the desalination of about 164 billion gallons of water a year. However, each gallon of desalinated water means 1.5 gallons of brine whose disposal increases salinity in the Persian Gulf that may harm fish, especially as more artificial islands creep out from land. The largest desalination complex, Jebel Ali, has 43 desalination plants that are powered by fossil fuels, contributing to the UAE’s 200 million tons of carbon emitted in 2022, making the UAE’s carbon emissions among the world’s highest.

Global seawater is 3.5 to 4.5 percent saline, higher in some areas such as Persian Gulf (4.5 percent saline) and lower in areas where rivers bring fresh water, such as off Brazil. About 90 percent of the energy trapped by greenhouse gases accumulates in the oceans, which are warming faster than land.
A record number of unauthorized foreigners, 250,000, were detected just inside US borders in December 2023, bringing the total number of apprehensions since President Biden took office to over six million. Biden is pressing Mexico to do more to prevent the transit of migrants through Mexico who are bound for the US, while Congress is debating measures to restrict the number of unauthorized foreigners who can apply for asylum and deport unauthorized foreigners faster.