Farm Labor: 2015
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U.S. Unauthorized Immigrant Population Levels Off

April Farm Worker & all US Earnings, 2012-15
Highlights

- Average employ, unique workers, peak/trough
- Ave ag employ: US 1.2 million; CA 400,000
- CA: 2 farm workers for each FTE ag job, so 400,000 FTE jobs = 800,000 California workers. 2/3 of CA FWs = foreign born, & 2/3 of FB farm workers = unauthorized, so CA 2/3 unauthorized
- Employer 4 S responses to tight labor
  - Satisfy: wages, super training—growers think not much
  - Stretch: mechanical aids, change production practices
  - Substitute: labor-saving mechanization
  - Supplement: H-2A workers, but housing
  - Most employers do all 4—no one knows best combination
CA since 2007: more workers brought to farms by crop support (FLCs) than hired directly. Gap is widening

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

Crop
Support
Crop support: $4.5 billion or 43% of $10.5 billion in CA 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 CA ag wages
Hired Crop Workers

• Young, male & born in Mexico, but changing
  – Fewer newcomers (workers in US less than 1 year). From 20% in 2000 to 2% today. Result: average age (37) & weeks of farm work (35) 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 $9.31/hour across US; $9.22 in CA in 2012
  – 35 weeks of farm work + 7 weeks of nonfarm work: 42 weeks, or close to 48 weeks full-time
  – Annual earnings average $15,000-$17,000/year

• Farm work more like nonfarm work: live off the farm, commute to work, have 1 farm employer
Employers 2015: 4 S’s

- **Satisfy** current farm workers with higher wages, improved benefits and better trained supervisors. *Attract new workers or shift workers between farms?*

- **Stretch** the current labor force with mechanical aids that increase productivity: conveyor belts in fields, dwarf trees. *How fast to deploy?*

- **Substitute**: labor-saving mechanization in raisins, olives, pre-harvest thinning and weeding, new seeds: high-stalk broccoli. *Will wages keep rising to justify investments that take time to perfect?*

- **Supplement** the labor force with H-2As, especially multi-area growers who use H-2As in border areas. *Why invest in housing if Congress may enact a no-housing program?*
Satisfy: wages, benefits, supervisor training & respect
Most farmers: satisfy will not ENLARGE labor force
Stretch: mechanical aids to raise worker productivity
Substitute: mechanization in lives, carrots, tomatoes, nursery
Supplement with H-2A workers: 75,000 FY07, 130,000 FY15

### Office of Foreign Labor Certification

#### H-2A Temporary Agricultural Labor Certification Program - Selected Statistics, FY 2015 YTD

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<th>Applications Received</th>
<th>YTD</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<td>1,570</td>
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#### Applications Processed

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<th>Q3</th>
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<tr>
<td>- Withdrawn</td>
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<td>43,638</td>
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<td>Processed Timely¹</td>
<td>97.2%</td>
<td>98.3%</td>
<td>96.5%</td>
<td>96.2%</td>
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### Top States

- North Carolina: 15,138
- Florida: 13,057
- Georgia: 11,089
- Washington: 9,907
- California: 6,858
- Kentucky: 5,879
- Louisiana: 5,862
- Arizona: 3,437
- South Carolina: 3,150
- Virginia: 2,740

### Top 10 Employers

- North Carolina Growers Association, Inc. (NCGA): 10,191
- Washington Farm Labor Assn.: 6,317
- Fresh Harvest, Inc.: 2,990
- Zirkle Fruit Company: 2,889
- Rodrigo Gutierrez-Tapia: 1,968
- Virginia Agricultural Growers Assn., Inc. (VAGA): 1,626
- R & R Harvesting, Inc.: 1,528
- Peri & Sons Farms, Inc.: 1,360
- Foothill Packing, Inc.: 1,175
- Del Monte Fresh Production, Inc.: 997

### Crops

- Tobacco ³: 13,082
- Berries ⁴: 10,643
- Hay and Straw ⁵: 6,722
AEWRs 2015: $10.32 in NC, $12.42 in WA, $11.33 in CA

H-2As concentrated in brown states with lowest AEWRs
WA H-2As: 4,400 in 2012; 9,000 in 2014

- **H-2A program**: employers must (1) try to recruit US workers, (2) provide housing, (3) pay AEWR

- **WFLA**: employer association = co-employer of H-2As. Shift H-2As between employers
  - WA: direct hires, easier to build & operate housing
  - Saddle labor demand: June-July peak for cherries & Sept-Oct apples; average farm employment of 88,000, or \( \frac{1}{4} \) average of California

- **2014 Apples**: 140 million 40-lb boxes (130 mil in 2012). Pickers average 6,000 pounds or 150 boxes/day for 65 days. Perhaps 20,000 to 25,000, & H-2A = up to half of apple pickers (*not all apple pickers are H-2A, but almost all H-2As pick apples*)

- Spring 2015: destroy $100 million worth of apples
CA H-2As: 3,000 in 2012, 6,000 in 2014

• **CA:** many vegetable firms operate year-round. Leafy green vegetables in Yuma, SJV, & Salinas
  – Border labor force is legal
  – Bring H-2As to Salinas: move from motels to FW housing? (T&A: $8 million for housing for 800 workers in Spreckels, $10,000 per bed)
  – Largest CA H-2A user: Sierra-Cascade strawberry nursery (1,300 H-2As in Tulelake)

• **H-2A expansion:** led by coastal vegetable growers, not SJV fruit industry. Half of CA farm labor is in SJV, where fruit industry is concentrated, & there is less grower-shipper integration

• **Some shippers:** increase imports, esp of Mexican berries
Summary 1

• Average farm employment up as expansion offsets mechanization. Berries up as raisins mechanize
• Farm workers: fewer new entrants & aging, settled farm workforce
• Employer responses to fewer newcomers
  – **Satisfy**: stay longer vs new workers
  – **Stretch**: Labor-stretching mechanical aids
  – **Substitute**: Labor-saving mechanization
  – **Supplement**: H-2A workers; try to change rules
• Drought 2015: ag water use down
  – from 33 mil acre feet to 30 million acre feet, down 10%
  – irrigated acreage down 7%, ag job *growth* slows
Summary 2

• Farming for workers versus farming for yield
  – Re-organize work to attract & keep workers versus maximize production & assume seasonal workers will be available
  – Change crop characteristics to make farm work easier, talk-stalk broccoli, Frescada lettuce, brilliant White Cauliflower

• H-2A = “loyal workers.” H-2As do not switch employers to earn 5 cents more. E-Z H-2A could “lock-in” labor supply at cost of transport, housing etc

• Which of the 4 S’s takes priority? What variance by commodities and areas?