

IMMIGRATION AND AGRICULTURAL LABOR POLICIES

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For fifty years, a series of books have detailed the plight of the farmworker and advocated change. The titles of some of these books alone convey the message: The Grapes of Wrath (1939), Ill Fares the Land (1942), No Harvest for the Reaper (1960), They Harvest Despair (1965), The Slaves We Rent (1965), Army of Despair (1968), Uprooted Children (1970), Sweatshops in the Sun (1973), Hard Travelling (1976), A Caste of Despair (1981), Bitter Harvest (1981).

Migrant workers and their families have been the subject of television documentaries by all three major networks as well as by public television, including Harvest of Shame (CBS, 1960), Migrant (NBC, 1970), Dirt Cheap (ABC, 1973) and A Day without Sunshine (Public Television, 1976).

Given the considerable publicity devoted to portraying conditions of farmwork as "a harvest of shame", it is little wonder that farmwork is considered a "last resort" by workers, farmers and the American public.

The public image of farm labor even has seemed to influence views of agricultural economists and agricultural extension personnel. Indeed, within the agricultural community, conventional wisdom might be summarized as follows:

Agricultural labor is a relatively unimportant issue because expenditures for hired labor amount to only a few cents of each agricultural production dollar. The need for agricultural labor has declined precipitously during this century and, as forecasts from the U.S. Bureau of Labor Statistics remind us, the outlook is for continued decline in the future.

Further, given the low rates of productivity inherent in hand harvest operations, the unavoidable seasonality of harvest work, the perishable nature of the crops and the highly competitive product markets which farmers face, there is little that can be done to change "harvest of shame" conditions. Hand harvest operations are unavoidable hard and dirty work yielding low wages. It may be unfortunate, but there are simply no feasible alternatives until these jobs are mechanized out of existence.

Until full mechanization arrives, it is simply assumed that sufficient numbers of workers will automatically be there to perform the declining number of tasks that need to be done by manual labor. Perhaps a good example of this attitude can be found in the Payment in Kind (PIK) program. While substantial objections have been voiced about the effects of PIK on suppliers of seed, agricultural implements and other production inputs, almost no concern has been devoted to the effects of PIK on the employment of farmworkers. Yet these workers -- many of whom are not even eligible to collect unemployment compensation -- are expected to show up for jobs the next season they are needed.

There is abundant evidence of the lack of attention to labor management as an appropriate topic within agricultural production. Courses in personnel management are not commonly taught to aspiring farm managers in Colleges of Agriculture. Only a handful of agricultural employers have been active in professional personnel associations such as the American Society of Personnel Administrators. With a few recent exceptions, Agricultural Extension has not tried to upgrade the labor management skills of agricultural employers. Few research dollars have been devoted to stabilizing agricultural employment or to improving the operation of agricultural labor markets. USDA, which collects little information regarding agricultural labor, recently reduced its survey efforts by more than half. Until this year, agricultural labor policy has not even been on the agenda of the National Public Policy Education Conference.

As is often the case with conventional wisdom, current perspectives on agricultural labor are at variance with present day realities and the general lack of attention paid to labor management within agriculture may be a grave oversight. Let us examine some of those realities.

Reality #1 The Importance of Hired Labor in Agricultural Production

Actually , hired labor continues to be an important ingredient in agricultural production. Well over half of all farms - about 850 thousand - employ some hired labor. Although many employ only small amounts, obtaining this labor is critical to the timely performance of labor intensive tasks in the production process. Further, the largest farms, which account for most of our nation's agricultural production, are also those most dependent on hired labor.

In total, agriculture pays \$12 billion annually in wages, or about one in every twelve dollars of farm production expenses. On farms producing fruits, vegetables, nursery stock and a few other commodities, the wage bill can account for as much as half or more of total production expenses.

Arranged by commodity, labor expenditures divide into three roughly equal categories. One third is paid to workers in field crops such as wheat, corn and cotton. One third of labor expenses go to livestock workers and one third of expenditures are paid to workers on fruit and vegetable farms.

Hired farm work is also important to many workers. About 2.5 million Americans rely on hired farm work for some or all of their incomes. In addition, an estimated 300 to 500 thousand foreign workers are illegally employed in agriculture in the United States. Most of the hired farm work force, about 85 percent, work only seasonally in agriculture. Although migrant agricultural workers are the focus of most of the publicity, official surveys show that only 8 percent of hired agricultural workers are migrants. If illegal workers are included, the proportion of workers who are migrants could be as high as 25 percent.

Table 1. Family and Hired Employment on Farms

Year	Annual Average Farm Employment			Hired Share Of Total Farm Employment	Total Hired Farm Workforce*
	Total	Family	Hired		
	-----Thousands-----			Percent	Thousands
1910	13,555	10,174	3,381	25	NA
1920	13,432	10,041	3,391	25	NA
1930	12,497	9,307	3,190	26	NA
1940	10,979	8,300	2,679	24	NA
1950	9,926	7,597	2,329	23	4,342
1955	8,381	6,345	2,036	24	NA
1960	7,057	5,172	1,885	27	3,693
1965	5,610	4,128	1,482	26	3,128
1970	4,523	3,348	1,175	26	2,488
1971	4,436	3,275	1,161	26	2,550
1972	4,373	3,228	1,146	26	2,809
1973	4,337	3,169	1,168	27	2,671
1974	4,389	3,075	1,314	30	2,737
1975	4,342	3,025	1,317	30	2,638
1976	4,374	2,997	1,377	31	2,767
1977	4,170	2,863	1,307	31	2,730
1978	3,957	2,689	1,268	32	NA
1979	3,774	2,501	1,273	34	2,652
1980	3,705	2,402	1,303	35	NA
1982**	4,108	2,567	1,541	38	2,492

NA = Not available.

*Employed in agriculture for wages at least one day.

**July 1982. No survey was conducted in 1981.

Source: United States Department of Agriculture

As Table 1 well illustrates, most of the decline in farm employment has taken place in the category "farm employment". Indeed, of the decline in annual average farm employment from 1910 to 1980 of 9,850,000 jobs, fully 79 percent were family jobs.

Contrary to conventional wisdom, hired agricultural employment stopped declining in the 1970's. Average annual employment of hired workers actually grew from 1,175,000 in 1970 to 1,303,000 in 1980 while the hired share of total farm employment grew from 26 percent to 35 percent. Part of the explanation for this can be found in the shift to larger farms which use a greater proportion of hired labor. In addition, the pace of mechanization slowed during the 1970's with increases in energy prices and the wide availability of labor. Finally, levels of production increased substantially, especially in some labor intensive fruit and vegetable crops.

As a result, the present day reality is that

- hired agricultural employment is no longer declining, but varies cyclically with the level of agricultural production activity.
- the proportion of the agricultural work force which is hired is increasing as farms continue to decline in numbers but increase in size.

Reality #2 Changes in the Agricultural Labor Environment

In recent years, significant changes have been taking place in American agriculture and its environment which require change in traditional farm labor practices. First, there is the growing technical sophistication of agriculture. A more mechanized, highly technical and capitalized agriculture poses added requirements for skilled workers and a productive, reliable work force. Only a well-trained worker, for example, can operate or repair the expensive and delicate harvesting equipment now commonly used in many commodities. Workers and employers with only casual ties to one another are not likely to perform well in this new environment.

Second, over the past two decades, significant changes have been made in the application to agriculture of safety, health, minimum wages and other labor standards already in force in non-agricultural industries. Exemptions from such rules which were traditionally granted to agriculture are disappearing. Further change is in the offing until farmworkers have all the protections and benefits enjoyed by other workers. In some regards, agriculture is coming under even stricter regulation than other industries, as witnessed in the Migrant and Seasonal Agricultural Worker Protection Act of 1982. Informal labor practices customarily used in agriculture cannot meet the tests imposed by these recent laws and regulations.

Third, both supply and demand conditions in agricultural labor markets are undergoing significant changes. Decentralization of manufacturing to rural areas, the growth of other non-farm rural jobs and increased mobility of the rural population have opened new job alternatives for workers. Recent declines in the birthrate mean that fewer younger workers will be coming onto the labor market in upcoming years. Factors such as the widespread ownership of telephones and televisions, better labor market information,

the consolidation of rural schools and development of our social welfare system have diminished differences between urban and rural residents and contributed to rising expectations of American workers. Farmworker unions have become established in certain agricultural labor markets.

All of these factors call into question the continued availability of a large pool of workers for intermittent employment in agriculture. More and more, farmers will have to directly compete with non-farm employers for their workers. These changes are rendering obsolete traditional labor market practices, characterized by ample supplies of labor, lack of formality and structure and the absence of stability and commitment on the part of both employers and workers. These changes mean that agriculture can no longer maintain its relative detachment from labor issues.

Reality #3 Pending Changes in U.S. Immigration Policy

More important for some agricultural employers than the foregoing environmental changes is recent rethinking of America's immigration policies and practices. Many farms, especially in certain labor intensive fruit and vegetable production, have long relied on successive waves of legal immigrants, including temporary laborers imported under the Bracero program begun during World War II. Currently, several fruit and vegetable farm employers -- along with hotels, restaurants and certain construction and manufacturing firms -- are heavily dependent on illegal foreign workers.

Mexican workers, attracted by wages that allow them to earn in an hour what they would in a day in Mexico, have crossed the border illegally in rising numbers and have swelled the U.S. work force at rates estimated at more than a million workers a year.

As a consequence, the calls for increased control of immigration have been mounting and the U.S. Congress has given serious consideration to measures which would more strictly control illegal immigration. A bill entitled the Immigration Reform and Control Act offered by Senator Alan K. Simpson (R-Wy) passed the Senate by wide margins in votes taken in December 1982 and May 1983. A companion bill introduced by Representative Romano Mazzoli (D-Ky) has thus far failed to pass in the House of Representatives.

Given the belief expressed by the Reagan administration in supporting the Simpson-Mazzoli measures that America has "lost control of her borders" and given the sentiment of a majority of Americans (including a majority of Hispanic Americans) polled on the issue in favor of controlling illegal immigration, and given the fact that illegal immigration is growing, Congress will act on immigration legislation at some point in the near future.

To obtain a clue to what sort of legislation may be passed, it is worth examining the most recent Simpson-Mazzoli proposals. The Simpson-Mazzoli proposals would affect agricultural employment in several ways. First, the bills make it unlawful to hire, recruit or refer for employment any illegal aliens. The bills call for fines and jail terms for employers who violate this prohibition: \$1,000 for each illegal worker on the first offense, \$2,000 for each on the second offense and a possible six-month jail sentence after that. Further, the bills require employers to keep documentation proving the legal status of their workforce. The proposals call for implementation of a system of worker identification which would be nontransferable, difficult to counterfeit and applicable to all workers. The identification system would provide employers with a simple and ready means to verify the legal status of their workers.

The bills would augment the budget of the Immigration and Naturalization Service (INS) to provide for increased border enforcement.

The Simpson-Mazzoli proposals provide amnesty for illegal workers who "have resided continuously" in the U.S. since a certain date. Under the Senate version, workers who have been in this country since January 1, 1977 would apply for "permanent resident" status. Under the House version, the effective date would be moved up to January 1, 1982, thus providing broader coverage. If the phrase "have resided continuously" is strictly interpreted to mean year-round residence, then seasonal agricultural workers who regularly have migrated to the U.S. for work would become ineligible for amnesty and thereby be lost to U.S. agricultural employers. Since no one yet has any solid information regarding how many workers are involved nor what ^{is} the effect of more loosely written interpretations (e.g. Would defining "continuous residency" as six months out of each year be sufficient to qualify these regular agricultural workers for amnesty?) Even if amnesty coverage were granted to farmworkers, some observers believe that agriculture would not be

able to retain them. Thus there have been calls for special arrangements to permit foreign workers to be employed in agriculture on a transitional basis or to sanction more widespread use of nonimmigrant foreign workers.

Recognizing that large segments of American agriculture now depend on a largely illegal workforce, the bills would establish a three-year transition to allow U.S. agriculture to convert to a legal workforce. Under this transition program, both employers and their illegal workers would be required to register. During the first year, registered employers could fill up to 100 percent of their labor needs by hiring registered transitional workers. The second year, the figure would drop to 75 percent; the third year it would be 33 percent. The fourth year, the transitional program would end and the workforce would have to be 100 percent legal workers or workers imported legally under the H-2 program.

Various versions of the Simpson-Mazolli proposals would call for streamlining the Non-Immigrant Agricultural Worker (H-2) Program presently in our immigration law to make it more accessible to employers. Currently, the H-2 program is used to bring under 30,000 foreign workers to the U.S. to perform seasonal work where employers cannot find American workers. The H-2 workers have been used mostly for cutting sugar cane in Florida and for picking apples on the East Coast.

Simpson-Mazzoli proposals would call for new regulations to be written by the Attorney General in consultation with the Secretaries of Labor and Agriculture. Further, they would preempt state laws prohibiting the admission of nonimmigrant workers and they would mandate expedited appeal rights for agricultural employers. However, the proposals would leave intact existing provisions of the H-2 program which call for employers to pay workers for transportation, provide housing, provide meals at cost, and pay a wage rate that would not adversely affect U.S.

workers. In addition, employers would be required to pay an administrative fee to participate in the program. Employers would have to conduct active recruitment to assure that no U.S. workers are available and they would have to file their needs for workers with the U.S. Department of Labor from 50 to 80 days ahead of time.

Although employers of H-2 workers are not required to pay U.S. social security and unemployment insurance taxes, some provision for pensions and unemployment is often added over time in contracts employers would have to make with foreign governments for workers. Also, workers' compensation and off-the-job insurance have become standard items under current H-2 contracts. Finally, under requirements of the H-2 program, employers must offer the same benefits to all workers--not just their foreign workers.

For many agricultural employers, participation in the H-2 program would mandate significant increases in wage and benefit costs. Fruit and vegetable producers in the West have objected especially to the requirements for providing workers with housing.

As a relatively small program involving 30,000 workers, the current H-2 program has generated considerable controversy as well as legal opposition in the courts. If the program were to be expanded to 300,000 workers (as some have advocated), it would become much more highly visible, would attract more lawsuits, and would become vulnerable to increased political pressures.

Some voices in the agricultural community have advocated a reinstatement of the Mexican Bracero program; but this measure appears to have little support outside of agriculture.

In summary, the pending changes in immigration law call into question the viability of American agriculture's large scale dependence on foreign workers over time. Present reliance of the fruit and vegetable harvest on an illegal workforce seems especially vulnerable. Even under current laws and circumstances,

the use of illegal workers has negative consequences for farmers, for workers and for society. Some farm employers risk losing whole fields of perishable crops as their workforces scatter in Border Patrol raids. Illegality also increases the instability of the employment relationship for both employer and worker. Illegal workers are currently vulnerable to exploitation by unscrupulous employers or third parties. Their illegal status provides an opportunity for knowing employers to undercut labor standards and to gain a competitive advantage over the majority of employers who do meet their responsibilities under U.S. labor laws. Illegal workers frequently pay exorbitant prices for false credentials, transportation and housing (which is often substandard and unsafe). Under threat of exposure, they can be compelled to pay a portion of their earnings to "coyotes" who arrange for their entrance and employment. Illegal workers are reluctant to report crimes perpetrated on them or to seek needed medical and other social services. Over the longer run, the availability of large numbers of illegal workers undercuts competitive pressures to upgrade labor conditions and initiate employment stabilizing measures. Widespread violation of the nation's immigration laws is unacceptable politically, socially and economically.

Almost everyone agrees that the current use of illegal workers is an undesirable situation. Moreover, agriculture is unlikely to achieve continued access to large numbers of foreign workers^{legally} except under conditions of stricter labor standards and greater legal, political and administrative hassle. The dependence of labor-intensive agriculture on foreign workers is simply untenable without governmental acquiescence or assistance. And achieving governmental acquiescence or assistance is certain to cost a greater price over time.

Reality #3 Enormous Diversity in Existing Labor Management Practices

A final reality is the enormous diversity of labor management practices in American agriculture. While ugly practices do exist in certain areas and commodities as testified to by the 1983 anti-slavery prosecutions against labor contractors and agricultural employers in Florida and North Carolina, at the same time other agricultural employers in the same state offer workers income and conditions of employment which compare favorably with standards in other industries.

Differences in agricultural labor management practices are reflected in several key indicators such as the following:

Turnover Rates - Some agricultural firms must recruit as many as 10 workers per job slot each month just to keep their harvest crews maintained. (At this rate of replacement, keeping our Armed Forces staffed at a level of one million would require every male in the U.S. to serve at some time during every year!)

Other agricultural employers have demonstrated the ability to retain almost all their workers through the entire season and attract 70 percent of them to return the following season. These employers have adopted systematic recruiting and hiring procedures and have investigated causes of worker dissatisfaction and eliminated them.

Productivity - Some agricultural employers show little interest in productivity since their piece rate costs are the same no matter how fast or slow the workers are. Yet productivity differences can mean big differences in worker income and big differences in the attractiveness of the job. In the same crew, there could be as much as a 400 percent difference in productivity. This situation offers concerned employers the opportunity to examine productivity differences and institute job redesign and training to enhance productivity

among the less productive.

Productivity also varies considerable from farm to farm due to management practices. For example, some managers are able to keep downtimes to a minimum, while the workforces on other farms always seem to face stoppages in the flow of work (which the workers often are forced to bear at their own expense). Firms with higher productivity require fewer workers.

Absenteeism - Some agricultural employers accept massive worker absenteeism as a fact of life and simply overstaff their crews by as much as 25 percent to adjust to it. Such overstaffing is often unnecessary and creates inefficiencies in labor management practices.

Other agricultural employers have been able to discern causes of employee absenteeism and to install practices and programs to keep it to a minimal level. Employers who formerly experienced absentee rates in excess of 20 percent have been able to reduce the rate to less than 5 percent. Firms with lower rates of absenteeism require fewer workers.

Compensation - The conventional image of farmworker pay is the minimum wage with no fringe benefits; yet some agricultural employers have been able to pay considerably above that. For example, lettuce harvesters in the Salinas area earn in the neighborhood of \$10 to \$12 per hour and often average \$20,000 per year plus a full range of fringe benefits.

Upgrading Opportunities - In some firms, almost all the supervisory staff and all the better paid equipment operators are hired directly whereas the harvesters have little prospect for advancement. This situation can be a source of tension within the workforce.

Other agricultural employers have been able to implement measures to select, train and promote the better workers within their harvest labor force. In certain firms, all employees including supervisory staff and computer programmers are former

harvesters. These firms place emphasis on developing and conserving their human resources over time rather than just using them in the short run. As technological change comes to the agricultural workplace, many of these workers are able to change with it.

While "harvest of shame" conditions have received widespread publicity, relatively little attention has been given to progressive labor management practices that exist in agriculture. The results of a recent series of case studies of existing practices made for USDA are illuminating.

A Pennsylvania apple grower has shown that it is possible to develop a skilled, dependable harvest work force that can be counted on to return each year. This employer's returning workers are significantly more productive, so fewer workers are needed. And the workers, in turn, have dependable remunerative employment, earning an average of more than \$7 per hour plus fringe benefits during the 1982 season. Even more impressive, this grower is located in an area where most of his neighbors find they have to go outside the U.S. to find workers. And he is able to accomplish this while paying a piece rate per bushel that is competitive for the area.

A vegetable grower in Florida has shown that through careful planning it is possible to offer steady and remunerative employment through the harvest season. His workers have responded by providing a reliable labor supply with little turnover during the season and a high return rate from season to season. The same firm spent more than \$2 million on a model seasonal agricultural housing village. The employer's experience demonstrated that the workers responded with higher productivity and even lower absenteeism and turnover than the already good record of his regular workers.

An association of vegetable processors in Wisconsin, facing serious

shortages of skilled labor, established a training program to upgrade seasonal field workers into skilled year-round cannery maintenance mechanics.

A California lemon harvesting cooperative has had 20 years experience with upgraded labor management practices. In the early 1960's, this association hired a professional personnel manager to manage the labor force on a systematic basis. The results have been impressive:

- Worker productivity more than doubled from 4 boxes per hour to 8½ boxes per hour
- Inseason turnover declined and season to season return rates improved
- Fewer workers were needed (the number of workers require to produce an equivalent output declined by 80% from 1965 to 1982)
- No labor shortages have been experienced (though other growers in the area have experienced them)
- Elimination of hassles from the Border Patrol (By strict Association policy, no undocumented workers are utilized; they are simply not needed.)
- Average hourly earnings rose to \$6.54 in 1982 with a full fringe benefit package
- Opportunities for promotions became available to harvesters so that now virtually everyone on staff is a former picker

Adjustment to the New Realities

As we have seen, contrary to conventional wisdom, hired labor is an important ingredient of production in American agriculture. Declines in the numbers of hired workers have recently stabilized and the proportion of agricultural work performed by hired labor is growing.

Rising expectations of American workers, increased competition from nonagricultural employers and perhaps most of all, prospects for change in American immigration policy, all call into question the continued availability of large supplies of workers for labor intensive agriculture. Moreover, many of the exemptions and exclusions traditionally granted to agriculture in American labor laws have been eliminated. Prospects for future change appear to be in the direction of closing the gap between farm and nonfarm employment--or even providing greater protection for farmworkers.

All of these factors portend major adjustments in the practices of certain segments of American agriculture. Agricultural labor management can no longer be ignored as a part of agricultural production. Under the new realities, the ability of farm employers to recruit and retain workers will be directly related to their ability to make the jobs attractive. This means structuring work to make upgrading and career opportunities available to agricultural workers. It means providing skill training to workers. It means increasing productivity, improving labor utilization, and extending the duration of employment so that worker incomes can be improved. It also means conducting research on harvest aids which improve the work environment as well as increase productivity.

The new realities also call for greater attention to job matching mechanisms and labor market intermediaries in agricultural labor markets. The public employment service must be improved both for workers and for employers. Some farmers may have to join in cooperative ventures to be able to offer extended employment to workers (as they did under the Bracero program).

Adjustment will not be easy but there is reason for optimism. Indeed the seeds of change already have been sown by innovative and progressive farm employers who have stabilized their employment, pieced together seasonal work into year-round jobs (where possible) and who generally have paid systematic attention to labor management practices. It is on the efforts of such agricultural employers that the future can be built.

A Role for Cooperative Extension

The existing diversity of labor management practices offers an ideal setting for Cooperative Extension to begin programs in the human resource management area. In a sense, innovative farm employers have begun to demonstrate what is possible. Cooperative Extension needs to document these alternative practices, showing what was done, with what results and at what cost. This information then can be extended to other agricultural employers. In addition, there is available a rich source of research on personnel management in other industries which may be adapted and applied to agriculture.

Pilot programs of applied research and education on agricultural personnel management recently have begun in Cooperative Extension in California and Florida. These programs aim to improve the image and nature of agricultural employment through educating employers in modern personnel management practices and through offering diversified skill training to workers.

The outcome of this activity will be fewer jobs but better and more stable jobs for a professional core of farmworkers and a more viable long run future for agriculture in America now dependent on illegal foreign labor.