HIRED FARM LABOR: A REVIEW OF THE ISSUES

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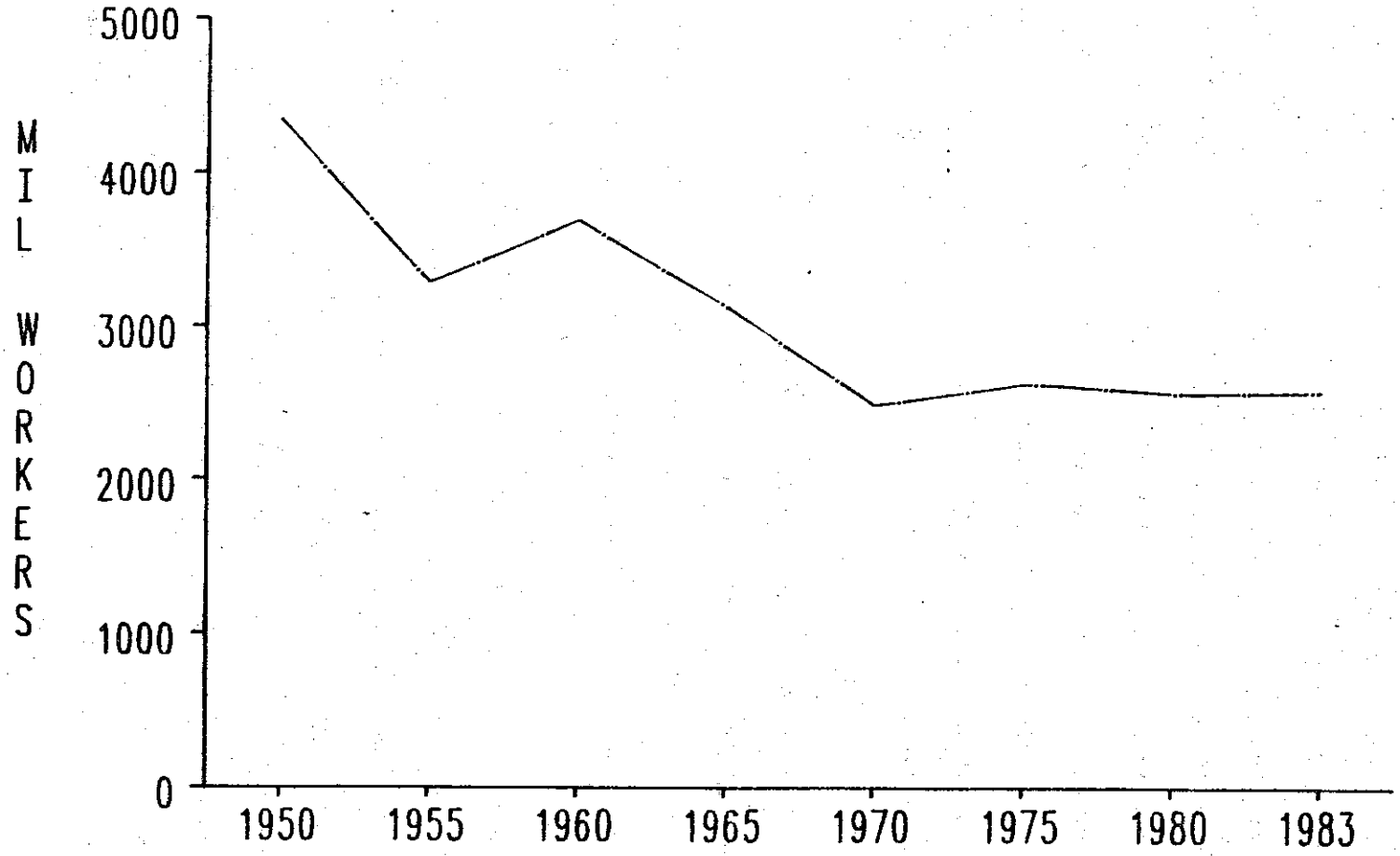
Introduction

During the last few decades, the number of hired farmworkers decreased by almost 40 percent, falling from a high of 4.3 million in 1950 to about 2.5 million in 1983 (figure 1). Most of these losses occurred in the 1950's and 1960's. However, during the 1970's and early 1980's, the number of hired workers stabilized at 2.6 to 2.7 million annually (Whitener, 1984).

Despite the long-term decline in the number of hired farmworkers, several findings point to the continued, if not increasing, importance of hired labor in agriculture. First, the number of hired farmworkers has stabilized over the last decade after the downward trend of previous years. Second, hired workers now account for a greater share of total farm employment. While family workers are still the dominant source of labor, hired workers have gradually replaced some family workers on farms. In 1980, hired farmworkers comprised a third of total agricultural employment, up from around a fourth in the 1950's and 1960's (Smith and Coltrane, 1980; Whitener, 1984). Reductions in the number of farms, growth in the size of farms, and increases in the amount of farm labor required per farm contributed to the substitution of hired farmworkers for family labor on individual farms. Third, hired labor continues to be an important input on some types of farms. While farm labor costs accounted for only 15 percent of farm

FIGURE 1

NUMBER OF HIRED FARMWORKERS, 1950-83



expenditures on all farms using hired or contract labor in 1982, the proportion was a high as 51 percent on the labor-intensive vegetable, melon, fruit, tree nut, and horticultural specialty farms (U.S. Department of Commerce, 1984).

Several research and policy issues concerning farm labor have emerged during the past few years and are likely to continue to be important to the farm labor market in the near future. This paper identifies some of the major issues relating to farm labor and describes the data base and program of research used by the Agriculture and Rural Economics Division (ARED) to address farm wage and employment issues. In addition, this paper discusses a specific example of research within ARED that has important farm labor policy implications.

Major Farm Labor Issues

Immigration Reform

One issue that requires close monitoring in the future is immigration reform. Concern over illegal immigration has been prominent for the past few years. However, there are no reliable estimates to indicate the magnitude of the problem in the United States. In 1978, the Select Commission on Immigration and Refugee Policy estimated the size of the illegal population living in the United States to be between 3.5 to 6 million (Coltrane, 1984). Other estimates range as high as 12 million (Siegel, et al., 1980). The absence of reliable statistical information on illegal aliens and the nature and duration of their employment prohibits empirical evaluation of their impact on the farm labor market. Experienced observers of

the farm labor market believe that undocumented workers account for about 10 to 15 percent of all hired farmworkers (Coltrane, 1984).

One piece of legislation, introduced in the 98th Congress by Senator Simpson and Representative Mazzoli, was aimed at curbing the flow of illegal aliens into the United States. The Simpson-Mazzoli bill called for sanctions against employers who knowingly hire undocumented workers, amnesty for certain aliens living illegally in the United States, and establishment of a transitional foreign worker program for agriculture. While the Simpson-Mazzoli bill was not enacted in the last session of Congress, the pressures for this legislation still exist and similar versions have been introduced in the 99th Congress. Proposals to reform U.S. immgration policy could have a significant impact on the number of foreign workers employed in U.S. agriculture.

The absence of reliable statistical information on illegal aliens creates difficulties for estimating the impact of immigration reform on agriculture. However, it is likely that many of the farms affected by immigration reform will be those that hire large numbers of seasonal farmworkers. Vegetable, melon, fruit and tree nut, and horticultural specialty farms are generally the least mechanized and require a large number of workers for short periods of time. These are the farms most likely to be required to change employment practices as a result of immigration reform (Coltrane, 1984). These farms are generally concentrated on the Pacific Coast, in the Southwest, Northeast, in Florida, and around the Great Lakes, and in 1982 accounted for over one-third of all farm labor expenditures (U.S. Department of Commerce, 1984).

Issues relating to immigration reform have implications for other rural industries as well. While many illegals aliens seek the anonymity in urban areas, illegal foreign workers are found throughout the United States, in both rural and urban areas. Manufacturing, construction, and service-producing industries are heavily dependent on illegal foreign workers (Glover, 1985). These three industry groups account for 76 percent of all wage and salary employment in nonmetropolitan areas (U.S. Department of Commerce, 1984b). Immigration reform which has the promise of reducing the flow of illegals into the United States could have a significant impact on those rural industries which have traditionally hired illegal aliens.

Farm Labor Legislative Protections

Historically, agricultural workers were excluded from many of the basic workplace protections generally available to other U.S. workers, including minimum wage guarantees, farm safety regulations, workers' compensation, and unemployment insurance. In recent years, worker protections have increased for farmworkers, but most of the Federal and State programs still have special exemptions for agriculture based on size of farm operation. For example, minimum wage guarantees are extended only to those farmworkers who work on the larger farms that employ 500 or more worker-days during the year. Unemployment Insurance coverage is limited to those farmworkers who worked on farms paying a wage bill of $20,000 or more in any calendar quarter in the current or preceding calendar year or who employed 10 or more workers on at least 1 day in each of 20 different weeks in the current or immediately preceding calendar year. The agriculture-related

provisions of the Occupational Safety and Health Act of 1970 extend only to those farms that hire 10 or more workers during the year. Workers' Compensation coverage is administered at the state level for most workers. However, only 18 States and the District of Columbia require coverage for agricultural workers equal to that of other industries; an additional 19 states require coverage of agricultural workers based on various criteria such as size of payroll, number of employees, or number of workdays. The remaining states do not require coverage of agricultural workers (Krause, 1982).

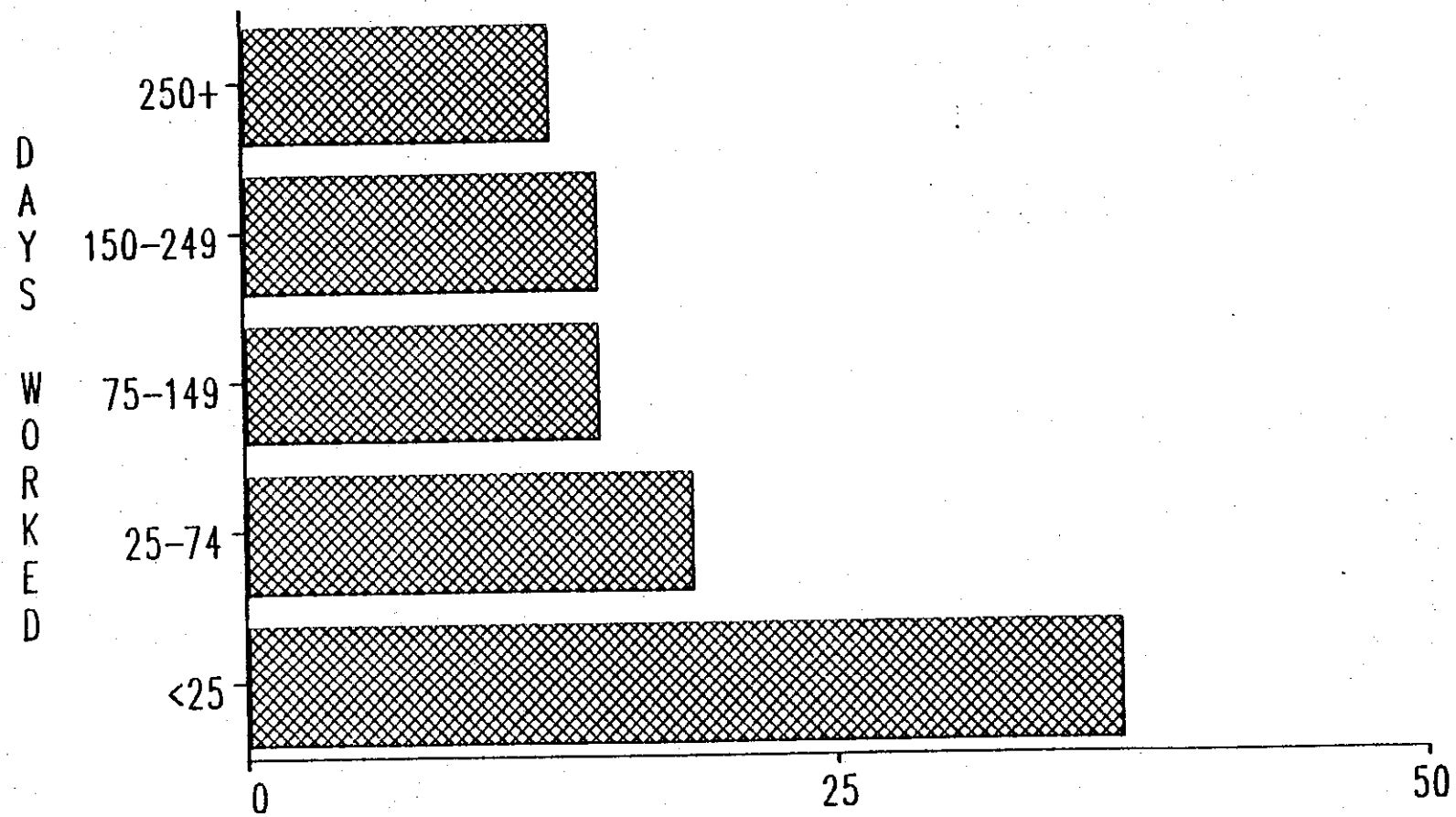
Extension of these basic work place protections to greater numbers of farmworkers could help to improve the economic and personal well-being of many hired workers, but at the same time could significantly increase the wage and non-wage labor costs to some farm employers.

Issues Affecting Employment and Wage Stability

Another issue which has received considerable attention during the last few years focuses on employment and wage stability for hired farmworkers. Farm operators have traditionally had little incentive to improve the stability of farm employment. In 1983, the majority (71 percent) of hired workers did less than 150 days of farmwork. Only 13 percent were employed on a year-round basis, and some of these may have pieced together several farm jobs (figure 2). Most workers are hired to do specific tasks, generally during harvesting and planting periods, and employment is frequently terminated as soon as the tasks are completed. This pattern of employment has evolved because of the seasonal nature of farmwork and because there usually

FIGURE 2

HIRED FARMWORKERS, BY DAYS OF FARMWORK, 1983



has been an adequate supply of farmworkers available from either domestic or foreign sources.

However, as hired workers provide more of the labor used on farms, farm operators must assume greater labor-management responsibilities if they are to compete for workers in the farm labor market. One approach is the stabilization of farmwork which encourages farm operators to plan and schedule the work activities of their agricultural workers in ways that extend the workers' employment over longer periods. Proponents of this idea suggest that a more permanent and productive work force can be developed by offering competitive wages, providing benefits and worker incentives, lengthening the harvesting period for certain crops, and diversifying farm production (Glover, 1984; Mamer and Rosedale, 1980). Through these practices, farmers may be able to minimize turnover, reduce hiring and training costs, increase worker productivity, and develop a higher quality labor force. However, despite these benefits, the increased wage and non-wage labor costs associated with the adoption of these practices would not be cost effective for all farmers. These practices may be more readily adopted by employer associations because they can more effectively employ workers for longer periods by moving them among the employer association members as needed. Thus, the association could distribute the cost for increases in worker wages and benefits over several farm employers.

Some limited success in the stabilization of farmwork has already been seen in Florida citrus (Glover, 1984) and in California lettuce (Friedland, et al., 1981) and lemons (Mamer and Rosedale, 1980). However, there are tradeoffs to be considered since this approach

tends to reduce the number of seasonal jobs for some workers while stabilizing the employment and earnings of others.

Issues concerning employment and wage stability can extend beyond agricultural workers to other rural occupations and industries which are affected by seasonal employment patterns. For example, construction, tourism, and amusement and recreation services traditionally employ large numbers of seasonal workers. Many of these rural industries and their employees could benefit from efforts to stabilize employment and wages by creating career ladders for workers, improving worker benefits, and lengthening the employment period.

The Agriculture and Rural Economics Division's Farm Labor Data Base

The Agriculture and Rural Economics Division maintains a data base on hired farmworkers which is useful for addressing farm wage and employment issues. Since the late 1940's, the Economic Research Service (ERS) and its predecessor agencies have collected data from the Hired Farm Working Force Survey. This household survey is conducted for ERS by the Bureau of the Census as a supplementary part of the December Current Population Survey. In 1983, data were collected from approximately 58,000 households, with about 1,500 containing at least one hired farmworker. The sample includes areas in every State and the District of Columbia, but excludes Puerto Rico and other U.S. territories and possessions. The sample results are expanded to represent estimates of the U.S. civilian noninstitutional population for various demographic categories. The survey was conducted annually until 1977 when it became a biennial survey.

Historically, the Hired Farm Working Force Survey has collected

basic demographic and employment information on those persons 14 years of age and over in the civilian noninstitutional population who did farmwork for cash wages at any time during the year. This information includes age, sex, racial/ethnic group, earnings, migrant status, and farm and nonfarm employment characteristics. Beginning in 1985, this survey will be revised to collect information on farm operators and unpaid workers, as well as hired farmworkers. The Agricultural Work Force Survey will provide economic and demographic data on all three components of the agricultural work force. This information will help ARED researchers to monitor changing farm labor patterns; determine the economic status of farmworkers and their families; and analyze various aspects of multiple job-holding by farmworkers.

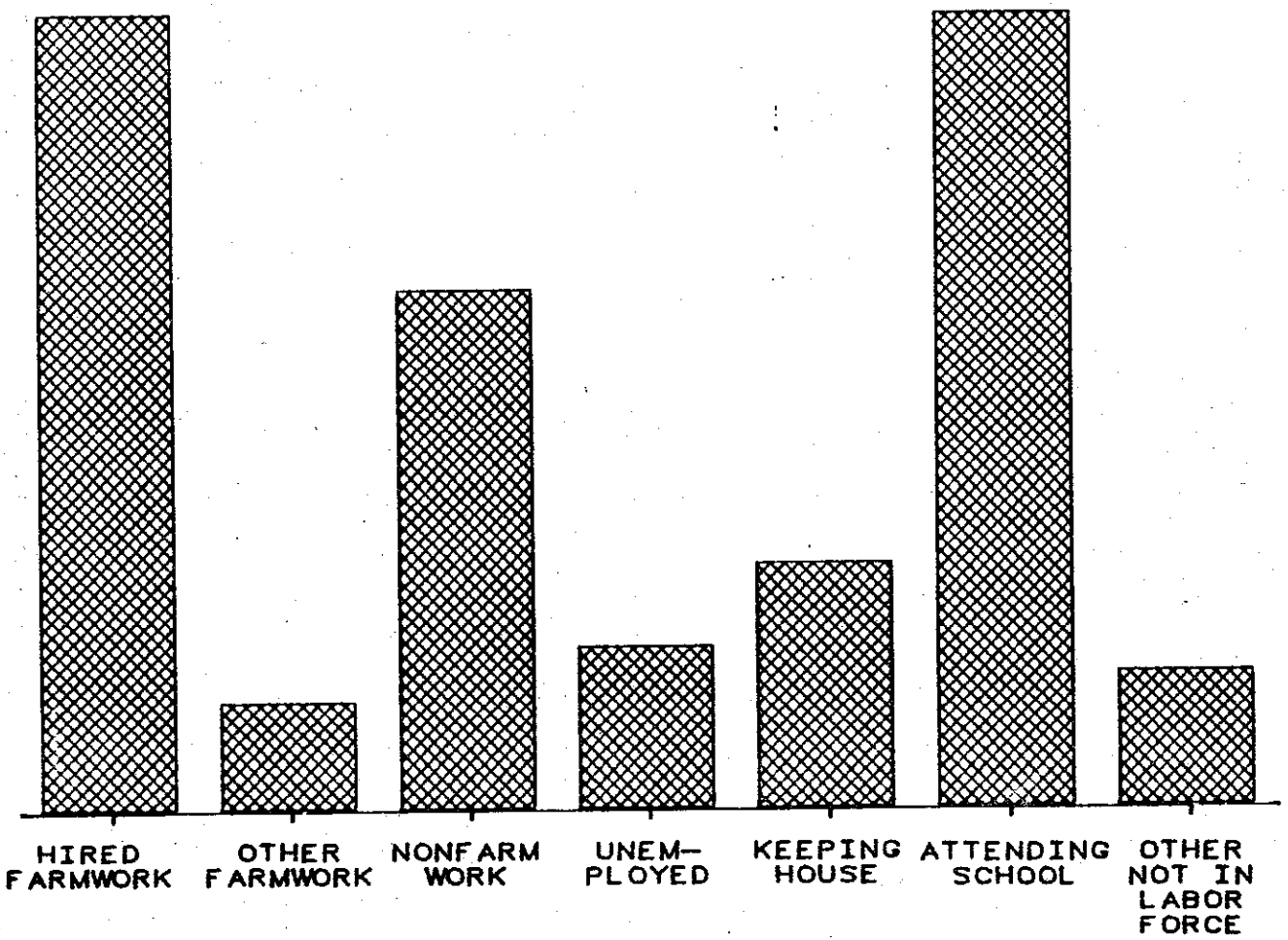
Research with Policy Implications

Data from the 1983 Hired Farm Working Force Survey have important implications for farm labor policy and research. These data indicate a considerable amount of diversity within the hired farm work force and suggest that there are distinct groups of hired farmworkers with different characteristics, problems and needs (U.S. Department of Agriculture, 1983)

One group, accounting for 29 percent of the hired farm working force, is comprised of those who cite hired farmwork as their primary activity (figure 3). Most had no other source of earnings. They generally averaged more days of farmwork and thus had higher farm earnings. Because of their dependence on farmwork, their total earnings were low. They were more likely to be older, householders, and probably were largely responsible for their families' support. In

FIGURE 3

PRIMARY LABOR FORCE ACTIVITY OF HIRED FARMWORKERS, 1983



addition, their levels of education and family income were lower than those of other farmworkers.

Another 19 percent worked primarily in nonfarm occupations but did some hired farmwork during the year. They worked only a few days at farmwork and because of their higher paying nonfarm jobs, their total earnings were higher than others. The nonfarm work group appears to be better off economically than other farmworkers, but many of these workers must piece together several farm and nonfarm jobs during the year to support themselves and their families. Over 40 percent of the workers in the nonfarm work group had at least three different employers during the year (U.S. Department of Agriculture, 1983). Farmwork is only one of a series of necessary income sources for these workers.

About 43 percent of all hired farmworkers were students, homemakers, and others who were not in the labor force most of the year. These workers worked at farm jobs for only a few days or weeks during the spring and summer and received only small amounts of farm earnings. Most were young, white, and students; few were householders and thus were likely to receive economic support from other family members. Some were earning spending money for their personal use while others may have contributed necessary earnings to the overall family income.

About 6 percent of the hired farmworkers were unemployed most of the year and 4 percent operated a farm or did unpaid farmwork as their primary activity.

Low income and instability of employment are serious problems for many hired farmworkers, and these problems are often compounded by

generally low levels of education which can prevent workers from moving into more stable, higher-paying nonfarm jobs. During the past decade, some efforts have been made to help hired farmworkers improve their employment opportunities and economic well-being. For example, the Comprehensive Employment and Training Act of 1973 and its replacement, the Job Training Partnership Act of 1982, both authorized a job training and placement program specifically for farmworkers, as well as provision of supportive services such as child care, medical treatment, transportation, and relocation assistance for farmworker families. These programs have been directed largely toward the educationally and economically disadvantaged farmworkers who depend heavily on farmwork for a large part of their income. If additional programs are to be developed to improve the living and working conditions of these hired farmworkers, the data reviewed here suggest that efforts should focus on improving employment stability, wages and benefits, and levels of family well-being.

Other policies should be aimed at all farmworkers, regardless of their characteristics, attachment to farmwork, or low income status. Such efforts should focus on employee benefits and workplace protections generally available to other U.S. workers, including minimum wage guarantees, farm safety regulations, workers' compensation, and unemployment insurance. While these protections have continued to increase for farmworkers over time, most of these Federal and state programs still have special exemptions for agriculture based on the size of the farm operation.

Research or policy decisions which relate to the issues discussed in this paper should consider the diversity within the hired farm work

force and should recognize that farm labor policies and programs may have a different effect on different groups of farmworkers.

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