

The US Farm Labor Market in Selected States: 1990-91

The Commission on Agricultural Workers (CAW) held nine hearings around the United States in 1990-91 to examine the effects of the Immigration Reform and Control Act of 1986 on farm workers, farm employers, and farm labor markets.

Philip Martin was one of 11 Commissioners, and these notes are his summaries of testimony presented to the CAW. The CAW published its Final Report in 1992, and two volumes of supplementary materials, one that includes research commissioned by the CAW, and one that includes the transcripts of the hearings summarized below.

The summaries below are those of Martin, not the CAW.

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1. HILLSBORO, OREGON, JULY 20-21, 1990.

Demand for Farm Labor. There has been a significant increase in labor-intensive agricultural production in the northwestern states during the 1980s; the 25 percent increase in Washington apple acreage between 1985 and 1989 stands out. One possible exception is Oregon strawberries, where acreage has declined between 1987 and 1989, but here it is hard to disentangle low prices (28¢/lb. in 1988, versus a reported 20 to 22¢/lb. total picking costs) from labor concerns. If Oregon strawberry acreage jumps in 1991 in response to the 1990 price of 45¢/lb., then the pattern of expanded production of labor-intensive commodities in the Northwest since IRCA will be generally valid. Most testimony implies that even perennial crops are being planted with the assumption that harvest labor will be available in 5 years to harvest them at current wages and with no additional housing or benefits for the workers who will be needed to pick them.

Farmworkers. Especially in Oregon, the work force has changed during the 1980s. In the early 1980s, the harvest work force included a significant share of local teens and Texas- and California-based US citizens migrants. Today, most harvest workers are immigrants. This means that, during the 1980s, housing became of more concern because: (1) the demand for labor was stable or increased and (2) the work force became more migrant. Oregon strawberry growers responded to these labor supply shifts by providing more housing; Yakima apple

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growers did not.

The northwestern states of Oregon, Washington, and Idaho hire a peak 150,000 to 170,000 farmworkers. No one knows what the domestic supply might be or how effective the Employment Service(ES) might be as labor intermediary under normal labor market conditions it was noted frequently that conditions are not normal with so many illegals in the area. Housing is required to get workers through the interstate clearance system; but trying to recruit US workers in, e.g., Texas for Idaho employers who have requested H-2A workers is difficult because the workers (and Texas ES) do not believe that these job orders are "real."

Today the work force is primarily foreign-born, and the local Hispanic communities with which these migrants interact are relatively small in Oregon, larger in Yakima. This migrant work force is diverse: some are Texas and California-based migrants who come north for the housing in Oregon and the end-of-season work in Yakima. However, the major grower fear - at least in Oregon - is that growers no longer know who the workers are, and they fear that FLC control of workers could bring about a situation in which there are suddenly no workers.

Oregon growers have convinced themselves that, at current piecerates, workers who average a little more than minimum wage are satisfied with the wages and the intermittent work, but they acknowledge the lack of housing. Thus, instead of raising wages, forming labor exchanges or some other centralized system to allocate seasonal workers, or providing benefits to attract and retain workers, they urged the federal government to: (1) help them to provide housing for seasonal workers and (2) provide a flexible and easy access guestworker program in case the current system does not deliver workers as needed.

Problems. Growers fear there won't be sufficient workers at some future time because they simply don't know very much about their current workers. Experience tells them that housing attracts workers to the area, but they appear to believe that raising wages within the season simply moves workers from farm to farm, hence they offer \$20 to \$30 cash bonuses to workers in other farmers' camps instead of raising piecerates.

Could American workers be brought to the Northwest through the ES interstate clearance system? DOL describes the requirements as: (1) employer-provided free housing and (2) employer offers of at least prevailing wages and conditions. Both Oregon and Washington employers report that ES recruitment: (1) has had only limited success in getting workers and (2) subjects them to legal challenges, as when a worker shows up, finds the work or housing not as described, and sues the employer. Given the large supply of "documented illegals," neither workers nor employers has much incentive to use the ES system to try to recruit workers in other states. Furthermore, with rumors that employers have been able to sometimes manipulate the system to discourage domestic migrants from taking or keeping jobs(Idaho), there is widespread distrust and little enthusiasm within ES to recruit in e.g. Texas for Idaho.

Since H-2A requires employers seeking legal foreign workers to first attempt to recruit US workers through the ES interstate clearance system, H-2A is allegedly unworkable for northwestern employers. Employer frustration arises from the fact that : (1) growers know there are "documented illegals" available, who carry only a minimal risk of harvest-time apprehension, (2) these "documented illegals" could be legal H-2A's, but (3) to make them H-2A's means ES interstate clearance, which might result in domestic workers showing up for the jobs that the employer really wants to give to foreigners as well as possible litigation. Farmworker advocates say: (1) there are local workers - look at the Washington application for

1,000 H-2A's in 1989 that produced responses from 1,200 local workers and (2) employers prefer the illegals or H-2A's, so they see the domestic workers who respond to ES recruitment as an "obstacle" to getting the foreign workers they really want.

The most common worker documentation provided by workers to satisfy INS I-9 requirements was reported to be I-551's and social security cards. Furthermore, it was reported that if an alien is going to buy documentation, he prefers to buy permanent work authorization. The INS sometimes apprehends aliens, completes the voluntary departure paperwork on them, and then returns them to their temporary farm housing with instructions to leave the United States within 10 to 30 days. Farmers allege that this places them in a catch-22 situation; the alien may have no money to buy a bus ticket to depart, and yet is not authorized to work to earn money (unless he buys new documents). INS defended this policy by saying it has limited resources to pay for the transportation of aliens it apprehends to the border from the northwest.

Since "documented illegals" are 20 to 50 percent of the farm work force today, there is little prospect that farmers will move toward a centralized worker and job matching system such as interstate clearance or H-2A which would guarantee employers a work force at the expense of wage and housing guarantees for workers and possible litigation. Indeed, instead of investing in housing or other worker benefits to assure themselves a supply of labor, growers seem more inclined to invest in the political system for an insurance supply of easy-access foreign workers.

The parties closest to the agricultural labor market in the Northwest do not seem likely to resolve their differences. Growers want an easy access foreign worker program; worker advocates say there are or would be enough local workers, especially at slightly higher wages. In Oregon, a reduced acreage - brought about by higher wages, low prices, and labor supply uncertainty - might reduce the demand for labor enough to bring the area's farm labor housing supply and demand into better balance. In Washington, it appears that apple growers have undertaken an expansion of acreage and simply assumed that seasonal workers would be available when needed. Washington is developing local farmworker communities, which can swell with friends and relatives at harvest time, but Washington growers appear to be similar to California growers in making decisions to expand production and simply assuming that the harvest work force will be available when it is needed.

2. Visalia, California, August 23-24, 1990 and August 1991 Update.

California includes at least 25 percent of the nation's Migrant and Seasonal Farmworkers(MSFWs), and 52 percent or 668,000 of the 1,273,000 Special Agricultural workers(SAW) applicants applied in the state. In FY 1985, California's Employment Development Department(EDD) registered over 900,000 workers, including 32,320 or 3.6 percent MSFWs who came to the ES seeking help to find a job or other services; 15,000 or almost half of these MSFWs registered with the ES were placed in jobs. In FY 1989, California EDD registered 857,000 workers, including 46,485 MSFWs, and placed 27,150 MSFWs in jobs. MSFWs represent about 5 percent of California's annual ES placements, and half or more of the MSFWs who register typically get placed in jobs. However, it was noted that some ES local offices are reluctant to register MSFWs if they cannot find jobs for them.

EDD-related complaints quadrupled from 93 in FY 85 to 376 in FY 1989. Only one-third of the FY 1989 complaints related to EDD or to an employer to whom EDD referred workers; two-thirds of the complaints received by EDD were not ES related. California EDD has 39 ABR

Personnel Equivalents (PE's) and 20 full-year PE outreach workers; some ABRs are also outreach workers. California EDD began on June 1, 1987 to offer California employers the only no-fee I-9 employee verification service in the state, and in one month EDD certified and referred about 40,000 applicants. The California Legislature then prohibited EDD from expending monies to complete I-9 forms for the workers it referred to employers.

IRCA appropriated \$10 million annually to DOL to administer the increased activities expected as employers sought foreign workers under the H-2A program. This upsurge in employer applications for H-2A workers has not materialized in California as expected, so these labor certification funds have been used by California and other states for collecting and reporting a variety of farm labor data. However, the quality of these data varies, and there is not always appropriate coordination between ES staff involved in these activities.

One problem is that ES farm staff often have multiple duties. In California, one person in farmworker-oriented ES offices may make placements with regular ES funds, do agricultural reporting and have part of his/her salary paid with labor certification monies, and then do outreach among farmworkers with outreach funds. Placement activities "count" in the ES system only if an employer places a job order. The ES then verifies that the job satisfies federal and state laws, and the ES can refer a worker to the job. If an ES person simply tells workers that a certain employer is hiring, and they go to the employer and are hired, ES gets no placement credit because there is no registration of the MSFW in the ES office and the employer job order is not registered with the ES.

There were three themes running through the California testimony. First, SAWs plus documented illegals have produced an oversupply of workers. Second, SAW and IRCA generally have not changed employer behavior-- except that most employers complete I-9's--or pushed up worker wages, increased union activities, or affected US competitiveness. Third, SAW plus IRCA may have contributed to more grower reliance on labor contractors and other intermediaries.

Specifically, the minimum wage and not SAW is the primary reason for most of the increased wages that were reported. Unions continued their decline after IRCA--there are now more unions and self-help worker organizations--perhaps 12--but fewer workers under union contract--perhaps 10,000-- than at any time since the early 1970s. SAW fraud and the spread of work-authorizing documents and the spread of information in Mexico about how to obtain a US job may have contributed to post-IRCA illegal immigration, which has helped to generate an oversupply of workers. Most genuine rural SAWs are not leaving agriculture, and the SAW program plus sanctions have not decreased the farm labor supply, but continued illegal immigration (non-enforcement) may have contributed to the current oversupply of workers.

A considerable fraction of all persons employed in agriculture work less than 10 to 12 months per year, and many work in field harvesting for only 8 to 10 years. There is a current oversupply of farmworkers, although 20 to 50 percent of the current work force may be "documented illegals." Most seasonal workers find employment during 20 to 30 weeks each year and earn \$3,000 to \$5,000--they are usually available for and seeking work 40 or more weeks. Employer labor-management techniques vary widely, but most employment arrangements are handled informally through an intermediary FLC or foreman. There are considerable geographic variations in farm labor markets that are not well documented. Finally, since SAW has not so far affected labor costs, it has probably not affected the competitive position of US crops.

The testimony indicated that (1) there was a post-IRCA expansion of labor intensive agriculture despite growers' labor-shortage concerns; (2) growers want a post-RAW or after September 1993 and non-H2A foreign worker insurance program, but they have not considered how to design such a program so that the expansion of acreage which did not consider workers or housing would stop; and (3) that there are very different employment practices in the same commodity.

One recurring topic was FLCs. Since IRCA, labor contractors and Raitero van drivers have "taken over" seasonal harvests with crews of illegal young men, and they compete with each other for harvesting jobs by offering to supply a crew for the going wage plus an unrealistically low commission of perhaps 30 percent, and then they make a profit by cheating the government (not reporting all of the payroll to avoid payroll taxes) or cheating the workers by not paying full wages or charging them for housing or rides. It seems that more workers are settling in the United States, that they want to bring their families with them, so that (1) family housing, schools, and other integration-into-the United States issues will loom large in rural America in the 1990s, and (2) there is little evidence that a temporary worker program can be recommended on the basis that most immigrant farmworkers "want" to be sojourners and not settlers in the United States.

Many employers helped their illegal alien workers to become SAWs, but some decided that completing I-9's and the potential exposure to INS paperwork enforcement justified switching to farm labor contractors (FLCs). FLCs are apparently readily available at about the same cost as hiring workers directly; in addition to the gross hourly or piecerate wage paid to the worker, the farmer or FLC should pay about 7.6 percent of gross wages for social security taxes; usually 5 to 5.4 percent for unemployment insurance; and 8 to 18 percent for workers compensation, or 21 to 31 percent in mandatory payroll taxes. Employers may also incur clerical costs to complete I-9's, maintain records, and issue checks (commercial firms do this for 2 to 3 percent of the gross payroll) as well as costs for any additional employee benefits, housing, transportation, or supervision, so if FLC's are available for the going wage plus a 26 to 33 percent commission, it is economically rational for growers to turn to FLCs, as many apparently have.

The switch to FLCs puts the farm labor market further out of government influence or control. FLCs and Raiteros (R) (driver-foremen) may be responsible for 70 to 80 percent of the seasonal employment in some commodities, meaning that direct hiring by employers has become the exception, not the rule. The FLC/R system thrives by hiring often documented illegal workers at piecerate wages that haven't changed much during the 1980s, charging such a low overhead to employers that employers have no incentive to hire workers directly, and then making money by cheating the government or charging the workers for transportation, housing, food, etc.

FLCs reported privately that they make, at most, 3 to 5 percent on "straight" contracting. Their profits are in two areas: underreporting wages to underpay payroll taxes and charging for services to workers. One FLC estimated to me that most FLCs report only about two-thirds of their wages and employment for, e.g., UI taxes, so that on a \$300,000 payroll, the FLC may net 5 percent on the \$200,000 reported (\$10,000) plus 20 percent on the \$100,000 not reported, for an overall profit margin of about 10 percent of the total payroll. In addition, the FLC can charge going rates for transportation (\$3 to \$4 per day), housing (\$3 daily without food; \$8 to \$10 with food); and perhaps also for check cashing, etc.

Growers and workers testified about bad FLCs and FLC abuses, but there seemed to be few

ideas for effectively regulating them. Growers opposed strict joint liability with FLCs. FLCs historically thrived by employing recent immigrants whom they understood well enough to prevent most worker complaints from being registered, and FLCs today seem to be no exception.

Growers expressed concerns about "spot" labor shortages, and asserted that IRCA is the most significant labor legislation affecting California agriculture in the 1980s, but this grower concern has not led to widespread efforts to retain newly legalized SAWs with higher wages, new benefits, or housing. Most of the employers who were wage and benefit leaders before IRCA are still paying more than average, but middle and lower wage employers have not joined them to level the playing field. Instead, there was more testimony about "good" employers dropping worker benefits such as health insurance or no longer providing housing because the costs of such benefits increased and, with workers in oversupply, it made no sense to continue offering them.

Growers requested some type of guestworker insurance program in addition to H-2A beyond the RAW program, but offered no suggestions for linking such a future alien worker program to mechanisms which would actually encourage growers to modify their employment practices. Most fruits and vegetables must be transported, packed, or processed, and there was a remarkable lacuna in explaining why these associated nonfarm labor markets which are subject to almost the same unpredictable weather as the field labor markets did not need a SAW program and do not need an alien worker insurance program.

The farm work force is a full-time work force in the sense that workers are available six or seven days each week and for long hours on each day. This availability and piecemeal wages mean that there is little incentive to organize work so workers can maximize their earnings. Waits at the field before, during, and after work are common. This makes calculating hourly earnings difficult, e.g., a crew of five can pick two gondolas or 2 tons of winegrapes at \$15 in one hour, implying \$6 hourly [\$150/30 hours], but the workers may be available at 8:00 a.m., start at 9:00 a.m., are told to stop at 2:00 p.m., and then don't leave the field until 3:00 p.m. If the two hour wait is added to the five working hours, each crew member earns only \$3.75 [\$150/40 hours]. In addition, most farmworkers hired through FLCs and Raiteros have commuting time to the field.

Workers spoke of low wages, poor working conditions, pesticides, FLC abuse, and problems of finding housing and dealing with the INS. Workers were quite eloquent in describing their problems. The family fairness issue is especially daunting, given that over 80 percent of the SAWs are men, over 40 percent are married, but most worked in the United States without their families in 1985-86. Now that they are legal, and given conditions in Mexico, many want to settle here despite the housing, etc., problems, but they can't unify their families in the United States legally.

Workers seemed remarkably imprecise about wages, days worked, etc. Some of this may have been due to the formal setting, but it does raise questions about the reliability of retrospective work histories. Many workers during the season are essentially available "full-time," even though they may get work only two or three days each week and sometimes for only three to five hours. Theoretically, a centralized computer system that included all seasonal jobs and workers could eliminate some of this lost time by allocating workers on a daily basis, but the decentralized FLC-Raitero direct hire system in place seems to promote private "hoarding" of crews. The few examples of sharing workers acknowledged that if sharing resulted in the primary employer's work being delayed a day or two, it would not be

welcomed.

The August 1990 hearing in Visalia heard that a continued influx of "documented illegals" had depressed wages and earnings and encouraged farmers to turn more hiring over to the proliferating number of FLCs, many of whom offered to recruit, I-9, transport, train, supervise, and pay workers for commissions or overheads of 25 to 33 percent of the worker's base wage (e.g., \$4.25), or about what a farmer would have to pay himself just for payroll taxes and worker compensation. Even "good employers" acknowledged that they were offering fewer seasonal workers optional benefits such as family health insurance, and that they were turning more employment over to FLCs.

An August 1991 return visit indicates that these 1990 trends persist. There are plenty of workers, even more FLCs, Raiteros (rural taxis) and other FLC-type job matchers, and continued deteriorating conditions for workers. The labor force is larger than usual in the summer of 1991; some say because of a December 1990 freeze which allegedly made 15,000 mostly citrus workers unemployed and a drought which reduced the acreage planted in cotton, rice, wheat, and other field crops by an estimated 500,000 acres.

[It should be noted that employment data do not support these estimates of lower employment, e.g., in December 1990 EDD's CES-agriculture survey estimated that there were 2,800 citrus production workers on citrus farm payrolls for the pay period which included the 12th of December, and an additional 34,800 production employees of FLCs. In January 1991, San Joaquin Valley citrus production employment fell by 900 to 1,900, and FLC employment fell by 3000 to 31,900. In February 1991, there were still 1,900 directly-hired citrus worker, but only 25,700 FLC workers. Even if all of these December to February declines were attributed to the freeze/drought, then employment fell from 37,600 to 27,600 or 10,000.]

Hourly wages in the San Joaquin Valley remain at the \$4.25 to \$4.50 levels established on July 1, 1988, when California's minimum wage went from \$3.35 to \$4.25. Piecerates are also stable; in at least one instance, a FLC attempted to substitute a bigger bucket for the 5-gallon bucket into which mature green tomatoes are picked for the same 45¢ per bucket piecerate, but a short strike restored the old bucket. Local observers reported a variety of abuses, including lining up workers, separating them by legal status, and then hiring only documented illegals who, e.g., don't ask about the piecerate or payday ("workers who asked questions don't get hired").

Several issues stand out, including the severe shortage of affordable housing, uncompensated waiting time, and the integration of settled SAW workers with their mostly illegal families. Several more employer-owned camps have disappeared, and workers talk of having to pay \$80 to \$100 monthly to share a private house with 5 to 15 other workers, and then also pay \$80 monthly for rides to the fields. This means that workers who do find, say, 200 hours of work at \$5 hourly have their \$1000 peak season monthly earnings reduced by 16 percent just because there is less on-farm housing available for them. The disappearance of low-cost rural housing would likely threaten the availability of workers willing to work seasonally at current wages if there was not a continued influx of "documented illegals."

A perennial issue in farm labor markets is waiting time. Farmers want to have a crew of workers on standby so that, when conditions are optimal, the work can begin. Workers are not paid for their standby time; as free or low-cost on-farm housing disappears, the cost of this standby time to workers increases because they must wait far from their housing. Employers have been able to get workers to wait until work is ready to begin (1) without compensation

and (2) even though the workers live in off-the-farm housing because of the oversupply of workers. In 2 cases, 4 or 5 tomato pickers who were not hired had to wait at the field until their friends who were hired finished picking because the friend or foreman who drove them there was working.

Integration refers to the settlement of previously solo male migrant workers and the demands they and their families make on schools, health care, and social services. There appear to be fewer-and-fewer follow-the-crop migrant families; families with seniority rights to public camps still come to the San Joaquin Valley, but they stay put once they arrive. Instead of following the crops, they tend to commute long distances to jobs because of the usual absence of any other affordable family housing if they moved closer to a 2nd or 3rd job. Many local families are also avoiding agricultural jobs; working conditions have declined with FLCs; seasonality has increased, so there are fewer hours of work available for the typical worker; and changing attitudes as well as, e.g., youth programs encouraged settled families and teens avoid seasonal farm work, especially when they can make money "servicing" newly arrived solo men from Mexico by e.g. providing them with housing, rides, or check cashing services.

Legalization, the freeze, and regulatory changes have introduced an increasingly large group of farmworker families to social services just as federal and state government programs are cutting back assistance (but often mandating that the service continue to be provided by the city or county). California's realignment program, which turns back to local areas both the mandate to provide the service and the taxing power to raise monies for services, does not help rural areas much because their revenue sources do not rise much with the settlement of farmworker families that earn \$4000 to \$8000. Property and sales tax increases have not kept pace with welfare-related costs.

California provides an AFDC grant of \$694 monthly (\$663 after September 1, 1991) throughout the state. About one-sixth of the Fresno county population receives welfare, and one-quarter receive some form of public assistance. Between March 1988 and March 1990, the AFDC caseload increased in the San Joaquin Valley by two or three times the population increase, a trend attributed by AFDC administrators to economic problems in the San Joaquin Valley and the migration of AFDC recipients from higher-cost coastal countries to the San Joaquin Valley.

Once in the San Joaquin Valley, persons on AFDC tend to stay on welfare, since the usual package of AFDC, Food Stamps, and Medi-Cal provides more money and more security than an often seasonal farm job without benefits that pays \$5 hourly. According to one person, 80 percent of the new AFDC cases in Los Angeles county are the US-born children of illegal immigrants; since the US-citizen born child is eligible, then the single mothers are eligible for AFDC.

3. Raleigh, North Carolina, September 28-29, 1990.

North Carolina has 77 ES offices, with 32 in rural areas, of which 14 have significant farm labor activity. There are 33 ABRs (Rural Manpower representatives) and 13 seasonal outreach workers (p. 102 of the hearing transcript).

North Carolina between June 1989 and June 1990 placed 154,000 persons in jobs, including 15,200 individuals, or 10 percent in agricultural jobs (p. 103). There were 33,000 agricultural transactions or placements (one person could be placed in two or more farm jobs), and 27,000 involved MSFWs.

North Carolina attracts interstate migrants from Florida and Texas and tries to track them with its Automated Migrant Working Itinerary System (AMWITS). In 1990, North Carolina had 64 employers applying for 1,216 H-2A workers (p. 106). However, it was also reported that, in 1990, 110 growers were using H-2A workers, usually 6 to 10 each (p. 111).

North Carolina had an estimated 209,000 peak agricultural workers in 1980 and 142,000 in 1990, but the number and percentage of migrants increased—28,300 migrants were 14 percent of all farmworkers in 1980, while 29,400 were 21 percent of all farmworkers in 1990 (p. 108).

All housing for North Carolina migrants must be registered under a 1989 North Carolina law. In 1990, there were 1,500 growers registered, and 880 had approved certificates to house 16,400 migrants (p. 111). However, funding for inspections was eliminated in the 1990-91 budget. (Emmrich, Manford, "Testimony before CAW," Raleigh, North Carolina, September 29, 1990.)

North Carolina has over 50,000 farms, and at least half hire some labor. A recurring theme was that since tobacco quotas are small and hard to transfer, most tobacco farms are small employers with 4 to 12 workers. Farms with 10 to 25 acres of tobacco traditionally planted a vegetable—often cucumbers—to provide summer employment for hired workers between the April-May tobacco planting and August-September tobacco harvesting. In addition, tobacco farms often plant field crops such as soybeans and wheat to rotate with tobacco.

The seasonal nature of the demand (need) for labor was emphasized repeatedly; apparently North Carolina gets 25,000 to 35,000 migrants, and houses them—usually without charge—in 1,000 or more on-farm labor camps. Since North Carolina growers switched from a local to a migrant work force only in the 1970s, they usually provide this housing free of charge to attract the migrants.

There was conflicting testimony on whether seasonality has increased or decreased in the 1980s, but increased seasonality seems probable because of larger and more specialized farms. Local workers seem to have been pushed out of farm work by what they perceived to be worsening jobs—they had to shift between employers—as well as the pull of nonfarm jobs. All observers agree that the transition to Hispanic migrant workers was strongest near urban areas where the pull of nonfarm jobs is presumably strongest.

There are year-round, seasonal, and migratory workers employed in North Carolina agriculture. About 80 to 90 percent of the migrant work force is Hispanic, and the migrant work force began this transition from local and Florida-based Blacks and Whites during the mid- to late-1970s. This ethnic shift accelerated in the 1980s. According to most evidence, the Hispanic percentage of the work force has continued to increase since IRCA, and is today 60 to 70 percent of the peak seasonal work force.

The legal status of these Hispanic migrant workers is unclear. Most evidence suggests that 30 to 50 percent are "documented illegals"—similar to the California percentages. There has been little INS enforcement in North Carolina.

The evidence on SAW mobility was mixed. Worker advocates reported that a lack of English kept most SAWs in agriculture, although some SAWs have reportedly shifted from seasonal tobacco to year-round poultry jobs. Employers reported a considerable number of SAW exits, but their evidence was mostly the non-return of SAWs to their own farm, not their exit from

agriculture. There were fewer than 10,000 SAW applications in North Carolina, although some of the 120,000 Florida SAWs probably had done some North Carolina SAS work.

There are 1,000 H-2A workers in North Carolina, and these 4 percent of the migrants were the focus of perhaps half the testimony. The worker advocates were uniformly anti-H2A, citing grower preferences for guaranteed and vulnerable H-2A workers as a factor pushing local and US workers out of farm jobs. Worker advocates complained that the ES "conspired" with employers to certify the use of H-2A workers and then to discourage US workers from applying for H-2A jobs.

Employers complained that applying for H-2As invited close government scrutiny of their wage records. According to employers, trumped up housing complaints from local workers led to lawsuits and complaints that the H-2A workers' contracts were being violated. Several employers argued that the 50 percent rule should be eliminated—the rule that US workers must continue to be hired if they show up for work before 50 percent of the H-2A contract period is completed—because the growers "know" that the domestic workers hired after H-2As arrive will not stay. If the domestic workers leave after the H-2A workers have returned home, then the employer must once again pay transportation costs to get them back.

There seemed to be bi-modal employer knowledge of who farmworkers were: employers either knew the migrant workers on a first name basis, or they had no idea who the workers were. Small tobacco growers often worked with the four to 10 harvest workers they hired without help from a bilingual intermediary and housed them on the farm in a mobile home or an old farmhouse. These employers seemed to know the workers best. Larger operators—those with 500 to 1,000 workers housed in a variety of labor camps—were most likely to rely on crew leaders to recruit and supervise workers.

Recruitment practices vary. Many smaller growers apparently rely on crew leaders or "coyotes" to bring workers to the area; some growers maintain contact with particular crew leaders or workers; and some use H-2A workers. The role of the ES is unclear; some ES offices help employers to complete I-9 forms for migrant workers, but most ES offices do not have Spanish-speaking staff and thus cannot communicate with migrant workers. The work force seems to have changed faster than ES. ES wants to help employers find workers, but it has few local workers to provide and has a limited ability to deal with non-English speaking workers. It is not clear how ES handles its outreach-to-workers responsibilities.

Hourly wages prevail in tobacco, and piecerates in vegetables. Hourly wages tend to be \$3.80 (minimum) to \$4.00; the AEW for North Carolina is \$4.33. Hourly wages have been rising, and the federal minimum will rise to \$4.25 in April 1991. Most wage increases are due to the minimum wage increasing, not to IRCA. Piecerate wages appear to have been stable (\$.35 for a 5/8 bushel of sweet potatoes \$.30 to \$.40 per bucket for cucumbers) during the past few years, although hourly earnings might have been expected to rise even if piecerates remained constant because single men replaced a more diverse work force.

Hours and earnings for the April through September North Carolina stay of migrants were not reported; nor was the role of North Carolina earnings in a typical migrant's annual income. North Carolina's attraction for migrant workers appears to be its provision of free housing for fairly continuous May through September employment.

North Carolina agriculture has a growing dependence on single Mexican men who earn about the minimum wage. Most receive free housing, so many growers could switch to H-2A if the

supply of documented illegals dries up.

Prospective needs for labor vary by commodity. In tobacco, quota rules fix production in the central area of North Carolina, which has smaller acreages that use more family labor (and 4 to 10 migrants each). If quota rules were relaxed to permit transfers across county lines, tobacco production would probably shift to larger acreages in E. North Carolina, where the dependence on hired workers is greater but mechanization is also more feasible (mechanization has been slowed by strict government limits on quota sales and transfers which encourage high quality hand-picked leaves). If tobacco production shifted to E. North Carolina, many of the Piedmont area's 4 to 10 worker employers would probably rent their quota for \$.30 to \$.35 per pound, getting, e.g., \$15,000 for a 50,000 pound quota, and then plant field crops and work in local factories.

The vegetable labor outlook is unclear. Acreage was stable at about 55,000 acres during the 1980s. There seem to be a few very large and many small producers. In a few cases, large vegetable grower-packer-brokers have taken the lead in standardizing and upgrading the labor market in order to assure themselves a steady flow of the commodity to be packed and sold.

Southern Virginia also grows tobacco and vegetables. Tobacco requires 80 to 90 man-hours per acre to harvest—leaves are pulled or primed from the bottom to the top of the plant four or five times during the August-September harvest, stuffed into a metal rack about 2 feet by 6 feet, and then the racks are put into bulk barns to be dried or cured for about one week using gas-fired heaters. Farmers get 2,000 to 3,000 pounds of dried tobacco per acre, or enough tobacco to fill one barn. Most farms are small and use small labor crews: with 40 to 100 acres, crews are four to ten workers each.

Tobacco growers must buy quota rights at 25¢/pound and can transfer them only within a county and only if they have new multi-year lease arrangements. The government support price is about \$1.50 to \$1.60 per pound (current market price is \$1.75), so tobacco yields a gross revenue of \$3,500 to \$5,000 per acre. Dried tobacco leaves are taken from the barns, tied into burlap bags that weigh 200 to 300 pounds, and sold (for a 2¢ to 3¢ per pound fee) at auction houses through which four or five buyers bid for and buy bags about as fast as they can walk.

Until the late 1970s or early 1980s, the harvest labor force included mostly the farmer's family and relatives, teenagers, and local Blacks and Whites who lived, often rent-free, as semi-year round farmworkers in tenant and other housing on farms. Labor was recruited by the farmer contacting workers and asking them to help him; wages were apparently the minimum. As manufacturing and services employment expanded, good local workers became unavailable, and the harvest labor vacuum was filled by the accidental luring of a Mexican FLC and his crew and the subsequent expansion of worker networks. Unlike California, most tobacco farmers do not hire foremen; they communicate as best they can with their four to ten Mexican workers.

S. Va. has about 2,000 H-2A workers from Mexico, earning in 1990 the \$4.33 AEW (tobacco harvesting is mostly done on hourly wages). The total cost of hiring H-2A workers is about \$6.00 hourly (1) round trip transportation is about \$500, and the H-2A's average about 500 hours of work, adding \$1.00 per hour; (2) free housing for ten weeks may cost another 50¢ to \$1.00 per hour; and (3) growers must pay a fee to the employer association which handles their paperwork.

North Carolina tobacco growers used Mexican workers, but not H-2As in 1989. These growers apparently have housing that could be approved for H-2A, but in the Henderson, N.C. area, the 300 or so employers with a peak 1,500 workers have instead relied on FLCs and coyotes to bring Mexican workers to the area. The ES plays a significant role in verifying I-9 documents and placing these workers 3 or 6 at a time with local employers. Some Mexican workers are beginning to settle in the area, and some have gone to work year-round in local manufacturing plants. Henderson-area tobacco growers provide free housing and most paid \$4.00 per hour in 1990.

Tobacco production raises several issues: (1) government programs provide price stability and a high gross income per acre; growers are really quite attached to tobacco; and (2) tobacco is not as perishable as, e.g., vegetables, making it preferred to them as a commodity to be grown. The tobacco labor market seems to be stable there is enough housing so that growers could go H-2A if they had to. Mechanization is apparently difficult for tobacco grown on rolling hills, but no one had considered what might happen if quotas could be shifted across county and state lines tobacco acreage would then probably shift to N.C.'s flat coastal plains where machines do work well.

4. Coachella, Ca December 5-7, 1990.

Southern California desert agriculture is unique. The Imperial Valley is a 100 mile below sea-level trench of 600,000 acres irrigated by cheap (\$8 to \$10 per acre foot) Colorado River water. The smaller Coachella Valley in eastern Riverside county begins about 1 to 1-1/2 hours north of the Mexican border in Calexico and has perhaps 150,000 acres.

The irrigated agriculture of both valleys devotes most of its acreage to mechanized field crops such as alfalfa hay, wheat, sugar beets, and cotton, but the acreage and value of labor-intensive fruit, vegetable, and nursery (FVN) products rose during the 1980s, so that e.g. one-half of Imperial County's \$1 billion in agriculture sales is from FVN products, even though they account for only one-fourth of the acreage.

In the 6-counties of Southern California, the value of agricultural production rose by about \$1 billion in the 1980s to \$4 billion, even though acreage fell by 100,000 to about 1 million, but these shifts reflect a 150,000 acre drop in field crops offset by a 50,000 increase in FVN acreage. Clearly, the (un)availability of labor did not reverse the expansion of FVN agriculture in Southern California in the 1980s.

FVN production in both Imperial and Coachella is concentrated on a handful of large farms; commercial operators such as Cardinal Distributing, which farms 4,000 acres (they own 60 percent of the acres) and issues 3,500 W-2 statements annually to a peak 1,200 employees, including 400 year-round employees, pays relatively high hourly wages to seasonal workers hired directly by the company, although wages have not risen much during the 1980s.

During the 1979 Imperial Valley vegetable strike, the UFW demanded an increase from \$3.75 hourly to \$5.25, and most farms raised their minimum vegetable wages to \$5 or \$5.25 by 1980-81 whether they had a union contract or not. However, wages did not rise much more during the 1980s at these large companies, and in some cases fell. Cardinal raised its wages from \$5.25 to \$5.45 in 1989, after paying \$5.25 during most of the 1980s.

Most seasonal harvest workers actually work for piece rate wages, and these piece rates, although stable during the 1980s, permit many workers to have relatively high earnings, e.g.

\$8 to \$12 hourly harvesting citrus. Historically, Coachella has been a farmworker union stronghold, with most of the workers employed by large table grape operations, citrus growers such as Sunworld and Tenneco (now Dole), and vegetable growers represented by the UFW.

There are apparently only a few union contracts left in Coachella and Imperial in 1990; the data were conflicting, but there was discussion of three UFW citrus contracts in Coachella, no grape or vegetable contracts, and 5 or 6 vegetable contracts in Imperial. At UFW-organized CVC in Coachella, lemon harvesters were paid \$22 per bin for harvesting lemons, enabling a high-seniority worker to average \$8 to \$10 hourly for 1,000 hours of work annually, and then to stay in the area and collect UI of \$2,000 to \$3,000 or migrate to other areas of California for farm jobs during the summer citrus harvesting lull. The complaint of these citrus workers was not so much that piecerates were stable; they were far more fearful of fewer hours of work and their eventual displacement by FLCs using recent immigrants.

As elsewhere, FLCs were accused of abusing vulnerable workers. These FLCs pick up workers in Calexico between 2 and 5 am and from parks and parking lots in Coachella. In citrus, the FLCs allegedly pay \$18 instead of \$22, and then do not pay workers for all of the bins that they pick, provide no benefits to workers, and sometimes charge workers for housing or rides. Stories of FLCs not paying or underpaying workers, and then the difficulties faced by these workers in trying to get the California Labor Commissioner to recoup the wages farmworkers say they are owed, were commonplace. However, enforcement is difficult. Contracts between FLCs and workers are often verbal and subject to mis-interpretation (although MSPA says wages and terms of employment must be provided in writing if requested by the worker).

FLCs are often hard to identify (especially if the FLC's foreman actually hires workers) and then find. There is a weak FLC-farm operator joint employer rule under California labor law, so that if the FLC controls both the hiring and the work, i.e., if the farm operator does not deal with the crew (most don't because they don't speak Spanish), the FLC is solely responsible for labor law violations. As elsewhere, FLCs are identified as (1) increasingly important job matchers and (2) frequent abusers of workers that (3) defy effective regulation. There were few suggestions other than increased enforcement to change the number and behavior of FLCs.

Housing is a major issue in fast-growing Coachella. Private on-farm housing is disappearing, there is little new private or public farmworker housing being constructed, and so farmworkers live in or around trailer parks in towns and in self-constructed shacks. Seasonal farmworkers primarily employed in Coachella seem to average \$4,000 to \$8,000 per worker per year, so that even with 2 workers per family, there is an incentive to double or triple-up and thus be unacceptable tenants to many landlords. Public opposition and inadequate funding apparently prevent the construction of more housing for farmworkers.

Coachella(Palm Springs)has a fast-growing hospitality industry which pays starting wages of \$5.25 to \$5.50 hourly for long-season work (hotels lay off some workers from July through September). An estimated 40 to 60 percent of the hotel workers in Coachella are ex-farmworkers, and the major barrier between farmworkers and hotel work appears to be their lack of English. Several big hotels offer English-language classes, and several hotels appear to be aggressively using the \$2,000 or so subsidy available to them for hiring low-income farmworkers who were laid-off and enrolled in JTPA training. However, the continued influx of newer and more recent immigrant workers means that there is still a surplus of farmworkers.

5. Westlaco, Texas January 15-17, 1991.

South Texas illustrates a farm labor market which has become accustomed to a surplus of workers. Most labor-intensive vegetable production is from a handful of very large 2,000 to 8,000 acre operations, and these often international farms pay seasonal workers the federal minimum wage of \$3.85 per hour and offer few benefits beyond the Social Security, UI, and workers compensation required by law. There seem to be few above-minimum-wage jobs available to seasonal farmworkers within South Texas agriculture or in the South Texas nonfarm economy, explaining why South Texas has traditionally been home to US citizen and immigrant workers who migrate north from May to September when there is little work available in South Texas but farm work is available in the Midwest.

Growers expect labor-intensive agriculture to shrink in South Texas, but not because of IRCA. The total cost (including payroll taxes) of Mexican farmworkers was asserted to be about \$1.00 hourly, and of South Texas workers to be \$5.00 to \$6.00 hourly. At this 1 to 5 or 6 wage ratio, Mexican vegetables are as cheap in the US as S. Texas vegetables even with Mexico's deficient infrastructure and transportation systems and duties. Over time, Mexico is expected to gain cost advantages while South Texas agriculture must grapple with water and pest problems as well as major freezes, as occurred in 1983 and 1989.

South Texas agricultural employers were accustomed to a surplus of farmworkers before IRCA, and there is no evidence that IRCA encouraged South Texas employers to gradually adjust their employment practices to retain SAWs or other experienced US farmworkers. Some of the largest employers have operations throughout Texas, so that South Texas workers taken to West and North Central Texas by FLCs can have a longer period of employment, but these large and multi-area growers are also expanding in Mexico, and they indicate that expansion in Mexico is more rational than diversifying within the United States. This means that, in South Texas, the notion that legalizing illegal alien farmworkers to promote gradual employer labor adjustments did not work; instead, these employers expanded in Mexico. The South Texas experience suggests that international competition may make it impossible for Congress to get labor market adjustments which improve farmworker conditions *and* preserve *all* labor-intensive farm production in the US.

In addition to this expand-abroad rather than improve-at-home theme, there was extensive discussion of moving US workers from surplus (South Texas) to shortage (East and Midwest) areas. The ES used to play a significant role, but (1) Richey constraints; (2) pro forma job orders from non-Texas H-2A employers who prefer the H-2As; and (3) the spread of FLCs and solo Mexican men throughout more of the US has reduced ES farm job matching activity. The biggest obstacle to a more active ES role is an obvious one: employers do not have to turn to ES if FLCs just show up with workers.

The four South Texas counties of the Rio Grande Valley (RGV)—Cameron, Hidalgo, Starr, and Willacy—had a 1986 population of about 700,000. Average employment was about 190,000 in 1990, including 10,000 to 15,000 in agriculture, making agriculture secondary to trade and tourism as an employer. The Rio Grande Valley is actually a delta plain about 80 miles north-south and 40 miles from the Gulf of Mexico to the western edge of Hidalgo county.

About 750,000 acres of cropland are irrigated, and agriculture marketings are about \$400 million annually. About one-half of these farm sales are vegetables, and one-fourth is cotton. A December 1989 freeze, the second in six years, dramatically reduced 1989-1990

sales and continues to affect citrus production in 1990-91.

The four-county area had in 1988-89 about 60,000 acres of vegetables and melons, 50,000 acres of fruit, 800,000 acres of cotton, and 350,000 acres of other field crops (sorghum). According to University of Texas estimates, this agriculture created about 40,000 farm jobs, including 12,000 in vegetables, and 5,000 in fruits. Average annual farm employment is about 15,000, indicating seasonality which requires workers to either switch between crops for more continuous employment, migrate from the area, or remain on standby status until needed.

The Packer (December 1, 1990) described a troubled South Texas agriculture, citing overproduction of new varieties of crops (such as Texas 1015 sweet onions), pests, a shift from vegetables to cotton at cotton prices above 75¢ per pound, Texas labor (especially workers compensation) laws, and the shifting of production to Mexico.

One large grower (Rio Fresh 5,000 acres) talked of reducing broccoli acreage because of cheaper Mexican imported broccoli, but another (Starr Produce 6,000 acres) noted that improved technologies (3,000 acres with drip irrigation and plastic) can keep South Texas production competitive with Mexican production. Most vegetable growers were pessimistic about the NAFTA, although a few thought it would provide an opportunity to sell vegetables, e.g., to 4 million people in Monterey, Mexico 125 miles south. Many growers operate in both South Texas and Mexico, e.g., Elmore and Stah (3,800 acres).

Many seasonal workers live in colonias, the 842 unincorporated developments that often lack water and sewer facilities and house about 200,000 people in South Texas. As vegetable farming flourished, the rural Mexican patron system spread in which workers developed an attachment to a foreman or crew leader who then found the workers jobs. Farmworkers complained of the abuses they sometimes experienced under this favor system. The seasonal work force is mostly Hispanic, although many of these Hispanics are US citizens (born in South Texas) or long-time PRAs.

The Texas ES does I-9 verification of job applicants, but is little used by Texas employers to get farmworkers. The Texas ES has traditionally sent workers to other states via the interstate ES system. In 1967, Texas ES sent 55,000 farmworkers out of state; in 1990 only 1,300. According to a Texas ES survey, 16 percent of South Texas workers use the interstate ES to leave Texas for farm jobs, implying $(1300 \div 0.16)$ 8,100 total migrants from Texas. However, estimates of migrants leaving Texas range from 50,000 to 500,000.

The ES interstate clearance system requires employers to offer contracts to workers which spell out wages, housing arrangements, etc. Texas ES reportedly fills 95 percent of the non-H2A interstate job orders that it gets. It believes it could find more workers for job orders from other states if employers there offered (1) family housing and (2) transportation advances (rather than reimbursement after 50 percent of the contract has been completed).

A major question raised by this ES discussion is whether the US. should promote and facilitate the migration of US farmworkers or not. Moving labor between surplus and shortage areas requires some mechanism to match jobs with workers. If this mechanism is the ES, then both jobs and workers must satisfy standards regarding wages, transportation, housing, etc. If the non-ES system of workers moving on their own or moving with FLCs is cheaper and more flexible, then it will be preferred to the ES system, as is now occurring.

There are alternatives to modifying the ES system to promote the migrancy of US workers, such as providing incentives for employers to use fewer workers longer, to mechanize, or to encourage production to shift to the workers area of origin, Mexico. Seasonal peak labor needs may still exist after such a restructuring of FVN agriculture, and they might be satisfied with US or foreign workers.

The difficulty of exploring alternatives to the current system is that alternatives raise questions about who is responsible for obtaining farmworkers. How much responsibility does a grower who plants labor-intensive crops have to secure a work force? If, as in Washington, growers plant 25 percent more apple trees and they and their bankers assume that US or foreign harvest labor will be available at the minimum wage, should the USG continue to validate this assumption by making foreign workers available? If the answer continues to be yes, then USG involvement raises the issue of terms and conditions under which US employers get access to foreign workers.

There are several ways to look at the employer-responsibility issue. Since agricultural production is dispersed while people are concentrated in cities, farmers who need seasonal workers plant and assume that workers will somehow be available.

But how much must an employer do to get these seasonal workers? One way is to ask what a farm employer can pay given the prices he receives for his crops, but this implicitly ties worker wages to employer prices and profits, an approach explicitly rejected by minimum wage and bankruptcy laws, e.g., wages cannot be at below minimums just because the employer is losing money. Another approach is to put all responsibility for finding workers on the employer, under the argument that a farmer who, e.g., plants seed in the desert and then asks the USG for water to save the crop could be told that water availability should have been included in his crop planning.

The problem is that the USG has historically taken the middle position of opening the border gates to admit alien farmworkers after farmers made reasonable efforts to find US farmworkers, and there is no easy answer to what reasonable hurdles should be placed before employers. One thing is clear: IRCA has not in general raised the hurdles confronting farm employers who want to use alien workers. If anything, IRCA made aliens more widely available, as FLCs spread solo Mexican men throughout the United States.

6. West Palm Beach, Florida February 14-16, 1991.

Florida's farm labor market is unusual in several respects: it has a November through April peak season; the work force has changed since the 1970s from US-born Blacks and Whites to foreign-born Hispanics; and crop agriculture and thus the demand for farmworkers is expanding.

To some extent, the Florida farm labor market is becoming more like that in California; e.g. when IRCA was debated in the early 1980s, many Florida farm employers were concerned primarily with streamlining the H-2 program through which about 9,500 H-2 workers are brought into the state. However, as (citrus) agriculture expands in the southwestern part of the state, and only some of the large operations there offer housing and worker benefits, Florida farm employers may also switch from looking to H-2A workers as a labor insurance program to a California-style concern for the availability of non-H2A alien farmworkers.

There are three major factors affecting the Florida farm labor market. First, IRCA has

accelerated the shift toward dependence on Mexican and Central American workers. These workers are now a majority of the farm work force, and they are arriving in such large numbers that the work force since the mid-1980s has been *glutted* in the sense that the best employers have long lists of eager applicants for jobs and even marginal FLCs can fill their buses at day-haul sites.

Second, both established and new immigrant farmworkers are pushed by the post-IRCA influx of workers which lowers their farm earnings and pulled by tourism and other nonfarm job opportunities out of agriculture. It is probable that US farmworkers got out of agriculture faster in the late 1980s than in the late 1970s because of these push and pull factors.

Third, Florida agriculture is expanding and shifting southward. Florida agricultural sales have increased six-fold (from \$1 to \$6 billion since 1960) and weather and land price considerations have shifted Florida (citrus) agriculture from mostly small operations in the middle of the state to larger operations in the south.

Citrus, which accounts for about 30 percent of Florida's \$6 billion agriculture and employs 30 percent of the state's 100,000 January peak farmworker employment, has relied on FLCs (crew leaders) since the late 1960s to recruit and supervise crews of 20 to 30 pickers. An estimated 300,000 individuals are employed sometime during the year in Florida agriculture. (In California, by comparison, peak employment is about 500,000 in September and about 1 million individuals do farm work sometime during the year.)

Citrus offers a relatively long December through April harvest season, and the harvest work force was, until the mid-1970s, mostly US-born Blacks and Whites. Citrus and other agricultural employers traditionally became joint employers with these crew leaders; most crew leaders apparently provided only recruitment and supervision services and not picking and hauling services. Almost one-third of Florida's COA labor expenditures are paid to FLCs, the highest percentage of any state.

Like California, which made a transition from small and joint employer-FLC relationships to custom harvesters in the late 1970s after the California ALRA prohibited mere FLCs from being employers for union purposes, Florida also developed *custom harvesters* who are employers in their own right. IRCA has accelerated this shift to more-than-mere-crew leaders. Thus, Florida agriculture includes (1) large employers who hire workers directly (e.g. Duda hires 3,500 seasonal employees in Florida); (2) independent custom harvester-type FLCs with 5 to 25 crews and equipment; (3) more traditional labor-only FLCs; and (4) small employers and nurseries who use a bilingual foreman and referrals from current workers to recruit.

The large employers include South Bay Growers and Duda. South Bay, a subsidiary of US Sugar, which has 100,000 acres of farm land, grows 20,000 acres of vegetables with 500 full-time and 1,500 seasonal employees and has experienced no impacts from IRCA. Most South Bay workers work for piece-rate wages and most earn \$4 to \$6 hourly for 28 to 32 weeks of farm work annually. Some 35 to 40 percent of South Bay seasonal workers are employed 1,000 hours or more annually, suggesting that they earn more than the \$4,000 to \$6,000 in annual earnings of most seasonal workers. Duda has 115,000 acres in Florida, 3,500 seasonal employees, and presumably similar worker earnings patterns. Both South Bay and Duda helped less than one percent of their workers get SAW status, suggesting few pre-IRCA illegals.

Both South Bay and Duda provide single and family worker housing, and both have at least

one day care center. However, both experience considerable worker turnover, especially after freezes force seasonal workers to seek alternative employment. Turnover is such that, each four to ten years, there is an entirely new seasonal work force even at these large employers. Both employers report that they think of their seasonal work forces as two-thirds to three-quarters stable, or returning year-after-year for 5 to 10 years, but that the remaining one-quarter to one-third has very high turnover.

Some large employers try to facilitate the northward migration of their workers during the summer lull season in Florida, e.g., 6Lís tomatoes and other southern Florida employers coordinate N.C. employment and housing for their workers. Some northern employers come to Florida to recruit workers for the summer months.

Although data are scanty, major agricultural transitions include the southward shift of labor-intensive agriculture and the concentration of agricultural production on fewer and larger farms (the total number of farms may increase with hobby activities). The southward shift is due to freeze dangers and land costs; the fewer and larger reflects a long-term national trend accentuated in especially fresh vegetables by marketing considerations.

This transition from e.g. 40 acre citrus groves in central Florida to 2,000 to 3,000 acre groves in southwest Florida is being accompanied by uneven labor-management practices. The new and large groves have shorter trees planted closer together, but their owners ñ who project 14 to 18 percent returns ñ plan to pick the oranges by hand. There are minor worker efficiencies associated with this small to large transition ñ in central Florida, crews were often smaller (10 workers) because of the small groves. However, none of these expanding large groves in southwest Florida is constructing housing for 100% of the seasonal workers needed, and some are not constructing any housing for seasonal workers.

The expansion of Florida agriculture in the southern part of the state ñ where the urban population is concentratedómay accentuate urban-rural clashes over farmworker housing (as well as water quality and pesticide use). The expansion of e.g. citrus acreage without infrastructure for farmworkers may provide a test of an underlying farm labor policy issueóto what extent should government require farmers to think about infrastructure (housing) for workers when they make planting decisions?

If GM builds a factory in a remote area, and then asks for permission to import alien workers if not enough Americans are available, GM will probably be told that it should have taken labor availability into account when it considered factory sites. Agriculture has never been forced to explicitly consider labor availability in its planning. But, when the entry-level work force is 90 percent or more immigrant, then planting crops which will require hand labor to tend and pick reflects an assumption that the government will (continue to) make immigrant workers available. CAW may have to consider whether immigration policies which now tend to validate planting decisions already made should also play a role in planting decisions before they are made; in other words, should the US government continue to be only reactive to farmer decisions which create a demand in the US for unskilled immigrant labor?

The 450,000 acres of sugar cane which generate farm sales of about \$400 million annually were the focus of the H-2 testimony. There are perhaps 100 growers of cane, but only 4 mills to process it, and these mills do the harvesting. The percentage of the sugarcane crop that is mechanically harvested has been increasing and now stands at about 40 percent.

Sugarcane production in southern Florida began in 1931 when GM executives founded US

Sugar, and since 1941 H-2 workers have been imported to hand-cut sugar cane. The AEW for sugarcane is \$5.30 hourly; average earnings for the 3,500 US Sugar H-2 workers are \$7.29, although there is some dispute about whether sugar employers understate the hours workers work in order to raise hourly earnings. Employers report that sugarcane workers typically work 6 hours per day (6 a.m. to 1 p.m.), and earn \$30 to \$35 daily.

There may be to some extent a generational change at work among Florida farm employers: the Florida farm employers who used H-2 workers during the 1950s and 1960s came to accept a responsibility to provide housing in the 1970s and 1980s. As the work force changed after the mid-1970s to Hispanics, with whom employers could not communicate directly, and as younger and more financially sophisticated managers entered the industry, this sense of some employer responsibility for seasonal workers may be eroding.

There seemed to be general agreement (1) on the 100,000 January peak employment and 300,000 individual farmworkers, or a 3 to 1 ratio; (2) that Florida (especially citrus) has been unusually reliant on FLCs; and (3) that the expansion of Florida crop agriculture since the 1960s has maintained or increased the demand for labor, especially in the southern part of the state.

Much of the testimony on the demand for labor involved citrus, whose \$1.7 billion annual sales are about 30 percent of Florida agricultural sales. Frozen orange juice concentrate was developed in the 1960s, and there were almost 1 million acres of citrus in Florida in 1970. By 1986, citrus acreage was down one-third to 625,000 acres, the result of Brazilian competition, freezes, and urbanization. Since 1986, acreage has risen to 700,000 and may climb back up toward 1 million acres again. The new citrus plantings in southwest Florida rely on new drip irrigation and other technologies, but they anticipate hand-picking (unlike new California winegrape plantings which anticipate machine harvesting).

Citrus is picked into over-the-shoulder bags that can weigh 70 to 90 pounds when full and then dumped into field tubs or bins which hold about 10 90-pound boxes or 900 pounds of oranges. A goat truck picks up these 900 pound field bins and dumps them in a trailer, which then hauls the fruit to a concentrate plant. Fresh fruit is dumped into 700 to 800 pound wooden boxes that are forklifted onto a trailer and hauled to packing sheds.

Pickers get paid 60¢ to 70¢ for each 90 pound box, up from 35¢ per box in the late 1960s. It appears that the 1990-91 piecerate prevailing wage for orange picking is 70¢, but this may reflect the January 1990 survey of employers' piecerates in January 1990 may have been inflated by the December 1989 freeze. In the immediate aftermath of freezes, the piecerate can jump to \$1 or more, but only CocaCola pays its UFW members \$1 per box or more regularly (some non-Coke-UFW employers pay more than 70¢).

A 1990 IFAS survey put the value of bearing orange land at \$13,000 per acre (yielding 400 90-pound boxes per acre) and irrigated cropland at \$2,700 per acre, and noted that citrus land prices are higher in the southern part of the state because of lower freeze risks. The 1990-91 orange crop is estimated to be about 165 million boxes, with an on-tree average price of about \$5.70 per box.

If workers get 70¢ per box to pick oranges, worker piecerates are 12 percent of the value of oranges; with an FLC overhead of 30 percent, the 91¢ total picking cost is 16 percent of the \$5.70 value. Put another way, 91¢ to pick 90 pounds of oranges makes picking costs about 1¢ per pound. New plantings are raising Florida orange production to perhaps 215 million boxes

by 1995 and toward the current Brazilian level of 300 million boxes by 2000, despite forecasts of a worldwide surplus of oranges.

Many Florida vegetables were frozen in December 23-25, 1989, but 1990-91 plantings were at normal levels (55,000 acres of tomatoes) despite increased Mexican plantings. The Florida ornamental industry is described as having over capacity, especially for the woody and foliage plants associated with landscaping new homes. An IFAS review of 1990-91 input concerns mentioned rising energy prices, environmental regulations, and interest costs, but not labor and wages (IFAS, No. 97).

Florida citrus is grown mostly by corporations and absentee landowners and processed by concentrate companies, but the employers of perhaps two-thirds of the harvest workers are third party FLCs, custom harvesters, or ibirddog intermediate buyers of the fruit. These third party employers of harvest workers vary widely in the services they provide and in their employment practices, e.g. birddogs who buy the citrus on the tree two or three months before harvest assume market and weather risks as well as harvest the fruit, while other third party employers only pick fruit. Some third party employers pick and load, and some pick, load and haul.

There was conflicting data on average FLC overheads, in part because of differences in the associated services they provide. One rule-of-thumb is that the FLC gets twice the per box piecerate, so e.g. a 70¢ per box piecerate means \$1.40 to the FLC for picking, loading, and perhaps local hauling. However, in Ft. Pierce, fresh grapefruit picking was reported to cost 72¢ per box ñ 55¢ to the picker and 17¢ or a 24% overhead to the FLC. When reminded that payroll taxes ñ 7% SS, 5% UI, and 10 to 15% WC ñ would leave little margin for FLC supervision and accounting costs, we were told that FLCs have a long season and a large volume. However, Morenoís testimony asserted that many FLCs cheat by not paying payroll taxes, and that joint employers with FLCs check the FLCís registration and insurance but not their payroll tax contributions.

There was general agreement that the field work force is comprised increasingly of foreign-born Mexicans, Central Americans, and Haitians. Although estimates varied slightly, the seasonal work force was reported to be 50 to 60% Mexican and Guatemalan, 20 percent Haitian, and 20 to 30 percent US-born Mexican-Americans, Blacks, and Whites. Single or solo men have always played an important role in the Florida agricultural work force because of the H-2 program; there is a consequently a relatively large supply of barracks-style housing.

Florida conducted a major study of farmworkers in 1988 to assess their demographic characteristics, the current and future demand for farm labor, and housing availability. This study concluded that hired workers do two-thirds of Floridaís agricultural work; that 70 to 85% of the domestic farm work force were locals ñ not migrants; and that H-2Aís were 10 to 15 percent of the peak seasonal farm work force.

Florida had perhaps 80,000 illegal alien farmworkers, but 120,000 SAW applicants (three-quarters were Mexican and Haitian), suggesting significant fraud. H-2A workers were allowed to submit skeletal H-2A applications and thus got a work authorization which has since been withdrawn, but sugarcane was eventually excluded from SAS at the behest of US Sugar, which feared that its H-2A sugarcane workers would leave if they were granted SAW status. If the H-2 sugarcane workers had been granted SAW status, then it would have been hard for sugar companies to get certification to admit new H-2A sugarcane workers.

According to Polopolus, Florida employers in 1988 reported an ample labor supply, but a majority reported that their demand for labor would increase by 2000 and that, given this expansion and the tendency for workers to exit agriculture after 4 or 5 years, Florida agriculture would face labor shortages. Most responding employers believed that providing housing would increase the availability of farm labor to their operation, but only some of the largest employers planned to construct housing. Employers generally saw H-2As as providing an increasing portion of the peak work force; thus, most planned to build barracks-style housing for solo men.

As agriculture expands in southern and urban Florida, US farmworkers face a housing crunch, and many reported spend one-third of their annual incomes for often substandard housing. Farmworker housing is often segregated from irregular housing, often owned by FLCs and ex-farmworkers, and not inspected adequately. The housing picture indicates that redundant farmworker housing in central Florida is being replaced by urbanization, and the housing shortage in southern Florida is expected to worsen as agriculture moves south.

Florida has had more experience with H-2 workers than any other state. Rob Williams testified that the H-2 program is a means through which employers control workers. He noted that worker productivity rose from 4 to 8-1/2 tons of sugarcane daily between 1941 and 1988, and he attributed this rise in productivity with an unchanged technology to employer selection and control over the H-2A work force (the 1941 work force was US workers paid a group piece rate; H-2 workers began arriving in 1943).

Williams argued that H-2A workers cannot complain if they do, they will not be invited to return next year, so Williams believes that an H-2A cannot really enforce his contract unless H-2As who complain are guaranteed the right to return to work in the US next season. H-2As in Jamaica are drawn from a pool of eager applicants, with perhaps 60 percent named by US employers and 40 percent given as political patronage by the Jamaican government.

A Jamaican worker can be blacklisted by US employers, the US Government, or the Jamaican government. Williams also questioned whether employers who do not provide family housing should be certified to get H-2As since most Americans live in families, can an employer who does not offer family housing be said to have truly tested the US labor market for workers?

Williams argued that INS sanctions enforcement is ineffective because it consists mainly of checking FLC and other employer payrolls to determine that there is an I-9 on file for each name on the payroll. However, the farmworkers in the fields may not be the names on the payroll; since there are few field checks, INS enforcement is not effective.

W. Kates recommended that the H-2A program be further streamlined if ESA and ETA should agree on the interpretation of regulations, and INS should respond quicker to DOL-approved labor certifications from employers. Kates urged the ES to devote more of its monies in rural offices to farm labor, and he thought ES needed more money, people, and a change in philosophy to become active again in the farm labor market.

One ES reform may be two-tiered ES job information. If an out-of-state employer requests e.g. Florida farmworkers, his request is ignored until he can prove that he has housing, etc. available. Should ES consider giving information on e.g. out-of-state jobs that do not offer housing with the explicit warning that housing is not being provided by the employer, or should ES continue to deal only in job matches that satisfy its regulations?

Florida ES makes about 1-1/2 percent (15,000) of the annual placements in the Florida farm labor market.

Florida ES hopes to make more placements with its AMWITS system begun in May 1990. As of February 1991, Florida ES had logged 900 FLCs and 15,000 workers into its itinerary tracking system, recording data such as where and in which crops the FLC will work. Florida ES often gets interstate orders for individual farmworkers, but Florida workers have traditionally gone north in crews to simplify transportation, and this is one reason for the AMWITS emphasis on FLCs.

The ES reward system still focuses on placements, not sign-ups, so e.g. ES does not get credit for determining that it cannot refer workers to an employer who does not satisfy ES regulations. ES gets credit for a placement only if (1) there is a worker application on file; (2) there is a job order from an employer; and (3) the ES refers the worker before the employer agrees to hire the worker.

All witnesses testified that FLCs are the indispensable glue that binds the Florida farm labor market together ñ in COA data, Florida has the highest percentage of total farm labor expenditures going to FLCs. These FLCs are increasingly Hispanic, reflecting the changing composition of the farm work force.

As farmers reduce their provision of on-farm housing, and because there are enough FLCs competing to hold down the cost of switching to a FLC (5000 to 7000 FLCs and FLC employees in Florida), it becomes rational for a farmer to push any IRCA-related risks onto FLCs, and in Florida as elsewhere throughout the United States the FLC share of the farm labor market has increased since IRCA. Although not stated explicitly, the FLC market share has increased (1) because FLCs are better able to recruit and supervise the non-English speaking workers who have come to dominate the work force and (2) FLCs are better or more willing to cheat the government out of payroll taxes, workers out of wages or benefits, and otherwise evade labor law enforcement.

In other words, as the gap between labor standards and labor market reality has widened in many areas, FLCs have expanded because of their ability and willingness to risk enforcement. A few Florida organizations complete I-9s on workers for employers and then issue badges or IDs to workers ñ in the Fort Pierce area, the charge to employers for such I-9 services was one percent of the employer's payroll.

There has been little union activity in Florida since the UFW organized Coca-Cola (Minute Maid) orange pickers in 1972. According to Moreno (FLOC), IRCA helped SAWs by permitting them to cross the US border freely, but hurt them (if they stay in agriculture) by helping to glut the labor market with workers, so that wages are stable or down (\$1.25 per flat for picking strawberries), working conditions are worse (less free employer-provided housing), and with more workers the work gets done quicker, so earnings decrease.

Moreno noted that his PEP co-op could not get contracts to pick citrus at piecerates which let the average worker earn \$5 per hour, cover payroll taxes, and cover co-op costs. He criticized the citrus industry for (1) estimating to two decimal points orange production, but arguing that the demand for workers can't be forecast; and (2) expecting workers to share the pain of freezes and low prices, but not the industry's high prices and profits on rising land values. Moreno argued for more vigorous enforcement of labor laws rather than immigration laws.

M. Barry essentially agreed with FLOC that IRCA hurt farmworkers (while helping individual SAWs with legal status) because of the post-IRCA labor glut which reduced wages and worsened working conditions. He repeated the 3 to 1 worker to job ratio, and asserted that it prevailed even at the peak of the season. Barry asserted that the 1967 35¢ per box orange piecerate should be \$1.36 in 1990 to maintain purchasing power, but that it is only 65¢ to 70¢ even though worker productivity hasn't changed. Using different data, Barry argued that farmers' profits rose while worker wages fell.

D. Land argued that agriculture pays a wage commensurate with the (low) skills of the work force. In his citrus operation, one-half of the work force earns more than \$175 weekly, and the benefits provided to workers employed 1,000 hours per year or more cost \$2,400 for an individual, or \$2.40 per hour worked. Despite these benefits, Land expects future farm labor shortages, since he believes seasonal agricultural work is attractive only until a newcomer has other US job options by learning English or a skill.

Land asserted that he did not believe a marginal increase in wages would increase the supply of US farmworkers, and that a non-marginal wage increase was not feasible given fluctuating farm profits. Land asserted that heavily-leveraged new citrus groves (with 70 percent debt), could have projected profits turn into losses if worker wages jump, raising questions about how responsibility for a future work force should be shared between the US government and private investors. Barry argued that the arguments of Land amounted to a call for US agriculture to develop a South African-style economy in which owners and operators of one race look to the Caribbean and Mexico for a work force.

The formal hearing ended with a discussion of food security arguments ñ does it really matter whether one-half of US processing oranges come from Brazil, or whether the US imports cane sugar? Are US consumers better off with food produced in the United States under US pesticide laws with immigrant workers, or should the workers produce fruits and vegetables in their own countries to export and rely on FDA and other monitoring to assure food safety? There seemed to be some consensus that immigration and labor policies which help US farmworkers will accelerate the concentration of farm production on fewer and larger US farms, but there is also a sense that the demise of small and medium-sized farms is inevitable, and that preserving such farms should not come at the expense of farmworkers.

It should be noted that despite the IRCA-caused influx of workers and falling real wages, Florida growers testified that a NAFTA is threatening. How much further can immigration and labor policies go in the 1990s to help an industry which felt increasingly threatened by imports in the 1980s? Florida agriculture may urge that a parity concept be applied to the elimination of tariffs under a US-Mexico FTA, i.e., to the extent the US Government environmental, pesticide, and labor laws raise the production costs of US producers above the costs that Mexican producers incur to comply with similar Mexican laws, then the tariff on Mexican produce entering the United States should reflect these differential costs to ensure "a level playing field."

7. Grand Rapids, Michigan June 24-25, 1991.

The Michigan farm labor market is marked by (1) diverse crops on one farm so that early (e.g., strawberries), mid-season (cucumbers), and late (apple) crops can create an April through September period of employment for migrant workers; (2) a tradition of employing S. Texas-based migrant families in relatively good family housingóemployers seemed to compete for the best workers on the basis of improved housing rather than higher wages; and (3) a

trend toward more reliance on foreign-born solo men from Florida. Michigan is perhaps 10 years behind Oregon as an area which has mostly small and diversified farms that are shifting from family to solo male crews.

Nurseries, whose peak employment is in the March-May period, employ a significant number of migrant workers. Hourly wages range from \$4.25 to \$4.75, and although there is a 25¢ to 30¢ per hour bonus for workers who stay until the end of the season in October or November. At least some workers do not believe they will actually get this bonus, which could be \$375 for 1,500 hours of work. As in other areas, since IRCA there has been an ample or oversupply of farmworkers which has kept piecerates mostly stable despite a rising minimum wage.

Family migrant workers and housing for them were described as Michigan's unique farm labor features. Nurseries and many other employers have traditionally provided housing; they are especially eager users of practically free FHA housing money—e.g., the typical 1 percent loan for 33 years requires employers to pay back \$3 per month per \$1,000 borrowed, so that a \$20,000 unit for four workers costs an employer about \$60 per unit per month to repay principal and interest, or \$15 per worker per month.

Several employers estimated that providing housing costs them 50¢ to \$1.00 per hour (e.g., free housing adds 50¢ to \$1.00 to the \$4.25 to \$4.75 hourly wages), although a \$60 per month Principal and Interest payment, plus \$60 for utilities suggests that \$120 monthly housing costs for four workers who work, say, 700 hours in a month, adds only 17¢ to hourly wages.

Much of Michigan's farmworker housing was built in the early 1960s; Michigan apparently spent \$15 million in federal and \$5 million in state funds (plus additional private monies) to rehabilitate and build new farmworker housing in the 1980s, although the reason for this wave of house building is the need to replace or build to provide a traditional benefit for migrants, not a response to IRCA.

Michigan has 1,200 farm labor camps, including 900 which require state licenses because they have five or more farmworkers (excluding dependents?). These licensed camps have, on average, 30 residents, suggesting licensed housing for 27,000 workers and dependents. The migrant workers who live in these private, usually on-farm camps, are described as 60 percent from Texas and 30% from Florida.

Michigan's traditional migrant work force owned homes in S. Texas colonias, and then got housing during their summers in Michigan. There has been a tendency for S. Texas migrants to settle in Michigan and quit doing seasonal farm work (explaining the rising Florida share of the work force), but recent freezes in S. Texas encouraged more migrants from there to go north and to go north earlier in the season in order to guarantee themselves housing. Most Michigan housing appears to be occupied on a first-come, first-served basis; there appear to be few formal systems for identifying and encouraging the best workers to return by, e.g., guaranteeing them housing.

Changes in housing rules have encouraged at least some employers to switch from families to solo men in order to maximize the number of workers per unit.

New workers are typically recruited by FLC crew leaders, although it was estimated that perhaps 60 to 70 percent of the workers return year-after-year to some farms. The Michigan FLC-crew leaders sometimes get 25¢ per hour worked just for recruiting a crew. In most cases, the farmer is the employer, although the FLC recruiter may also supervise the workers

he recruited.

8. Rochester, New York August 20-21, 1991.

New York traditionally relied on FLCs or crew leaders to bring migrants north for relatively short vegetable and fruit harvests. These FLC recruiters receive a 15 percent fee (up from 10 to 12% in the mid-1980s) to recruit and transport workers to the area and to supervise them there ñ 0.15 x \$4.50 per hour is 68¢, or similar to the 50¢ MI growers reported paying for recruitment and supervision.

An FLC-coordinator (DeMay) charges farmers another 3% or 14¢ per hour for completing I-9 forms and guaranteeing that a grower will get a reliable FLC and crew when needed. DeMay works with growers to develop contracts that FLCs and their workers will accept. The grower, and not DeMay, is responsible for housing etc, although DeMay probably has a joint employment relationship via I-9s etc. DeMay does not work with H-2A employers, who must guarantee \$5.21 per hour rather than the more usual \$4 to \$4.25, and DeMay may have trouble persuading growers to continue paying him 3% year after year once the grower has established a relationship directly with the FLC.

DeMay's private coordination seems to have enabled fewer workers to work longer and earn more. A union hiring hall or the ES could perform the same coordination function, but there seemed to be little enthusiasm for either alternative. Suggestions that the ES deal with FLCs in order to coordinate 20 or 30 workers via one person, or that ES add a Tier-2 information-only job service, seemed to run up against suspicions that farm employers who deal with the ES will be subject to multiple inspections and fines for trivial violations of the alleged complex and confusing rules that govern interstate recruitment.

Solo Mexican men have been replacing more diverse Black, Puerto Rican, and local workers, permitting average hourly earnings to increase much faster than piecerate wages. This means that trends in piecerate wages and hourly earnings must be interpreted in light of labor force changes e.g. in New York, piecerate apple picking may have become less attractive to local workers, even though average hourly earnings jumped, because the local workers did not pick as fast as the solo Mexican men who comprise a rising share of the work force.

The 1991 New York AEW is \$5.21, but most harvesting done by migrants is for piecerate wages. Prevailing piecerates to pick fresh market apples were reported to be about 55¢ per 40 pound 1&1/8 bushel, up 10 percent from 50¢ in 1985, and for processing apples 45¢ to 50¢, up from 40¢. According to the USDA QALS survey, the hourly earnings of field and livestock workers in the NE region rose 38 percent from \$3.78 to \$5.21 between 1985 and 1990.

New York regulates the farm labor market extensively. Farm employers must provide workers with work contracts that describe the job, wages, charges, etc. ñ in practice, most workers only learn these details of their jobs after arriving in New York. Many of these contracts are vague, e.g. work begins Jan 1 and ends on Dec 31, the workday is 6 to 12 hours and 30 to 70 hours per week.

Housing does not have to be provided by employers, so it may not be made part of the agreement even if it is being provided. Persons who bring five or more farmworkers into New York must register with the New York DOL ñ in 1990, there were 134 FLCs and 219 farmers so registered. The New York Department of Agriculture contributes \$3 million to New York's \$4.2 million Head Start/day care program for the children of migrant farmworkers.

New England is the only region in which the number of H-2A workers has jumped since IRCA, from perhaps 1,500 to 5,000. This increase in H-2A usage apparently reflects declining numbers of local and Puerto Rican workers; only 2,000 Puerto Ricans came to the United States to be contract farmworkers in 1990.

New England farmers who hire H-2A workers appear to pay recruitment costs similar to those paid by Michigan and New York employers who rely on FLCs to bring them workers. An H-2A who averages \$6 hourly for 500 hours earns \$3,000, and employers pay about \$600 for transportation and perhaps \$50 in fees, or 22 percent, versus the 15 to 18 percent reported for recruitment in other areas.

Western New York is an area that traditionally kept migrants returning year-after-year. However, solo Mexican men are spreading from vegetables to other labor markets, discouraging traditional family migration to the area.

There is an oversupply of workers, reflected in more open unemployment, fewer hours for persons employed, and a sharply rising demand for emergency social services. The percentage of farmworkers who are fraudulently documented was reported to be 30 to 40 percent (perhaps higher since IRCA), and rural towns have not yet begun to deal effectively with settled Hispanic workers. The oversupply of workers was agreed to be a factor in declining wages, etc., but support for more sanctions enforcement, etc. was mixed. Cornell has a trickle-down program which involves teaching farmers modern personnel management to have plus-plus effects for farmers and workers.

Farmworkers recounted a variety of problems involving poor housing, reduced wages, and changes in conditions which reduced earnings. These workers reported far more \$3.80 (New York farmworker minimum) to \$4 wages than employers. There appears to be inadequate enforcement of labor laws, as well as a surplus of workers, which limit the incentive of farmers to improve conditions.

9. Las Cruces, New Mexico October 22-24, 1991.

New Mexican farm employment is concentrated in the south central part of the state, and seasonal farmworkers are employed primarily to harvest chili peppers and onions. Acreages of both crops have been increasing, and are now about 25,000 and 7,500 acres. Harvesting is labor-intensive: by some estimates, the peak (September) chili work force is one worker per acre, and the peak (June) onion work force is one worker per three acres.

Other estimates put the peak chili work force at one worker per two acres (a peak 13,000 for 25,000 acres), and one grower in Oct 1991 reported that picking costs were 12 percent of the grower price, e.g., for a 50¢ per pound price to the grower, 5¢ went to the picker and 1¢ to the FLC. The workers observed were being paid \$1.10 per 23 pound bucket of small green chilis, and averaging 4 buckets or 92 pounds per hour, for hourly piecerate earnings of \$4.40 and a harvesting cost of 5¢ per pound. The FLC received 1¢ per pound to recruit, transport, and supervise workers.

Most harvest workers are bused daily from Juarez by FLCs in 40-person school buses and paid daily by these FLCs. Piecerates vary, and are sometimes altered daily in response to crop conditions and the availability of workers, but seem to average about 60¢ per 23 pound (10 gallon) bucket for green chilis and 40¢ for red chilis. Most growers pay FLCs by the pound

(e.g. 1¢ per pound for green chilis) so that FLCs ensure that the buckets are full.

If each worker averages 4 buckets or 100 pounds hourly (\$4.40 per hour) and the crew is 40 (bus capacity), then the crew picks 4,000 pounds hourly or perhaps 30,000 pounds daily and, at the 1¢ commission, the FLC gets \$300 per day. This FLC overhead of 1¢ per pound translates into \$1 per hour, so the FLC commission would be 23 percent to cover social security, UI, etc.

New Mexico chili and onion producers allegedly experienced labor shortages in 1989 which in 1990 led to an exploration of using the H-2A program (rejected because of no housing) and an attempt to regionalize RAW calculations.

There were apparently fewer shortages in 1990, and few complaints in 1991. It appears that these labor shortage complaints derive from the rapid expansion of the industry further and further from the border. New production, which is two and three hours from the El Paso staging area, threatened the day haul labor market which evolved to handle chili production closer to the border.

The expansion of the industry further and further from the border has led to housing and other labor problems, and there appear to be three options to deal with farm labor: status quo, housing and H-2A, and mechanization.

The status quo of workers making ad hoc housing arrangements will likely expand unless enforcement forces a choice between H-2A housing and machines. Given such a choice, most observers expect rapid mechanization. Growers assess themselves to support research, and their current emphasis is on solving disease problems, not developing a chili harvester.

New Mexico has a relatively small and geographically concentrated labor-intensive agricultural sector. New Mexico is mostly a livestock state; 1989 cash receipts were \$1.4 billion, including \$433 million or almost 30 percent crops. Farm assets were \$8.3 billion, three-fourths for land.

In the 1982 COA, New Mexico crop sales were about one-half of 1% of the US total, and its labor expenditures were 1 percent, levels roughly similar to Maryland. Crop production appears to be very concentrated. According to the 1989 COA, the largest 300 New Mexico farms account for 60 percent of farm sales, and in 1985 only 120 New Mexico crop employers met the 20-10 employment rule and covered their workers under UI. They employed an annual average 2,500 employees (20 each), once again similar to Maryland.

New Mexico crop producers appear to be quite concerned about labor shortages, and employers allege that in 1989 labor shortages caused a 3% loss to the state's \$88 million vegetable industry, mostly because workers were not available to harvest chili peppers.

Worker advocates disputed employer assertions of a 1989 labor shortage, it was interesting that employers knew so little about their workers that they offered no reason why there was a shortage in 1989 and a surplus in 1990 and 1991. According to New Mexico agriculture statistics, chili cash receipts rose by 8 percent between 1988 and 1989, production rose 6 percent, and acreage rose 6 percent. Vegetable receipts rose 16 percent. These data indicate that New Mexico labor-intensive agriculture expanded in 1989.

The testimony indicated that New Mexico agricultural employers expanded since IRCA without worrying about the availability of labor. Farmers apparently believe that their proximity to the

border, and their traditional reliance on border commuters, could permit expansion without e.g. building housing or paying for ever-longer commutes.

Expansion may have reached its limits for this traditional labor system and, confronted with a choice between providing infrastructure for workers (housing), mechanizing, or moving production into Mexico, it was interesting that no employers were building or planning housing, and that any housing to be made available would be publicly-funded and 6 miles outside Hatch in tents, in part because local residents did not necessarily want seasonal workers downtown.

The major request of New Mexico farm employers is that New Mexico get some kind of exemption from H-2A housing requirements or a regionalized RAW calculation that would demonstrate that there are labor shortages in southern New Mexico. The major effort of farmers to deal with labor shortages has been political, i.e., press for exemptions.

Farmers admitted that e.g. the conveyor belts some used in the early 1980s to reduce the back strain on workers carrying 25-pound buckets were taken out of the fields because of the ample supply of labor, and adobe Bracero housing fell into disrepair when workers proved willing to commute two to four hours daily from Mexico. There is a machine available to harvest red chilis in a once-over fashion, and there is a (2.5¢ per pound) 10% tariff on imported Mexican chilis, so that potential mechanization and NAFTA free trade, in conjunction with how little employers have so far done to recruit or house workers, may not make a compelling case for a special immigration exception for southern New Mexico. New Mexico is similar to other areas where expansion occurred without thinking of its labor consequences, and then CAW is asked to help farmers to get continued access to workers in a way that does not raise their costs and choke off the expansion.

Worker advocates disputed the existence of a labor shortage in 1989, and emphasized the housing, earnings, and FLC problems of workers. A typical worker boards a bus in El Paso at 4 or 5 a.m., begins to work in New Mexico at 6 or 7 a.m., works 6 or 7 hours, waits an hour or two to be paid his daily wage, and then is bused again to the border, i.e., of a total 12 hour day, 6 or 7 hours are devoted to harvesting. While harvesting at piecerate wages, workers earn \$4.50 to \$6.00 hourly but, if the commute and pay time is included, their hourly wage is below the minimum wage.

Workers are not now paid for commuting or waiting time and, according to worker advocates, many FLCs do not report wages to UI, so workers are denied UI benefits because they have no wages reported for them. New Mexico agricultural employers are not required to provide workers compensation, and most do not.

Farm employers are jointly liable with the 150 to 175 FLCs in southern New Mexico for labor law violations, and FLC labor law violations at the biggest grower (10 percent of area chilis) led to a one year union agreement apparently covering 25 pre-harvest and 125 to 140 harvest workers. The Border Ag. Workers Union has been organizing workers since 1984, but this contract-in-exchange-for-settling labor law violations was apparently its first. Continued illegal immigration has produced desperate new workers, making it hard for the union to develop a stable relationship with an employer which raises wages.

Texas Rural Legal Assistance (TRLA) discussed the difficulty enforcing labor laws against FLCs. According to TRLA, some large FLCs gross \$300,000 per year, net \$60,000, and consider the \$4,000 to \$5,000 in Civil Money Penalties(CMP's) levied by DOL a cost of doing

business. TRLA wants injunctive relief for FLC violators, but admitted that it is difficult to prevent e.g. a FLC whose license is revoked from continuing the business in the name of a spouse or child.

Southern New Mexico has traditionally had legal border commuters, not illegal aliens. However, there has been a recent influx of illegals, in part due to RAW registrants coming from the interior of Mexico to the United States to register and then staying in the United States to work.