California Farm Workers 1960-2010

Philip Martin: plmartin@ucdavis.edu

http://migration.ucdavis.edu

3 Themes

- California ag: story of expansion
  - 1950: LA county #1 US ag county
  - Since 1950s: Fresno county #1, >$5 bil/year
- Worries about sufficient labor (and water):
  - Waves of immigrants; 1960s labor crisis with end of Braceros; result= mechanization & unions
  - 1980s on: changing ag structure and migration
- Today: revolving door labor market—enter, stay <10 years, children educated in US shun, future farm workers from abroad
- What would immigration reform do?

Immigration Reform

- Two major components of AgJOBs:
  - Legalization for unauthorized who did farm work and their families
  - Streamline H-2A: attestation, housing allowance, roll back AEWR
- Effects of AgJOBS
  - FB share of farm workers likely to increase from 75%
  - Less visibility if more workers are solo male H-2A workers housed on farms
  - Tenure may increase with H-2A returns

California Agriculture Evolution

- Began with big land grants: issue was breaking up big farms as transportation and irrigation allowed FVH crops
  - Waves of immigrants = seasonal workers
  - Factories in fields almost regulated: 1930s
- Expansion in the 1950s with water and transportation threatened by end of Braceros
  - Mechanization: systems-- tomato harvester
  - Mgt changes: CGA, bulk bins, precision planters
  - Rising wages: UFW won 40% wage increase in 1966

Golden Era for Farm Workers

- Mid-1960s to 1979-80:
  - 40% wage increase in 1966, $1.25 to $1.75 when federal minimum wage was $1.25
  - 40% wage increase in 1980, $3.75 to $5.25 when federal minimum wage was $3.10
- End of golden era in 1980s marked by:
  - Rising unauthorized: 20-25% pre-IRCA and distributed by risk of raids; 50%+ early 1990s and no distribution by risk
  - Less CB and fewer fringe benefits
  - More intermediaries (custom harvesters) as risk absorbers

3 S's: Sales, Shares, Seasonality

- CA ag's 3 S's: sales, shares, seasonality
  - Sales: CA leads since 1950 because of FVH
    - US ag (2007): $300 billion and 50-50 crops and livestock; crops=low-value per acre grains
    - CA ag (2007): $35 billion and 75-25 crops and livestock; 85% of crops = FVH
  - Labor's share: <10% in field crops and livestock versus 20 to 40% in FVH; labor = controllable
  - Seasonality: bio production process = demand for labor fluctuates. Farmers-will there be enough workers? Workers-will there be enough work? Who supports workers in off season?

3 C's: conc, contractors, conflict

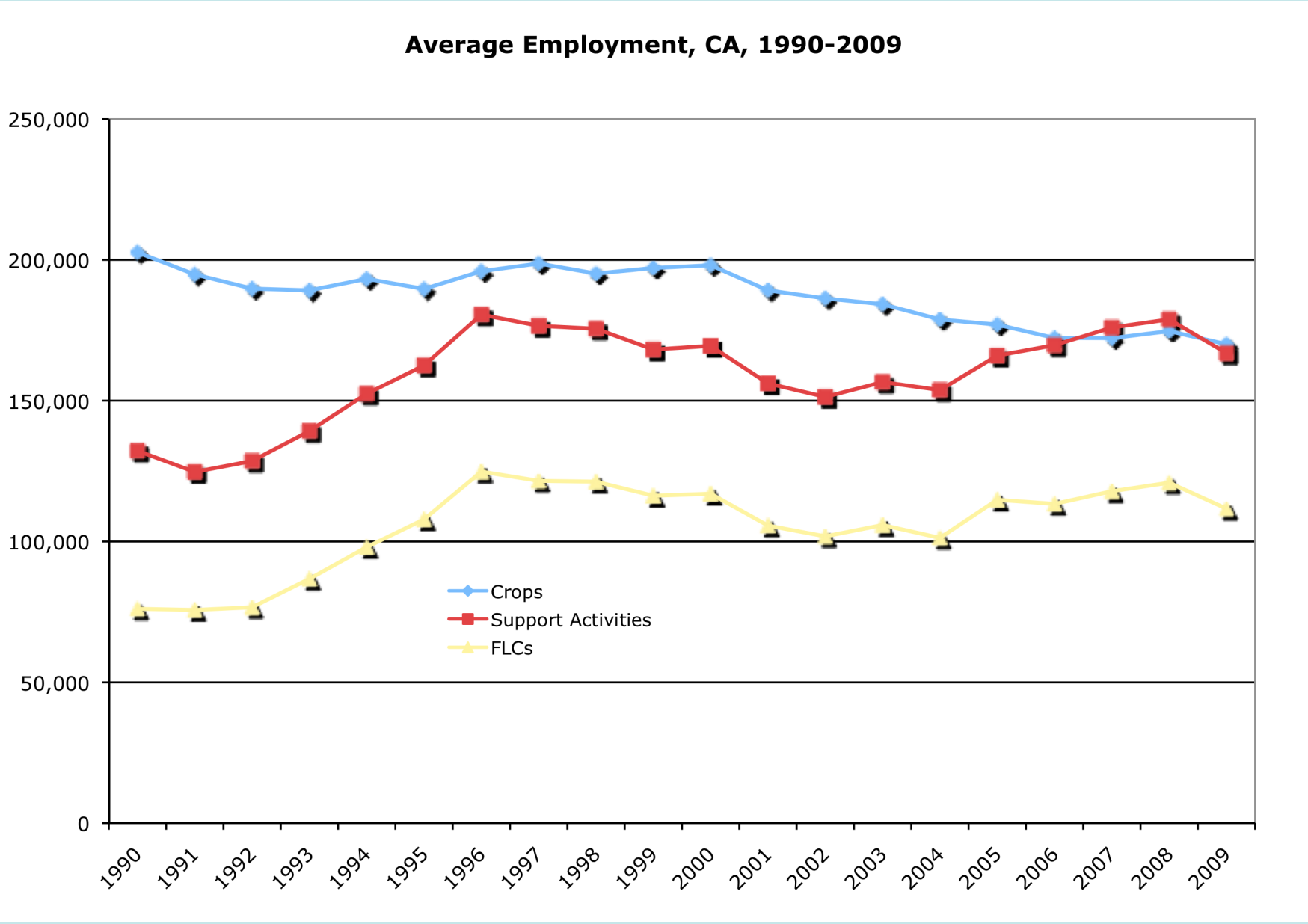
- Concentration of production = concentration of employment; largest 10% of farm employers, about 5,000, account for 90% of CA farm labor expenditures and jobs. Dole, 60,000 employees WW; 1/3 in CA
- Contractors: bilingual intermediaries between workers and employers. Employees of farms or independent bus? Unions?
- Conflict: work—exchange effort for reward in a continuous transaction. How to resolve disputes over effort, wages, etc.

3 R's: Recruit, remunerate, retain

- Recruitment: centralized matching versus employer-contractor decentralization, perverse incentives=shortages & surpluses
- Remuneration: work = exchange effort for reward
  - Piece rates: hire without screening and predictable costs ($20 to pick 1,000 lbs of apples)
  - Hourly pay: about 75% of jobs and rising with worker homogeneity, rising min wage, and new ways to monitor workers (conveyor belts)
- Retention: drip versus flood for workers?

Farm Labor Trends: 1990-2010

- Ag Employment:
  - Fewer and larger farm employers; CA:17,300 ag establishments hired an average 374,0000 workers in 2009; paid $9.1 bil or $470 a week
  - Farm employment peaked at 405,000 in 2000
  - Real wages: flat in 1990s, rose 2000-09
- 2004-07 Construction boom
  - Rising real wages, fears of labor shortages, and mechanization (raisins); mechanical aids (strawberries), scout-harvester systems
  - More H-2As in winter vegetables (border)


Average Employment, CA, 1990-2009
250,000
200,000
150,000
100,000
50,000
0
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
Crops
Support Activities
FLCs

AgJOBS: Legalization

- Legalization for unauthorized workers:
  - Worked 150 days, 853 hours or $7,500 over 24 months to qualify for 7-year Blue Card
  - Convert Blue Card to green card (immigrant visa) with additional farm work of 150 days a year for 3 consecutive years, 100 days a year for 5 years etc
  - Get credit for farm work NOT done due to pregnancy, disease or injury to self or minor child, weather, or being fired without "just cause"
  - Families of Blue Card holders get derivative TPS and eventually immigrant visas; they do not have to do farm work

AgJOBS: H-2A Changes

- Certification to attestation: employer attests/asserts compliance, and receives permission to hire H-2A workers
- Housing allowance of $1 to $2 an hour instead of free and approved housing if Governor agrees rental housing available
- AEWR: rolled back to 2008 levels (2009 version) and studied, saves $1 to $2 an hour
- Others: H-2As can work in dairies, suits over H-2A contracts from state to federal courts

AgJOBS: Numbers

- 2009 version: Maximum 1.35 million Blue Cards (1987-88-1.3 million SAW apps, 1.1 million approved, not families)
- About 1.4 million workers employed on US crop farms during the year; 430,000 workers employed on US livestock farms
- IF 2/3 of crop (934,000) and 1/3 of livestock (142,000)=unauthorized, total = 1.1 million
- Estimate: 80% of crop workers and 100% of unauthorized livestock qualify; total 880,000

AgJOBS: Implications

- Legal status likely to speed exits from farm work (depends on overall US economy)
- Replacement workers likely to be H-2As; farm workers could be less visible if housed on farms or primarily solo men in cities
- AgJOBS 1: help unauthorized individuals and their families, but leave structure and functioning of the farm labor market
- AgJOBS 2: support expansion of labor-intensive ag because of predictable labor costs

Conclusions 1

- CA ag has come full circle between 1960 and 2010, that is, #1 labor issue is fear of costly adjustments to fewer Mexican workers
  - 1960s: end of Braceros followed by wage increases, mechanization and unions
  - 2011: fewer unauthorized and "workable" H-2A program may support expansion with predictable labor costs
  - Will the return of H-2A workers year-after-year slow the revolving-door farm labor market?

Conclusions 2

- IF H-2A workers expand their current 10% share of the long-season farm labor market:
  - What implications for unions & MSFW assistance programs?
  - What impacts on development in migrant-sending areas?
- Will more of CA and US ag have labor markets like FL sugar cane, where almost the entire harvest work force was H-2A, from supers to cutters?

TABLE 2. Average agricultural employment, unique SSNs and jobs held: 1991, 1996, 2001

	1991	1996	2001
Average agricultural employment*	342,000	408,300	388,000
Unique SSNs	907,166	966,593	1,086,563
SSN/employee ratio	2.7	2.4	2.8
SSNs with one job	54%	56%	53%
Two jobs	26%	25%	26%
Three jobs	12%	12%	12%
Four jobs	5%	5%	5%
Five or more jobs	3%	2%	4%

* Monthly employment summed and divided by 12 months, drawn from EDD Current Employment Statistics (CES) program. Source: CES estimates and analysis of wage records by EDD (2003) Labor Market Information Division.

TABLE 3. Farmworkers and farm jobs: 1991, 1996, 2001

SIC	Industry title	Jobs	Employees	Earnings	Average earnings	Average earnings
				$ millions	*$/job*	*$/employee*
1991						
01, 02, 07	Agriculture	1,540,769	907,166	8,558	5,555	9,434
01	Production (crops)	684,130	482,511	3,943	5,763	8,171
02	Production (livestock)	59,428	55,535	893	15,035	16,089
07	Services	794,948	524,344	3,711	4,669	7,078
071, 072, 076	Farm services	646,215	432,794	1,986	3,074	4,590
074, 075, 078	Nonfarm services	148,733	136,902	1,725	11,597	12,600
Subtotal	All nonag	407,449	376,480	2,585	6,344	6,866
50–59 & 70–89	Trade and services as % of all nonag jobs	57.8%	56.8%	52.0%		
Total	Ag and nonag	1,948,218	1,283,646	11,143	5,720	8,681
1996						
01, 02, 07	Agriculture	1,705,616	966,593	9,236	5,415	9,555
01	Production (crops)	694,238	498,268	4,026	5,800	8,081
02	Production (livestock)	54,496	51,368	830	15,224	16,151
07	Services	953,261	589,032	4,369	4,584	7,418
071, 072, 076	Farm services	786,422	489,633	2,428	3,088	4,960
074, 075, 078	Nonfarm services	166,839	152,422	1,941	11,634	12,734
Subtotal	All nonag	453,000	408,265	2,718	6,000	6,657
50–59 & 70–89	Trade and services as % of all nonag jobs	60.3%	58.8%	55.5%		
Total	Ag and nonag	2,158,616	1,374,858	11,954	5,538	8,695
2001						
01, 02, 07	Agriculture	1,809,503	1,086,563	11,128	6,150	10,241
01	Production (crops)	630,428	474,195	4,027	6,388	8,493
02	Production (livestock)	68,575	63,854	945	13,774	14,792
07	Services	1,107,796	721,655	6,144	5,546	8,514
071, 072, 076	Farm services	817,708	507,231	2,530	3,094	4,987
074, 075, 078	Nonfarm services	290,088	264,366	3,614	12,459	13,671
Subtotal	All nonag	697,334	609,746	4,629	6,638	7,592
50–59 & 70–89	Trade and services as % of all nonag jobs	59.7%	57.9%	55.0%		
Total	Ag and nonag	2,506,837	1,696,309	15,757	6,286	9,289

Source: Analysis of wage records by EDD (2003) Labor Market Information Division.

TABLE 4. Earnings of primary employees ($), 2001

Industry	SIC	Primary workers	Mean earnings	Std. dev.	Median earnings	Hours worked $8.02/hr*	25th percentile earning	Hours worked $6.25/hr	75th percentile earning	Hours worked $10/hr	Total earnings
			..... $				$		$		$ millions
Cotton	0131	7,409	15,156	15,705	12,243	1,527	3,692	591	21,622	2,162	112
Vegs and melons	0161	55,052	11,518	13,721	8,107	1,011	3,036	486	15,226	1,523	634
Berry crops	0171	32,018	7,958	8,756	6,735	840	3,486	558	10,029	1,003	255
Grapes	0172	66,199	8,799	13,287	4,662	581	1,518	243	10,572	1,057	583
Tree nuts	0173	12,453	10,654	13,084	6,278	783	2,160	346	15,274	1,527	133
Citrus fruits	0174	5,367	11,923	13,612	7,597	947	2,665	426	17,480	1,748	64
Deciduous tree fruits	0175	23,220	6,116	8,082	3,960	494	1,530	245	7,633	763	142
Fruits and tree nuts†	0179	12,523	9,275	11,237	5,972	745	2,226	356	12,960	1,296	116
Ornamental nursery	0181	49,635	17,753	19,872	13,357	1,665	5,410	866	21,252	2,125	881
Food crops grown under cover	0182	6,109	22,764	18,227	20,504	2,557	9,491	1,519	29,465	2,947	139
General farms, primarily crop	0191	41,211	9,633	13,176	5,444	679	1,710	274	13,274	1,327	397
Beef cattle feedlots	0211	1,120	17,205	16,281	14,796	1,845	5,678	908	22,985	2,299	19
Dairy farms	0241	20,167	17,767	12,099	18,030	2,248	7,990	1,278	25,150	2,515	358
Soil prep services	0711	2,630	21,069	23,021	12,886	1,607	5,684	909	29,740	2,974	55
Crop prep svcs/market	0723	54,416	12,707	17,608	7,445	92	2,92	467	15,432	1,543	691
FLCs	0761	225,934	4,385	6,171	2,650	330	634	101	6,172	617	991
Farm manage svcs	0762	15,974	11,991	16,304	6,724	838	2,265	362	16,500	1,650	192
Lawn/garden svcs	0782	109,402	14,454	15,131	11,264	1,404	4,615	738†	18,934	1,893	1,581

* USDA-NASS (2003) reported that annual average earnings of field and livestock workers in 2001 were $8.02 per hour; California minimum wage was $6.25 per hour in 2001.

† Not elsewhere classified.

Source: Analysis of wage records by EDD (2003) Labor Market Information Division.