



United States Department of Agriculture

# An Overview of the Farm Labor Market

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*Presentation to AGree panel titled: "Looking to 2020: What Does the Future Hold for Foreign-born Labor in U.S. Agriculture and How Do We Get There?"  
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*The views expressed here are those of the author and should not be attributed to the Economic Research Service or to USDA.*



# Outline

- 1) Changing Characteristics of Crop Farm Workforce
- 2) Trends in Immigration from Mexico
- 3) Wages
- 4) Weekly Earnings by Sector
- 5) Responses to Higher Wages
  - Phil Martin's "Four S's"
    - ✓ Increased use of H-2As
  - Increased Import Shares



# Changing Characteristics of Crop Farmworkers

	FY1989-91	FY98-2000	FY2007-09	FY2010-12	FY2013-14
Foreign-born	12	83%	71%	74%	72%
Place of birth: Mexico	54%	79%	68%	67%	67%
Unauthorized	14%	54%	48%	50%	46%
Average Age	33	31	36	37	38
Pcnt. 55 or older	7%	5%	10%	11%	14%
Average number of years of U.S. farm work experience	10	8	13	12	14
Average number of years with current farm employer	5	3	6	6	7
Average number of farm employers in last 12 months	2.1	1.6	1.3	1.3	1.3
Plans to continue working in agriculture less than 1 year	9%	7%	3%	2%	3%
Pcnt. with HS degree or higher	7%	5%	10%	11%	14%
Pcnt. reporting speaking English well	23%	18%	30%	30%	32%
Pcnt. Settled (did not migrate)	59%	45%	74%	79%	84%
Pcnt. Shuttle migrant	23%	22%	12%	14%	10%
Pcnt. Follow-the-crop migrant	14%	10%	5%	6%	4%
Pcnt. Foreign-born newcomer	4%	22%	9%	2%	2%
Pcnt. of families with below poverty level income	n/a	55%	33%	31%	29%
Pcnt. of families that received public assistance	19%	22%	30%	45%	48%

Source: US Department of Labor, National Agricultural Workers Survey. Estimates for FY2013-14 are preliminary.

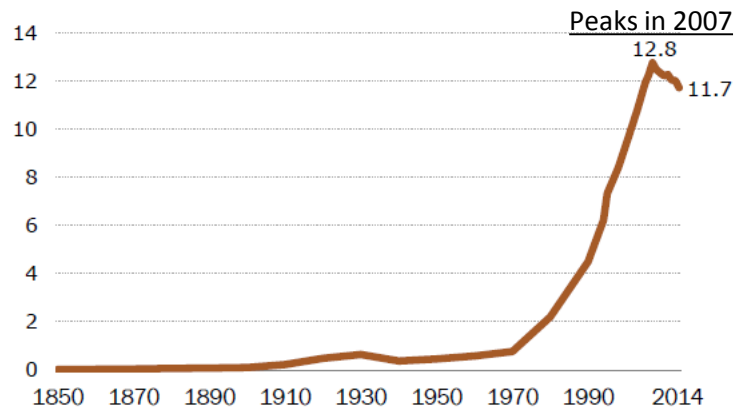
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# Trends in Immigration from Mexico

## Mexican Immigrant Population in the U.S. in Decline

In millions

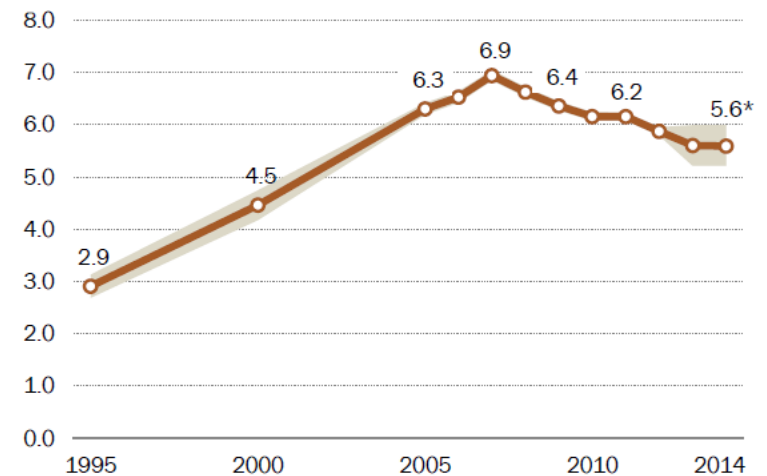


Source: For 1850 to 1980: Gibson, Campbell and Kay Jung, "Historical Census Statistics on the Foreign-Born Population of the United States: 1850-2000," U.S. Census Bureau, Population Division, Working Paper No. 81, 2006; for Mexican born 1980 and 1990: Integrated Public Use Microdata Series (IPUMS-USA); for 2005 to 2012: Pew Research Center estimates based on augmented American Community Surveys; for 1995-2000 and 2013-2014 Pew Research Center estimates based on augmented March supplements to the Current Population Survey and 2000 Decennial Census.

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## Mexican Unauthorized Immigrant Population in the U.S. Below Its Peak

In millions



Note: Shading surrounding line indicates high and low points of the estimated 90% confidence interval. Data labels are for 1995, 2000, 2005, 2007, 2009, 2011 and 2014. The symbol \* means estimate is preliminary.

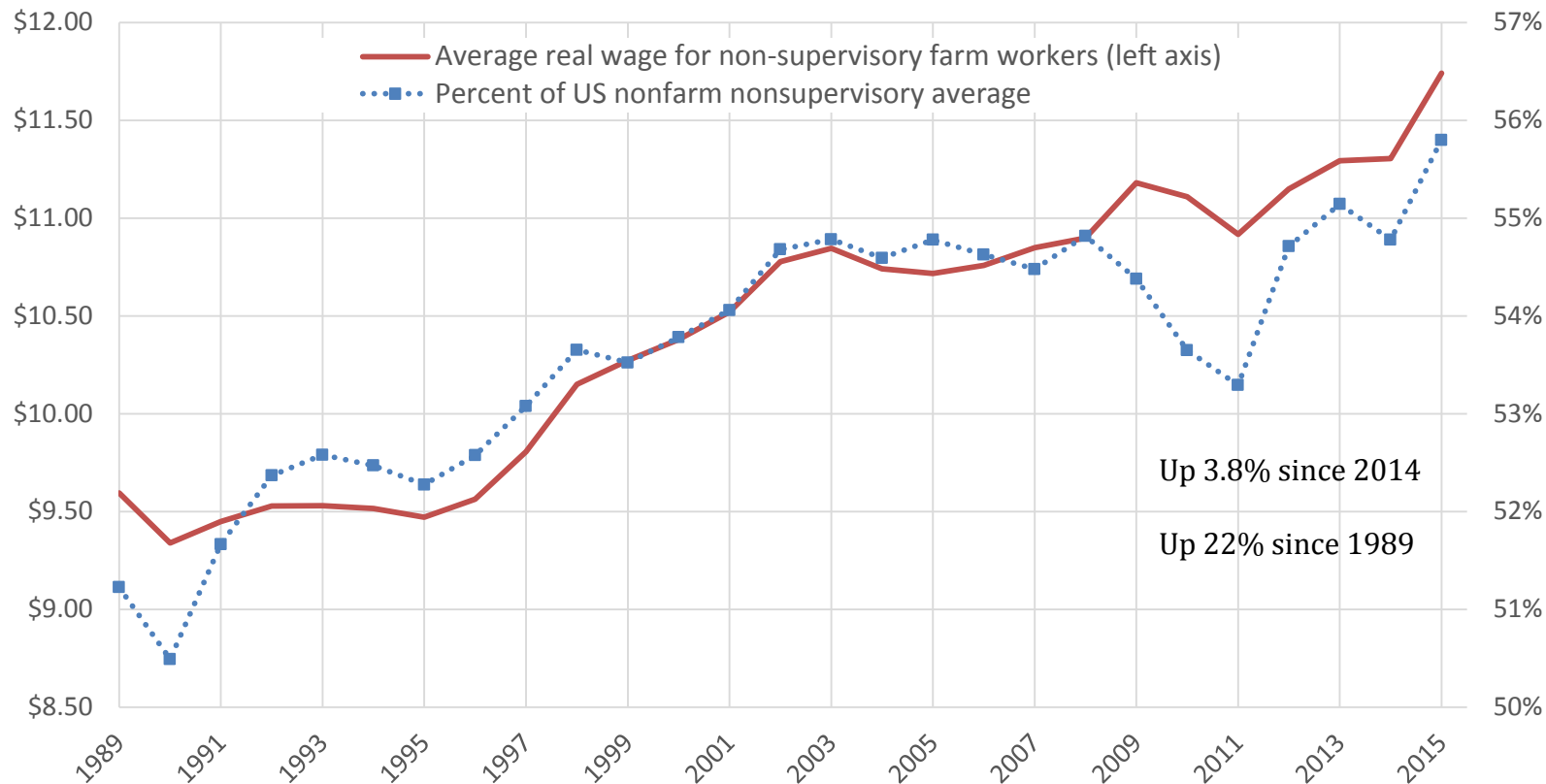
Source: Pew Research Center estimates for 2005-2012 based on augmented American Community Survey data from Integrated Public Use Microdata Series (IPUMS); for 1995, 2000, 2013 and 2014 based on augmented March supplements to Current Population Survey.

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# Average real wages in agriculture are rising faster than for workers in other industries



Sources: Farm wage data from NASS Farm Labor Survey; Nonfarm wages from US Census Bureau, Current Employment Statistics

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# Weekly Earnings Growth By Sector, 2014-15

<b>Sector</b>	<b>Real Growth in Average Weekly Wages, 2014-15</b>
Support for Crops	5.7%
Livestock	4.5%
Crops	3.8%
Support for Animals	3.8%
<b>Support for Crops</b>	
Farm Labor Contractors	6.7%
Postharvest	6.6%
Farm Management Services	5.7%
Soil Preparation	2.9%
Cotton Ginning	2.3%
Harvesting by Machine	-0.8%
<b>Livestock</b>	
Poultry and Egg	7.9%
Sheep and Goat	4.7%
Aquaculture	4.6%
Beef Cattle Ranching & Feedlots	4.2%
Hog and Pig	4.0%
Other Animal Production	3.5%
Dairy	3.4%

## Crops

	<b>Real Growth in Average Weekly Wages, 2014-15</b>
Sugarcane	7.1%
Treenuts	6.4%
Orange	6.0%
Rice	5.8%
Other Noncitrus Fruit	4.9%
Strawberries	4.8%
Tobacco	4.7%
Vegetable and Melon	4.7%
Apples	4.7%
Grapes	4.3%
Hay	3.3%
Greenhouse and Nursery	3.2%
Fruit and Treenuts Combo	3.1%
Cotton	3.1%
Wheat	2.6%
All Other Crop	2.6%
Soybean	2.4%
Other Grain	2.1%
Corn	1.7%
Dry Pea and Bean	1.3%
Other Berries	0.1%
Oilseed not Soybean	-0.8%
Citrus except Orange	-6.3%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages. Note: Covers approx. 85% of farm employment.

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# Responses to Higher Wages: Martin's Four S's

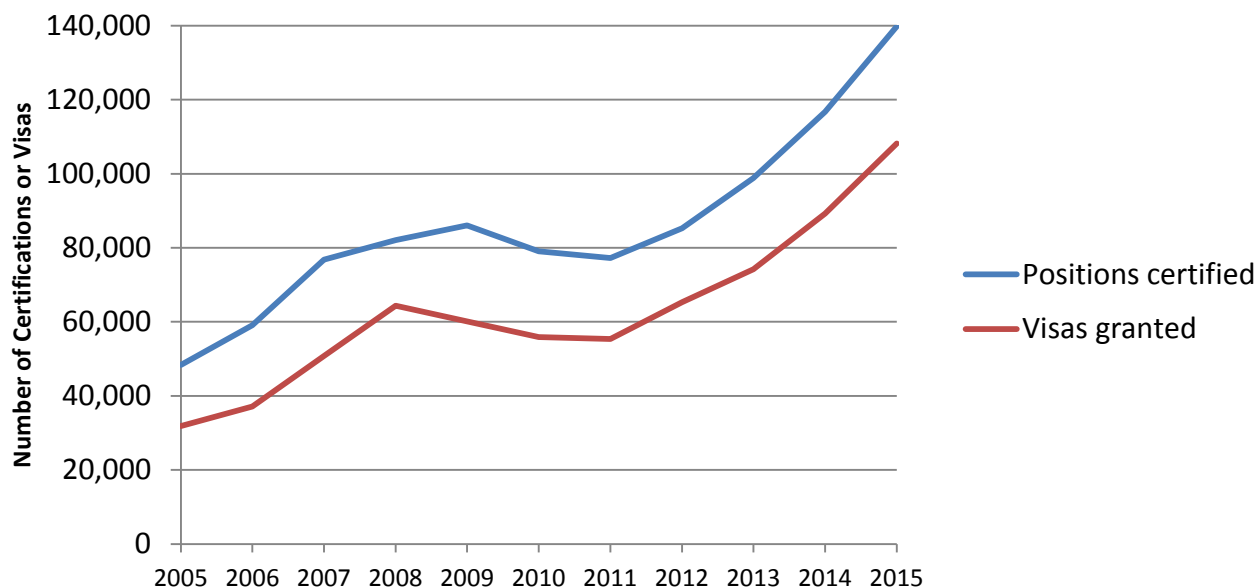
- **Satisfy** current farm workers with higher wages, improved benefits and better trained supervisors.
  - *Will this attract new workers or just shift workers between farms?*
  
- **Stretch** the current labor force with mechanical aids that increase productivity: e.g. conveyor belts in fields, dwarf trees.
  - *How fast to deploy?*
  
- **Substitute**: labor-saving mechanization in raisins, olives, pre-harvest thinning and weeding, new seeds: e.g. high-stalk broccoli.
  - *Economic uncertainty: Will wages keep rising to justify investments in inventions that take time to perfect?*
  
- **Supplement** the labor force with H-2As.
  - *Policy uncertainty: Why invest in housing if Congress may enact a no-housing program?*

Source: Phil Martin, "Farm Labor 2015," Presentation to the Migration Policy Institute, Sept 16, 2015.





# Use of the H-2A Temporary Worker Program is Rising



Sources: US Department of Labor, Office of Foreign Labor Certification, Annual Performance Reports and U.S. Department of State, Nonimmigrant Visa Statistics

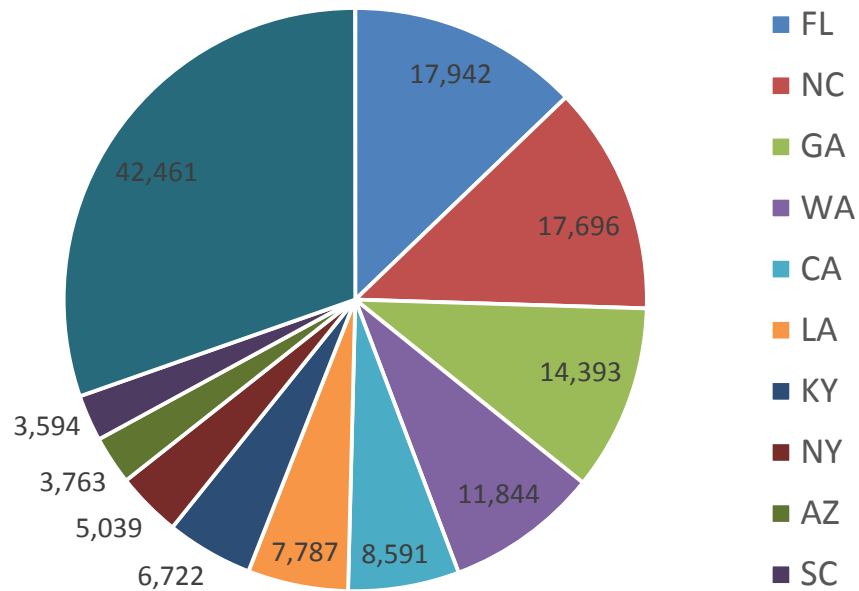
- 81% increase in national H-2A certifications since 2011
- H-2A certifications doubled or more in CA, WA, FL, GA, and NC since 2011

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# H-2A Certifications by State, FY 2015



Source: US Department of Labor, Office of Foreign Labor Certification, Annual Performance Reports



# Rising Import Shares for Fruits and Vegetables

**TABLE 2:**  
**Growth in the Share of Imported Fresh Fruits and Vegetables**  
**as Measured by Spending, 1998-2000 and 2010-2012**

	Portion of Domestic Fresh Produce Spending Devoted to Imports, 1998-2000	Portion of Domestic Fresh Produce Spending Devoted to Imports, 2010-2012	Growth in the Share of Fresh Produce that Was Imported
<b>Fresh Fruit</b>	14.5%	25.8%	77.6%
<b>Fresh Vegetables</b>	17.1%	31.2%	82.6%
<b>Fresh Produce Overall</b>	15.7%	28.2%	79.3%

Source: Partnership for a New American Economy

Note: Covers 38 fresh fruits and vegetables, representing about ¾ of imports. Excludes some commodities that are virtually all imported.

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# How Do We Get There?

## AGree Panel:

### The Future of Foreign-Born Labor in Agriculture

Lynn Jacquez, Esq, CJ-Lake LLC  
September 19, 2016



# AG WORKFORCE CONCERNS

- \* Stabilization of current workforce is of paramount importance to agricultural producers – attrition due to age, due to economy, due to workplace immigration enforcement.
- \* Identification of future workforce is increasing in importance as current workforce ages, as enforcement activity identifies suspect documentation and as overall labor supply tightens due to improved economy.

# AG WORKFORCE CONCERNS, CONT.

- \* Any legislative solution must address both concerns and contain these two basic elements:
  - 1) Status/work eligibility for current workforce with minimal disruption
  - 2) Foreign worker admission program for workforce replacement
- \* Wide range of solutions to address each of those

# NECESSARY COMPONENTS OF LEGISLATION

- \* Some provision of status or work authorization for current workforce
- \* Replacement of adverse effect wage rate methodology
- \* Provision of housing allowance
- \* Provision for at will employment visas

# PROVISIONS, CONT.

- \* Worker admissions based on demonstrated need-no cap
- \* Transfer of program administration to USDA
- \* Reduction of bureaucratic processing requirements- registration, attestation, recruitment parameters
- \* Multi-year visas, 12-month work eligible



# IMPROVED H<sub>2</sub>A PROGRAM IMPLEMENTATION

- \* If there is a will, there is a way.
- \* Several changes can be made by interpretation and regulation to improve functioning of the program.
- \* Adopt GAO recommendations of 2012 that call for a single petition for a season, for improved guidance and consistency in determining job qualifications, for additional electronic communication, and for timely sharing of information.
- \* Regulation could recognize that the statute requires workers to be temporary OR seasonal without artificial limitation.
- \* Regulation could provide for more flexible movement of workers.
- \* Political Changes could create favorable environment for program change.

# H2A, CONT.

- \* Bandwidth of OFLC must be addressed
- \* Use of H2A has doubled in last three years
- \* Resources of personnel and IT capability at OFLC has not kept pace
- \* Program streamlining necessary to prevent backlogs
- \* Develop consistent interpretations by DOL and CIS

# Legal, Stable Ag Workforce— How Do We Get There?

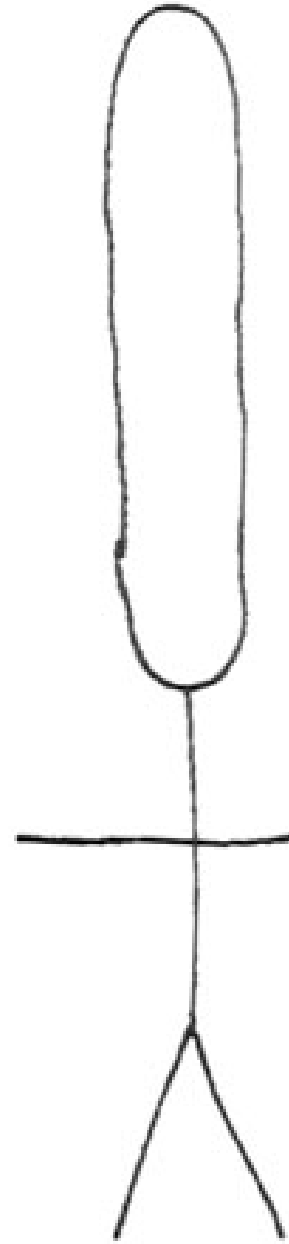
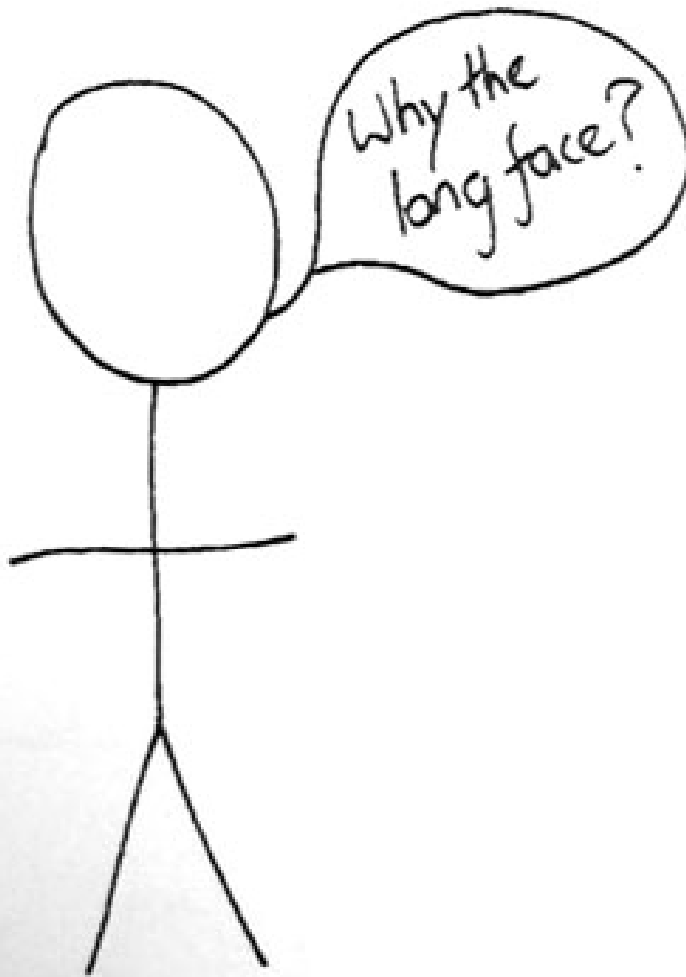
Craig Regelbrugge, Senior Vice President

AmericanHort

Co-Chair, Agriculture Coalition for Immigration Reform

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# Ag Employer Perspectives

- Common interests, common needs
  - Border to border, coast to coast
- Diverse opinions, diverse perspectives
  - Regional and commodity differences
  - Borne out of history, experience
- All boats must rise with a rising tide



H.L. Mencken

*“For every complex problem, there is an answer that is clear, simple, and wrong...”*

# The Basics: Long Term Solution

- Modernized visa program specific to agriculture
  - Seasonality, perishability justify unique treatment, priority
  - Simplified registration, application process
  - Streamlined agency oversight (USDA)
  - Longer visa term
  - Flexibility in employment relationship
  - Options for housing
- Could replace H-2A or exist alongside it



# The Basics: Near-term Stability

- Process to transition experienced farm workers: legal presence, work authorization
- Incentives to continue to work in Ag
- U.S. labor standards apply

# Devils in Details

- Wages
  - Hampered by limits of available data
- Visa Cap
  - Isn't a cap redundant with a labor market test?
- Path to citizenship?
  - Challenge, and solutions, on continuum
  - What politics will demand, bear

**US-Mexico:  
Rethinking  
Bilateral  
Labor  
Mobility**

Shared Border, Shared Future report cover

# Shared Border, Shared Future

A Blueprint to Regulate US-Mexico Labor Mobility



Carlos Gutierrez and Ernesto Zedillo,  
co-chairs of the Working Group  
Michael A. Clemens, lead author

# Goals for a New Bilateral Approach

- *Eliminate labor mobility now occurring illegally.*
- *Preserve U.S. worker priority for jobs in the U.S., without proliferation of unnecessary bureaucracy*
- *Suppress abusive labor intermediaries*
- *Ensure employer compliance with labor standards for all workers*

# Goals...

- *Share responsibility across the border*
- *Prevent overstays to foster temporary mobility, and establish a clear exit path*
- *Encompass the sectors where Mexican labor is demanded and supplied*
- *Encourage productivity-enhancing worker skill acquisition within occupations*
- *Set transparent criteria for adjustment to labor market conditions*
- *Fund the mandate*

# Policy Recommendations

- *U.S. Worker Priority Fee*
- *Decelerator Safeguard Cap*
- *Mexican Recruiter Certification*
- *Database for Employer-Employee Matching*
- *Sectoral Visa Portability*
- *Overstay Regulation and Disincentives:  
Return or Integration Account*
- *Labor Condition Application*

# Recommendations...

- *Vocational Skill Acquisition*
- *Bilateral Labor Markets Commission*





