

# Human Capital in California Agriculture

Philip Martin: plmartin@ucdavis.edu

<http://migration.ucdavis.edu>

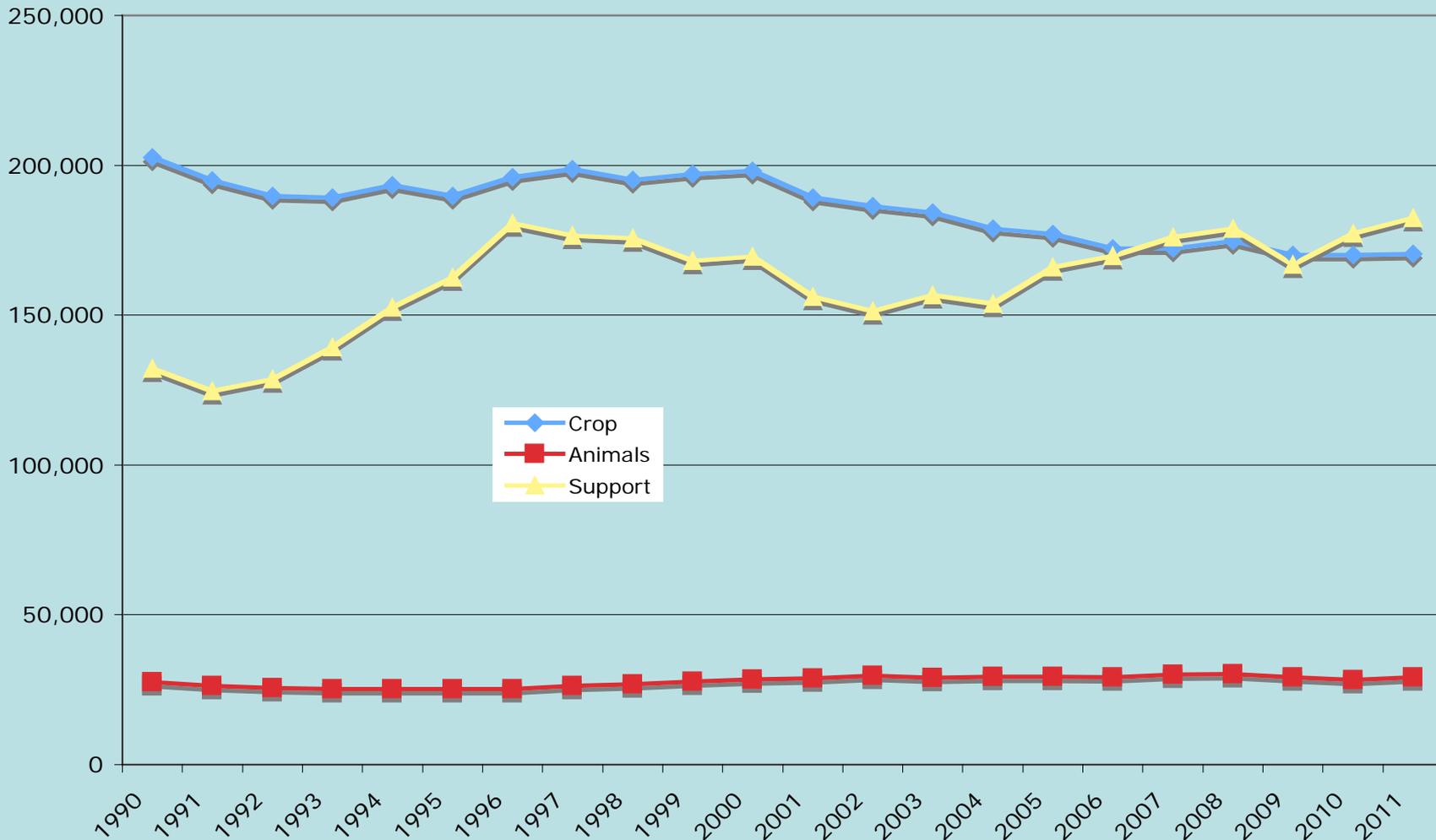
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*Anyone who understands the problem does not have a solution, and anyone who has a solution does not comprehend the problem.*

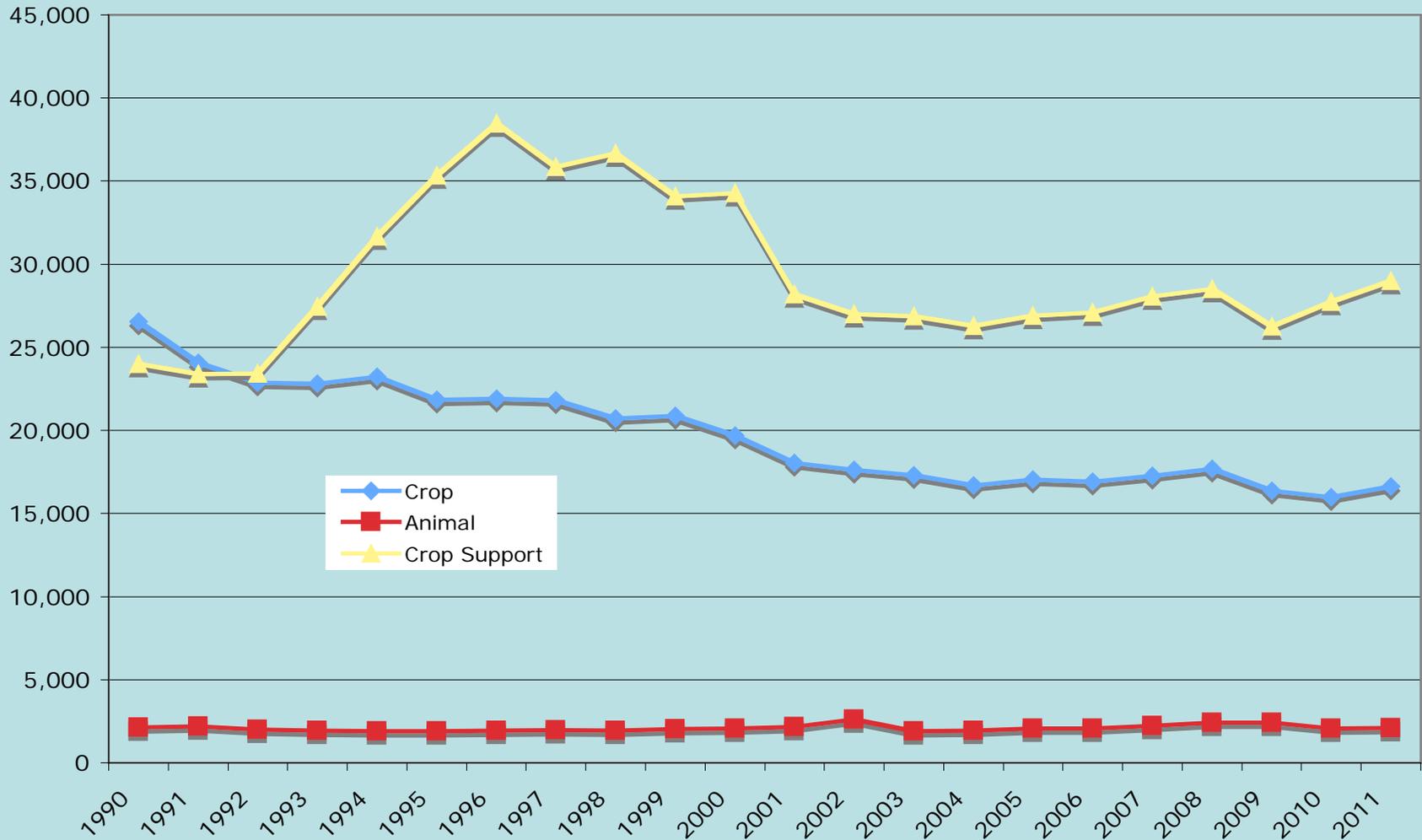
# Highlights

- Hired FB-workers do most CA farm work. They are increasingly from southern Mexico; newcomers are unauthorized
- Labor markets have 3-R functions: recruitment, remuneration, and retention. Decentralization of hiring can yield simultaneous shortages and surpluses
- Farm labor crossroads: enforcement snowball moving, less new Mexico-US migration to replace exiting workers, expansion offsets mechanization to keep average farm employment stable

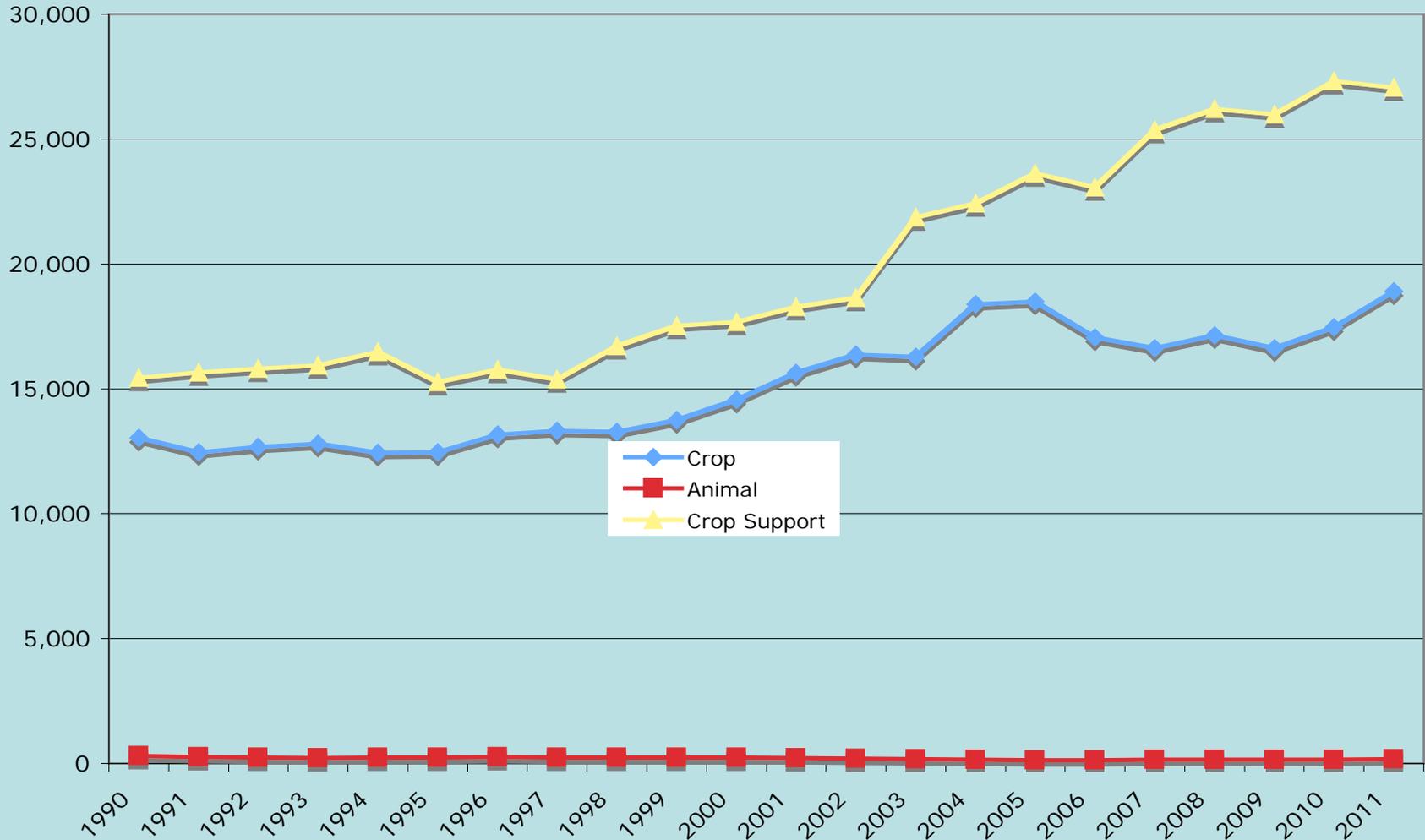
California Crop, Animal, and Crop Support Employment, 1990-2011



## Fresno: Average Crop, Animal, and Support Employment, 1990-2011



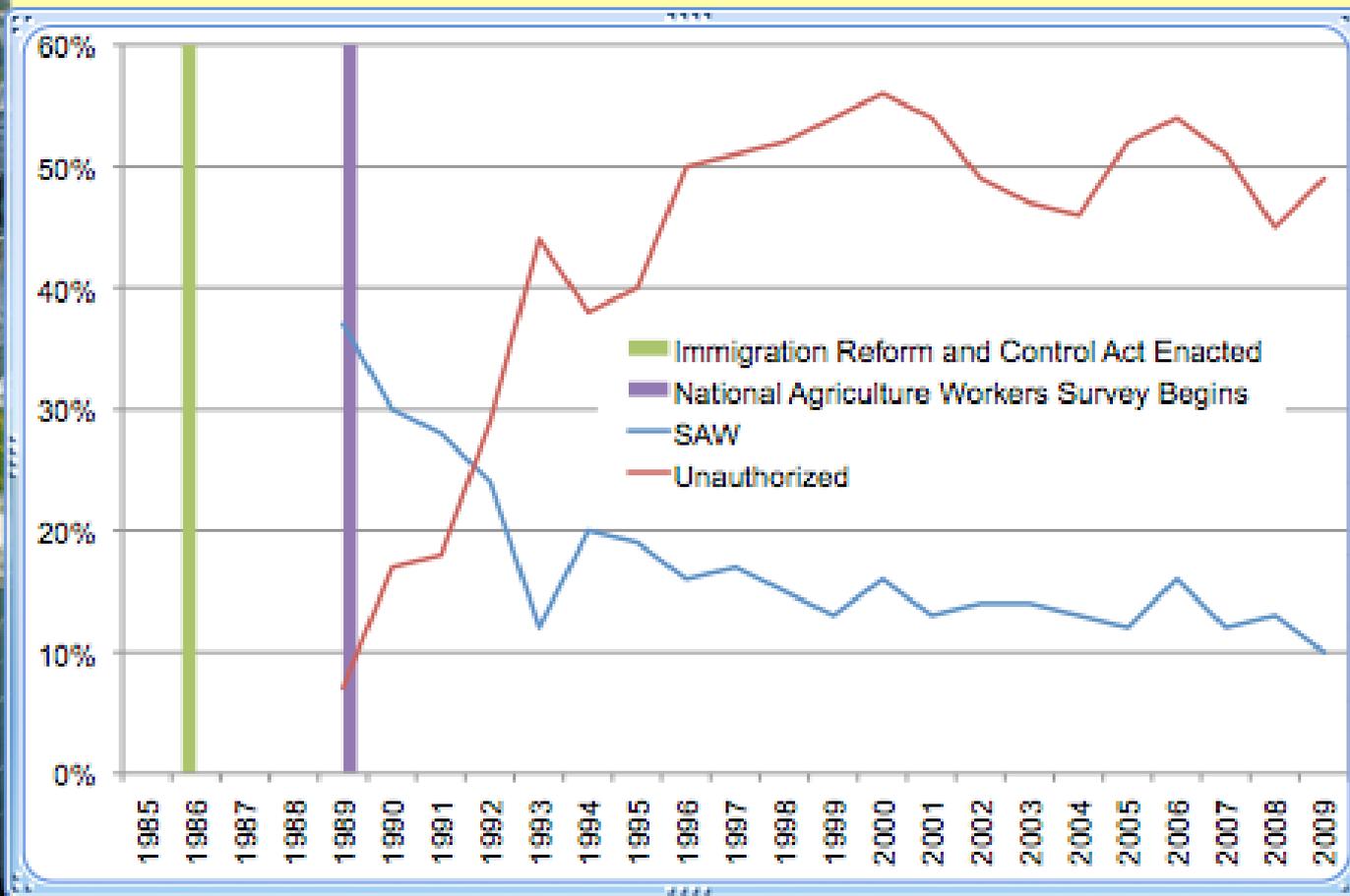
# Monterey: Crop, Animal, and Support Employment, 1990-2011



# Hired Farm Workers

- CA NAWS: 98% foreign-born (vs 58% other US)
  - 1/3 of FB = unauthorized, CA & rest of US, 2/3 of CA unauth
  - 90% not HS grads; 5% speak English well
  - 2/3 are married; less than 5% follow-the-crop migrants
  - Average hourly earnings: \$9 in 2007-09
- Seasonal farm workers earn about half as much as the average US worker, \$20/hour, and work about half of the 2,000 hours of a full time worker, have 1/4 average \$40,000 earnings
- Esp seasonal farm work is, for most workers, a less-than-10-year job rather than a career.  
Contrast: multi-generation farmer vs short-time farm worker; farm workers of tomorrow growing up today outside US

# Special Agricultural Workers (SAW) and Unauthorized Farm Workers



# Farm Labor Market: 3 Rs

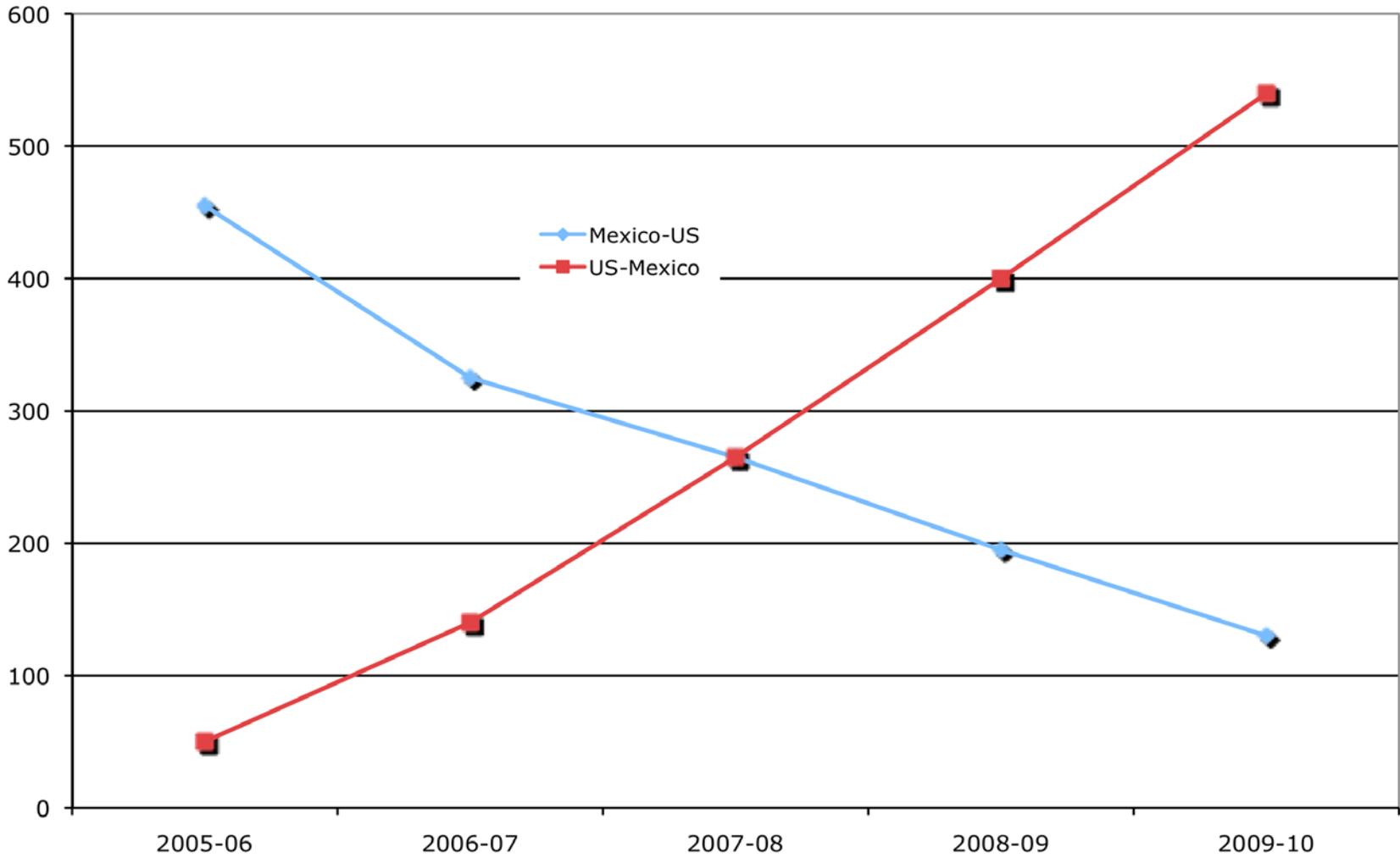
- Recruitment to match workers and jobs: from centralized ES to decentralized FLCs. Different employer and FLC incentives can = shortages and surpluses
- Remuneration: work = exchange of effort for reward (wages). Hourly vs piece rates. Past: piece rates make costs predictable with diverse workers. Today:  $\frac{3}{4}$  jobs have hourly wages. Why? tech, homo workers
- Retention: evaluate to find best workers and keep them (or have them return year-after-year), rising productivity and rising wages

# Migration Policy & Ag

- US: 11.2 million unauthorized among 40 million immigrants; 8 million unauthorized workers, including 1 million farm workers. Most unauthorized are NOT in farm jobs, but 2/3 of CA crop workers are unauthorized
- Options for (1) currently unauthorized and (2) replacement workers. Back to the past:
  - Make guest worker program E-Z for farmers (as with changes from H-2 to H-2A in 1986)
  - Legalize current unauthorized workers (SAWs) but require more farm work to earn immigrant status (AgJOBS)
  - Legalize current unauthorized and admit new who can change farm employers but must work in ag (RAW)



### Annual Mexico-US and US-Mexico Flows, 2005-10 (000)



Source: Passel, 2012

