

Farm & Rural Communities



Status Report

Hired Farm Labor in U.S. Agriculture

Labor supply remains a persistent issue for farm employers who need large amounts of nonfamily labor during particular periods of the growing season, a need complicated by the unpredictable nature of agricultural production. Hired farmworkers account for about one-third of the production workforce in U.S. agriculture—operators and their unpaid family members account for the remaining two-thirds—and labor costs range from about 4 percent of inputs on livestock operations to 45 percent for horticultural specialty farms.

The match between supply and demand for labor has always been a critical issue in agriculture. When U.S. workers are not available to meet the demand for hired farmwork, employers have traditionally looked to foreign workers for temporary relief. Currently, nonimmigrant foreign workers can be employed temporarily in agriculture under the H-2A provisions of the Immigration and Nationality Act.

Employers must meet requirements to ensure that efforts to recruit domestic labor have been made and that employment of guestworkers will not adversely affect the wages and working conditions of domestic farmworkers in the area—

employers wishing to hire workers under the H-2A program must offer domestic workers a guaranteed minimum wage and period of employment equal to the average wage, housing and transportation benefits, and employment period provided for guestworkers under H-2A requirements.

Both employers and domestic farmworker advocates have found fault with the H-2A program, however. Despite their importance to agriculture, U.S. hired farmworkers as a group experience low wages, seasonal employment, and limited participation in the nonfarm labor market, leading many in the debate to insist there is a surplus of farm labor and that no supplemental labor program is needed. Others insist that shortages frequently do occur at particular times and places, and the current supplemental labor program cannot meet those needs in a timely way.

Legislation has been introduced periodically, most often in conjunction with immigration reform, either to replace the H-2A program with a new guestworker program or to promote better options for matching domestic labor supply with demand. These efforts have increased in the last few years as stepped-up enforcement of immigration laws has led many employers to fear the loss of the current

labor supply in agriculture—estimates of the share of fraudulently documented workers in the total hired farm labor force range from 25 to 75 percent.

USDA's Economic Research Service produces an annual demographic and economic profile of domestic hired farmworkers, which includes immigrant workers not hired as temporary guestworkers. The annual profile tracks trends in the hired farm workforce based on annual averages of data collected by the U.S. Census Bureau in its monthly Current Population Survey (CPS). The information provided by these annual profiles has been useful in informing policy discussions about both farm labor supply and the economic conditions of the hired farm workforce.

Number of Hired Farmworkers Remains Stable in 1997

Hired farmworkers include people 15 years and older who reported their primary occupation during the week of the CPS as farmworkers engaged in planting, cultivating, and harvesting crops or attending to livestock (86 percent); farm managers (8 percent); supervisors of farmworkers (4 percent); and nursery and other workers (2 percent). The annual average number of hired farmworkers employed per week in 1997 remained about the same as the previous year at just under 900,000.

The demographic profile of hired farmworkers has changed little during the 1990's. Hired farmworkers tend to be younger and less educated than the average for all wage and salary workers, and are more likely to be male, Hispanic, and noncitizens.

Demand for hired farmworkers varies by type of crop and livestock, length of growing and harvesting seasons, extent of mechanization, and scale of production. As a result, the number of hired farmworkers varies significantly by region—ranging from 370,000 in the West (41 percent of all hired farmworkers) to 57,000 in the Northeast (6 percent of all hired farmworkers). Livestock production predominates as the source of employment for hired farmworkers in the Midwest, whereas crop production—typically fruit,

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vegetable, and horticultural crops—predominates in the West.

The demographic characteristics of hired farmworkers also vary by region. The proportion of women in the hired farm labor force is greater in the Northeast than in other regions. Hispanics are only 3 percent of the hired farm workforce in the Midwest, compared with 17 percent in the Northeast, 35 percent in the South, and 67 percent in the West.

Hired Farmworker Earnings Remain Low

Hired farmworkers continued to earn significantly less than most other workers, influenced by their relatively low skill level. Full-time hired farmworkers received median weekly earnings of \$277 in 1997, 55 percent of the \$500 median weekly earnings for full-time wage and salary workers economywide. Only private household workers, at \$206, received lower median weekly earnings than hired farmworkers. Real median weekly earnings for full-time farmworkers have declined 6 percent since 1990, compared with a 1-percent increase from 1990 to 1997 for all wage and salary workers.

The number of employed farmworkers varies widely by season—from 589,000 during the survey week in January 1997 to 1,117,000 in July. The seasonality of farm employment, low weekly earnings, and limited access to additional nonfarm work combine to make hired farmwork one of the lowest paid occupational groups.

Not only is income from farmwork limited, but family income of hired farmworkers from all sources (including jobs; businesses, farms, or rents; pensions, dividends, interest, and social security payments; and any other money income received by family members 15 years or older) falls significantly below that of all wage and salary workers. More than 70 percent of hired farmworker families had annual income below \$30,000 in 1997, with 23 percent below \$10,000. In contrast, only 38 percent of all wage and salary workers had family income below \$30,000, with 15 percent below \$10,000.

Using the Current Population Survey To Profile Hired Farmworkers

For its annual profile of hired farm labor, USDA's Economic Research Service (ERS) uses the Bureau of Census' Current Population Survey for several reasons. The data provide information on the total number of hired workers in agriculture, rather than a single sector of the industry. They also provide data on both demographic and earnings characteristics of hired farmworkers, because they survey individual workers rather than employers. And they allow for direct comparisons between the hired farm workforce and all wage and salary workers, since the CPS collects data on a representative sample of the entire U.S. population living in civilian, noninstitutional households.

The CPS has several limitations as a source of data on the hired farm workforce. The survey classifies employed persons according to the job at which they worked the greatest number of hours during the survey week. As a result, hired farmworkers who spent more time during the survey week at their nonfarm job than at their farm job would not be included in the primary employment count as hired farmworkers. They would be counted instead as having hired farmwork as their secondary employment.

The CPS may also undercount Hispanics in the hired farm workforce. Because the CPS is based on a survey of households, it may undercount farmworkers not living in traditional types of housing, many of whom are likely to be Hispanic. In addition, undocumented or fraudulently documented foreign farmworkers may, because of their illegal status, avoid survey enumerators.

Characteristics of Hired Farmworkers Vary by Type of Farmwork Performed

Characteristics	All	Crop production	Livestock production	Other*
	<i>Percent</i>			
Gender:				
Male	83.3	84.6	84.8	69.8
Female	16.7	15.4	15.2	30.2
Race/ethnicity:				
White	52.4	37.6	71.4	42.5
Hispanic	41.0	53.2	24.6	53.0
Black and other	6.6	9.2	4.0	4.6
Schooling:				
Less than 5 years	12.2	17.4	5.0	18.1
5-11 years	46.9	49.3	44.2	46.6
12 years or more	40.9	33.3	50.8	35.3
U.S. citizenship	67.1	56.2	81.2	60.5
Median age (<i>years</i>)	33	35	29	32
Median weekly earnings (<i>dollars</i>)	277	277	280	268

Calculated from 1997 Current Population Survey earnings microdata file.

*Includes agricultural services, forestry, fishing, hunting, trapping, landscape and horticultural services, and other agriculture-related establishments.

Economic Research Service, USDA

Access to Nonfarm Jobs Limited For Crop Production Workers

Many hired farmworkers seek nonfarm jobs to supplement their incomes. However, their low education and skill levels often limit their ability to compete for higher wage, nonfarm jobs. Annual averages derived from the CPS cannot capture information about the number of farmworkers who combine farm and nonfarm work within a year. Using data from a survey conducted by the Department of Labor, the National Agricultural Workers Survey (NAWS), however, can provide some information on such efforts by crop production workers to supplement seasonal farm income.

The Department of Labor conducts the NAWS three times each year, gathering data on the demographic and earnings characteristics of a sample of workers employed in seasonal agricultural services, primarily crop production. Hired farm workers employed in the livestock industry are not included in this survey. (Readers should note that the NAWS survey sample is entirely different from that of the CPS, so data from the two surveys are not statistically comparable.)

During 1994-95, NAWS found that about one-fourth of crop production workers also did nonfarm work. Workers born in the U.S. were much more likely to hold nonfarm jobs than were foreign-born workers (41 percent and 19 percent), and younger workers, ages 18-35, were somewhat more likely to do nonfarm work than workers 35 years and older (29 percent and 21 percent). Opportunities for nonfarm work appeared to be more plentiful in the Midwest and Western Plains, where 43 percent of the sample held nonfarm jobs during the year. Much smaller proportions of farmworkers held such jobs in other regions (Southeast, 24 percent; Northwest, 20 percent; Northeast, 16 percent; and West, 8 percent).

Nonimmigrant Guestworkers Supplement U.S. Labor

In addition to nearly 900,000 U.S. farmworkers, employers have begun hiring increasing numbers of temporary foreign farmworkers through the H-2A program. In 1997, 23,352 jobs were certified for temporary foreign guestworkers—i.e., the Department of Labor determined no domestic workers were available to fill them—up from 17,557 in 1996 and 12,173 in 1994.

H-2A workers are predominantly used in tobacco and apple production—62 percent of 1997 certifications were for tobacco and 18 percent for apples. Other work for which relatively large numbers of jobs were certified included shepherding (7 percent), custom combining (3 percent), fruits and vegetables (2 percent), and irrigation (1 percent). Other uses (6 percent) included nursery/horticulture, sugarcane, beekeeping, and machine operators.

Nine States (North Carolina, Virginia, Kentucky, New York, Connecticut, Massachusetts, Tennessee, Idaho, and Texas) accounted for 80 percent of guest-

worker certifications. North Carolina led in 1997 with over 6,000 jobs certified, mostly for work in tobacco and vegetables. Virginia followed with over 3,000 certifications, nearly all for tobacco and apples. Kentucky and New York each had more than 2,000 jobs certified—for tobacco in Kentucky and apples in New York. Connecticut and Massachusetts, each with about 1,000 certifications, also requested workers primarily for tobacco and apples. Texas and Idaho each received certifications for about 500 workers, primarily for jobs in custom combining and shepherding, respectively.

Despite recent increases in the use of H-2A workers, farm employers contend that the program is too cumbersome to provide needed workers in a timely manner. U.S. farmworkers and their advocates counter that the program is not needed at all, given that repeated investigations of domestic farm labor supply have found no shortage of workers available for farm work. They contend that improved wages and working conditions would attract an adequate supply of those workers when and where needed. Employers respond that many of those available workers are fraudulently documented, leaving their

employers vulnerable to a sudden loss of workers through Immigration and Naturalization Service (INS) enforcement activities.

Efforts supported by farm employers to reform or replace the H-2A program during consideration of the 1996 Immigration Reform and Control Act were unsuccessful, but a provision of the legislation directed the General Accounting Office (GAO) to examine the operations of the H-2A program and report their findings and recommendations to Congress.

In a December 1997 report, GAO found INS enforcement efforts unlikely to significantly reduce the number of unauthorized farmworkers, thus there appeared no likelihood of a widespread shortage of farmworkers. The report acknowledged that there might continue to be local shortages in specific crop areas. GAO concluded that the current H-2A program was sufficient to respond to such shortages.

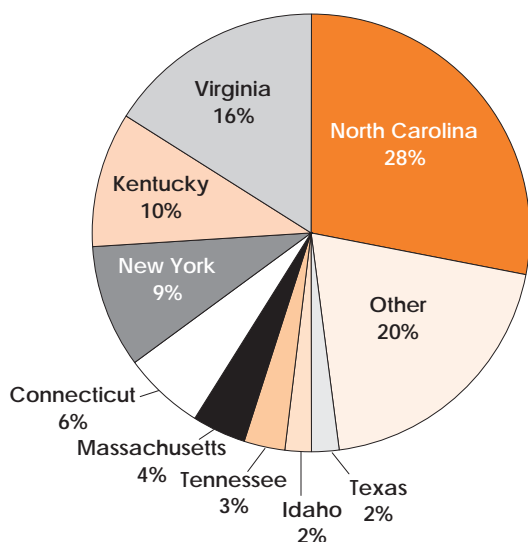
GAO's evaluation of the H-2A process, however, suggested that processing delays and late applications interfered with the ability of farm employers to fill certified jobs with foreign workers. But GAO recommended improvements to the efficiency of the program—streamlining and better monitoring the application process—rather than replacement. Further recommendations were for new Department of Labor authorities to require wage guarantees and to enforce labor standards and contracts.

In their responses to GAO's report, both USDA and the Department of Labor agreed that there was no national farm labor shortage at this time and that the H-2A program, with some procedural changes, was adequate. USDA emphasized the localized shortages and the difficulty of matching qualified domestic farm laborers with jobs at the times and in the places they are needed, as well as procedural problems with the H-2A program that make it cumbersome for growers, particularly the long lead time (60 days) required for certifying jobs.

The Department of Labor, conversely, emphasized its interpretation that farm labor was actually in surplus, not shortage, based on such evidence as high unemployment in agricultural areas and

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Nine States Accounted for 80 Percent of H-2A Worker Certifications in 1997



Source: U.S. Department of Labor.
Economic Research Service, USDA

persistent underemployment of farmworkers, as well as on the anticipated effects of new work requirements under welfare reform. Labor also agreed with GAO's assessment that INS enforcement efforts were unlikely to cause significant reductions in farm labor supply, regionally or nationally.

USDA expressed opposition to accepting a farm labor policy based on availability of an illegal labor force and noted that the original intent of the H-2A program had been to provide for a legal method of supplementing the U.S. farm labor supply with foreign workers whenever short-term, local shortages occurred. USDA pointed out that the H-2A program included safeguards to protect jobs, wages, and working conditions of domestic workers, whereas acceptance of undocumented and fraudulently documented workers in the farm labor force allowed uncontrolled competition from foreign labor that could keep wages low and working conditions poor.

Reform of H-2A Program Pending

Many farm employers remain dissatisfied with the current temporary guestworker program, despite the GAO findings. A number of bills to redesign the temporary

nonimmigrant worker program for agriculture have been proposed in Congress during the current session. The U.S. Senate passed one of these (S. 2337), which would reform the current H-2A program, as an amendment to the Commerce, Justice, and State Departments Appropriations Act in July.

The new legislation, still to be considered by the House, proposes the creation of a voluntary national registry, maintained by the Department of Labor, through which available, eligible farmworkers and employers seeking to hire farm labor would be matched. Use of this job registry would replace the current employer recruitment requirements of the H-2A program. If the register could not provide the number of workers required, the employer would be entitled to receive visas for temporary foreign workers.

The legislation also would reduce the lead time for growers to request workers from 60 days to 21 days, and allow them to request visas for foreign workers only 7 days before they are needed. Changes are also proposed in the method for determining the minimum wage rate (involving greater participation by State employment services and employers), and in employer requirements for housing workers (allowing employers to provide vouchers to pay

for rental housing, rather than providing housing on site).

Supporters of the legislation maintain the job registry would offer U.S. farmworkers first access to H-2A jobs, and that other changes would bring the program more in line with prevailing local and regional farm employment conditions. Farmworkers and their advocates generally oppose the changes in the H-2A program. They believe the proposals in the new legislation would lead to the hiring of large numbers of seasonal guestworkers by reducing both domestic labor recruitment requirements and the costs of hiring H-2A workers.

The use of foreign labor in U.S. agriculture has been a perennial source of debate, beginning with the advent of large commercial agriculture operations in the last century. Farm employers want access to a supply of skilled labor available in the numbers and at the times needed with relatively short notice. They compete in a global marketplace that rewards low-cost producers and puts downward pressure on the wages and benefits they can provide.

Farmworkers and their advocates counter that without easy access to guestworker programs, farm employers would be forced to implement labor management strategies to train and retain skilled workers who would be available for employment when and where needed. They contend increased wages and improved working conditions could be easily absorbed into retail prices for farm products, since costs at the farm gate are such a small component of food prices.

Historically, Federal programs like the H-2A program have attempted to bridge the gap by offering a legal means for securing temporary foreign workers when needed while making an effort to ensure domestic workers do not lose jobs, wages, and benefits through competition with nonimmigrant workers. But opposing positions on the issue present little opportunity for consensus or compromise. Responses to the legislation currently under consideration suggest that this debate will not end soon.

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