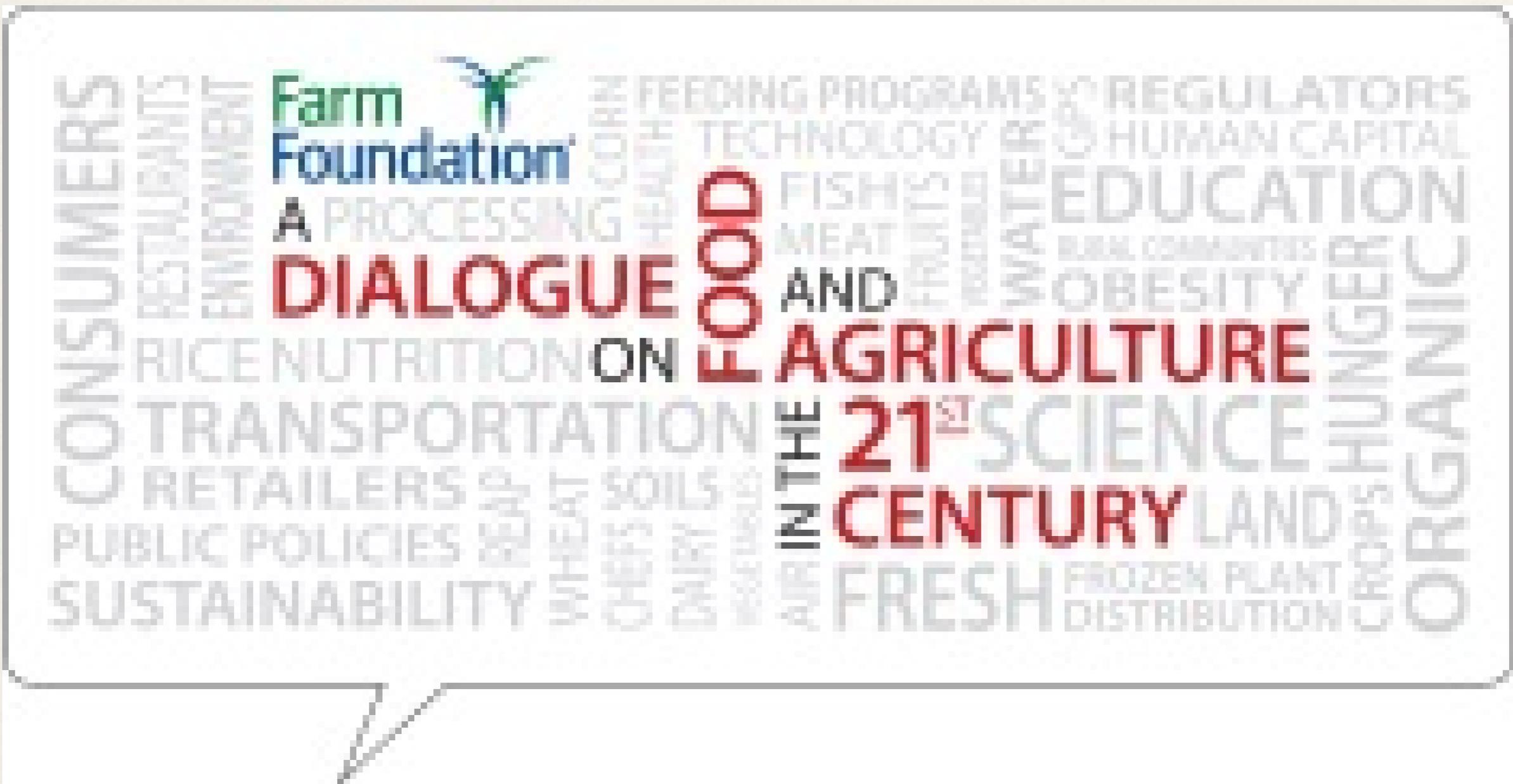


Human Capital for our 21st Century Food System

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Human capital is the stock of competencies, knowledge, social and personality attributes, including creativity, cognitive abilities, embodied in the ability to perform labor so as to produce economic value.

Theodore William Schultz (30 April 1902 – 26 February 1998) was an American Ag economist, who was the 1979 winner (jointly with William Arthur Lewis) of the Nobel Memorial Prize in Economic Sciences

Dan Sumner, UC Davis Ag Issues Center studied under Dr. Schultz at University of Chicago



Objective

Create opportunities for a full range of stakeholders to engage in deliberative discussions about the challenges ahead and the alternative policies and approaches to deal with them.



Four areas of focus:

- Goals and priorities of North American agriculture
- Role of science and technology in agriculture
- Adaptability and resilience of food and agricultural systems
- **Human capital needs in food and agriculture**

Human Capital... why we should be thinking about it!

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- ❖ The future of the food system workforce is critical to sustainability of the entire Food System.
 - ❖ Key to our ability to feed the world a safe, abundant, reliable supply of food.
 - ❖ Family succession, field and processing workers, wholesale, distribution, retailing, marketing, regulatory, food service, chefs, university research, technology and Big data specialist.
 - ❖ Our thinking about labor and human capital in agriculture is conditioned by the ongoing discussion over immigration. See Tom Nassif comments on WGA site.

<http://www.wga.com/magazine/2014/02/02/why-i-think-2014-year-we-get-immigration-reform>

Food and Agricultural System:

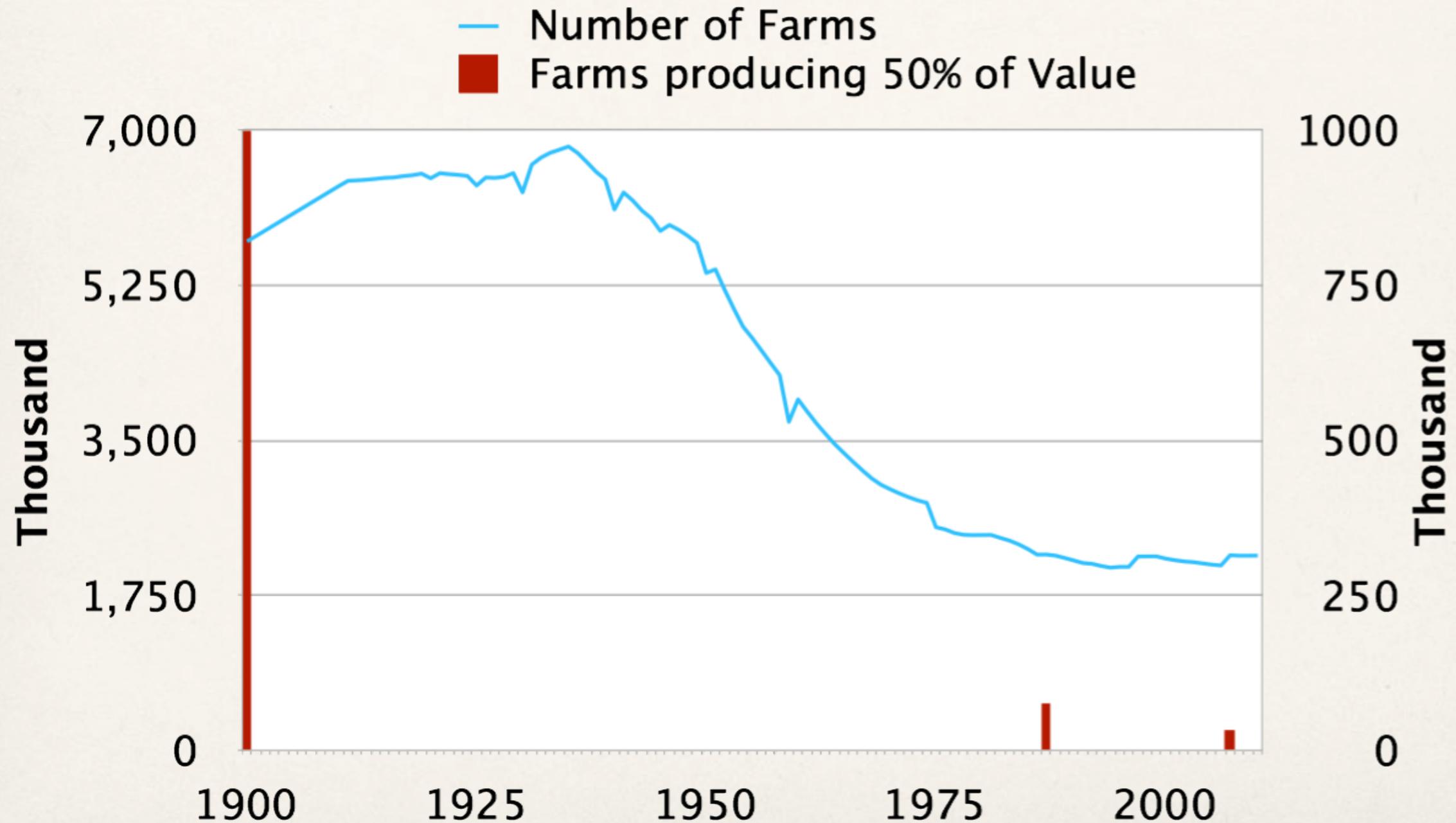
Education, Research and Development



Inputs → Farm → Processing → Retail → Consumer

Human Capital is critical throughout the system
Including the core families that own and operate the majority of the
system.

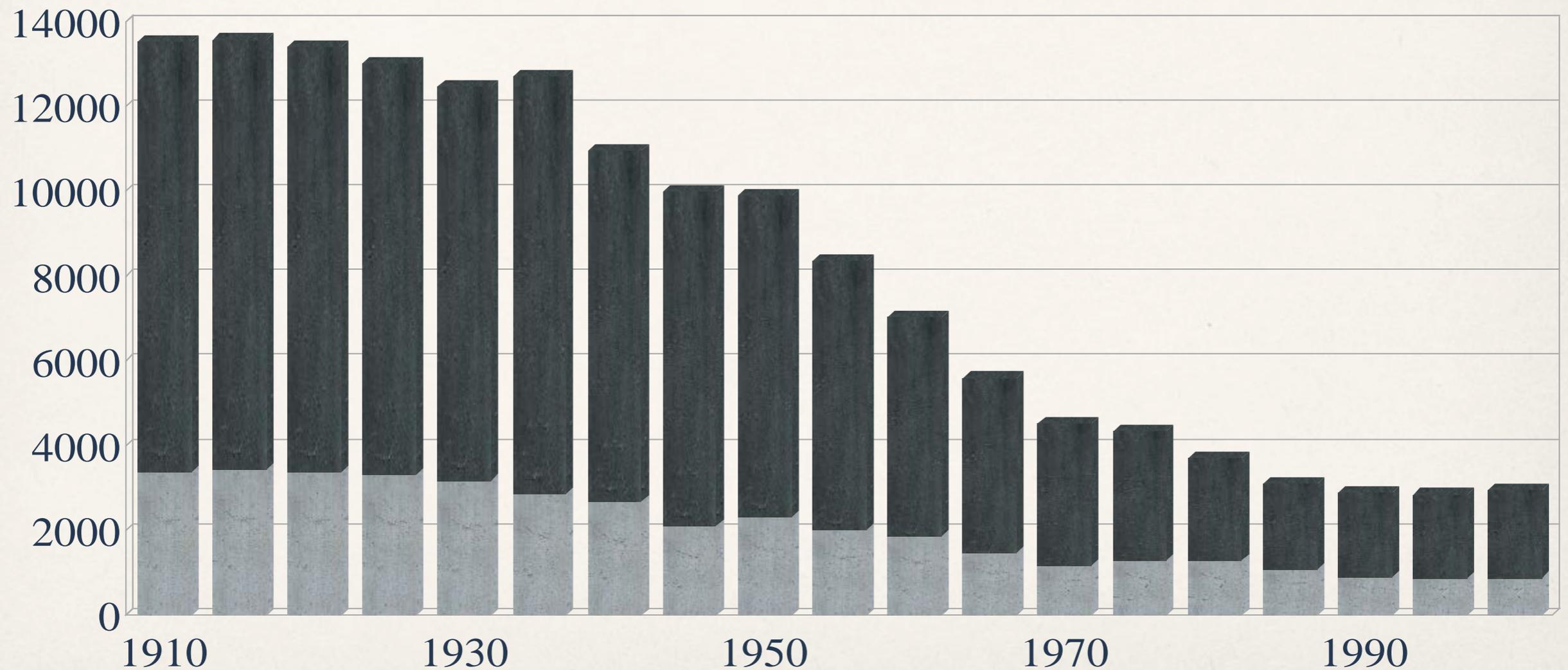
How we got here, a century of consolidation...will continue



Source: USDA Economic Research Service The Changing Organization of U.S. Farming
<http://www.ers.usda.gov/Publications/EIB88/>

Ten million fewer workers on the farm

■ Hired Worker ■ Family Workers

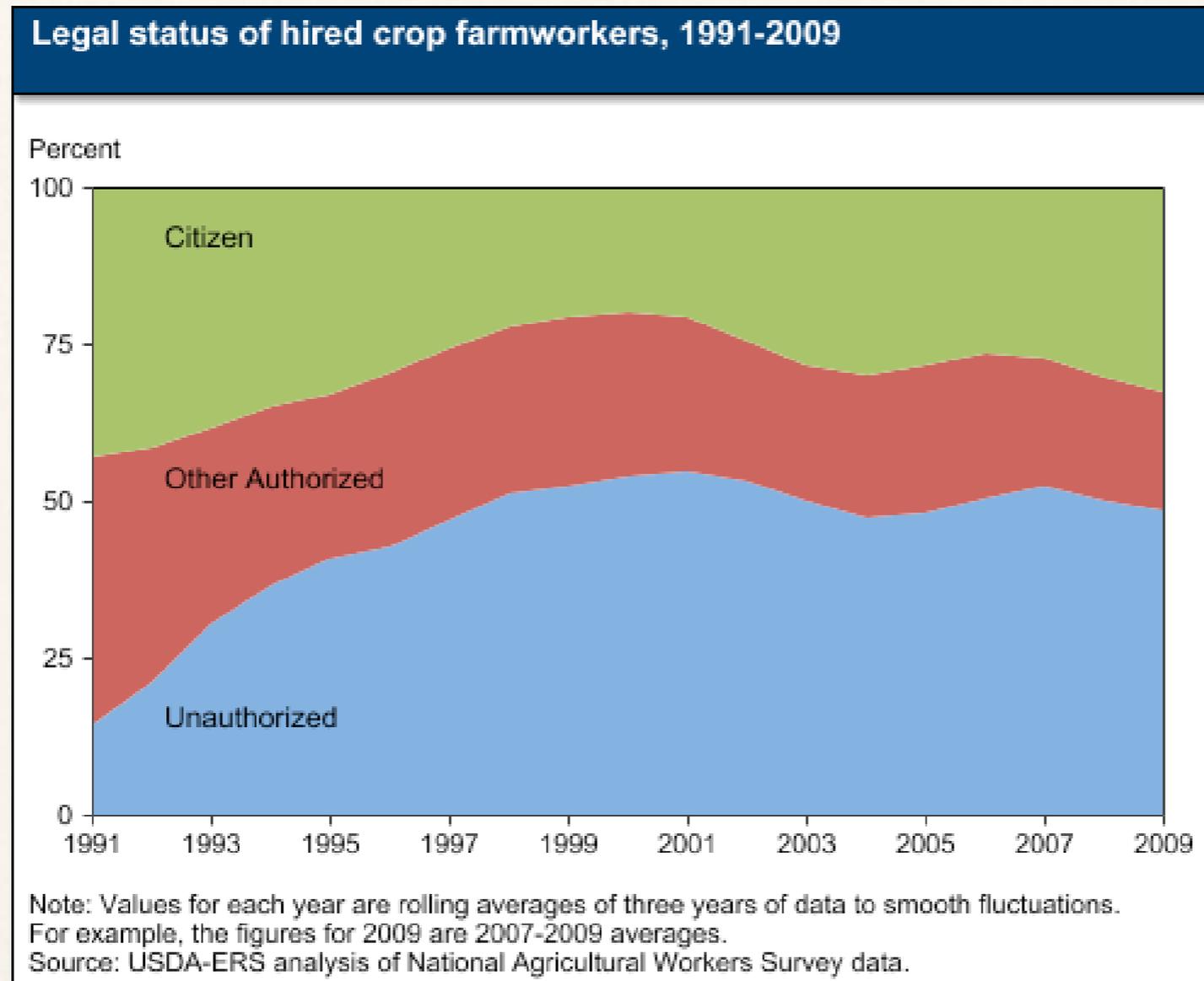


Sons and Daughters of Farmers

- ❖ The children of farmers who left the farm as part of the 20th century agricultural transformation.



We are increasingly dependent on foreign born labor



Where our current field and packing workers come from....

- ❖ Generally the children of Mexican and Central American subsistence farmers seeking opportunity





Role of Foreign-born labor in U.S. Agriculture

Key issues that emerged:

- ❑ Create guest worker program that balances the needs of farm employers for short-term workers with the ability of workers to change employers.
- ❑ Create a more reliable internal enforcement system, as well as humane and efficient border control.
- ❑ Find a “grand bargain” or compromise, in any solution between labor, growers, and retailers coupled with political support from consumers seeking a sustainable U.S. food system.

Implications for the future

- ❖ Consolidation in the United States and Canada continues, but from a much smaller base and at a slower pace--millions of workers will not be leaving the farm sector in the 21st century
- ❖ Fertility rates in Latin America have plummeted, wages are rising relative to the U.S. and those societies are urbanizing...more are staying home.
- ❖ The supply of human capital for our food and agricultural system will be much more limited in the 21st century.

Problem: lack of a common vision

- Large specialized farms driven by science and technology connected to consumers by global supply chains.
- Small diversified farms connected to consumers by local networks—watersheds, foodsheds and energysheds.
- We need all forms and scales of food production.
- All have a role to play in the total food system.

Challenges

- ❖ Finding and developing new farmers, researchers, workers
- ❖ Moving to a qualified workforce rather than a “labor pool” mentality
- ❖ Improving working conditions throughout the system
- ❖ Increasing productivity and value in the system--
- ❖ Just distribution of that value

The role of technology

- ❖ Technology has helped us to standardize and break apart complex tasks separating knowledge from the physical work, making larger scale operations possible
- ❖ Technology is also empowering
 - ❖ lessening the burden of physical labor
 - ❖ creating and facilitating new markets
 - ❖ reducing environmental footprint
 - ❖ Improved productivity and water, land utilization.

The role of higher education

- ❖ Inquiry and critical thinking
- ❖ Research and scholarly activity
- ❖ Adaptive research and outreach
- ❖ Workforce development--including technical training

www.farmfoundation.org

www.agchallenge2050.org

