

California Ag Employment: 2014

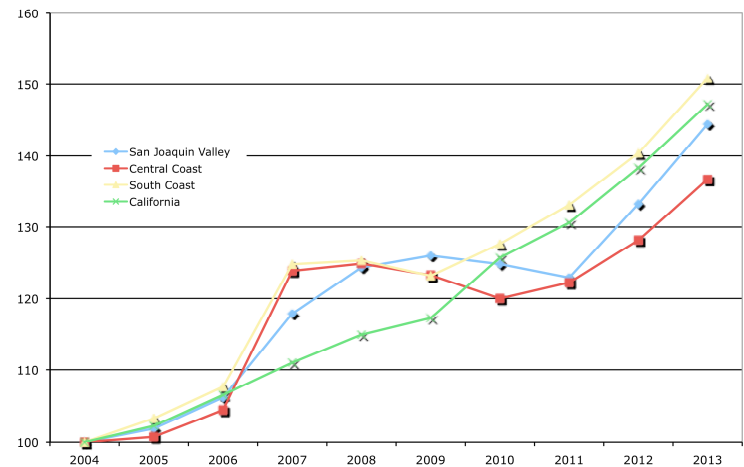
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In 2012, there were 6.0 million Mexican unauthorized immigrants in the U.S., a decline of about 900,000 from 2007.



**Newcomers down,
Farm wages up**

Average Hourly Farm Worker Earnings, 2004-13, (2004 = 100)



Highlights

- **US ag employment** stable at 1.2 million FTE; California rising slightly to 400,000, 1/3 of US
- **About 2 farm workers for each FTE ag job**, so 2.4 million US farm workers and 800,000 CA farm workers. 2/3 of FB farm workers = unauthorized. CA unauthorized share = 67% vs US 50% because almost all CA farm workers = FB
- **Farm labor market:** immigration reform pivot
 - FLCs & intermediaries: 30% of employment on US crop farms, 55% of employ on CA crop farms
 - H-2A: almost 10% of average employ on US crop farms, WA up sharply via associations
 - Imm: what accompanies E-Z guest workers?

CA Ag 3 S's: Sales, Labor's Share, Seasonality

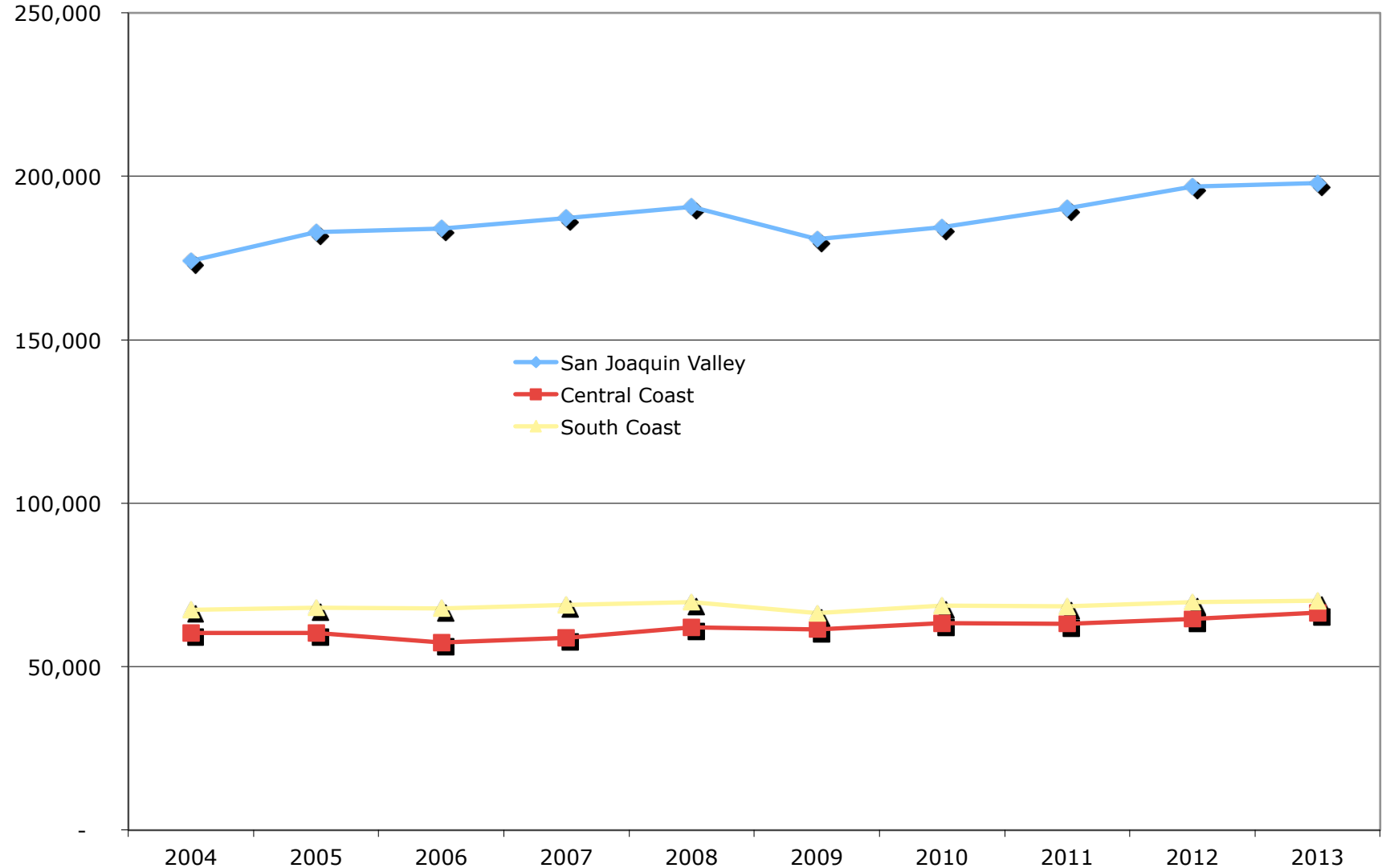
- Farm **sales** = \$45 bil (2012); IA = \$32 bil
 - CA = 12% of US \$380 billion in US farm sales because of FVH commodities
 - US ag: 55% crops & 45% livestock; CA 73% crops; 27% livestock; FVH = 62% of CA sales
- CA FVH crops: **labor's share** = 20-30% of production costs (labor = 10% of mfg costs)
 - Fruits & nuts = \$17 billion in 2012 or 38%
 - Veggies & melons = \$7 billion or 16%
 - Hort specialties (nursery, flowers) = \$4 bil, 8%
- **Seasonality**: Peak 470,000 in June; low of 320,000 in March. Peak/trough ratio = 1.5

3 C' s of Farm Labor

- **Concentration:** 30,000 CA farmers had farm labor expenses in 2007 COA; the 6,900 with >\$100,000 had 92% of farm labor expenses
- **Contractors:** intermediaries who recruit & deploy crews of workers. Win-win specialization in labor matching OR risk-absorbers in labor market with violations?
- **Conflict: Exit** versus **voice**: easier to exit a “bad” job (ag & fast food) than to organize & voice demands to change wages and conditions (as workers with employer-specific skills do)
 - Exits of “best” workers = hard to sustain unions in ag, fast food & other high turnover industries

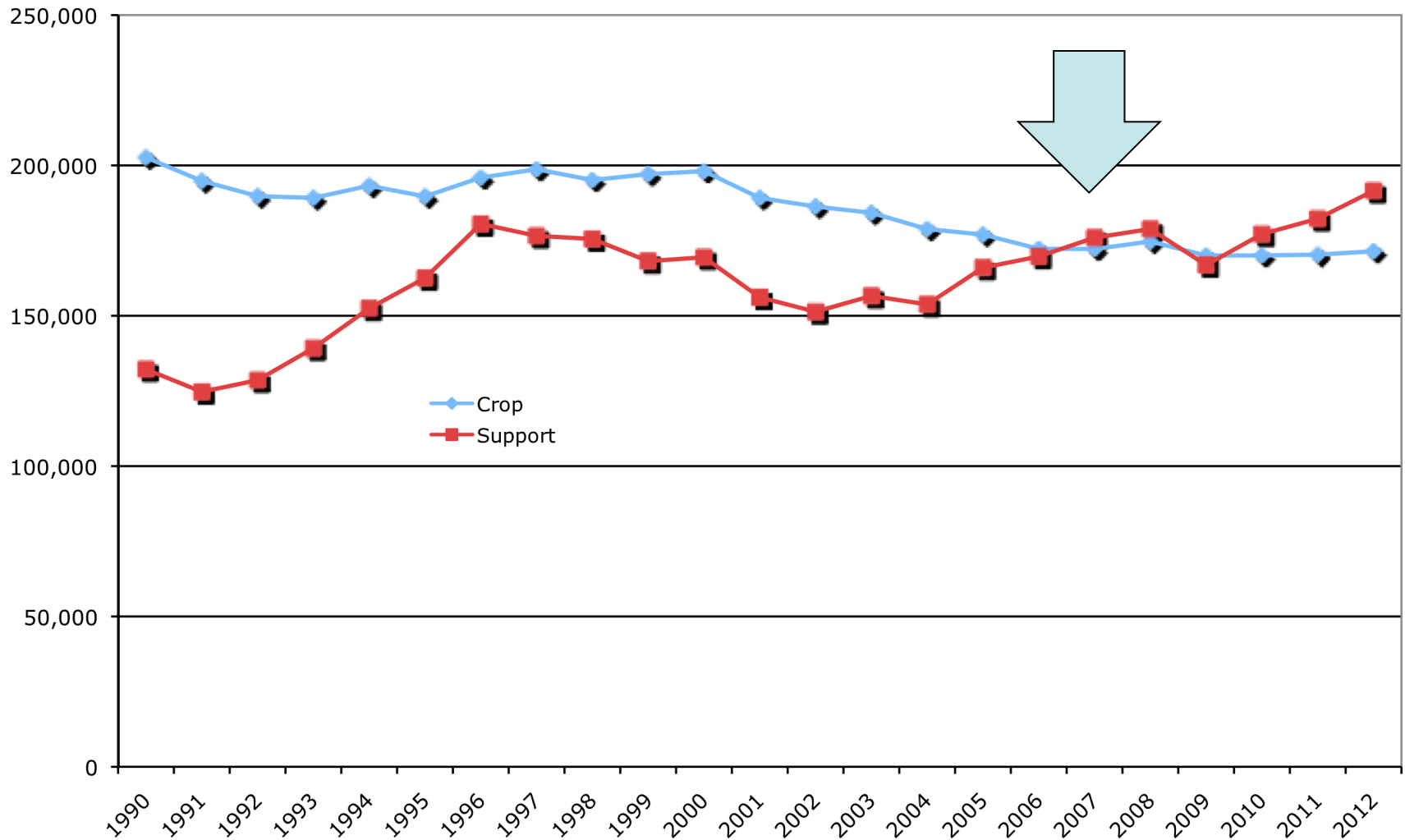
Half of ag emp in SJV; 1/6 each in Central & South Coast

Average Employment by California Ag Region, 2004-2013



California 2007: more workers brought to farms by FLCs than hired directly. Big shift in early 1990s

CA: Average Crop & Crop Support Employment, 1993-2012





**Crop support:
\$4.5 billion or
43% of \$10.5
billion in ag
wages paid in
2012 (QCEW);
55% of crop
support wages
paid by FLCs**





**Fruit: \$2.5 billion or
24% of California ag
wages paid in 2012**



**Vegetables: \$1
billion or 10% of
ag wages paid**





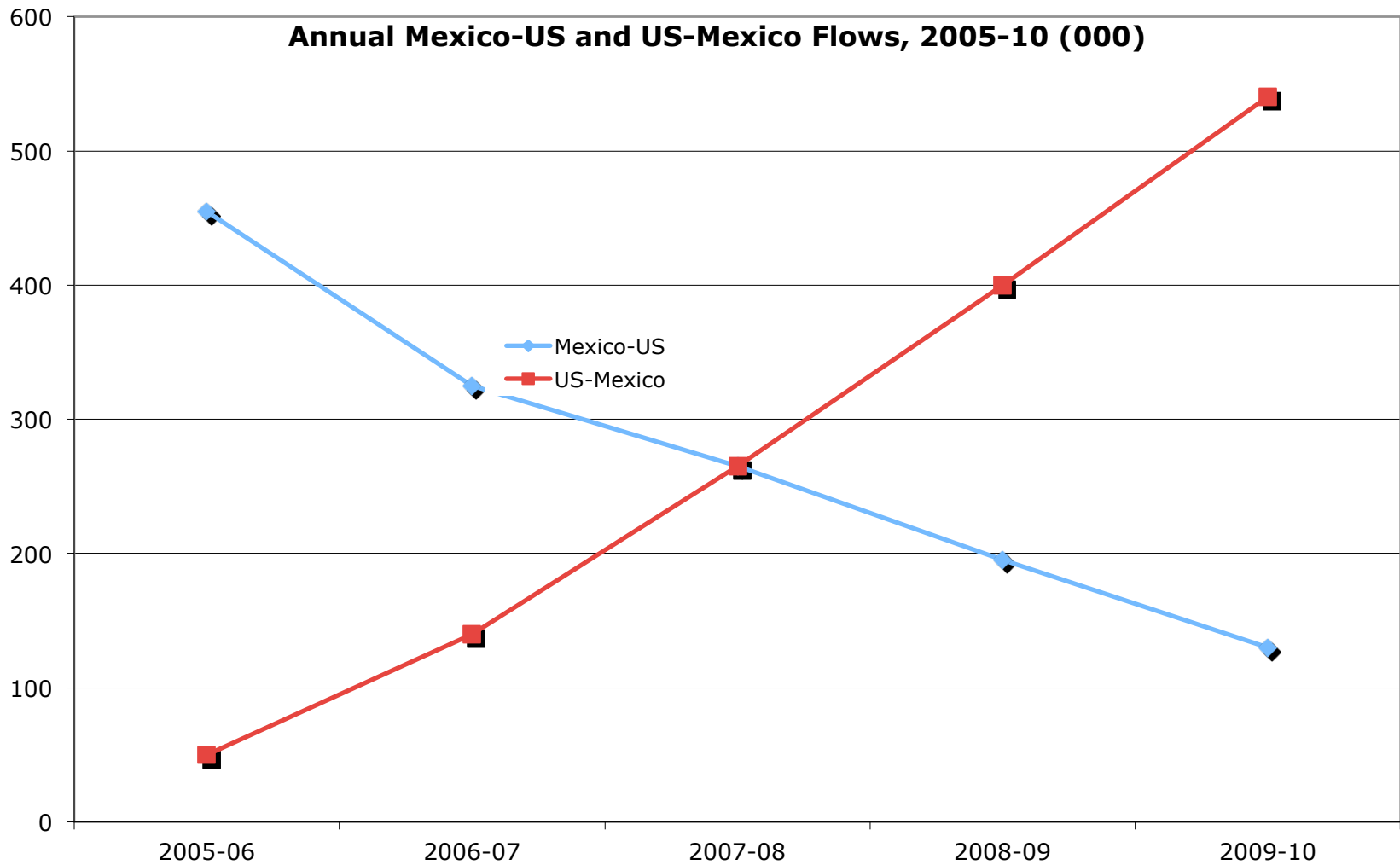
**Nursery: \$800
million or 8%
Dairy: \$600
million or 6%
Big 5 = 95% of
ag wages paid**



Hired Crop Workers: NAWWS

- **Young, male and born in Mexico**
 - Big change: fewer newcomers (workers in US less than 1 year). From 20% newcomers in 2000 to 2-3% today, so average age & weeks of farm work up
 - 50% of all crop workers, & **2/3 of foreign born farm workers**, are unauthorized. CA has > % unauthorized because more CA farm workers are foreign born, 98%, versus rest of US, 58%
- **Employ and earns: more weeks, higher wages**
 - Average \$9.50/hour across US; \$10 in CA in 2009
 - About 33 weeks of farm work and another 6 weeks of nonfarm work: workers find work for $\frac{3}{4}$ of year
 - Annual earnings of \$15,000-\$17,000/year

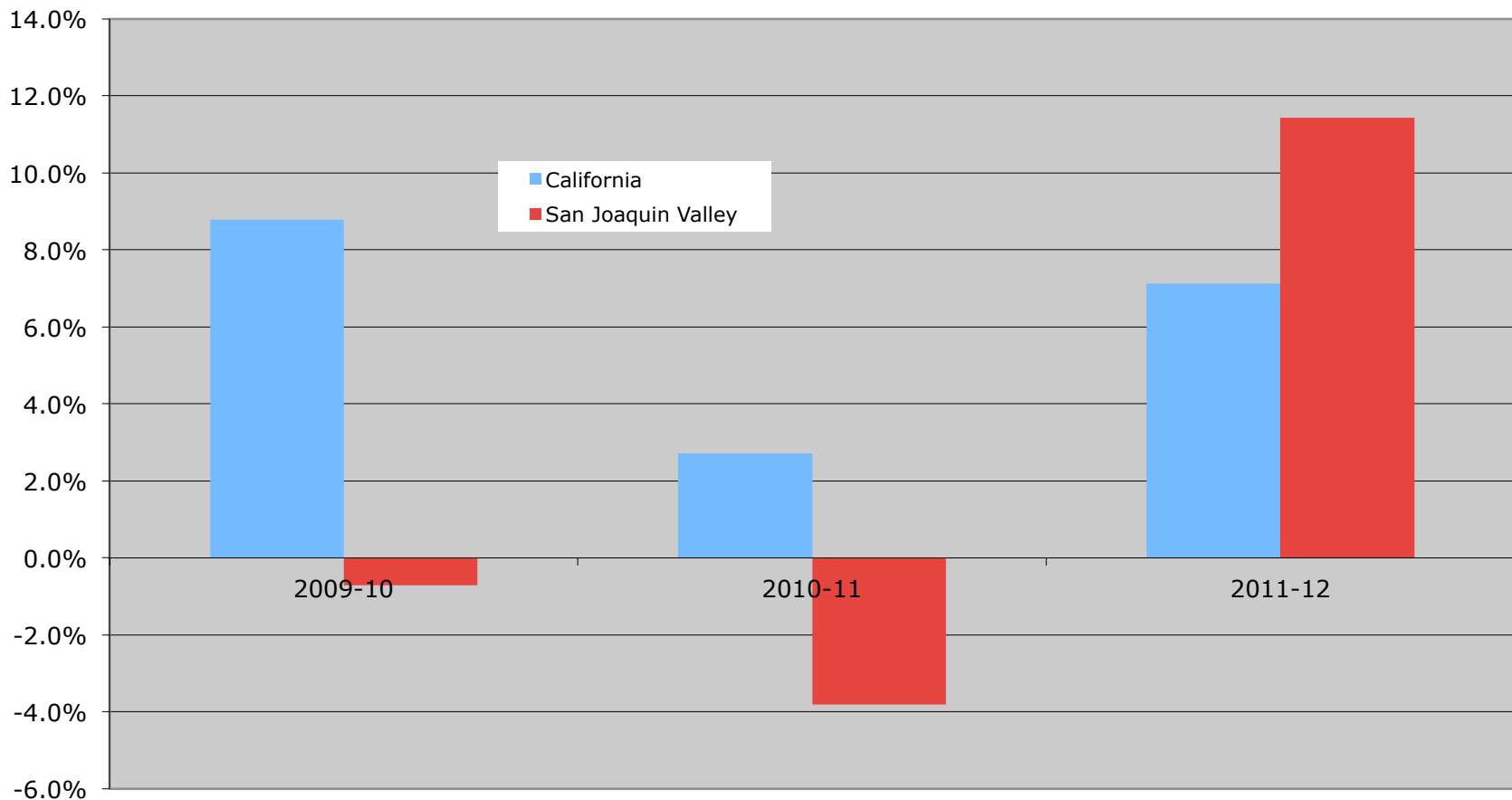
Fewer Mexican newcomers = fewer new farm workers



Source: Passel, 2012

Big jump in average hourly earnings in CA (7%) & SJV (11%), 2011-12

Change in Average Hourly Earnings of Hired Farm Workers, California, 2010-12



Unions: from statewide to farm-specific impacts



TEAMSTERS



To provide farm workers and other working people with the inspiration and tools to share in society's bounty

UFW: 3,300 active members; 25 contracts; hard to win wage increases >3% dues. UFW certified to represent workers on 600+ farms, max 200 contracts. Can request MMC at “old certs” IF employer has ULP

Farm workers under UFW contract enjoy decent wages, benefits & working conditions. When you purchase agricultural products, please help farm workers maintain hard won victories in the field by looking for these labels:



WINE

- Chateau Ste. Michelle
- Columbia Crest
- St. Supery
- Dollarhide Ranch
- Scheid Vineyards Inc.
- Balletto
- Charles Krug
- C.K. Mondavi
- Gallo of Sonoma



MUSHROOMS

- Monterey Mushrooms (California o
- Del Fresh
- California Mushroom Farms Inc.



Tomatoes

- Triple E
- Sun Ripe * CA Only



ALMONDS

- Montpelier



STRAWBERRIES

- Dole Berry *
- Swanton Berry
- *Only with the UFW Black Eagle



DATE

- Patos Dream Date Garden



ROSES

- Star Roses



VEGETABLES

- Andy Boy
- Muranaka



CITRUS

- (Lemons, Oranges, Grapefruit, Tangerines)
- Sunkist*
- Sunworld*
- Airdrome*
- Big Jim*
- *Only with the UFW Black Eagle



Immigration: 1980s

- 3-5 million unauthorized in US. 20-25% of CA farm workers = unauthorized; Enforcement = worker chase, & share unauthorized workers reflected **perishability** (more in citrus, fewer in lettuce and strawberries)
- 1987-88: IRCA: SAWs, streamlined H-2A program, & new RAW program
- Expectation: farm wages & labor costs UP
 - Raise wages to retain newly legalized SAWs OR
 - Build housing to obtain H-2A guest workers
- But: wages fell in 1990s as unauthorized workers with false documents spread throughout USA.
- 1.1 million SAWs. 35% of FWs = SAWs 1989-93; 10%, 150,000 SAWs still in ag (NAWS)

Ag: 2% of US workers, but SAWs = 40% of those legalized under IRCA



California farm workers and the SAW legalization program

Philip L. Martin □ J. Edward Taylor □ Philip Hardiman

There are some indications that the Special Agricultural Worker program has been too successful

The Immigration Reform and Control Act of 1986 (IRCA) provides that workers with 90 days of qualifying work in the 12 months ending May 1, 1986, may become legal U.S. residents under the Special Agricultural Worker (SAW) program. This article reviews the characteristics of workers reported by California farm employers to unemployment insurance (UI) authorities in 1985 to project SAW applications.

California farm employers reported nearly 906,000 workers in 1985 (table 1). Analysis of a 5% sample of these workers shows a farm payroll of \$2.8 billion and 10.5 million weeks of farm work. The "average" worker earned \$3,100 for 12 weeks of work. Three-fourths of all workers had just one farm job in 1985; the

237,000 with more than one farm job averaged 2.2 each. About 12% of all workers were migrants, and 25% were seasonal workers. These UI figures include all those employed on California farms—farm workers, supervisors, clerks, and accountants. About two-thirds of the total were farm workers.

SAW legalization requirements cannot be translated directly to determine how many workers in the UI data will qualify for legal status. SAW applicants should be limited to those who did enough weeks of work for or had sufficient earnings with a seasonal agricultural services (SAS) employer in 1985-86. There were 115,000 to 188,000 such workers in the 1985 UI data. By August 1988, however, there were

433,000 California SAW applicants. These figures suggest that employers did not report large numbers of farm workers to UI, or that many nonqualified workers applied for SAW status, or both.

The data

California unemployment insurance laws require employers who pay \$100 or more in wages during a calendar quarter to report the names, Social Security numbers, and earnings of their employees and to pay a tax of 3% to 6% on the first \$7,000 of each employee's earnings. We obtained a 5% random sample of all workers who were reported at least once by a crop, livestock, or agricultural services employer in 1985. Of the 1.2 million workers reported,

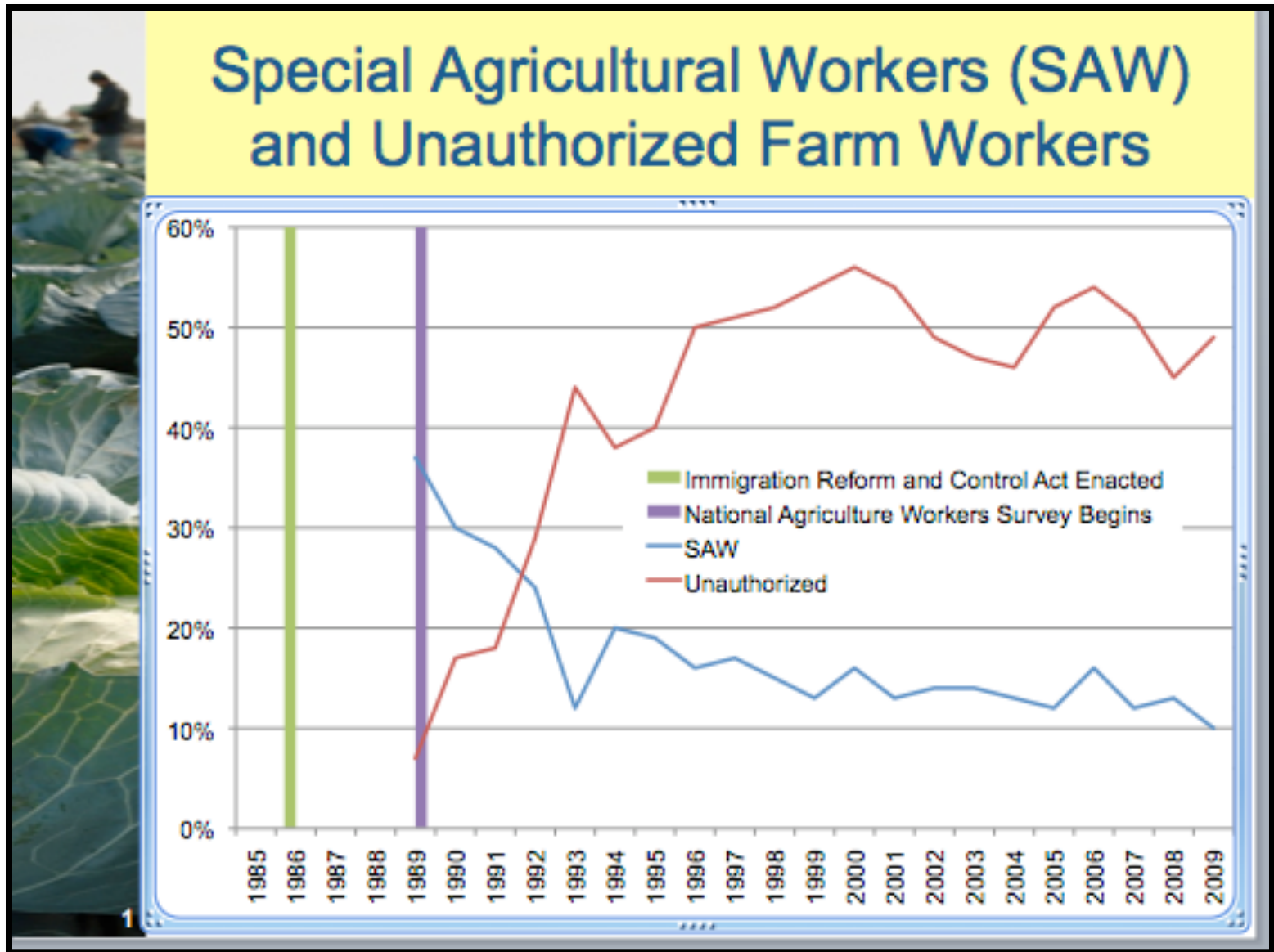
Migrants' False Claims: Fraud on a Huge Scale

By ROBERTO SURO,
Special to The New York
Times

November 12, 1989

"One certain product" of the agricultural program [SAW] amnesty, Rep Schumer (D-NY) said, "is that in developing immigration policies in the future, Congress will be much more wary of the potential for fraud and will do more to stop it."

SAW share of crop workforce fell from 35% in 1989 to 10-15% within 3 years. Legalization speeds exits from ag



Immigration and Farm Labor 2

- Since 1995: over 50% of hired workers on US crop farms have been unauthorized
- Farm employers: we need an E-Z guest worker program that does **NOT** require us to:
 - recruit US workers under DOL supervision
 - provide free and approved housing to guest workers
- December 2000: AgJOBS negotiated in anticipation that Presidents Bush and Fox would embrace a new Mexico-US guest worker program
- AgJOBS = Try IRCA again:
 - Legalization for workers (this time **earned** legalization, farm workers must continue to do farm work for 3-5 years)
 - E-Z guest workers for employers (limited recruitment, housing allowance rather than housing, lower AEWR)

AgJOBS:

New Solution or New Problem?

An historic compromise between employer and worker advocates would legalize some currently unauthorized workers and make it easier for farmers to obtain guest workers, but may not fundamentally change the farm labor market.

Article by Philip Martin and Bert Mason • May 2004



AgJOBS:
legalization + E-Z guest workers.
Pending since 2000

AG Jobs

freedom for the farm hand

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The Solution



AG Bill will actually modify the H2A

H2A employers that are transporting farmworkers must comply with transportation safety standards.

H2A employers have been required to provide free housing to non-local U.S. and foreign workers with AgJobs, employers can choose to provide a monetary housing allowance (with Governor Approval).

New wage modifications (refer to AgJOBS bill)

H2A workers would have the right to file a federal lawsuit to protect things such as their wages, housing benefits, transportation reimbursements, minimum-work guarantee, or vehicle safety protections.

Employers of goat herders, dairy workers, and sheepherders would be **eligible to participate in H-2A even for year-round workers**. The maximum would be up to three consecutive years whereafter they would apply for lawful permanent residency.

Supporters include:

- Latino community leaders
- Civil rights organizations
- Religious groups
- Farmworkers

Why Ag Jobs?

the bipartisan bill that enjoys broad support in Congress.

The AgJOBS compromise was carefully negotiated by the United Farm Workers and major agribusiness employers after years of intense conflict.

AgJOBS is endorsed by major labor and management representatives, as well as a broad spectrum of organizations.

How will it make the situation better?

Helps to bolster labor rights while also making it easier for growers to hire more temporary migrant workers after advertising and recruiting for Americans	Most critical it includes a path to legal status and eventual citizenship for undocumented workers if they have clean records and pay fines and back taxes	First step: attaining a "blue card." This will grant temporary immigration status	Next: The immigration status has the possibility of becoming permanent citizenship by continuing to work in agriculture.
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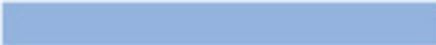
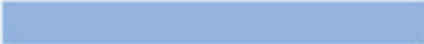

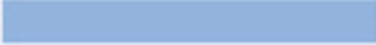




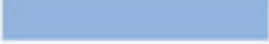
Immigration 3: AgJOBS

- **Legalization:** unauthorized farm workers would become probationary immigrants & earn regular immigrant status with:
 - >150 days of farm work a year for 3 years **or**
 - >100 days a year for 5 years
 - New mechanisms to credit workers for farm work *not done* due to natural disaster, strikes, pregnancy etc
- **Guest worker changes:**
 - Attestation replaces certification; end of DOL-supervised recruitment of US workers
 - Housing allowance instead of free housing; workers find own housing (adds \$1 to \$2 an hour to labor costs)
 - AEWR of \$11 an hour (CA in 2014) rolled back by \$1 to \$2 an hour and studied (offsets new housing allowance)

5% of 155 million US workers = 7.5 million unauthorized
>50% of 2-2.5 million farm workers = 1 to 1.2 million

Popular Destinations for Illegal Workers

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

	Est. number (thousands)	Pct. of labor force	
Nevada	140	10.0%	
California	1,850	9.7	
Texas	1,100	9.0	
New Jersey	400	8.6	
Arizona	230	7.4	
Georgia	325	7.0	
Florida	600	6.6	
Maryland	190	6.2	
Washington, D.C.	20	6.1	

Source: Pew Hispanic Center



Washington: shift to H-2A

- **H-2A program:** no cap on visas, but employers must try to recruit US workers, provide free housing, pay AEWR (WA= \$11.87; CA = \$11.01)
- **WFLA:** employer association that is co-employer of H-2A guest workers, shifts them from one farm employer to another:
 - Why H-2A: easier to build & operate housing
 - Saddle labor demand: June-July cherries & Sept-Oct apples; average employment of 88,000, or 1/4 of California
- **California:** end of workplace raids, still I-9 audits, increased reliance on FLCs & intermediaries, and hope for alternative to H-2A program

What next for farm labor?

- Major features of the FVH labor market have not changed, viz, seasonality, FLCs, & exit, not voice
- But recent changes:
 - Fewer new entrants, higher wages, more farm work
 - Will supply-chain pressure expand from safety to labor?
- California & farm workers:
 - Worry but muddle through with FLCs until Congress approves E-Z guest workers?
 - Will rising wages induce more labor-saving mechanization & crop changes (peaches to nuts)
- Immigration: the labor supply wild card
 - Other labor issues, including min wage to \$9 July 1, 2014 & implementation of ACA