Immigration & Farm Labor

Philip Martin: plmartin@ucdavis.edu

Estimated number of unauthorized immigrants in the U.S. labor force stabilizes since 2009

In millions

<table>
<thead>
<tr>
<th>Year</th>
<th>CA</th>
<th>FL</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>3.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>4.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>7.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>8.2</td>
<td>8.3</td>
<td>8.1</td>
</tr>
<tr>
<td>2012</td>
<td>8.3</td>
<td>8.1</td>
<td>8.0</td>
</tr>
</tbody>
</table>

Percent Change in Real Wages From Year Ago
Crop Workers, CA, FL, US

CA  FL  US

<table>
<thead>
<tr>
<th>Year</th>
<th>CA</th>
<th>FL</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>-5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>-10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Highlights

- **Hired workers** do most of the work in FVH commodities (fruits, veggies, & nurseries)
- **Hired farm workers** = Mexican-born (70%); **not** authorized to work in the US (45%); settled & aging

**Employer responses to fewer newcomers**
- Satisfy current workers: bonuses, super training—growers think inelastic supply, so wage increases do not help
- Stretch current workers: mechanical aids, change production practices to make work easier; older & women
- **Substitution**: labor-saving mechanization (**switch** crops)
- **Supplement**: young H-2A workers provide fresh blood, but (1) recruit US, (2) provide housing, (3) pay AEWR ($12 CA)
- Uncertainty: no one knows best combination
FVH ag = 3 Ss: Sales, Labor’s Share, Seasonality

- Farm sales = CA $43 bil (2012); IA = $31 bil
  - CA = 12% of US $395 billion in farm sales
  - US farm sales: 54% crops, 46% livestock
  - CA farm sales: 70% crops, 30% livestock
  - CA $26 bil of $30 bil crop sales or 87% = FVH commodities

- FVH: labor’s share: 30% of prod costs

- Seasonality: Ave CA farm employ 414,000 (2014). Peak 471,000 Aug; low 344,000 Jan.
  Peak-trough ratio = 1.4, & up as geography down; 100 to 1 on a farm (standby workers).
### CA Shares of US FVH Production

<table>
<thead>
<tr>
<th>Fruits</th>
<th>Vegetables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lemons</strong></td>
<td><strong>Artichokes</strong></td>
</tr>
<tr>
<td>91%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Strawberries</strong></td>
<td><strong>Broccoli</strong></td>
</tr>
<tr>
<td>91%</td>
<td>96%</td>
</tr>
<tr>
<td><strong>Grapes</strong></td>
<td><strong>Leaf Lettuce</strong></td>
</tr>
<tr>
<td>88%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Apricots</strong></td>
<td><strong>Carrots</strong></td>
</tr>
<tr>
<td>86%</td>
<td>83%</td>
</tr>
<tr>
<td><strong>Avocados</strong></td>
<td><strong>Spinach</strong></td>
</tr>
<tr>
<td>86%</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Peaches</strong></td>
<td><strong>Bell Peppers</strong></td>
</tr>
<tr>
<td>73%</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Raspberries</strong></td>
<td><strong>Asparagus</strong></td>
</tr>
<tr>
<td>56%</td>
<td>46%</td>
</tr>
</tbody>
</table>
Farm Labor: 3 C’s

- **Concentration:** 900 CA ag ers hired 100+ ees in 3rd quarter of 2014; these 900 hired 2/3 of total

- **Contractors:** intermediaries recruit & deploy crews. Win-win specialization OR risk-absorbers in labor markets with violations?

- **Conflict:** Exit versus voice: easier to exit a “bad” job (ag & fast food) than to organize & voice demands to raise wages
  - Exits of “best” workers = hard to sustain unions in ag, fast food & other high-turnover industries
  - Top-down unions: without local unions, it is hard for workers to gain leadership experience
CA: 2-1 ratio between unique workers & average jobs
Both average jobs and unique workers are increasing

- 2007
- 2012
- 2014

Unique Workers
Average Ag Employment

0 100,000 200,000 300,000 400,000 500,000 600,000 700,000 800,000 900,000
Who hires? CA since 2005/07: more workers to farms by crop support services (FLCs green & red) than hired directly. Gap is widening
3,000 US FLCs; 1,400 in CA
FLCs: Increase efficiency of worker-job matching or risk absorbers?
Common crop support: harvesting tree fruits
CA strawberries #1 ag employer: 90% of US 3 billion pounds from 40,000 acres, 60,000 to 70,000 workers
Vegetables: both direct-hire & workers via crop support firms
Nursery & dairy
Big 5 of 15: crop support, FVH, & dairy = 95% of CA ag employment & wages
CA Hired Crop Workers

• Men born in Mexico: 90%; unauthorized 55%

• V-shape legal status
  – Fewer newcomers (workers in US less than 1 year). From 20% to 2% today. Result: average age (38) & weeks of farm work (35) up
  – 45% of all crop workers, & 2/3 of foreign-born farm workers, are unauthorized. CA has > % unauthorized because more CA farm workers are foreign born

• Employ and earns: more weeks, higher wages
  – Average $10.20/hour across US; $10.10 in CA in 2014
  – US: 35 weeks of farm work: CA 36 weeks work or 205 days. 1/6 of CA farm workers have nonfarm jobs
  – Average earnings $17,500-$20,000/year 2013-14

• Farm work like nonfarm work: live off the farm, commute to work, have 1 farm employer/year
Inverted V: Migrancy, youth, FLC peak in 2000

- **Migrant**
- **Age 20-34**
- **Less than HS**
- **Married parents**
- **FCL employer**

Legend:
- 1990
- 2000
- Recent
Farm Work: from job to career?

- Best way to raise farm worker earnings is to move to nonfarm job. Nonfarm = more hours, more potential for upward mobility.
- Farm workers of tomorrow: growing up today outside the US. Will they enter US legally or illegally?
- Guest workers: how many hurdles between US employers and foreign workers? Big 3 hurdles: recruit US workers, housing, & AEWR.
- Government support for MSFWs & families: MEP, MHS, MH, JTPA: $1 billion/year to raise worker earnings—how? Educate 2\textsuperscript{nd} generation to shun farm work?
CA experiment: 50% increase in minimum wage by 2022

Comparing minimum wages

California: $15.00 on Jan. 1, 2022

U.S. federal: Currently $7.25

Source: Labor Department (U.S.); California Department of Industrial Relations (Calif.)
Big variance in median earnings: $18,000 Delano, $108,000 Los Altos

Windfall gains for workers or job losses in SJV?

Median annual earnings, by city

California cities with at least 10,000 workers have median annual earnings of widely varying amounts, according to the most recent census data, ranging from more than $108,000 in Los Altos to less than $18,000 in Delano.

<table>
<thead>
<tr>
<th>City</th>
<th>Median Annual Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eureka</td>
<td>$23,949</td>
</tr>
<tr>
<td>Redding</td>
<td>$28,846</td>
</tr>
<tr>
<td>Chico</td>
<td>$25,305</td>
</tr>
<tr>
<td>S. Lake Tahoe</td>
<td>$26,266</td>
</tr>
<tr>
<td>Folsom</td>
<td>$62,363</td>
</tr>
<tr>
<td>Sacramento</td>
<td>$33,751</td>
</tr>
<tr>
<td>Los Altos</td>
<td>$108,543</td>
</tr>
<tr>
<td>Fresno</td>
<td>$26,534</td>
</tr>
<tr>
<td>Delano</td>
<td>$17,786</td>
</tr>
<tr>
<td>Bakersfield</td>
<td>$32,294</td>
</tr>
<tr>
<td>San Bernardino</td>
<td>$24,822</td>
</tr>
<tr>
<td>Manhattan Beach</td>
<td>$85,855</td>
</tr>
<tr>
<td>Rancho Palos Verdes</td>
<td>$68,512</td>
</tr>
<tr>
<td>Calexico</td>
<td>$21,883</td>
</tr>
</tbody>
</table>


SHARON OKADA sokada@sacbee.com
Projected median wage in 2022 in Fresno & Merced = $20

Historic experiment: min wage = $\frac{3}{4}$ median wage
April 2016: one way U-Haul rates between California & Texas

<table>
<thead>
<tr>
<th>From:</th>
<th>To:</th>
<th>U-Haul Cost</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>Houston</td>
<td>$2,458</td>
<td>2.4</td>
</tr>
<tr>
<td>Houston</td>
<td>Los Angeles</td>
<td>$1,031</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>Houston</td>
<td>$2,837</td>
<td>2.2</td>
</tr>
<tr>
<td>Houston</td>
<td>San Francisco</td>
<td>$1,308</td>
<td></td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Dallas</td>
<td>$2,350</td>
<td>2.4</td>
</tr>
<tr>
<td>Dallas</td>
<td>Los Angeles</td>
<td>$985</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>Dallas</td>
<td>$2,651</td>
<td>2.2</td>
</tr>
<tr>
<td>Dallas</td>
<td>San Francisco</td>
<td>$1,223</td>
<td></td>
</tr>
</tbody>
</table>
Big change: falling Mexico-US migration (Mex-US = red)

The number of Mexican immigrants coming to the U.S. has fallen below the number heading back to their home country.

**Migration between the U.S. and Mexico**

<table>
<thead>
<tr>
<th>Period</th>
<th>U.S. to Mexico</th>
<th>Mexico to U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995–2000</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>’05–’10</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>’09–’14</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Estimated Mexican illegal immigrants in the U.S.**

- 1995: 2
- 2000: 4
- 2014: 5.6M
Agriculture: first to feel effects of fewer newcomers
Employers: 4-S responses to fewer newcomers

- **Satisfy** current farm workers with bonuses, benefits, & better supervisors. *If supply of workers in US = inelastic, wage increases do not add to supply*

- **Stretch** with mechanical aids that increase productivity: conveyor belts in fields, dwarf trees. *How much to invest, how fast to deploy?*

- **Substitute**: labor-saving mechanization. *Will wages keep rising to justify investments? Involve seed companies with long horizons? (Switch crops?)*

- **Supplement** the labor force with H-2As. *Will expanding H-2A show that current program is OK or will Congress enact a no-recruitment & no-housing guest worker program? Switch to 3-year visas?*
Satisfy: bonuses, benefits, supervisor training & respect
Most farmers: satisfy will not ENLARGE ag workforce
Stretch: mechanical aids to raise worker productivity
Bell peppers: with and without conveyor belt
Thinning and harvesting apples from platforms

Culture changes: workers share piece rate wages when picking on platforms.
Sweet tango apples
Dwarf trees & no ladders
Substitute: mechanize olives, carrots, tomatoes, nursery
Defense vs Ag: Performance vs Costs
Supplement with H-2As: 75,000 FY07, 140,000 FY15. CA&WA

### Office of Foreign Labor Certification

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

#### Applications Received

<table>
<thead>
<tr>
<th></th>
<th>YTD</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7,562</td>
<td>1,570</td>
<td>3,359</td>
<td>1,824</td>
<td>809</td>
</tr>
</tbody>
</table>

#### Applications Processed

<table>
<thead>
<tr>
<th>Determination</th>
<th>YTD</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Determinations</td>
<td>7,568</td>
<td>1,022</td>
<td>3,407</td>
<td>2,124</td>
<td>1,015</td>
</tr>
<tr>
<td>- Certified</td>
<td>7,195</td>
<td>954</td>
<td>3,298</td>
<td>2,011</td>
<td>932</td>
</tr>
<tr>
<td>- Denied</td>
<td>210</td>
<td>38</td>
<td>57</td>
<td>64</td>
<td>51</td>
</tr>
<tr>
<td>- Withdrawn</td>
<td>183</td>
<td>30</td>
<td>52</td>
<td>49</td>
<td>32</td>
</tr>
</tbody>
</table>

| Positions Requested | 145,874 | 22,639 | 45,480 | 49,020 | 28,735 |
| Positions Certified | 139,832 | 21,720 | 43,740 | 47,092 | 27,280 |

### Top States

- Florida: 30%
- North Carolina: 13%
- Georgia: 13%
- California: 8%
- Washington: 6%
- Louisiana: 5%
- Kentucky: 5%
- New York: 4%
- Arizona: 3%
- South Carolina: 3%
- Remaining States: 5%

### Top 10 States

- Florida: 17,942
- North Carolina: 17,896
- Georgia: 14,393
- Washington: 11,844
- California: 8,591
- Louisiana: 7,787
- Kentucky: 6,722
- New York: 5,039
- Arizona: 3,763
- South Carolina: 3,594

### Top 10 Employers

- North Carolina Growers Association, Inc. (NCGA): 11,767
- Washington Farm Labor Assn.: 7,895
- Fresh Harvest, Inc.: 3,176
- Zirkle Fruit Company: 2,889
- Rodrigo Gutierrez-Tapia: 2,308
- Virginia Agricultural Growers Assn., Inc. (VAGA): 1,626
- R & R Harvesting, Inc.: 1,578
- Peri & Sons Farms, Inc.: 1,565
- H-2A Complete II, Inc.: 1,533
- Sierra Cascade Nursery, Inc.: 1,305

### Top 10 Crops/Occupations

- Tobacco³: 23,291
- Berries⁴: 12,358
- Hay and Straw⁵: 6,763
- Apples⁶: 6,641
- Oranges⁷: 5,733
- Fruits and Vegetables⁸: 5,421
- Nursery and Greenhouse Workers: 4,997

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³ Tobacco
⁴ Berries
⁵ Hay and Straw
⁶ Apples
⁷ Oranges
⁸ Fruits and Vegetables
AEWRs 2015: $10.32 in NC, $12.42 in WA, $11.33 in CA

H-2As concentrated in brown states with lowest AEWRs
CA H-2As: 3,000 in 2012, 8,600 in 2015, 10,000 in 16

- **CA**: many vegetable firms operate year-round. Leafy green vegetables in Yuma, SJV, & Salinas
  - Border labor force is legal
  - Bring border H-2As to Salinas: from motels to on-farm housing. T&A: $8 million to house 800 workers in Spreckels, $10,000 per bed
  - Old: largest CA H-2A user: Sierra-Cascade strawberry nursery (1,300 H-2As in Tulelake; WWII Japanese intern)

- **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 of FVH commodities, esp Mexican berries
T&A 800 beds in Spreckels: return to on-farm housing?

T&A: 800 employees at 145-unit apt in Yuma, AZ since 2007
Wine grapes: little labor data, hire same workers
Wine Grapes

• Mostly mechanized harvesting; significant hand pruning.

• Hire workers from the same pool as other commodities: 2 workforces
  – Legal, older direct hires employed 8-10 months
  – FLC crews for seasonal tasks: pruning/harvesting

• Hand-work in vineyards associated with premium grapes in high-cost-of-living coastal areas
  – Often crowded & expensive housing
  – Sometimes long commutes of 2+ hours, esp for FLC workers hired to perform seasonal tasks

• With minimum wage up 50% from $10 to $15, incentives to mechanize more pruning & harvesting
Coastal California has 7 of the 10 most expensive places to live in US

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Mortgage Payment as a Percentage of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>52.0%</td>
</tr>
<tr>
<td>San Jose, Calif.</td>
<td>43.1</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>41.5</td>
</tr>
<tr>
<td>Orange County, Calif.</td>
<td>38.4</td>
</tr>
<tr>
<td>Honolulu</td>
<td>37.0</td>
</tr>
<tr>
<td>Oakland, Calif.</td>
<td>36.3</td>
</tr>
<tr>
<td>San Diego</td>
<td>35.2</td>
</tr>
<tr>
<td>Ventura County, Calif.</td>
<td>30.9</td>
</tr>
<tr>
<td>New York</td>
<td>29.9</td>
</tr>
<tr>
<td>Miami</td>
<td>27.0</td>
</tr>
</tbody>
</table>

*Mortgage payment assumes 20% down payment and 4% mortgage rate on median home value in each metro area.

Source: Trulia

**How Expensive is Housing in California?**

- **Home Prices**
  - California: $440,000
  - United States: $180,000

- **Rents**
  - California: $1,240/mo
  - United States: $800/mo
Elections 2016: President Trump, Republican Congress

**Pay for the Wall**
It's an easy decision for Mexico. There are several ways to compel Mexico to pay for the wall.

**Immigration Reform**
Real immigration reform puts the needs of working people first – not wealthy globetrotting donors. We are the only country in the world whose immigration system puts the needs of other nations ahead of our own. That must change.

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It's Time
HILLARY CLINTON
PRESIDENT 2016

- Immigration reform
  - America needs comprehensive immigration reform with a pathway to citizenship.
  - Read more
- K-12 education
  - A world-class education for every child in every community.
  - Read more
- Labor and workers’ rights
  - When unions are strong, America is strong.
  - Read more
- LGBT rights and equality
  - Lesbian, gay, bisexual, and transgender Americans deserve to live their lives free from discrimination.
  - Read more
- Making college affordable and taking on student debt
  - The New College Compact: Costs won’t be a barrier, debt won’t hold you back.
  - Read more
- Manufacturing
  - Manufacturing is critical to the U.S. economy.
  - Read more
- National security
  - With policies that keep us strong and safe, America can lead the world in the 21st century.
  - Read more
Nevada: 10% unauthorized workers; CA 9%; TX 8.5%
Agriculture & farming: highest shares of unauthorized

<table>
<thead>
<tr>
<th>Industries</th>
<th>Occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Farming</td>
</tr>
<tr>
<td>17</td>
<td>26</td>
</tr>
<tr>
<td>Construction</td>
<td>Construction</td>
</tr>
<tr>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>Leisure/hospitality</td>
<td>Production</td>
</tr>
<tr>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Business services, Other services</td>
<td>Service</td>
</tr>
<tr>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Transportation</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Civilian labor force</td>
<td>Civilian labor force</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>
Trump winery:
1,300 acres of vineyard near Charlottesville, VA
President Trump: immigration

- Enforcement #1: criminal aliens & Secure Communities; no Muslim refugees; more fencing and agents on Mex-US border; mandatory E-Verify

- Guest Workers #2:
  - Toughen requirements on H-1B employers in reaction to Disney replacing US workers with H-1Bs?
  - Expand/ease low-skill guest worker programs
    - H-2A: end US recruitment or make pro forma
    - H-2A: extend 3-year visa from sheepherders to dairy & crops. New business models? Employer associations and super FLCs?

- Trump & immigration
  - 1986 IRCA: 2.7 million legalized, sanctions failed
  - 1995-16: Mex-US migration, CIRA & citizenship
  - 2017: Trump era: enforce, GAs, reduce legal?
Summary

- Average farm employment up as expansion offsets mechanization. Berries up as raisins mechanize.
- Employer responses to fewer newcomers:
  - Satisfy: 40/40 rule: keep current workers longer
  - Stretch: labor-stretching mechanical aids
  - Substitute: labor-saving mechanization (switch)
  - Supplement: H-2A workers; try to change rules to reduce requirements on employers via recruitment, housing, & AEWR.
- Which of the 4 S’s takes priority? What variance by commodity and area?