

Agricultural Workforce

The agricultural labor force in California includes farmers, managers, consultants and other technical service providers as well as many relatively low wage hired farm workers. The more managerial and technical occupations are well paid and this segment of the labor market is well integrated with the rest of the economy and raise issues of quality of training, reliability of employment and opportunities for advancement. This indicates a demand for availability of post-high school training relevant for specialized agricultural occupations at community colleges and four-year institutions.

Conditions surrounding the low-wage hired farm labor force introduce some complex and specialized social and economic concerns. Hired farm employment in California often entails physically demanding work under difficult conditions for relatively low wages. Partly as a consequence of the low-wage and seasonal nature of much agricultural work, farm communities in California have among the highest rates of poverty and unemployment in the state. Many farm workers lack the education, skills, language and legal documentation to enter higher-earning occupations.

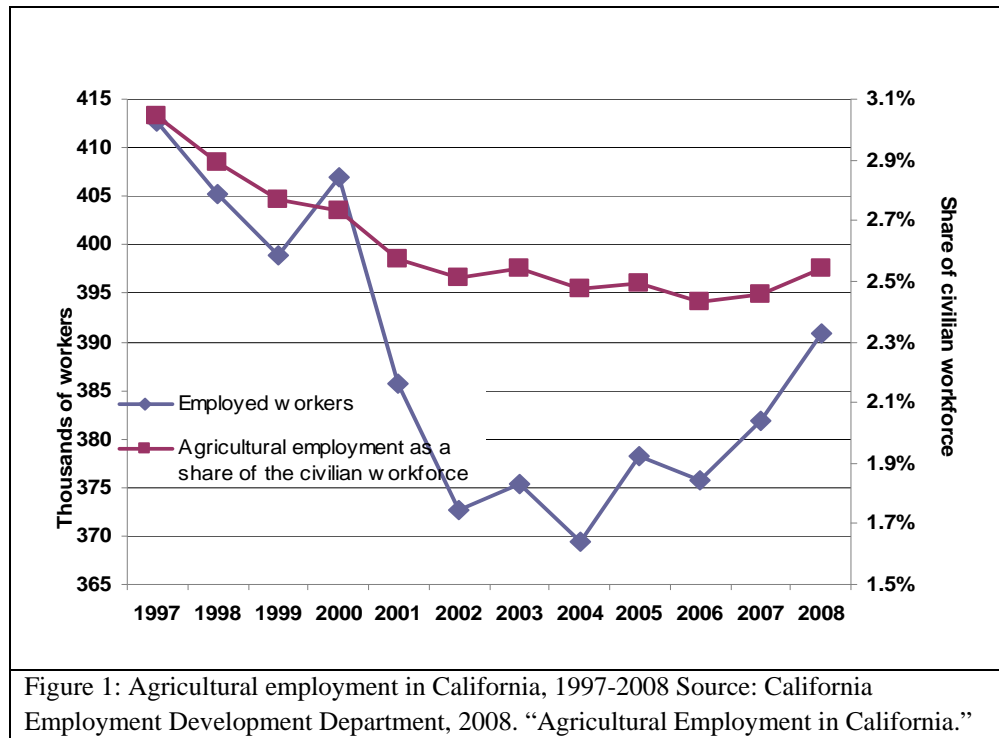
On the demand side California farms rely on access to a ready supply of labor both for full time and seasonal employment. California is a large producer of labor-intensive crops such as fruits and vegetables. The comparatively low wages of farm work does not draw sufficient labor from the industrial and service sectors of California's urban centers. The state's agricultural sector therefore depends on low wage immigrant labor.

Under the federal Fair Labor Standards Act (FLSA) are exempt from overtime pay provisions, and young workers with parental consent are also exempt from the child labor provisions (USDOL 2008). The Migrant and Seasonal Agricultural Worker Protection Act provides the right to timely remuneration with earnings statements and safe transportation during work hours, but does not provide guarantees available to other workers under federal law. However, the California Agricultural Labor Relations Act (CALRA) established the right for collective bargaining for farm workers in California. CALRA is administered by the Agricultural Labor Relations Board, which investigates claims of unfair labor practices. In addition, California farm workers must be paid the California minimum wage, significantly higher than the Federal minimum wage rate.

According to a 2005-7 survey, 75 percent of farm workers were foreign-born and 72 percent were born in Mexico. About half of California crop workers were believed to be unauthorized in 2007 (Carroll, Saltz and Gabbard 2009). Immigration issues and farm labor are closely intertwined. A relative handful of the 2 million farm workers in the United States enter the country and work through the H-2A temporary agricultural worker program. In 2008, the Department of State issued about 65 thousand H-2A visas mainly to Mexicans (DHS 2008 and RMN 2009). About 8 thousand farm employers were certified to fill about 95 thousand farm jobs with H-2A workers in fiscal year 2008. H-2A has never been a major factor in California hired labor supply. However, because of concerns that labor-intensive crops may become seriously constrained by labor

shortages, improved access to immigrant guest workers has long been a policy objective of farm employers in California and elsewhere (Martin 2001).

Annual average farm employment in California decreased from about 412,000 in 1997 to about 390,000 in 2008, as shown in Figure 1. Employment fell sharply from about 405,000 to about



370,000 in the year following the start of the 2001-2003 recession. Employment recovered somewhat in 2004 and the following years. As shown in Figure 1, the agricultural workforce, as a share of the total civilian workforce has steadily declined since 1997. In 1997, approximately 3 percent of the California workforce was engaged in agricultural production or support activities. By 2008, this figure had fallen to just over 2.5 percent. Thus, the agricultural sector employs only a small share of the California workforce.

Many farm workers are hired by farm labor contractors (FLCs), who organize workers into crews for producers. Farm labor contractors must obtain federal and state licenses and register with state and county commissioners; farm employers must verify that the FLCs they use are licensed (DIR 2000). The FLC system means that most seasonal and temporary farm workers in California are not employed directly by farms, but instead by contractors who operate agricultural service firms. In many cases this means the contractors, not the farms, are directly liable for complying with labor and other government regulations.

The seasonal and short-term nature of much agricultural employment means that many workers are very poor by California standards. Even when hourly wages are well above the state minimum wage, workers may live in poverty because year-round full-time employment is unavailable. Furthermore most farm jobs do not provide adequate health insurance and other benefits to give security to workers and their families. High rates of poverty in some agricultural areas lead to social costs such as a small tax base to provide

local services, lack of familiarity with or local commitment to local community governance and lack of access to adequate nutrition and healthcare for workers and their families.

Higher wages, increased worker benefits and better working conditions on California farms would increase production costs and raise concerns about competitiveness with produce from other regions or with food products that are less labor intensive. Wage increases would raise costs differently because labor cost shares differ by crop. For example, labor costs are about 60 percent of total operating costs for strawberries (Molinar et al 2004), but only about 4 percent for corn (Frate et al. 2008). A 10 percent rise in wages would therefore raise total operating costs by 6 percent for strawberries but only 0.4 percent for corn.

Under recent market conditions there has been a sufficient farm labor supply, even at relatively low wages, to satisfy most demand except in specific local conditions for a few crops. That has not removed the sense of vulnerability experienced by many growers so a call for more reliability of farm labor supply has remained strong. Mechanization could improve working conditions (including worker health and safety) and wages for workers and reduce reliance on seasonal labor and much has been done in that direction. Of course, this reduces employment possibilities and can cause hardship in the short term for workers caught in the transition. At the same time many tasks required for many California crops are ill suited for mechanization.

Farm labor issues are many and multifaceted, including productivity and food prices, immigration, health policy, union status and many social problems that accompany poverty. All of the potential policy suggestions that address the issues have been controversial, but broad goals are generally accepted. This suggests that some progress to resolution may be possible.

– University of California Agricultural Issues Center, July 2009

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