

Certain sectors of agriculture are labor intensive and rely heavily on immigrant workers. What is a fair and balanced immigration policy?

Media Conference Call On The Need For Comprehensive Immigration Reform
Hosted By USDA Secretary Tom Vilsack and Bob Stallman, President, AFBF
May, 2011

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IMPACT OF MIGRANT LABOR RESTRICTIONS ON THE AGRICULTURAL SECTOR
American Farm Bureau Federation – Economic Analysis Team
February 2006
Report

<http://tinyurl.com/7syhwrs>

Testimonies from U.S. House Judiciary Subcommittee, held Sept. 6, 2011

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RURAL LABOR AND EDUCATION: FARM LABOR
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Written Statement
of
Chalmers R. Carr III
President
Titan Farms LLC
Ridge Spring, South Carolina
September 6, 2011

United States House of Representatives
Judiciary Subcommittee Hearing
on
Immigration Policy and Enforcement

"American Specialty Agriculture Act"

September 8, 2011

Chalmers R. Carr III
President, Titan Farms LLC
Ridge Spring, South Carolina

United States House of Representatives
Judiciary Subcommittee on Immigration Policy and Enforcement
September 8, 2011

Thank you for inviting me to be here today to share with you my thoughts on the “American Specialty Agriculture Act” and why I believe this bill will have lasting positive effects on agriculture as we know it today. I would like to thank the Chairman and his staff for all their hard work on this legislation.

My name is Chalmers Carr. I am the owner and operator of Titan Farms in Ridge Spring, South Carolina. I currently grow 5000 acres of peaches and 700 acres of vegetables encompassing 20 square miles. For the past 13 years my company has been legally employing alien workers via the H-2A guest worker program and this summer we provided jobs, housing, and transportation for over 450 workers. I am also currently president of USA FARMERS, a national organization with over 1000 members representing 34 states and all facets of agriculture. Part of the mission of USA FARMERS is to represent agricultural employers in public policy concerning guest worker programs. In that respect the USA Farmers unanimously support Chairman’s Smith Bill, the “American Specialty Agriculture Act”. In addition, I am active in Farm Bureau and serve as Chairman of the South Carolina Farm Bureau Labor Committee and have previously served as Chairman of the American Farm Bureau Labor Committee.

Due to growing public sentiment surrounding the vast population of undocumented and unauthorized foreign nationals present in our country, numerous states have passed their own immigration laws and/or mandatory E-verification bills. The combination of the states’ action and Congressional discussion of a mandatory national E-verification law proves that now is the time for Congress to take steps to preserve agriculture and to reform the agriculture guest worker program to ensure American farmers have access to a sufficient pool of available legal labor.

Without question, the agriculture industry will continue to be adversely affected by these immigration and E-verification laws suffering greater negative impact than any other industry. Regardless of which statistics you read, it is commonly agreed that well over 50% of the agricultural workers in our country are unauthorized and using false documentation for employment. If bills creating a workable guestworker program, like this one offered by the Chairman, are not passed, then the agricultural industry as we know it today will no longer exist. Without a complete overhaul of the agricultural guest worker program we are at risk of becoming dependent on foreign countries to feed and clothe America. In that regard, this is not only an agricultural issue, but an issue of national safety and security. A country that cannot feed itself cannot defend itself and will be dependent on other countries for basic needs. I feel certain no United States citizen wants to ever see this become reality.

Only a small portion of agricultural employers who require manual labor to plant, cultivate, harvest, pack and process their crops participate in the current agricultural guest worker program offered by our government. This program, known as the H-2A program, is not widely used because of its lack of accessibility, bureaucratic nature, high cost of participation and the readily-available supply of other labor sources. I have made financial sacrifices to participate in this program because I support the laws of our country and this was the only legal means of obtaining the labor necessary for my operation. It is my sincere opinion that farmers are some of the greatest patriots today. We take sincere pride in waking everyday to go to work to produce the food and fiber that feeds, clothes, and provides shelter not only for every American but nearly 20% of the world's population. It is my opinion these same patriots would support the laws of our country and participate in a guest worker program if legal US workers willing to perform the work required were not available. Such a government offered program should allow access and use by all types of agricultural operations regardless of whether they are seasonal year-round employers or processors of agricultural products or animals. Furthermore their participation should not place them at a cost disadvantage in the marketplace, the program should be simple to administer, and frivolous lawsuits from organizations with ulterior agendas should be non-existent.

The agricultural industry has served as an entry gate for illegal foreign nationals to gain access to the US job market for decades. While imposing a nationwide E-verify mandate, Congress has a unique opportunity to find a solution to this repetitive cycle of illegal immigration by creating a new guest worker program coupled with a transitional period allowing agricultural employers and workers to move into the new program.

I commend the Chairman for his vision and comprehension of the dilemma facing agricultural employers and for his leadership in offering the American Specialty Agriculture Act as a solution to this very problem.

Upon passage, the positive initiatives contained in this bill will provide a better and more viable guest worker program for agriculture than exists today. It will also help to shut down the flow of illegal workers entering the US work force who end up in agriculture. As proposed, the Chairman's bill positively addresses most every major issue that has been raised by the agricultural industry for many years.

The bill expands use of the program across the entire industry by dropping the illogical requirement of seasonal employment for participation in the program. The bill properly focuses on the guestworker being "temporary" rather than the job. This provision recognizes the current trend of diversification within the agriculture industry where many growers raise multiple crops over multiple seasons. It also allows for participation by almost every agricultural employer whether they are a six week strawberry producer or a year-round milk producer. I would also like to see the bill clarify that on-farm processors are not subject to arbitrary restrictions on their eligibility to participate in the program.

The transfer of this program from the Department of Labor to the Department of Agriculture is another very positive step. It is logical that as the federal agency most accustomed to servicing the agriculture industry, USDA should be responsible for administration of a guest worker program designed to meet the needs of agriculture. The bill offers substantial protections for US workers and also includes commonsense provisions to ensure its predictability and workability for employers.

While US workers are theoretically available for jobs in agriculture, the reality of the situation is that the vast majority choose not to work in production agriculture. Last year, due to the current administration's disdain for guest worker programs, my company was forced to absorb a 28% wage increase in the H-2A program. Wages jumped from \$7.25 per hour to \$9.12. As a result of high unemployment and DOL referring workers to our farm, I saw a significant increase in the number of US workers applying for jobs. What has not changed, however, is the number of US workers who will perform the job. Over the past year, I had 285 US referrals who applied for and were offered employment. Of that number, 60 never reported to work, another 190 of them quit, with most quitting before the end of the second day of work, and another 20 were terminated for cause. Just 15 workers -- or 5% -- actually completed the term of employment. No employer can effectively conduct business with this amount of turnover in employment and should not be forced to do so! In fact, we have had to hire another secretary just to process all the paperwork associated with hiring all of these workers who then do not show up to work or quit within a few days.

The Chairman's bill calls for the use of a prevailing wage rate for similar employment in the same regional area. This approach is preferred much more so than using the current adverse wage effect rate (AWER), which has been criticized for years for its artificially high wage rates that do not reflect actual market wages in the locality. Although I prefer the wage calculation methodology contained in the bill over the current wage program, I remain concerned about the unpredictability and volatility associated with wage surveys. To the extent Congress mandates a wage for the guestworker program, I support the Chairman's provision but would also suggest that consideration be given to wage rate that is truly market-based and tied to the federal minimum wage. Such a solution would provide much-needed transparency to the process and would help guard against manipulation of wages by administrative agencies, while providing protection for the US work force.

For decades, many farmers have attempted to comply with the law by hiring farmworkers through the overly complex H-2A program but have found themselves subject to predatory lawsuits. Many of these lawsuits involve questionable interpretations of law or hopelessly confusing or contradictory DOL requirements. Too often farmers are forced to settle these cases because it is simply cheaper to do so than to endure years of litigation. The Chairman's

bill would make much needed improvements in this area by including mediation and arbitration to resolve employment disputes, rather costly lawsuits. These reforms are vital to increasing grower participation in the program.

In closing I would like to again commend Chairman Smith for his vision and leadership. I would also like to remind the Committee and Congress that this issue goes well beyond a guest worker program for agriculture. It goes directly to the core of the life we enjoy as American citizens. We have the safest and cheapest food supply in the world. However that will no longer be the case without a viable guest worker program that is embraced by all branches of agriculture. Without guest workers in this country, our domestic food will increasingly be produced abroad.

And so I leave you with this question – would you rather have the food you feed your family grown on our fertile soils under the governance of the USDA and harvested by lawfully admitted foreign nationals? Or will you accept putting food on your dinner table tonight that was grown in a foreign country with unknown production practices and food safety protocols? Either way, the food will still be harvested by a foreign worker. I hope that Congress wants to help ensure American farmers can continue to feed Americans at home, with plenty left over to feed much of the rest of the world.

Thank you for your time and consideration.

Impact of Migrant Labor Restrictions on the Agricultural Sector

American Farm Bureau Federation – Economic Analysis Team

February 2006

Preface

This report assesses the impact on U.S. agriculture of eliminating access to migrant farm labor.¹ The report concludes that the agricultural sector would suffer significant economic losses if the law that governs the hiring of migrant labor were changed without providing for a viable guest worker program and a reasonable transition into such a program.

I. Introduction/Summary

Of all the major sectors of the U.S. economy, agriculture is the most dependent on migrant labor. After almost a century of transferring excess labor to the rest of the economy, agriculture's demand for labor has stabilized at approximately 3 million workers. Of these 3 million workers required to operate the sector, approximately 2 million are drawn from farm families and about 1 million are hired from non-family sources. An estimated 500,000 or more of this 1 million would be affected by restrictions on the hiring of migrant labor.

This report concludes that if agriculture's access to migrant labor were cut off, as much as \$5-9 billion in annual production of primarily import-sensitive commodities most dependent on migrant labor would be lost in the short term. Over the longer term, this annual loss would increase to \$6.5-12 billion as the shock worked its way through the sector. This compares to an annual production average for the entire agricultural sector of \$208 billion over the last decade.

Production of fresh fruits, vegetables, and nursery products would be hit hardest as 10-20 percent of output would shift to other countries, and increasing the U.S. trade deficit on virtually a dollar-for-dollar basis. A fifth to a third of production for the fastest growing fresh component of the fruit and vegetable market would be lost. An adequate labor force is critical to the economic health of our fruit and vegetable industry. Fruit and vegetable production is labor intensive and producers are already confronted with competitiveness issues due to low cost labor available in competing markets.

Costs would rise and production would fall in the other field crop and livestock sectors which are not as sensitive to imports or as dependent on migrant labor. With higher costs, these farm operators would produce a smaller volume of products ranging from

¹ The term "migrant labor" as used in this report refers to foreign-born workers who travel to the U.S. for employment in the agricultural sector. The report does not consider migrant labor working in agriculture-related industries such as the livestock slaughter and packing industry. This definition is consistent with the definition used in USDA survey activities but differs from the definition of migrant labor (any and all workers who routinely move to different work sites) used in the Department of Labor survey activities and reporting.

grains, oilseeds and cotton to meat and milk. However, with labor accounting for a smaller share of costs, the drop in production would be more limited than in the fruit and vegetable sector. In addition, with the U.S. a major exporter rather than importer of most of these products, import displacement would be minimal. Hence, most of the impact on field crop and livestock operations would be concentrated in higher costs on remaining production.

The impact of this combination of lower production and higher costs on the farm sector as a whole would be a \$1.5-5 billion loss in farm income in the short term and a \$2.5-8 billion loss in the longer term (Table 1). The drop in production would reduce market receipts and net farm income. With farmers being price-takers rather than price-makers, much of the increase in production costs would also have to be paid for out of farm income. Aside from the specialty crop sector, this combined farm income impact would be most pronounced in livestock operations (such as dairy) where structural changes have increased dependence on hired labor. In dairy and many other livestock categories, the typical farm family workforce has simply become too small to operate enterprises large enough to capture economies of scale. These losses compare to a sector income average of \$56 billion per year over the last decade.

Table 1. Losses in Farm Production and Income With the Elimination of Migrant Labor

Loss Type	\$Billion
Production Loss	
Short Term	5.0 - 9.0
Long Term	6.5 - 12.0
Cost Increase on Remaining Production	
Short Term	2.5 - 7.0
Long Term	3.0 - 9.0
Income Loss from Reduced Production and Cost Increase	
Short Term	1.5 - 5.0
Long Term	2.5 - 8.0

Adjustments would have to be made in all of the states (Table 2). However, adjustments would be largest in California, Florida, Washington, Oregon, Texas, North Carolina, Michigan, Idaho, Arizona, and New York. States with extensive fruit, vegetable, and nursery operations and large industrialized livestock operations would be the most severely impacted. But the majority of commercial field crop operations has grown large enough to need hired labor and would also face considerable adjustment challenges.

The reason for these losses is simple. There is no readily available pool of excess labor in the farm sector, the rural economy, or the general economy to draw upon to replace 500,000 or more migrant workers. The sector has already exhausted most on-the-shelf

mechanization alternatives and next-generation robotics are decades away. Hired farm worker wages would have to increase significantly above and beyond the increases necessary over the last two decades to attract and hold workers in an increasingly tight labor market. This effort to replace lost migrant farm workers would be complicated by the demanding and often seasonal nature of many hired jobs in agriculture. It would be further complicated by similar efforts by employers in other sectors of the economy affected by migrant worker restrictions to attract and hold their own replacement workers. At a minimum, hired farm worker wages would have to increase from the current \$9.50 average to possibly \$11 to \$14 per hour or more in order to attract and hold labor currently employed in other jobs requiring comparable skills.

The analysis reported here draws on farm labor data developed by USDA and the Department of Labor (DOL) and basic labor supply and demand relationships to estimate the wage impact of replacing lost migrant labor.² The analysis then uses farm income accounts developed by USDA as part of the income reporting program as well as Census of Agriculture data on the distribution of farm income to estimate sector vulnerability to higher labor costs.³ The relationships built into the agricultural sector model developed at the University of Missouri's Food and Agricultural Policy Research Institute (FAPRI) were then used to estimate farm economy impacts.

The main body of this report looks first at the changing supply and demand for hired farm labor. The second section looks at several of the factors driving farm labor demand. The third section looks at the impact of bidding for hired farm labor, and the fourth section looks at mechanization as a possible answer to labor shortages. The report then looks at the key components of a viable guest worker program from an agricultural economic perspective. The report closes with a methodology section.

² The two most important sources of data are the National Agricultural Labor Survey (NALS) conducted by USDA's National Agricultural Statistics Service and the National Agricultural Workers Survey (NAWS) conducted by the Department of Labor.

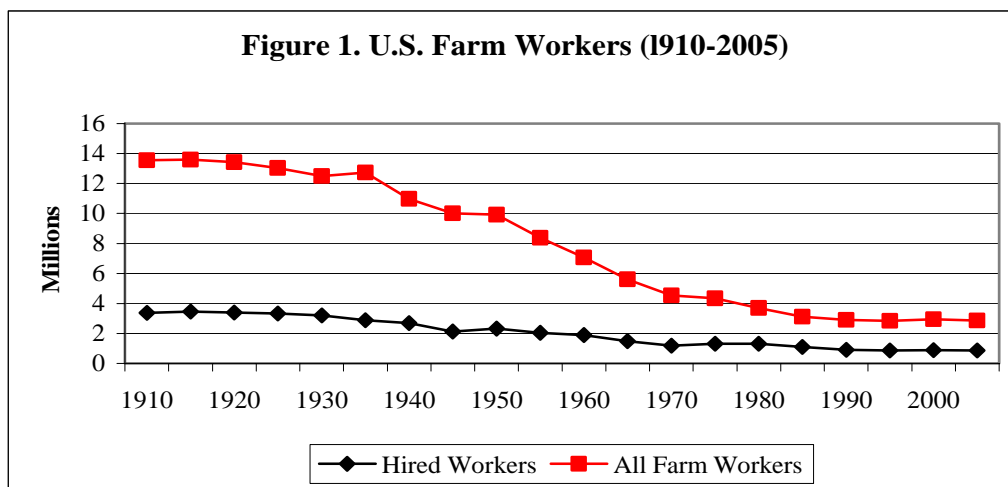
³ USDA's farm income information is available at www.ers.usda.gov/data/FarmIncome and www.usda.gov/data/ARMS while the Census of Agriculture data is available at www.nass.usda.gov/census.

Table 2. State Impacts of Migrant Labor Restriction

State	Short Term				Long Term			
	Production Loss		Income Loss		Production Loss		Income Loss	
	Low	High	Low	High	Low	High	Low	High
	\$Million							
United States	5,000.0	9,000.0	1,500.0	5,000.0	6,500.0	12,000.0	2,500.0	8,000.0
Alabama	34.8	62.6	10.4	34.8	45.2	83.5	17.4	55.6
Alaska	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Arizona	114.1	205.3	34.2	114.1	148.3	273.8	57.0	182.5
Arkansas	7.9	14.2	2.4	7.9	10.2	18.9	3.9	12.6
California	1,733.1	3,119.6	519.9	1,733.1	2,253.0	4,159.5	866.6	2,773.0
Colorado	59.9	107.8	18.0	59.9	77.8	143.7	29.9	95.8
Connecticut	26.9	48.4	8.1	26.9	35.0	64.5	13.4	43.0
Delaware	10.7	19.2	3.2	10.7	13.9	25.6	5.3	17.1
Florida	560.4	1,008.7	168.1	560.4	728.5	1,344.9	280.2	896.6
Georgia	100.5	180.8	30.1	100.5	130.6	241.1	50.2	160.7
Hawaii	50.6	91.0	15.2	50.6	65.7	121.3	25.3	80.9
Idaho	147.1	264.9	44.1	147.1	191.3	353.2	73.6	235.4
Illinois	46.5	83.7	13.9	46.5	60.4	111.6	23.2	74.4
Indiana	29.0	52.2	8.7	29.0	37.7	69.6	14.5	46.4
Iowa	10.4	18.8	3.1	10.4	13.6	25.1	5.2	16.7
Kansas	7.6	13.7	2.3	7.6	9.9	18.3	3.8	12.2
Kentucky	14.1	25.4	4.2	14.1	18.3	33.8	7.1	22.6
Louisiana	47.4	85.3	14.2	47.4	61.6	113.8	23.7	75.8
Maine	23.2	41.8	7.0	23.2	30.2	55.7	11.6	37.2
Maryland	41.5	74.7	12.5	41.5	54.0	99.6	20.8	66.4
Massachusetts	39.3	70.8	11.8	39.3	51.1	94.4	19.7	63.0
Michigan	151.0	271.8	45.3	151.0	196.3	362.4	75.5	241.6
Minnesota	83.1	149.6	24.9	83.1	108.0	199.5	41.6	133.0
Mississippi	11.8	21.2	3.5	11.8	15.3	28.3	5.9	18.8
Missouri	18.0	32.4	5.4	18.0	23.4	43.2	9.0	28.8
Montana	12.5	22.6	3.8	12.5	16.3	30.1	6.3	20.0
Nebraska	25.8	46.5	7.8	25.8	33.6	62.0	12.9	41.4
Nevada	6.1	11.1	1.8	6.1	8.0	14.7	3.1	9.8
New Hampshire	10.4	18.7	3.1	10.4	13.5	24.9	5.2	16.6
New Jersey	64.5	116.1	19.4	64.5	83.9	154.8	32.3	103.2
New Mexico	32.1	57.8	9.6	32.1	41.8	77.1	16.1	51.4
New York	99.2	178.6	29.8	99.2	129.0	238.2	49.6	158.8
North Carolina	158.7	285.7	47.6	158.7	206.3	380.9	79.4	254.0
North Dakota	52.4	94.4	15.7	52.4	68.2	125.9	26.2	83.9
Ohio	88.7	159.7	26.6	88.7	115.3	212.9	44.4	141.9
Oklahoma	44.9	80.9	13.5	44.9	58.4	107.8	22.5	71.9
Oregon	188.1	338.5	56.4	188.1	244.5	451.4	94.0	300.9
Pennsylvania	97.2	175.0	29.2	97.2	126.4	233.3	48.6	155.5
Rhode Island	8.5	15.4	2.6	8.5	11.1	20.5	4.3	13.7
South Carolina	36.6	65.8	11.0	36.6	47.5	87.7	18.3	58.5
South Dakota	8.3	15.0	2.5	8.3	10.8	20.0	4.2	13.3
Tennessee	33.4	60.2	10.0	33.4	43.5	80.2	16.7	53.5
Texas	180.1	324.2	54.0	180.1	234.1	432.2	90.0	288.2
Utah	9.4	17.0	2.8	9.4	12.3	22.6	4.7	15.1
Vermont	9.9	17.8	3.0	9.9	12.8	23.7	4.9	15.8
Virginia	37.6	67.7	11.3	37.6	48.9	90.3	18.8	60.2
Washington	327.8	590.0	98.3	327.8	426.1	786.7	163.9	524.5
West Virginia	5.9	10.7	1.8	5.9	7.7	14.3	3.0	9.5
Wisconsin	84.1	151.4	25.2	84.1	109.3	201.8	42.0	134.5
Wyoming	8.6	15.5	2.6	8.6	11.2	20.7	4.3	13.8

II. Changing Supply and Demand for Hired Farm Labor

In the mid-1980s, after almost a century of transferring surplus labor to the rest of the economy, the farm labor market shifted into balance, with the supply of readily available labor roughly equal to the labor needed to operate the sector. Figure 1 makes this point drawing on USDA data collected as part of its agricultural labor survey activities. As recently as the 1960s and 1970s, the farm work force declined by 100,000- 200,000 workers per year. From 1985 forward, however, the sector has operated with a more or less steady workforce of just under 3 million. About 2 million of these workers come from within the farm sector and include farm operators and their family members. About 1 million are hired from non-family sources.



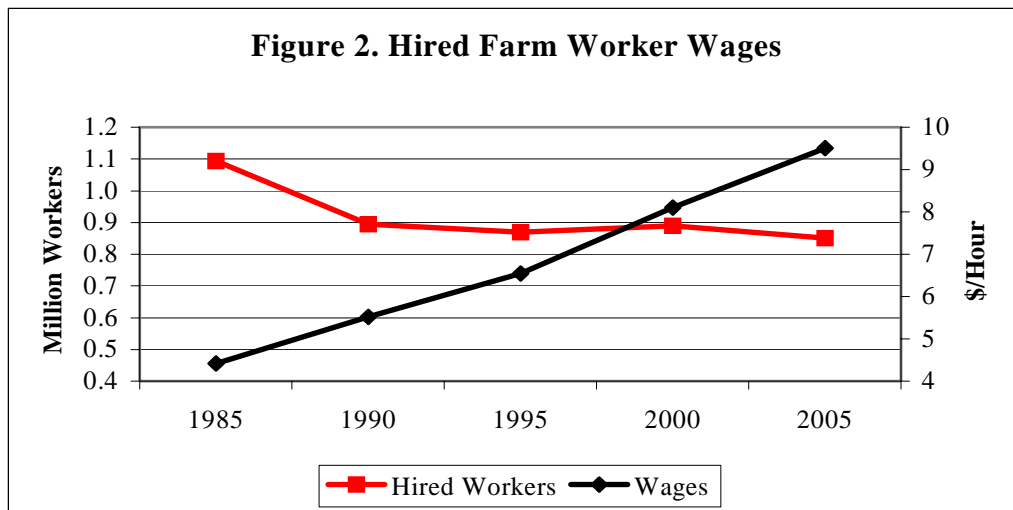
The current 2 million farm family workers is an all-time low and reflects several demographic factors including the size and aging of the farm operator pool, decreasing farm family size, and the continued movement of people off the farm. As recently as 1960, the farm family work force was over 5 million. Since then, however, Census of Agriculture data indicate that the farm operator pool has steadily decreased in size and has aged as fewer beginning farmers have entered the pool and the proportion of farmers at or past retirement age has hit successive all-time highs.

The Census Bureau's population estimates indicate that average farm family size has also decreased sharply over this same period, reflecting both a general trend in the overall population and the fact that older farmers generally have fewer family members to draw on in operating the farm. In addition, the Census Bureau's population estimates show that the farm population continued to shift to jobs elsewhere in the rural economy or the urban sector. Combined, these factors translate into the smallest family farm labor pool on record.

In absolute terms, the labor force hired to augment farm family labor has also declined over time. As many as 2 million hired workers (less than a fourth of the total) were

drawn from the rural economy as recently as the 1960s. Since 1985, the number has stabilized at the current level of 1 million. Measured as a share of the total farm work force (one-third), this figure is at an all-time high.

This change in the balance between farm labor supply and demand has been reflected in increased hired worker wages (Figure 2). USDA’s National Agricultural Labor Survey indicates that the average hired farm worker wage in 1985 was \$4.50 per hour. This was close to the minimum wage in effect for the general economy and included a very limited benefits package. By 2005, the wage had increased to \$9.50 per hour and included an improved benefits package that pushed the average cost up to \$11-12 an hour. This compares with a 2005 minimum wage of \$5.15 per hour and DOL survey results showing wages in representative jobs with similar skill requirements ranging from \$6.65 per hour for food preparation to \$11 for janitorial workers and \$14.34 for construction labor, according to DOL surveys.



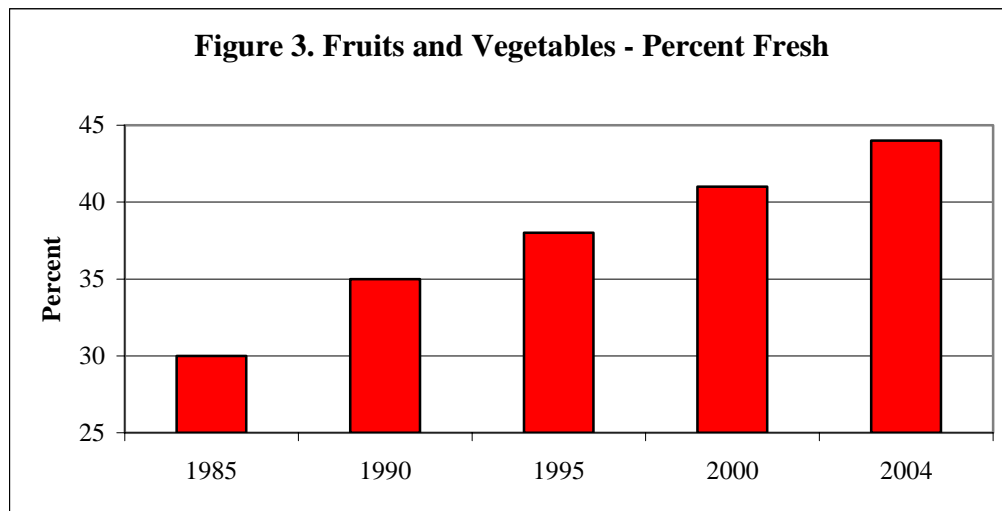
III. Factors Driving Farm Labor Demand

This farm sector demand for 3 million workers reflects several factors. The long-standing substitution of capital for labor reduced the demand for labor. Sustained increases in labor productivity allowed farmers to operate with less labor. Offsetting this, however, were changes in consumer demand, farm structure, and farm size that worked in reverse to increase demand for labor.

For example, consumer demand for farm products has changed dramatically since 1985. The change has been especially pronounced in the fruit and vegetable sector, where demand for fresh products has increased from 30- 45 percent of an expanding produce consumption total (Figure 3). Where possible, growers have met this demand using existing resources – particularly machinery resources. However, the fresh market puts a premium on top quality, peak ripeness and visual appeal. This limits the extent to which

functions such as picking and packing can be mechanized. Existing mechanization technology often cannot meet added technical concerns such as lack of uniform maturity, incomplete fruit removal, and differences in readiness criteria common in the specialty sector. Simply stated, human dexterity and judgment are necessary in the fresh produce sector.

This dependence on labor is reflected in produce costs and prices. Fresh fruits and vegetables meeting stringent consumer expectations can receive a 50-100 percent premium over produce used for processing. However, hired labor costs for operations specializing in production for the fresh market also range from one-third to over half of the total cost of production. This compares to an agricultural sector labor cost average of 14 percent.

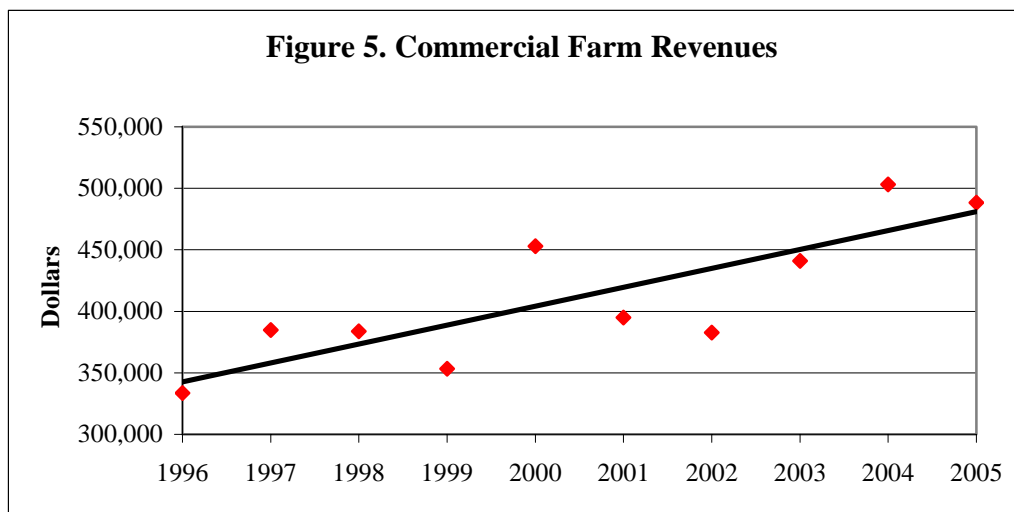
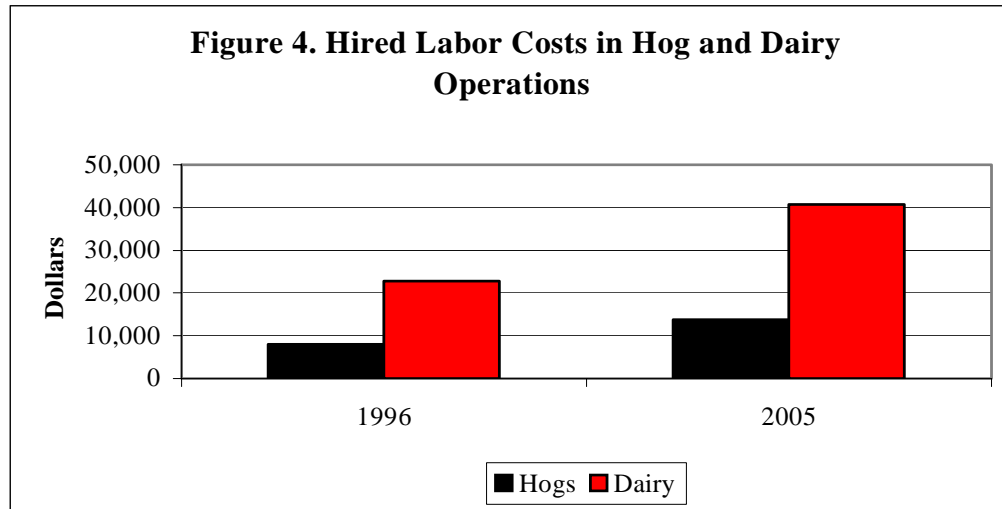


Structural changes in the livestock and field crop sectors have also reinforced dependence on hired labor. These changes – the so-called “industrialization” of agriculture – have brought technological advances that have meant new ways to produce and market farm products. Increasingly, farms using the latest technology in the livestock sector simply require more labor than a farm operator family can generally provide.

For example, the typical dairy farm identified in the Agricultural Resource Management Survey conducted by USDA’s Economic Research Service (ERS) reported spending \$21,000 on hired labor as recently as 1995 (Figure 4). However, the same operation spent \$40,000 in 2004 as machinery operation and livestock management jobs grew more demanding. While relatively slower, growth in dependence on hired labor in the field crop sector has been significant as more mechanized operations require more labor to run high-cost machinery than most operators can provide.

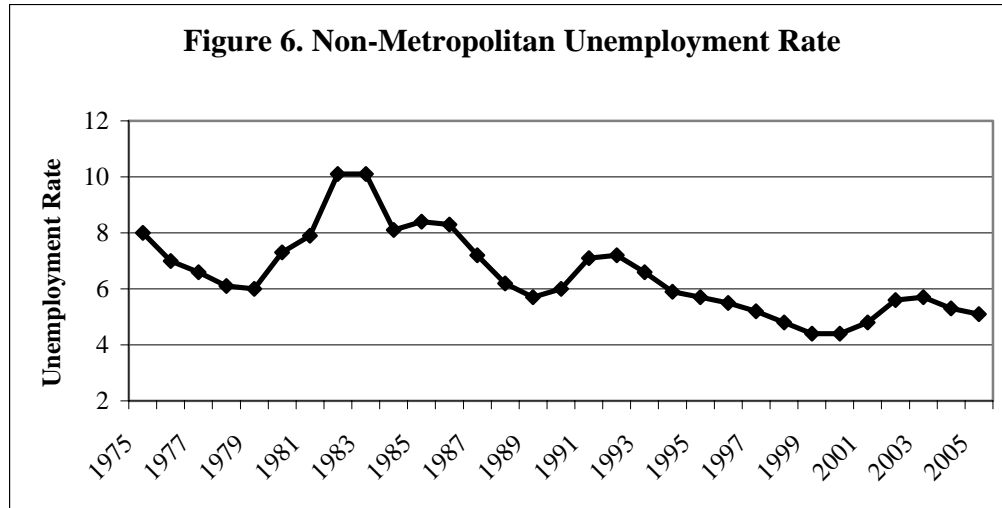
Looking more broadly across the entire agricultural sectors, growth in the average size of farm enterprises indicates that commercial production has simply outgrown family labor.

The typical commercial enterprise (i.e., farms selling more than \$100,000 in products per year) increased from sales of about \$335,000 per year to over \$480,000 over the last decade. Supplementing this USDA survey data with Census of Agriculture data suggests size in the mid-1980s was below \$275,000. These farms produce about 85 percent of the sector's output and account for an equally large share of labor. In a growing number of cases, even after adjusting for inflation, these operations are simply too large to operate with family labor alone (Figure 5).



Meeting this hired labor need has become an increasingly demanding part of farm management. Reference has already been made to the declining farm family work force. Changing demographics have also made it difficult to attract and hold a hired farm work force. As Figure 6 indicates, unemployment in the broader rural economy has been low and is currently near what is commonly viewed as a 5 percent structural minimum. Rural

unemployment has been lower than the current rate (5.3 percent) in only four of the past thirty years. There are fewer rural workers available for farm work today than there have been in nearly all of the last three decades.



The potential for drawing on urban workers is also limited. The urban unemployment rate is comparable to the rural rate and is also near structural minimums. Moreover, farm employment is typically located too far from cities where the number of individuals unemployed is high, even if unemployment rates are roughly comparable. The Census Bureau’s population data on employment indicate that urban workers have historically been hesitant to relocate to rural areas. Even farm operators located closer to urban areas report difficulty in drawing the urban unemployed to farm jobs. Hence, there is no easy way to fill farm jobs with the urban unemployed.

Perhaps even more telling, however, is the fact that farm jobs are difficult to fill with either the rural or urban unemployed given the nature of the work involved. This is particularly true in the fruit, vegetable and nursery sector where approximately half of hired workers are employed and where the work requires difficult manual labor. Nor is it a “job” in the conventional sense that some take it to be. The work at any one location can be temporary, and sustained employment often requires the willingness and ability to move from site to site over a broad area and work for more than one employer, coinciding with the crop-harvesting calendar. But even site-specific jobs in the livestock and field crop sectors are difficult to fill despite the significantly lower wages that the DOL reports for jobs elsewhere in the economy with comparable skill requirements.

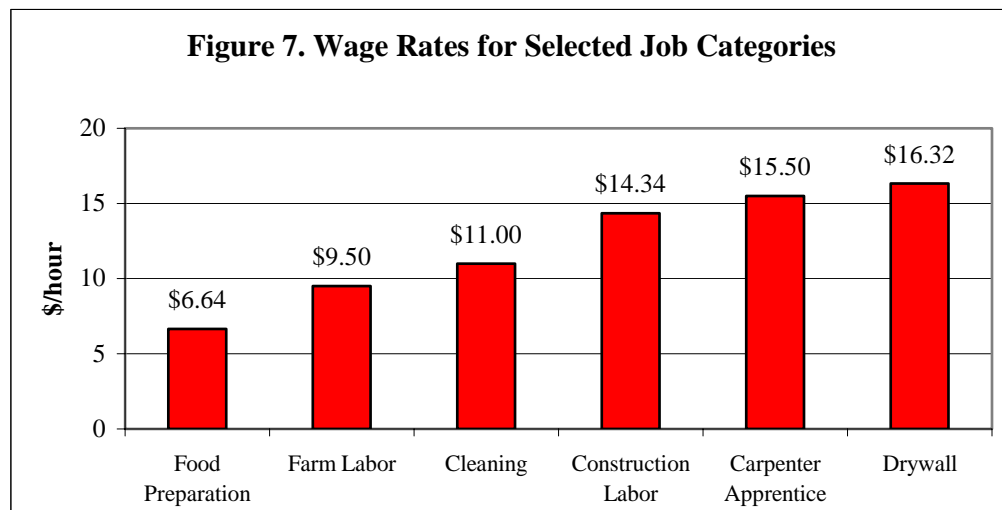
IV. Bidding for Hired Labor

In this setting of balanced farm labor supply and demand, a change in federal law that effectively cuts off farmers’ access to migrant labor would necessarily force the agricultural sector to bid in the general economy for replacement workers. While there is

no precise count of the migrant workers that would be affected, DOL’s National Agricultural Worker Survey suggests that 500,000 – 50 percent of agriculture’s hired work force – would be affected. Other, less formal, counts put the number affected significantly higher.

How high agriculture would have to bid to replace this large a share of its workforce would depend on labor supply and wages in the general economy for jobs with similar skill requirements. DOL surveys of wages and employment identify large pools of workers and the average wages for these pools. Figure 7 shows *representative* pools and wages for a range of jobs with skills comparable to those typically required of hired farm workers.

The DOL surveys indicate that the number of workers now employed in food preparation at wages averaging \$6.65 per hour far exceed the number that would be needed in agriculture. As already noted, farm wages average \$9.50 per hour. Food preparation workers could raise their earnings today by switching to farm employment, yet very few do. Agricultural employers have not been able to enlist these workers in farm employment, and that fact is buttressed by widespread, anecdotal reports from farm operators about recruitment difficulties. In short, the perception of farm jobs is such that a large segment of the native worker population apparently prefers to take lower paying food preparation jobs rather than higher paying farm jobs.



DOL surveys indicate that there are two other representative pools of workers that are large enough and the skill requirements comparable enough that they could supply agriculture’s replacement needs: a janitorial classification with wages averaging \$11 per hour and a construction laborer classification with wages averaging \$14.35 per hour. With workers in lower paying jobs such as the food preparation classification choosing not to work in agriculture, farm operators would have to bid for workers in these higher-

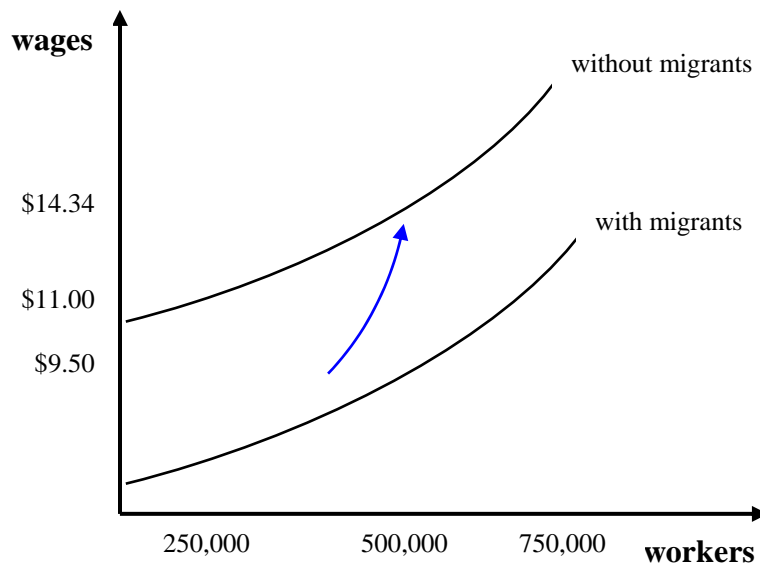
paid categories to replace migrant workers. This would entail raising wages from the current average of \$9.50 to possibly \$11-14 per hour.

While there are more than enough workers in the janitorial category with \$11 per hour wages to fill agriculture's replacement needs, several considerations suggest that replacement wages would have to tend toward the upper end of this \$11-14 range. First, the number of replacement workers needed would be large compared to the number of workers in this pool. Many workers in this pool would likely choose to stay in their current jobs. This suggests that agriculture would have to be prepared to tap the higher paid construction worker pool. This replacement effort would be complicated by the fact that, as already noted, farm work is often perceived as less desirable work.

Second, employers in these higher wage pools would likely respond to any significant loss of labor to agriculture with wage increases of their own to maintain their workforce. Equally important, these other sectors also employ migrant workers and would be affected by hiring restrictions. Hence, they would face the same replacement pressure – albeit less acutely than agriculture given the smaller proportion of migrant labor in their overall work forces – as farm operators.

As Figure 8 indicates, this broader pressure to find replacement workers would tend to drive up wages generally. Theoretically, the labor supply curve describing the number of workers available at specific wages would shift up and to the right. This means that, all other factors constant, the cost of the same number of workers providing the same services would be higher even before a specific sector such as agriculture moved to attract workers from elsewhere in the economy.

Figure 8. Migrant Farm Labor Supply Curve

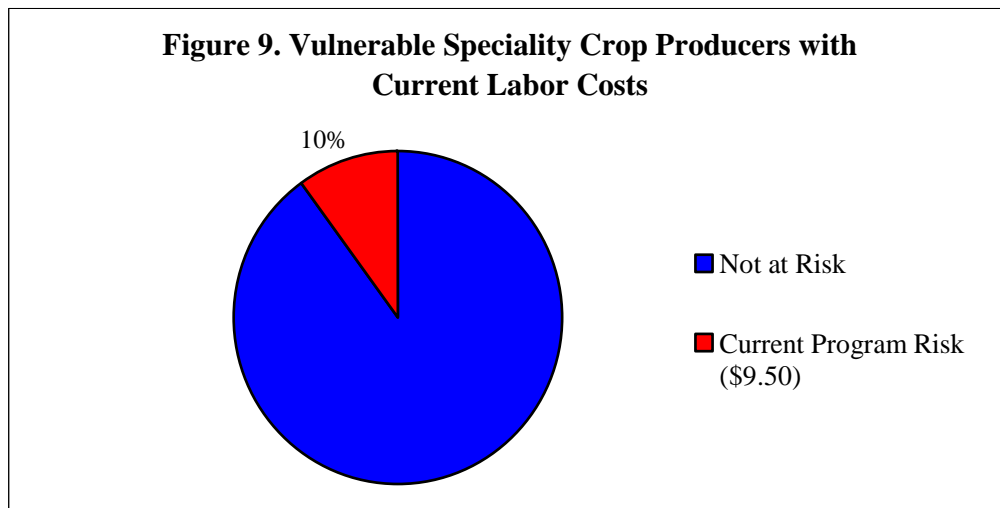


The impact of increasing the average hired wage from \$9.50 into this \$11-14.35 per hour range on the sector would vary depending on producers' use of migrant labor. As already noted, half of this replacement labor would be demanded by fruit, vegetable and nursery producers, particularly for fresh produce operations. This dependence on migrant labor combined with their exposure to imports suggests that the greatest impact would be in this sector.

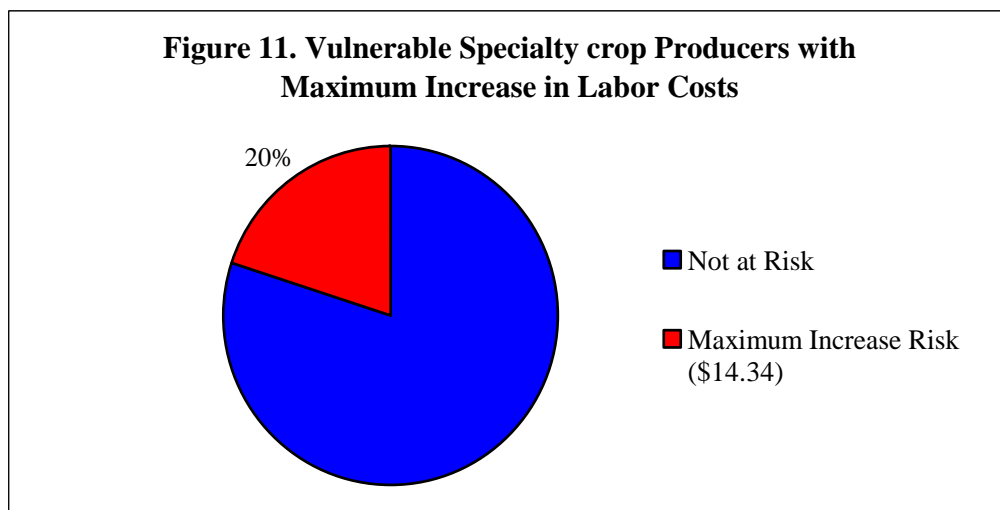
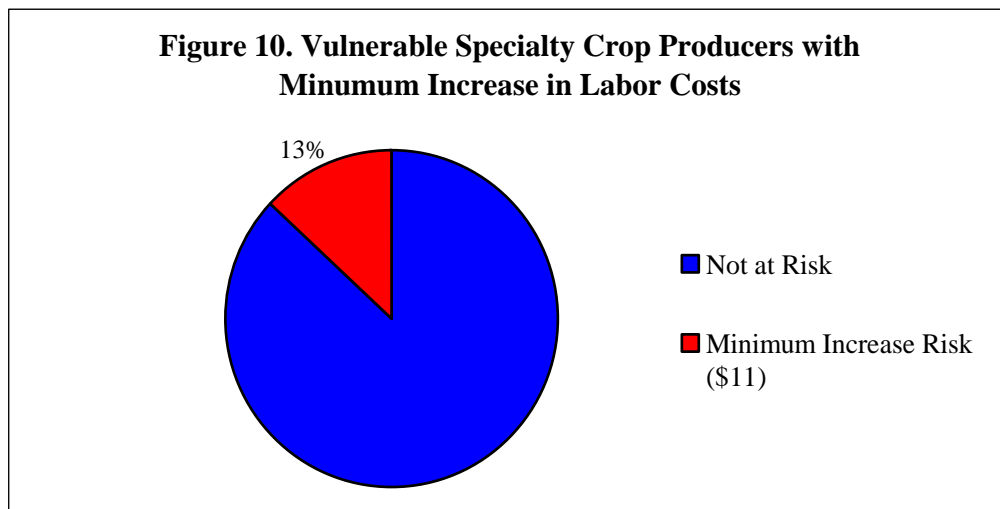
USDA's Agricultural Resources Management Survey provides a snapshot of the financial health of these fruit, vegetable, and nursery producers and an indication of the impact a significant increase in labor costs would have. Surveys from 2003 indicate that, on average, about 10 percent of producers in the specialty crop category are financially vulnerable (Figure 9). That is, these producers report negative farm incomes and debt-to-asset ratios over 40 percent. They are currently generating too little revenue to pay all of their bills and have essentially borrowed what most banks will lend on farm assets.

USDA's farm income records and farm financial analysis indicate that, historically, operations in this category are most dependent on continuation of the status quo – in this case continuation of a \$9.50 wage. However, while operating at the margin, these producers supply a significant share of sector production. And with year-to-year developments in weather and local marketing circumstances, producers can shift in and out of this category over time.

With migrant labor eliminated and replacement labor costs up 16-51 percent, the situation would worsen significantly for these vulnerable producers. Fresh fruit and vegetable producers most dependent on hired migrant labor would be the most severely affected. However, the rest of the specialty crop sector would also face sharp cost increases. We expect that the 11 percent of fruit, vegetable and nursery producers who fall into this "vulnerable" category would ultimately fail with the replacement of \$9.50 per hour labor with \$11-14 per hour labor (Figure 9).



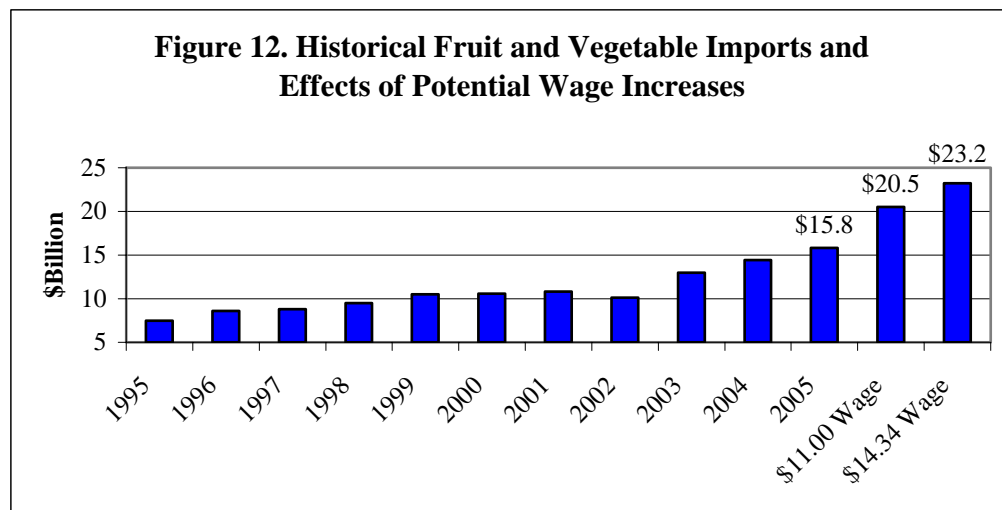
A significant increase in labor costs would also pull some share of producers who are not vulnerable with \$9.50 per hour labor into the vulnerable category with \$11-14 labor. USDA research on farm financial vulnerability and Census of Agriculture data on the distribution of farm income suggest that raising wages to \$11 per hour would move an additional 2 to 3 percent of fruit, vegetable and nursery producers into this vulnerable category (Figure 10). The same data indicate that raising wages to \$14.35 would likely put another 10 percent of these producers in this vulnerable category (Figure 11). It is important to note that this 10-20 percent loss would be for the fruit and vegetable sector as a whole. A fifth to a third of the fastest growing fresh fruit and vegetable component would be affected as production shifted abroad.



Since the loss of migrant labor would be permanent, these newly vulnerable producers would eventually go out of business as their losses accumulate and their borrowing options are exhausted. In short, while they would likely continue operating with a reasonably open labor market setting wages at \$9.50 per hour, they would not be able to continue operating with a closed labor market generating \$11-14 wages.

The loss in U.S. production would be roughly comparable with the loss of producers. USDA vulnerability research suggests that smaller producers make up a larger share of at-risk farmers. In this case, however, the challenge of finding replacement labor would tend to favor small producers. Small producers could, in theory, improvise by using overtime family labor, part time laborers or local replacement workers to a greater extent than larger operators faced with a much larger labor deficit. Hence, migrant labor restrictions would pull larger producers into the vulnerable category and keep the drop in production and producers roughly comparable.

The resulting loss of \$5-9 billion in fruit and vegetable production reflects not only wage increases but also the availability of large replacement supplies of fruits and vegetables from outside the U.S. The rapid growth in imports over the last decade indicates the readily available supply of foreign fruit and vegetables with U.S. farm wages at the current \$9.50 per hour (Figure 12).



Restricting migrant workers could well enhance foreign competitiveness even more than the increase in U.S. costs and expand the share of producers in the vulnerable category more than estimated here. Mexico, the chief U.S. supplier of specialty products, could well see its costs of production decrease as several million migrant workers were locked out of the U.S. and had to find employment at home. Surveys of Mexican fruit and vegetable production costs suggests that labor is the single largest expense and that access to a significantly larger labor pool would allow producers to market the same or larger volume at lower costs. A drop in Mexican prices of 10 percent, for example, would put significantly more U.S. producers at risk of failure.

With a significant share of U.S. specialty crop production essentially outsourced, the affected farm resources would be available for alternative uses. Normally, at least some of the resources of displaced producers are bought up by generally larger, more profitable operators. This works to reduce the net drop in production. Given USDA survey indications of the value of the resources (such as land and water) in question, the resources affected would generally have to continue to be used in high return activities such as specialty cropping. However, this potential for offsetting resource shifts would be limited in the migrant worker case since other operators normally looking to expand would themselves be under pressure due to higher labor costs.

The much smaller role played by hired labor and the more limited potential for imports would translate into a different adjustment in the rest of the agricultural sector. Loss of migrant labor would translate into higher production costs and the loss of a small proportion of field crop and livestock producers, most of whose resources would likely be bid away by more profitable operators. The agricultural sector models used at FAPRI and USDA to develop agricultural baseline projections suggest that the responsiveness of field crop and livestock sectors to increases in cost is approximately 0.2 (i.e., a 10-percent increase in costs is associated with a 2-percent decrease in production). Consequently, the drop in production would be small.

However, the vast majority of field crop and livestock producers who remained in business would face higher costs for their ongoing production activities. Given the farm sector's historical role as a price-taker rather than a price-maker, most of the cost increase associated with \$11-14 per hour labor could not be passed on in the form of higher prices. Historically, half or more of cost increases come out of farm income.

In conclusion, overall agricultural production would fall \$5-9 billion in the short term and \$6.5-12 billion in the longer term as the shock of a labor shortage and wages increases worked through the sector. This would be due to large losses in the fresh fruit and vegetable sector and smaller losses in the rest of the fruit and vegetable sector and in the field crop and livestock sectors (Table 1). Producers who remained in production would face a sector-wide increase in costs of \$2.5-7 billion in the short term and \$3-9 billion in the longer term.

These two impacts can be converted into a farm income loss using USDA's farm accounts to estimate the share of production dollars that normally accrue to farmers as income and the share of production expenses that typically come out of farm income. The farm accounts data suggest that 20-30 percent of production receipts accrue to farmers as income. The same accounts and the agricultural sectors models used here suggest that 50-66 percent of an increase in production expenses normally is paid out of income. These parameters change with the size of the change in production and expenses considered. Using them as guidelines, the production losses and cost increases estimated here translate into a \$1.5-5 billion income loss in the short term and \$2.5-8 billion loss in

the longer term (Table 1)⁴. These estimates compare to an annual farm income average of \$56 billion over the last decade.

Table 1. Losses in Farm Production and Income With the Elimination of Migrant Labor

Loss Type	\$Billion
Production Loss	
Short Term	5.0 - 9.0
Long Term	6.5 - 12.0
Cost Increase on Remaining Production	
Short Term	2.5 - 7.0
Long Term	3.0 - 9.0
Income Loss from Reduced Production and Cost Increase	
Short Term	1.5 - 5.0
Long Term	2.5 - 8.0

Note: See footnote 4

Given the limited experience agriculture and the broader economy has had with labor disruptions even approaching the magnitude involve in restricting migrant labor, these production and income estimates could prove conservative. Several factors could work to raise them substantially. For example, underlying the analysis is the assumption that labor moves freely and immediately between jobs in the U.S. economy. In other words, agriculture would pay more to bid labor away from the general economy while the majority of operators continue to function with higher costs but without interruption. Vulnerable producers leave the sector. In actual fact, labor markets are far more rigid and the adjustments more complicated. Moving 500,000 replacement workers between sectors would require considerable time and involve significant disruption.

This is a particularly important assumption in the agricultural sector, given production cycles that make many producers sensitive to short term disruptions. This potential for disruption is most marked in the fruit and vegetable sectors – i.e. the sector with the most perishable product and greatest dependence on migrant workers. However, vulnerability to labor disruption extends to livestock operations, such as dairy, and field crop

⁴ Note: For example, the \$1.5-5 billion in short term income loss assumes that \$4 billion out of the \$5-9 billion in lost production would have generated no income and that the income loss on the remaining \$1-5 billion (\$5-9 billion minus \$4 billion) would be \$250 million to \$1.25 billion. The \$2.5-7 billion in higher costs translate into \$1.25-3.5 billion in income loss, assuming farmers can only pass along half of their cost increase. This puts the total short term loss, after rounding to the nearest \$500 million, at \$1.5-5 billion. Over the longer term, the \$2.5-8 billion in income loss assumes that \$4 billion out of the \$6.5-12 billion in lost production would have generated no income and that the income generated on the remaining \$2.5-8 billion (\$6.5-12 billion minus \$4 billion) would be \$625 million to \$2 billion. The \$3-9 billion in higher costs translates into \$2-6 billion in income loss using a .66 long term ratio versus a .5 short term ratio for cost increases absorbed by farmers. Rounding to the nearest \$500 million puts the total income loss for the long term at \$2.5-8 billion per year.

operations faced with harvest-time labor needs. As a result, an analysis based solely on wage rates may seriously understate farm impacts. How restrictions on migrant labor were implemented would also be of critical importance. The estimates outlined here assume implicitly that restrictions were implemented with enough lead-time for the sector to adjust. Without this lead-time, the impact would be significantly greater than estimated here.

In addition, the analysis makes no provision for the upward pressure on wages above the \$14.35 per hour level that eliminating migrant workers could have. While there is no precise count of the total number of migrant workers currently in the U.S, even the 10-11 million estimates at the low end of the range would be large enough to spark an economy-wide increase in wages. In this setting, agriculture would have to match the new wages in effect rather than the old \$11-14 per hour wages. This could also increase farm sector adjustment costs significantly.

Other factors could potentially work to lower adjustment costs. For example, the estimates describe here also make no provision for the sector's capacity to make structural changes that minimize the need to hire replacement labor. This would work to lower adjustment costs. While limited in the short term, the sector has adjusted to input cost increases in the past by modifying production technologies and changing the mix of inputs used in the production process. The adjustment that comes to mind immediately is falling back on the substitution of machinery for labor. As the following discussion suggests, however, the potential in the short term of one to five years is limited at best.

V. Mechanization

One alternative to the adjustments identified in this report often cited by supporters of restricting migrant workers is increased mechanization. However, a closer look at the supply of mechanization technology on the shelf, the long lead-time involved in developing new technology and the changing nature of hired labor demand suggests that mechanization would have a very limited role to play in the short and intermediate term.

Farmers have historically favored development and adoption of mechanization technology as a means of controlling costs, boosting incomes and minimizing the difficulties involved in hiring and retaining non-family labor. Consequently, most of the ready stock of mechanization technology has already been adopted. Decreased public and private investment in research and development over the last two decades has also worked to limit new technology in the pipeline. Given the farm sector's past experience with mechanization, the lead-times in question could be 10-15 years.

Mechanization of processing tomatoes, for example, took 10-15 years from the late 1940s through the early 1960s. There were none of the challenges associated with fresh fruits and vegetables where quality and appearance are at a premium. The process involved a concerted effort by several universities' agricultural engineering departments, USDA support and strong grower interest. Once available, the technology was quickly adopted and proved to be a major factor in making the U.S. one of the most competitive producers

of processing tomatoes in the world. But the quick adoption once there was a prototype may be the exception, not the rule.

Mechanization in other commodity markets has made sense only at scales large enough to rule out adoption for all but a minority of operators. The livestock sector, such as dairy, is a good example. Advances have been made in mechanical milking with the use of robotics but the technology generally requires 1,000 or more milk cows to reach the minimum scale necessary to justify the investment. Robotic milkers were introduced several years ago, yet costs are still so high that such a chance is prohibitive for 95 percent of all dairy operators.

While there is certainly potential for some added mechanization over the long term, the potential for many commodities is very limited or non-existent, regardless of the time frame. The fresh fruit and vegetable market is a good example. As already noted, human dexterity and judgment is needed in the picking and packing of produce to meet consumer demand and to address concerns about the lack of uniform maturity, incomplete mechanical fruit removal, mechanical bruising, and differences in readiness criteria. Next generation technology that addresses these needs is not even on a drawing board at this time.

Hence, advanced mechanization alternatives would require a revival of public-private investment in public-private research and development and a long-term congressional funding commitment. Even then, the contribution would likely be limited to some products and not others, concentrated in the longer term, and economically viable only at large enough scale to further restrict its impact.

VI. Designing a Viable Guest Worker Program

One approach to meeting U.S. homeland security concerns while accommodating agriculture's need for labor is to develop a viable guest worker program as an integral part of any legislation affecting migrant labor. The economic considerations identified earlier in this report suggest that such a program would have to have several critical components.

First, a viable guest worker program would have to accommodate a large number of workers efficiently. Providing just the agricultural sector with an uninterrupted supply of guest workers would require a program capable of handling 500,000 workers each year. The current H-2a program accommodates about 30,000. Handling the much larger volumes needed in agriculture would require streamlining the application and review process in both the U.S. and the country of origin in order to protect homeland security and facilitate worker flow.

Second, a viable guest worker program would allow the open market to determine wages and benefits. The existing program's "adverse effect" provisions have led DOL to issue arbitrary guidelines to protect the American worker from an influx of low-cost foreign labor that would bid down wage rates. Such has not been the case. As noted earlier,

agricultural wages are well above the minimum wage and wages in other industries such as food preparation. The DOL provisions in question do, however, work to raise wages and benefits for foreign farm workers above market-clearing levels without leading to any increase in Americans seeking farm jobs. Migrant farm labor hired through the program often costs \$14-17 per hour compared to the \$9.50 average for the sector. The increase in hired farm worker wages shown in Figure 2, combined with farm operator difficulties in securing American workers even at the higher wages paid over the last decade, indicate that any adverse impact on American workers is minimal at best. Market forces would prevent any widespread abuse in the future as Americans vote with their feet for jobs elsewhere in the economy even at substantially lower wages. Access to administrative remedies would be sufficient to address any isolated cases of abuse.

Third, a viable program would include provisions designed to meet agriculture's unique labor needs. For example, farmers generally need to lock in labor well in advance as part of their farm management plans. However, fluctuations in weather could move up or push back the dates labor is actually needed. Given the perishable nature of agricultural production, many farmers in question would not be able to "wait in line" behind other employers with non-perishable products. Many farmers' labor needs are also concentrated in short periods of time centered around harvest. Hence, a viable program would allow for worker movement between employers to provide a guest worker with long enough employment to make the program worthwhile. Many other farmers need year round labor that would not "fit" into a seasonal worker program.

Fourth, the NAWS survey indicates that migrant workers typically have an established work history with specific employers. The NAWS survey indicates that the average migrant worker has worked for the same employer/employers for more than four years and has been doing farm work in the U.S. for up to 10 years. A viable guest program would provide for continuing these established employer-employee links.

Note on Methodology

This analysis is subject to several limitations relating to data and methodology. On balance, these limitations suggest that the impact ranges cited in the text are best interpreted as orders of magnitude rather than precise estimates.

Regarding data, there are several sources with often conflicting observations. While the data tend to paint the same general picture, they can differ on specifics in any one year. For the purposes of this report, the National Agricultural Labor Survey conducted by USDA and the National Agricultural Workers Survey done by the Department of Labor were treated as definitive. Hence, for example, the report assumes that 53 percent of agriculture's hired work force would be affected by restrictions on migrant labor despite indications from other largely anecdotal sources that the number affected would be higher and the impact of restrictions consequently greater.

Regarding methodology, there has been relatively little research on farm labor markets done by USDA or the land grant universities. Hence, the econometric basis for doing

impact analysis does not exist. The same is true for the broader labor market, particularly for the range of jobs relevant for this analysis. The analysis here is based on the assumption that farmers would have to bid in the open market for labor to replace lost migrant workers. This makes understanding how labor markets operate and how the agricultural sector adjusts to across-the-board increases in labor costs critical.

Regarding operation of labor markets, this analysis assumes that the Department of Labor's surveys of wages and employment can be used to develop a rough approximation of the labor supply curve for the range of jobs relevant for a farm labor analysis. There are undoubtedly many other job categories with wages that fall between Figure 7's benchmarks, but not with sufficient numbers likely to shift to fill agriculture's job vacancies. In addition, the wages shown are averages, with distributions including significantly higher and lower wages. However, it was assumed that Figure 7's benchmarks could be used to sketch out a rudimentary schedule of the higher wages agriculture could expect to pay to attract and hold replacement workers.

As already noted, the analysis also assumes that labor moves freely between categories, and that labor movement between categories is based solely on relative wages as opposed to a combination of wages and job characteristics. And as already noted, the analysis makes no provision for the generalized upward pressure on wages above the \$14.35 per hour level that eliminating migrant workers across the economy could have. All of these labor assumptions work to reduce and "smooth out" the labor adjustment in agriculture.

These are particularly important assumptions for the agricultural sector, given production cycles that make producers sensitive to short term disruptions. This potential for disruption is most marked in the fruit and vegetable sectors – i.e. the sector with the most perishable product and greatest dependence on migrant workers. However, vulnerability to labor disruption extends to livestock operations faced with day-to-day operational needs and field crop operations faced with harvest-time labor needs. This suggests that an analysis based solely on replacement wage rates understates farm impacts. It also suggests that how restrictions on migrant labor are implemented is also of critical importance. The estimates outlined here assume implicitly that restrictions were implemented with enough lead-time for the sector to adjust – to find replacement workers. Without this lead-time, the impact would be significantly greater than estimated here.

Regarding operation of the agricultural economy, this analysis assumes that farmers have little flexibility in substituting other inputs for hired labor. The analysis also assumes that the farm sector would have difficulty passing higher labor costs on to consumers. The elasticities for the short and long term were .50-.66, indicating that half or more of the impact of a labor cost increase would take the form of an added production expense and income deduction. The analysis also assumes that the long term relationship between production receipts and income holds – that is, farmers lose \$.25 in income for every dollar in production displaced. These assumptions are consistent with the relationships at work in the Food and Agricultural Policy Institute's agricultural sector model and the USDA analysis underpinning the Department's Baseline. While these assumptions about

the labor market and the agricultural economy suggest that this report's estimates of the costs of restricting migrant labor could be low, several factors suggest that they could be high. For example, the estimates describe here make no provision for the sector's capacity to make structural changes that would minimize the need to hire replacement labor. While limited in the short term, the sector has adjusted to input cost increases in the past by modifying production technologies and changing the mix of inputs used in the production process. The materials presented here suggest, however, that the potential in the short term of one to five years is limited at best.

The analysis also provides for a distinction between short and long term impacts. The short term impacts are defined as one - two year impacts and do not provide for the full effect of a sustained across-the-board labor cost increase. The longer term impacts – three years or more – provide for the full impact of higher wages as agriculture moves up toward the top end of the \$11-14.35 range discussed in the text. The longer term impacts also incorporate the full impact of cost increases working through the vulnerability analysis to reduce production and raise costs.

These assumptions can be varied to establish a range around the income estimates described here. A lower bound on the income loss estimate can be established by assuming labor replacement costs would be lower, that farmers can pass along more of a cost increase to consumers, and that less production will exit the sector. This would lower the \$1.5-5 billion estimate to \$1-3.5 billion in the short term and the \$2.5-8 billion estimate for the long term to \$1.5-5 billion. Alternatively, assuming replacement wages are higher, that farmers are less able to pass along cost increases to consumers, and that more producers are forced to exit, the short term income loss would be \$2-6.5 billion and \$4-9.5 billion in the longer term.

In short, the impact of restricting agriculture's access to migrant labor is significant even with alternative more favorable assumptions for key parameters.

News Transcript

Media Conference Call On The Need For Comprehensive Immigration Reform
Hosted By USDA Secretary Tom Vilsack and Bob Stallman, President, AFBF
May, 2011

<http://tinyurl.com/7njqx27>

Release No. 0222.11

Contact: USDA Office of Communications (202) 720-4623

U.S. DEPARTMENT OF AGRICULTURE (USDA) AND AMERICAN FARM BUREAU
FEDERAL (AFBF)

MEDIA CONFERENCE CALL ON THE NEED FOR COMPREHENSIVE IMMIGRATION
REFORM

HOSTED BY TOM VILSACK, SECRETARY, USDA AND BOB STALLMAN, PRESIDENT,
AFBF

WEDNESDAY, MAY 25, 2011

[Audio](#)

MODERATOR: Good morning, everyone. And thank you for joining us for today's media briefing. On the phone we have Agriculture Secretary Tom Vilsack and American Farm Bureau Federation President Bob Stallman. The two will be talking about the need for comprehensive immigration reform here in the United States. If you'd like to ask a question of either of our panelists, let us know by pressing *1 on your touchtone pad.

And with that, I turn it over to Secretary Vilsack. Good morning.

SECRETARY VILSACK: Susan, thank you very much. And I really want to take this opportunity to thank the Farm Bureau President Bob Stallman for taking a few minutes from his busy schedule to join us on this call. We're both going to give a short statement and then we'd be happy to take questions from the press that are listening. So if I can ask President Stallman to proceed.

Bob, if you're ready, you go ahead, and then I'll follow.

MR. STALLMAN: Well, thank you, Mr. Secretary. The Secretary and I did have a good conversation about this issue a couple of weeks ago and we do agree on the importance of fixing the nation's broken immigration system. To do that, we're going to need comprehensive immigration reform. It's something we've been working on for a lot of years and the need is even greater now than it was when we started.

From an agricultural perspective, our piece of comprehensive immigration reform is to be sure that we have an adequate agricultural workforce and that's a top priority for our organization. About a third of the individuals employed in agriculture, about a million workers, the other two million are family, are hired. They're hired workers. Now no one knows exactly how many of these workers are not authorized to work. They have the documents that employers are required to look at, but employers don't have the capability to assess the -- or verify those documents. And that means that there are a number of workers that are at risk if we move forward in this country and put more stringent restrictions in place.

Now what does that mean for agriculture? Well, about \$5 to \$9 billion per years of production are dependent on these workers that are here, especially crops like fruit and vegetables, but the livestock sector, particularly dairy is also affected. I think consumers have such a disconnect now with modern ag. production they think fruits and vegetables come from the fruit and vegetable factory down the road. And that's not the case. The factory is the farm. The farmer is the producer, but he needs workers to plant, to tend, to harvest that crop, to provide the high quality supply of, in this case, fresh fruits and vegetables that consumers have come to expect.

And it's spread across the country in terms of impacts.

California, about \$3 billion per year in production, depends on these workers. Florida, about \$1 billion per year. Washington, \$600 million a year. Oregon, \$338 million. Texas, \$324 million. So you can see it's an issue that's spread across this country.

Recent proposals to put in a so-called mandatory e-verified system which would provide a computer-based verification system to ascertain a worker's legal status are important as far as trying to determine if someone is here legally or not, but the problem with that is our current system, without an alternative labor supply, means that we would lose those workers that are providing that \$5 to \$9 billion of production.

We have been supporting legislative efforts to reform current guest worker programs. We need new, innovative approaches like programs where biometric identities can be provided to workers who want to come across this border to work, to create greater economic opportunity for themselves and frankly to do the jobs that American workers will not do. And it's absolutely essential for agriculture that comprehensive immigration reform we address this issue of what happens with this nation's agricultural labor supply.

Mr. Secretary, I look forward to working with you and the administration and the Congress in trying to find solutions to these issues because the solution will affect the future of America's farmers and ranchers. Thank you.

SECRETARY VILSACK: Thank you very much and let me reiterate what Bob said earlier. Simply put, most Americans don't realize it, but farmers and the food they put on tables play an important role in the quality of life that we all enjoy, partially because American grown food is relatively inexpensive compared to food in much of the rest of the world. American families can spend more of their income on a home or vacation or college education for their children. In fact,

Americans spend only half as much as our total expenditures on food as say the citizens of Italy or Japan.

And immigrant labor plays an important role in making this possible. Every time someone in America takes a bite of American food, someone has picked it, processed it, shipped it, stored it, trucked it, and shelved it. And many of these folks who have done all those tasks are immigrants. I met farmers and ranchers all over this country who worry about the broken immigration system. They're unable to find the necessary number of farm workers and sometimes they struggle to verify their work authorization papers, all the while wondering if they'll get enough help for the next harvest.

And while some American citizens step up and take these jobs, the truth is that even when farmers make their best efforts to recruit a domestic workforce, few citizens express interest in large part because this is hard, tough work and even fewer show up to spend the long hours laboring in the hot sun. Simply put, our broken immigration system offers little hope for producers trying to do the right thing and make a living. But again and again good faith efforts to fix this broken system from leaders of both parties fall prey to the usual Washington political games.

Well, just recently President Obama called for a constructive and civil debate around the immigration system that would provide the United States and our farmers a reliable, legal workforce. This solution would continue our work to secure the borders for sure. But it would also hold accountable businesses that break the law by undermining American workers and exploiting undocumented workers and it would also provide clear guidance for the vast majority of businesses including our farmers and other employers who want to play by the rules. And it should provide a path to legal status by which those willing to admit they broke the law, pay unpaid taxes, pay a fine, learn English, our nation's system needs a pathway.

Our nation's farmers need a system that will reward them for playing by the rules and not punish them for it. We need to stop threatening the competitiveness of our agricultural economy with broken immigration policy. We need to start this conversation about immigration reform again. We need to keep it in the mind that America's working farmers, ranchers, and farm workers and the food they put on our kitchen tables depend on it.

I appreciate the Farm Bureau's efforts in this area and their call for comprehensive immigration reform to fix this broken immigration system. It's long overdue and it's something that needs to be done and we look forward to working with Congress and others and the Farm Bureau to get it done.

So with that, I'd be glad to open up for questions for myself or Bob.

MODERATOR: Gentlemen, thank you. Reporters, if you'd like to ask a question, let us know by pressing *1 on your touchtone pad.

We actually do have callers on the line waiting. We'll go first to Ellen Ferguson with Congressional Quarterly. Ellen? Good morning, Ellen.

CONGRESSIONAL QUARTERLY: Hello?

MODERATOR: Ellen?

CONGRESSIONAL QUARTERLY: Can you hear me?

MODERATOR: Yes, we can. Go ahead.

CONGRESSIONAL QUARTERLY: I appreciate your having the conference call. I actually have a question about appropriations. There's a provision in the House Agriculture Appropriations Bill that deals with withholding funds for any kind of work done relating to writing appropriations language or budget language out of USDA.

Do you know anything about that provision?

SECRETARY VILSACK: Ellen, I have not had an opportunity to take a look at what the House has done other than the basic numbers of the budget which frankly will obviously cause us some deep concern, but I haven't had a chance to look at the actual language.

CONGRESSIONAL QUARTERLY: All right, then let me ask an immigration question. Is there any likelihood of any progress any time soon on the issue of immigration and particularly workers for agriculture?

SECRETARY VILSACK: I think as Bob pointed out, the Congress is considering some legislation focused on an e-verify system. Our hope is that they understand and appreciate that what is needed is comprehensive immigration reform and any program that's structured whether it's e-verify or something else, needs to take into consideration the unique aspects of agriculture. It's one of the reasons why we've asked folks to get engaged and involved in this conversation. The White House has a website in which people can log onto and get involved. It's whitehouse.gov/immigrationaction, all one word. We encourage folks to take a look at that [whitehouse.gov/immigration action](http://whitehouse.gov/immigrationaction) website.

MODERATOR: We continue with callers on the line. Our next call comes from Matt Milkovich with Vegetable Growers News:

VEGETABLE GROWERS NEWS: Hello, yes. I'm wondering what's the advantage of a comprehensive approach for agriculture versus just passing something like, something similar to ag. jobs?

SECRETARY VILSACK: Well, let me take a stab at that. I think it's important that we have one system and that the system be predictable, consistent and understandable. And that we create a process by which employers at whatever stage in the agricultural production and processing stage they might be, have some degree of consistency and some understanding of what the rules are. It's difficult to know when someone is documented and when someone isn't. It's difficult when there are efforts of enforcement that basically disrupt not just undocumented folks, but also documented workers and other workers which we've seen in some of the processing facilities.

So our preference is for comprehensive immigration reform so that it's a consistent set of rules that basically says to employers you've got to play by the rules and if you're not, then you're part of the problem, not part of the solution. It says to workers who are undocumented, look, you've got to acknowledge that you're undocumented. You may have to pay a fine. You have to pay unpaid taxes. You've got to learn the language and if you do, there's a pathway to legitimacy here that we want to create. Given the fact that our system has been broken for so long, what's interesting about the system because it's been broken, because there's been conversation about immigration, what we find is that people are unwilling to do what they used to do which was to travel back and forth. They're actually staying in the country and that creates the issue of what to do with 12 million undocumented folks in this country and the reality is if you tried to deport all 12 million of them, it would take several hundred years. It's just not practical.

So I would say, Bob may have a different view about this, but I'd say that what you want is one system, one set of rules that applies to all workers and that's why we're calling for comprehensive immigration reform. And if it's decided by Congress to do something different, then they have to understand that agriculture is in somewhat of a unique circumstance.

MR. STALLMAN: Yes, let me add on just a little bit, Mr. Secretary. The ag. jobs bill is something that's been around now for, I don't know, several years and we have been working with agricultural interests, other agricultural interests on that bill. It is always in our estimation been something that was probably a good idea as far as it goes, but it didn't go far enough. It didn't provide that kind of comprehensive approach. It was going to be in reality a short-term solution that was going to work for three, maybe five years, but then after that you still would fall back into this need for having a program, some kind of comprehensive program that would allow for our agricultural workforce to be there, to be available to producers.

And so that's why we are going to have, I think, have a comprehensive program, the mandatory e-verify discussion that's going on, hopefully will provide an opportunity to once again talk about comprehensive immigration reform, but that legislation as a stand alone, much like ag. jobs is a stand alone, won't be sufficient to solve the problem.

MODERATOR: We continue on the line with Jeff Nalley from Cromwell Ag Network.

CROMWELL AG NETEWORK: Mr. Secretary, thanks for your time today. I would ask this and I know it's a short-sighted question, Mr. Secretary, but what keeps this from being a situation that the administration can provide a temporary fix or somewhat of an alternate solution until Congress is able to act? What keeps us from being able to solve some issues before we get to the ultimate fix?

SECRETARY VILSACK: I think the complexity of it all, you know. If you try to do this thing administratively, you've got a number of bureaucratic obstacles that you have to go through. There are a number of ways in which whatever bureaucratic approach you create can be subject to challenge and again, you then have potential inconsistency of application in various parts of the country. And it doesn't necessarily address the entire supply chain, if you will, set of issues that agriculture, I think, is uniquely positioned on.

I mean you've got folks who pick, package, process, and all those folks are part of this discussion. So I'm just not sure that we have enough jurisdiction, enough reach to be able to do this. And I think frankly, if we do it, we may not do it in precisely the right way. There may be questions raised about how we've done it. What really is needed as a civil debate about an overall comprehensive reform in this country that tells every employer, every worker, these are the rules and everyone is going to play by the rules. And if they abide by the rules, then you're going to be able to work here. You may be able to gain residency here. You may be able to gain citizenship here. But you're going to have a pathway. And if you don't play by the rules, we're going to hold you accountable.

Right now, it's really hard. It's very difficult. What we've got is enforcement and significantly enhanced enforcement, but that by itself is not enough. You have to have the other piece of this which is a process to get people to a place where they know what the rules are and can comply with the rules.

MODERATOR: Up next on the line, Martha Noble with National Sustainable Agricultural Coalition.

NATIONAL SUSTAINABLE AGRICULTURAL COALITION: Yes, in looking at the legislation and comprehensive legislation, would you be paying any attention to the rights of workers that are not provided for, farm laborers under federal law, in particularly the right to organize under the National Labor Relations Act?

SECRETARY VILSACK: This is not a situation where we're talking about collective bargaining rights. That's a completely different discussion and an important discussion, but not one that fits within comprehensive immigration reform.

What we're trying to do is fix a broken system and provide some degree of consistency and legitimacy for folks who are working in the fields. Then once that's created, then you can go into a series of questions about the relationship between the employer and the employee and you should. But you can't get to that point until you have some kind of system that allows people to be legitimately here. We don't have that system today.

MODERATOR: Up next on the line from Texas Public Radio, David Davies.

TEXAS PUBLIC RADIO: Yes, how much are people saving by the fact that we have illegal workers picking our crops and if we had complete enforcement and we lost those workers, how high would food costs go?

SECRETARY VILSACK: I don't know that I have specific numbers in terms of how high food costs would go, but I think it's fair to say that if we continue to have this broken system, there will be a day when we're not going to be able to find the workers to do the work and what will happen is we'll either see increase in food prices or just as likely importing additional foods from other countries.

We have a strong agricultural economy right now. We have strong export opportunities. We don't want to jeopardize that by not having a workforce that's capable of getting this job done.

Bob, I don't know if you want to add anything to that.

MR. STALLMAN: Yes, just a little bit, Mr. Secretary. And I did reference it in my opening comments. We did an internal economic analysis here a couple of years ago as part of our efforts in this debate about comprehensive immigration reform and the workers -- and these are assumptions and estimates because we don't really know how many illegal workers are working in agriculture, but we know that there's a significant number, that between \$5 and \$9 billion per year, billion dollars per year in production is dependent on that labor. So then you have to ask the question if you don't have that labor here, what happens to that production? Well, that production, given food demand, is going to come from some place and then it will come from outside the borders of this country.

Now I don't know what the net effect would be on consumers' prices in their local grocery store, but the source of their product would definitely change if we did not have that workforce.

SECRETARY VILSACK: And that raises issues of food safety with which we obviously have concerns about as well.

MODERATOR: We continue on the line from DTN, Katie Micik.

DTN: Hi, thank you, Secretary and Bob Stallman for having this call today. I was wondering, I've heard a lot of stories from ranchers along the border who say it's not as secure as the Obama administration is saying it is. And I was wondering, you mentioned briefly, Secretary Vilsack, that immigration reform could help that situation. Could you explain a little more, please?

SECRETARY VILSACK: Over the last two years, the President has taken the government's responsibility to enforce immigration laws and secure our borders very seriously. We've dedicated unprecedented amounts of resources to our borders. We've implemented smarter, more strategic interior enforcement policies. And we've had some results. Our borders are more secure than ever. Apprehensions along the border reflect far fewer attempts to cross illegally, while seizures of illegal currency, drugs, and guns are dramatically up leading to increased criminal arrests and prosecutions.

In the last Fiscal Year 2010, the administration increased the number of convicted criminals removed from our country by more than 23,000 which represents a 70 percent increase from the previous administration. We've also doubled the number of worksite enforcement investigations conducted in FY2010 as compared to FY2008. And these investigations have led to millions of dollars of fines levied against employers for violating those laws.

We've also improved the legal immigration system by reducing the backlog of immigration applications. All of that is important. All of that is necessary, but the reality is that is not enough. It's not enough to simply secure the border. There needs to be a comprehensive immigration system that deals with the 12 million people who are here, many of whom are working in our

farm fields and to be able to allow us to continue to enjoy the kind of agricultural production, the diversification in food, the affordable nature of the food that we have in the United States. All of this is tied to ultimately getting an immigration system that works, that allows the farmers and ranchers of this country to be confident that they will always have the workforce they need to get the work done.

MODERATOR: We have time for two more calls. Ed Maixner with the Kiplinger and then that will be followed with Amtnita Cadiz with La Opinion.

Ed, are you there? Ed, are you there? Ed, we'll give you one last time. Are you there?

Okay, we go to our next call with Amtnita Cadiz with La Opinion.

LA OPINION: Thank you very much. Amtnita Cadiz with La Opinion.

Secretary Vilsack, I would like ask you on the e-verify, how mandatory is e-verify in the whole country, the agricultural industry, and specifically if you can elaborate a little more for a state like California how will that affect the industry there?

SECRETARY VILSACK: I'll attempt to try to respond to that and certainly would encourage Bob to weigh in as well. You know, the e-verify system creates a potential difficulty particularly for smaller businesses because they would have to invest resources in the equipment and training needed to participate. Now it would give legal workers the opportunity to correct their records. It would be accompanied by a legalization program that would allow unauthorized workers to get right with the law by registering and obtaining proper documentation if they meet rigorous criteria which would include background checks, fingerprinting and so forth. All that is going to require a substantial amount of time and resource and for smaller operations may be difficult to comply with and that then creates a situation where you've got inequity in the process.

We really want, again, is comprehensive immigration reform that provides one set of rules for everybody and rules that basically take into consideration the cost to small business and don't make it such a difficult process that you're tempted not to comply and not to participate. That creates additional problems.

MR. STALLMAN: And I'll add on a little bit, Mr. Secretary. The mandatory e-verify program has the issues that you talked about in terms of costs for employers. Just little things like does a small employer have an internet connection because that's one thing that would be required. And then there's some technical issues in terms of the validity of the database and those kind of things which could get complex to resolve.

Our concern is that without a legal agricultural guest worker program in place or without comprehensive immigration reform that accomplishes all of that, you do have that roughly half of one million workers out there that frankly would be screened out if we have a mandatory e-verify program. If that happens, the risk of production losses or production moving outside of the country is very real without having workers to replace those. And you mentioned California specifically, about \$3 billion per year in production is dependent on those workers who frankly

are here with fraudulent documents. And so you have this huge gap. If you just put in a mandatory e-verify program all of a sudden there's this huge gap in agricultural workers that has to be filled from someplace or else the crops won't get planted and harvested. That's the reality of the situation.

SECRETARY VILSACK: And the fear is that you do that which appears to some as a comprehensive solution when in fact, it's not a comprehensive solution. It doesn't deal with the folks who are here, who have been here for a considerable period of time. So again, the call here is obviously designed to say it's time for an extended conversation, an adult conversation about this issue. We've got a broken system. We've had it for far too long. It creates real problems for workers and employers alike. It creates real problems in agriculture and we've got a good thing going for the United States in terms of agriculture. We would like to continue it. But to do that, at some point in time, we're going to have to get serious about comprehensive immigration reform.

Bob, I want to thank you for taking the time today.

MR. STALLMAN: Thank you, Mr. Secretary.

MODERATOR: You've been listening to Agriculture Secretary Tom Vilsack and American Farm Bureau Federation President Bob Stallman. They've been talking about the need for comprehensive immigration reform here in the United States. We want to thank them and we also want to thank those who called in and for those who were listening on the line.

That concludes today's media briefing. Thank you.

(Whereupon, the media briefing was concluded.)

Rural Labor and Education: Farm Labor

Hired farmworkers make up less than 1 percent of all U.S. wage and salary workers, but they play an essential role in U.S. agriculture. Their wages and salaries represent roughly 17 percent of total variable farm costs, and as much as 40 percent of costs in labor intensive crops such as fruits, vegetables, and nursery products. Hired farmworkers continue to be one of the most economically disadvantaged groups in the United States.

Hired farmworkers are employed in both metro and nonmetro areas. The statistics presented in this chapter refer to farmworkers nationwide rather than in nonmetro areas only, unless otherwise indicated.

The following information is available in this chapter:

- [Number and geographical distribution](#) of hired farmworkers
- [Demographic characteristics](#) including age, sex, ethnicity, and nativity
- [Unemployment rates](#) by occupation
- [Wages](#)
- [Legal status](#), [country of origin](#), and [migration patterns](#) of hired crop farmworkers
- [Links to key data sources](#)

Number and Geographical Distribution of Hired Farmworkers

Hired farmworkers include field crop workers, nursery workers, livestock workers, farmworker supervisors, and hired farm managers. Some employment estimates also include support personnel on farms, as well as agricultural service workers, who are brought to farms by specialized contractors rather than hired by farm operators.

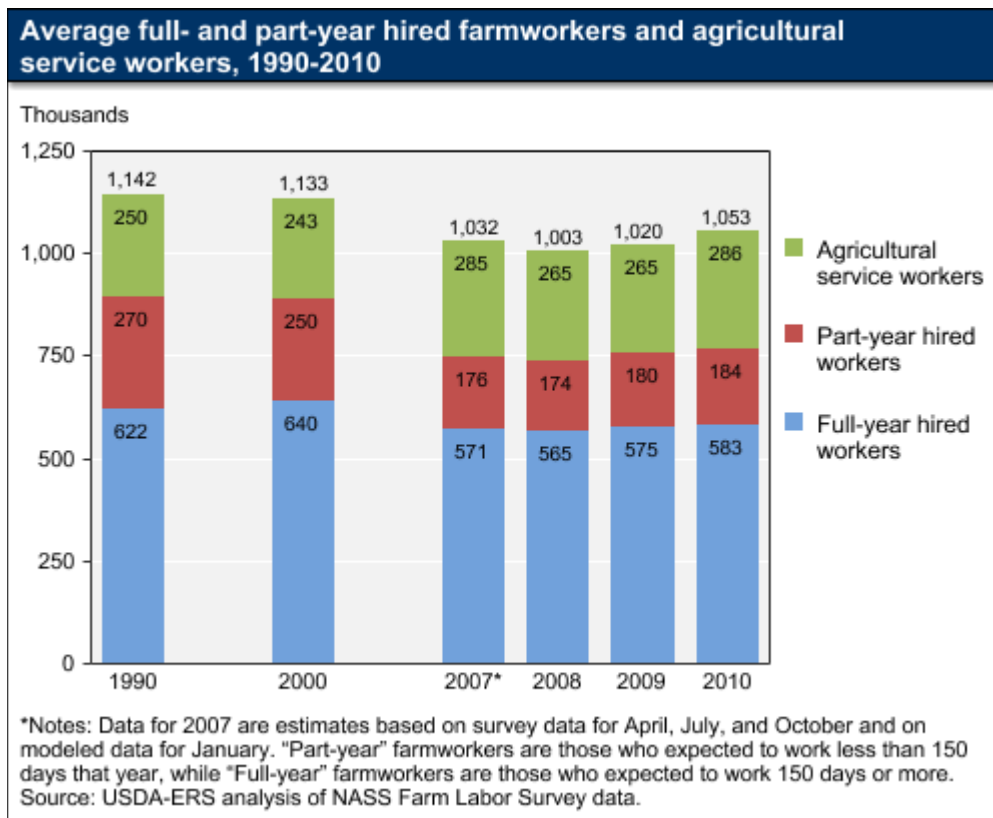
According to the Farm Labor Survey (FLS) of the National Agricultural Statistics Service (NASS), hired farmworkers (including agricultural service workers) make up a third of all those working on farms; the other two-thirds are self-employed farm operators and their family members. The majority of hired farmworkers are found on the nation's largest farms, with sales over \$500,000 per year.

Contents:

- [Overview](#)
- [Nonmetro Employment and Unemployment](#)
- [Nonmetro Earnings and Low-Wage Workers](#)
- [Farm Labor \(updated 7/11/2011\)](#)
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The average number of hired farmworkers has steadily declined over the last century, from roughly 3.4 million to just over 1 million. Because the U.S. labor force grew, agricultural employment as a proportion of total employment has declined even more sharply. According to the FLS, the annual average number of people employed as hired farmworkers, including agricultural service workers, decreased from 1,142,000 in 1990 to 1,053,000 in 2010. Employment is highly seasonal: in January of 2010, there were 802,000 workers, while in July the figure stood at 1,245,000.

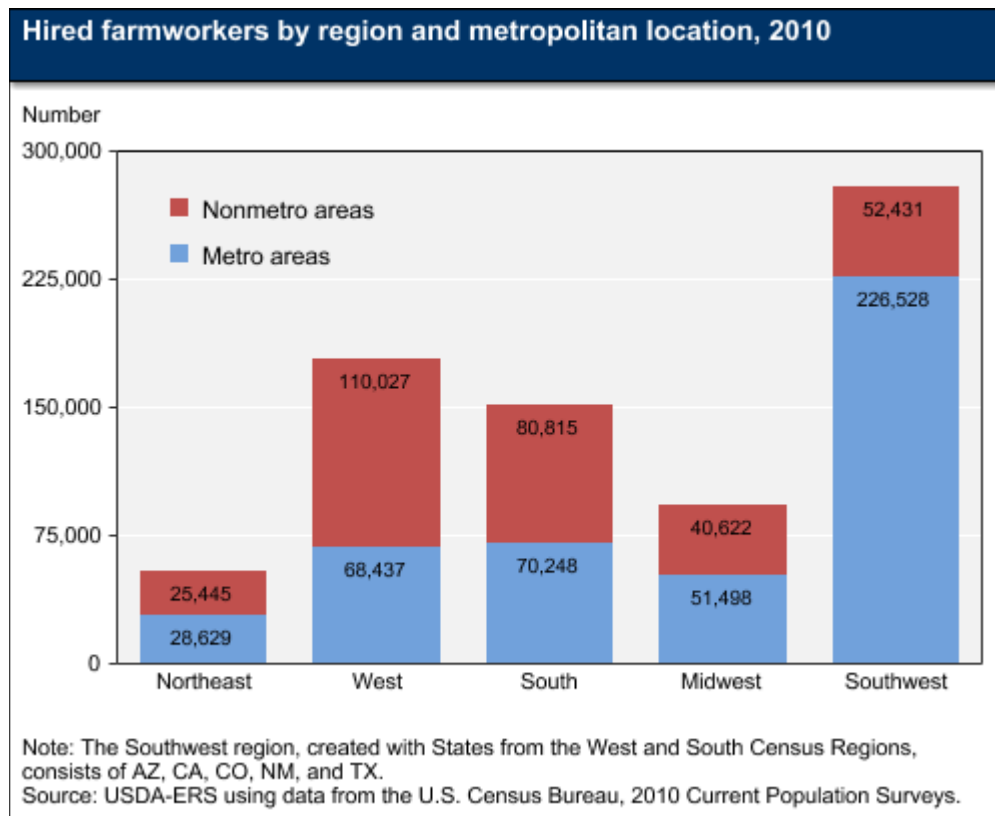
Farm employment was less affected by the recession of 2007-2009 than was nonfarm employment. According to the Bureau of Economic Analysis, farm wage and salary employment fell by 1.5 percent between 2007 and 2009, compared to 4.7 percent for the nonfarm economy. The Farm Labor Survey found that average farm employment in 2010 was above 2007 levels.



The Current Population Survey (CPS) uses a household survey to count farmworkers, as opposed to a farm survey, and provides more demographic detail. In 2010, the CPS estimated average hired farm employment at 755,000, which is close to the FLS total excluding agricultural service workers (767,000).

Of these farmworkers, 62 percent work in crop agriculture, and the remaining 38 percent work in livestock. Roughly 37 percent of all hired farmworkers live in the Southwest (defined to include California), and 24 percent live in the Midwest region. Two States, California and Texas, account for more than one-third of all farmworkers.

More farmworkers are located in metropolitan areas (59 percent) than in nonmetro counties. In California, 99 percent of farmworkers are located in metro areas, and in Washington State the figure is 95 percent.



Demographic Characteristics

The table below divides the hired farmworkers found in the 2010 CPS into two groups: those who work as laborers or field supervisors, and hired farm managers. About half of all laborers and supervisors are Hispanic, while managers are mostly non-Hispanic whites. Thirty-two percent of laborers and supervisors have less than a ninth grade education, compared to 10 percent for farm managers and three percent for the workforce as a whole. Laborers and supervisors are also younger—and less likely to be married—than managers, and the average U.S. worker.

Note that figures for these and other characteristics differ somewhat depending on the set of workers being analyzed and the data sources used. Livestock farmworkers, for example, have more stability and less seasonal employment, and consequently, their traits more resemble those of all wage and salary workers than of field crop farmworkers. Similarly, data from the Current Population Survey reflect a more established and native-born population than data collected from the National Agricultural Workers Survey.

Somewhat more than half of farm laborers and supervisors found in the CPS are U.S. citizens, compared to 86 percent for managers, and 91 percent for all wage and salary workers. The CPS data do not indicate how many of those without citizenship are legally authorized to work, although some information on this question may be found in the National Agricultural Workers Survey (NAWS), discussed below.

Demographic characteristics of hired farmworkers and all wage and salary workers, 2010				
Item	Farm laborers and supervisors	Farm managers	All hired farm workers	All U.S. wage and salary workers
Number	650,857	103,823	754,680	139,238,000
Percent male	83	87	84	53
Median age in years	33	44	35	42
Percent under age 25	26	9	24	12
Percent over age 44	29	48	32	44
Percent married	51	72	54	57
Percent White (race)	92	97	93	82
Percent Hispanic (ethnicity)	50	17	46	14
Percent foreign-born	48	17	44	16
Percent with U.S. citizenship	57	86	61	91
Percent with less than 9th grade	32	10	29	3
Percent with some college	16	45	20	62

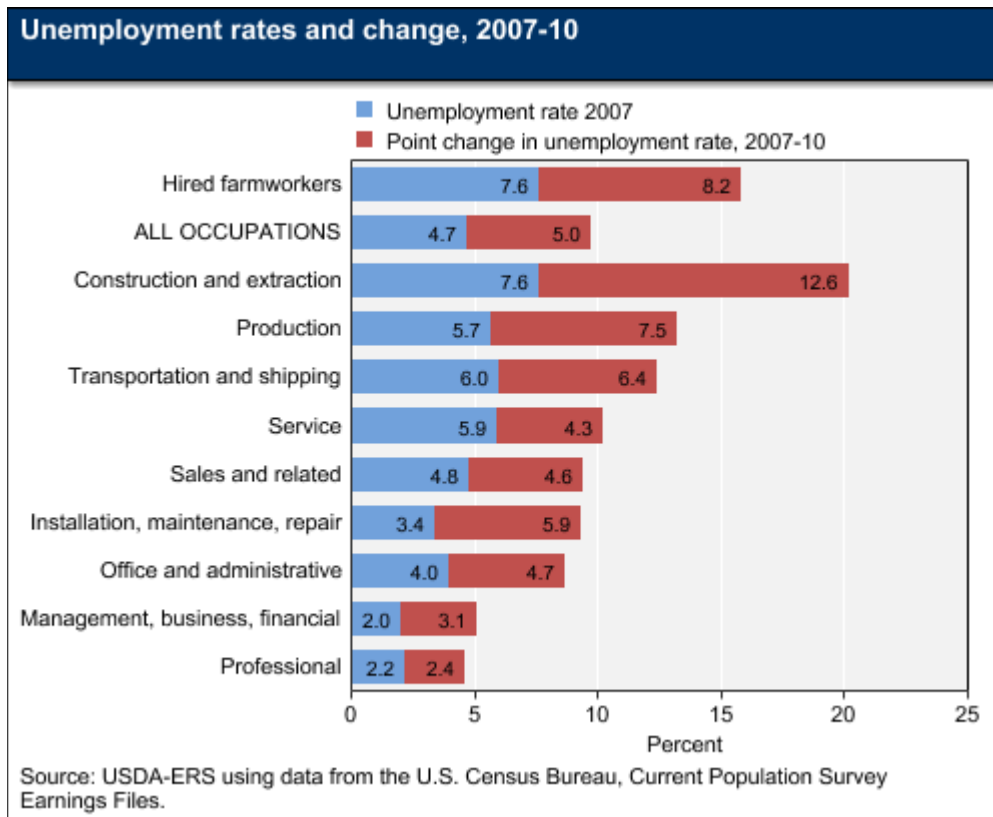
Source: USDA-ERS analysis of data from U.S. Census Bureau, Current Population Survey.

Unemployment Rates by Occupation

Unemployment rates for hired farmworkers, as for many other major occupational groups, more than doubled between 2007 and 2010, to 15.8 percent. Only construction and extraction occupations saw a greater increase and higher resulting levels of unemployment in 2010. *Employment* levels for hired farmworkers, however, did not decrease over this period, as noted above. This apparent disparity may be due to several factors, including greater turnover in the farm labor market and a larger number of former farmworkers rejoining the labor force.

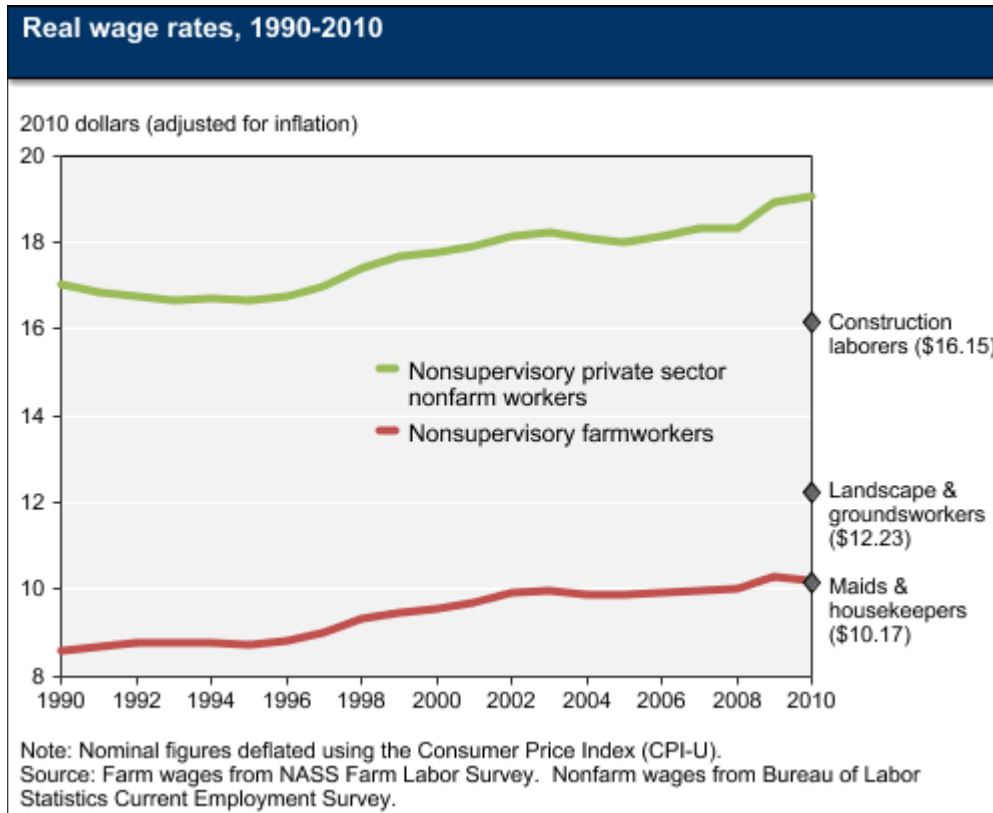
Hired farmworkers have historically experienced above-average unemployment rates in part because of the highly seasonal nature of agriculture; however, their low levels

of education and often limited English-language skills compared with the general population also explain much of their labor market disadvantage.



Wages

According to the FLS, average hourly earnings of non-supervisory farm laborers stood at \$10.22 in 2010, compared to \$19.07 for private sector nonsupervisory workers outside of agriculture. In real terms, farm labor wages have risen at about 0.9 percent per year since 1990, compared to 0.6 percent per year for nonfarm nonsupervisory workers. The 2010 wage for farm laborers is comparable to the average wage for maids and housekeepers (\$10.17), but lower than the wage for landscaping and groundskeeping workers (\$12.23) or for construction laborers (\$16.15), according to data from the Bureau of Labor's Occupational Employment Statistics program.

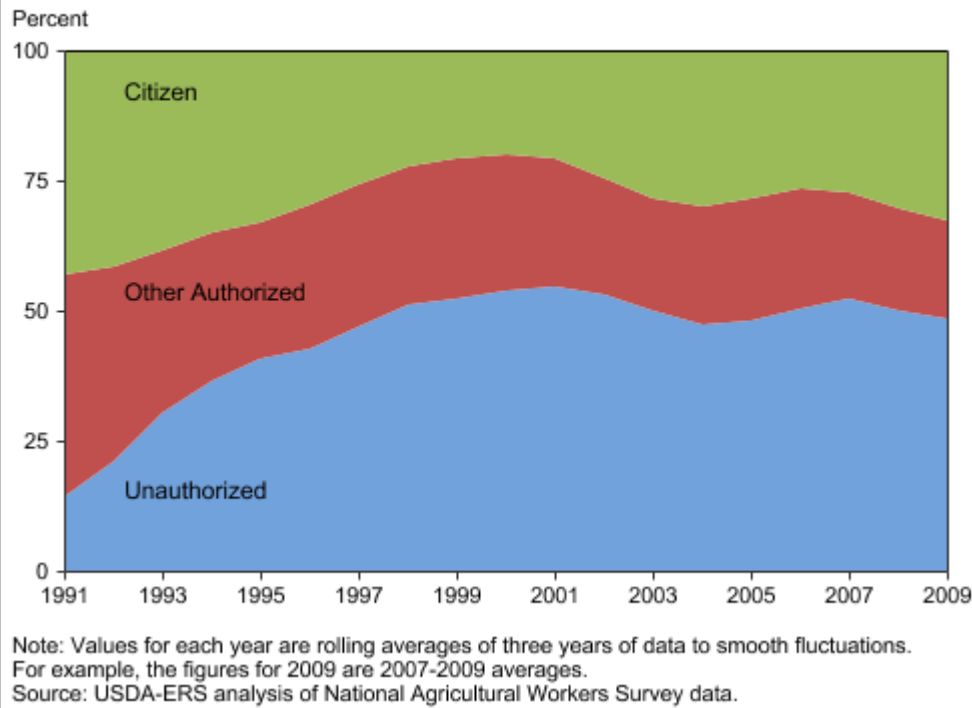


Legal Status of Hired Crop Farmworkers

This section and the next two sections on national origins and migration patterns of farmworkers rely on data from the U.S. Department of Labor's National Agricultural Workers Survey (NAWS). NAWS is the only survey that ascertains the legal status of noncitizen farmworkers, and the only survey that identifies hired farmworkers as migrant or settled. However, NAWS is limited to hired crop farmworkers and excludes hired livestock farmworkers.

The share of hired crop farmworkers who were not legally authorized to work in the U.S. grew from roughly 15 percent in 1989-91 to almost 55 percent in 1999-2001. Since then it has fluctuated around 50 percent. Since 2001, the share who are citizens has increased from about 21 percent to about 33 percent, while the share who hold green cards or other forms of work authorization has fallen from about 25 percent to about 19 percent.

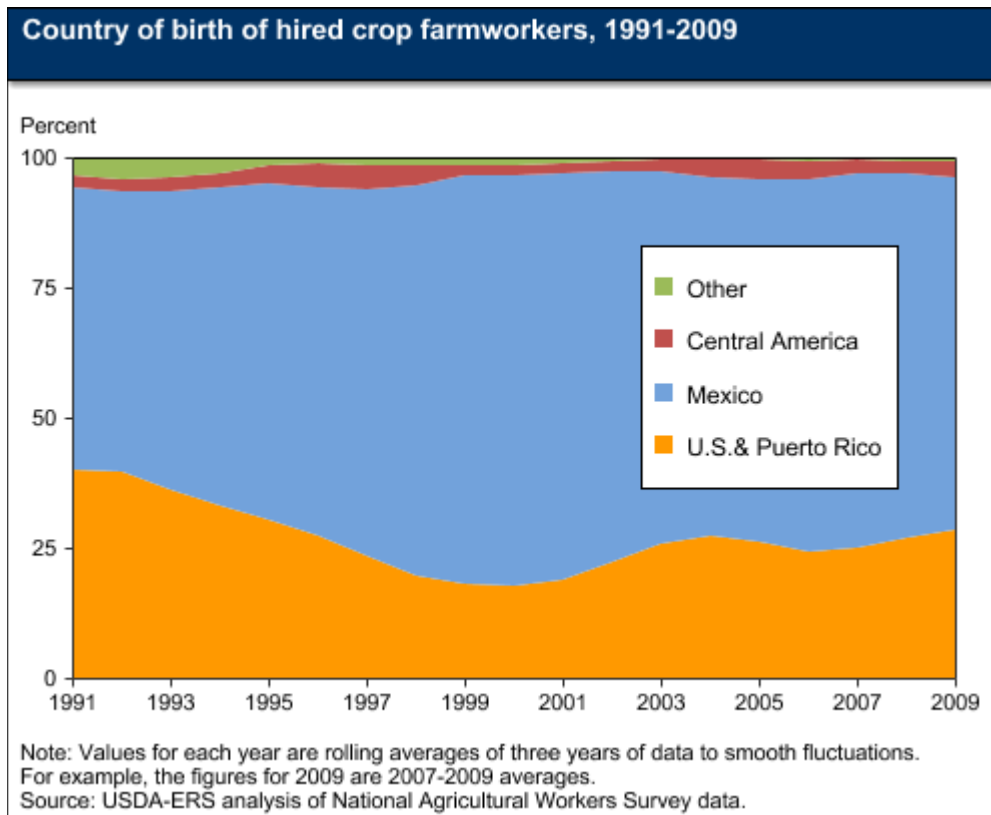
Legal status of hired crop farmworkers, 1991-2009



Country of Origin

The share of hired crop farmworkers who were born in the United States or Puerto Rico fell from about 40 percent in 1989-91 to a low of about 18 percent in 1998-2000, while the share born in Mexico rose from 54 percent to 79 percent over the same interval. Since then, the U.S. and Puerto Rico share has rebounded to about 29 percent and the Mexico share has fallen to about 68 percent. The share from Central America and other countries has never exceeded 6 percent.

Since 2000, however, Hispanic workers have also been employed in increasing numbers in the dairy industry (not covered by NAWS). One study found that 75 percent of Hispanic dairy workers in New York State were from Mexico, 24 percent were from Guatemala, and one percent were from Honduras (see "[Survey of Hispanic Dairy Workers in New York State](#)").



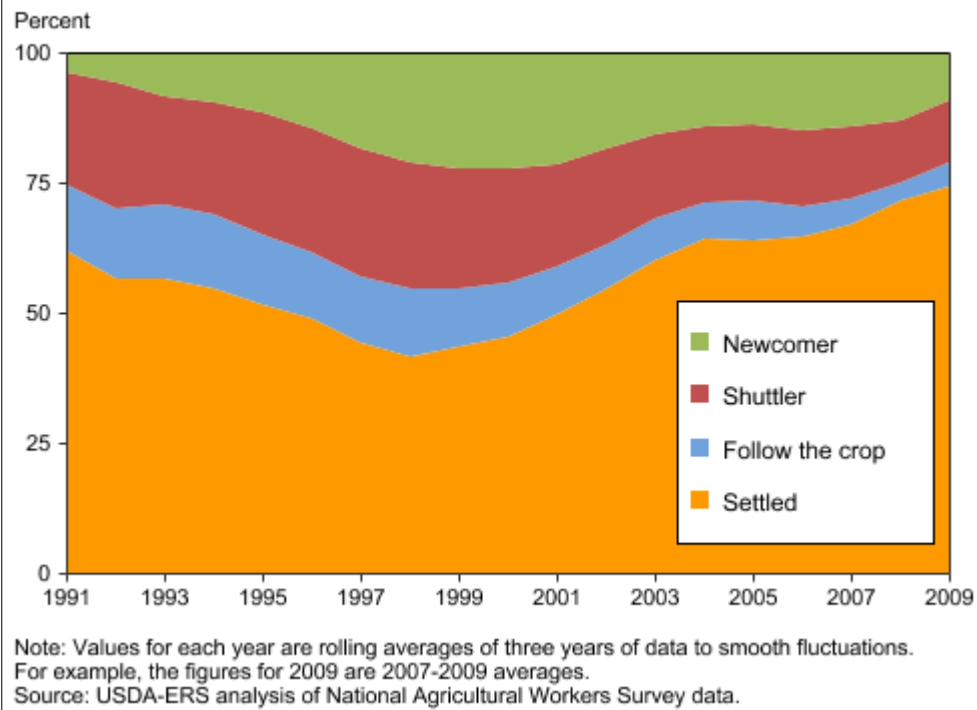
Migration Patterns

Almost three-quarters of hired crop farmworkers are not migrants, but are considered settled, meaning they work at a single location within 75 miles of their home. This number is an increase from 42 percent in 1996-98.

Among migrant workers, the largest group are "shuttlers," who work at a single farm location more than 75 miles from home, and may cross an international border to get there. They made up about 12 percent of hired crop farmworkers in 2007-09, down from about 24 percent in 1996-98.

More common in the past, the "follow the crop" migrant farm worker, who moves from state to state working on different crops as the seasons advance, is now a relative rarity. These workers make up just five percent of those surveyed by the NAWS in 2007-09, down from a high of 14 percent in 1992-94. The final category in the figure are the newcomers to farming, whose migration patterns have not yet been established.

Migration patterns of hired crop farmworkers, 1991-2009



Links to Key Data Sources

- [Current Population Survey](#)
- [National Agricultural Workers Survey](#)
- [Farm Labor Survey](#)
- [Census of Agriculture](#)
- [NASS QuickStats: Generate tables from the Farm Labor Survey and Census of Agriculture](#)

For more information, contact: [Tom Hertz](#)

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