

Economic Impact of North Carolina's Farmworkers



**Who are NC's
Farmworkers?**

**Health Services
for Farmworkers
in NC**

**Reimbursement
to Health Care
Providers**

**Training, Meetings
& Conferences**

**The NC
Farmworker
Health Alliance**

**State & National
Information and
Referral Resources**

Home

Farmworkers contribute significantly to North Carolina economy

Sowing a harvest worth billions of dollars...

Agriculture is North Carolina's number one industry, accounting for over 27% of the state's income.

North Carolina's agricultural cash receipts (gross sales) total more than \$7.8 billion. Crops account for 43.5% of all agricultural sales; livestock, dairy and poultry products account for the rest (1996).

North Carolina's net farm income (after deductions) ranks second in the nation. Production expenses are comparatively low and rank ninth (1995).

Almost one-third of North Carolina's land area is farmland. More than sixty-two percent of this farmland is cropland. The rest is woodland, pastureland and rangeland (1992).

Products which rely on farmworkers' labor in North Carolina include tobacco, greenhouse and nursery, vegetables and fruits. These products bring in more than \$2.2 billion in sales to North Carolina's economy.

Of all the crops, tobacco generates the most revenue, totaling over \$1 billion each year (1996). North Carolina produces more tobacco than any other state. Tobacco accounts for 13.1% of all agricultural sales in North Carolina, and is 38.6% of the total US production.

Greenhouse and nursery sales account for 11.4% of all agricultural sales. They bring in over \$889 million to North Carolina and rank third in the US in terms of production.

Sales of vegetables, fruits and nuts account for 4.3% of all agricultural sales, totaling more than \$335 million. The main vegetable crops grown in North Carolina are sweet potatoes, all

other potatoes and cucumbers. North Carolina produces more sweet potatoes than any other state¹, accounting for 32.3% of the total US production. All other potatoes and cucumbers for pickles rank number two in terms of total US production. The main fruit crops in North Carolina include apples, blueberries and strawberries. Both blueberries and strawberries rank fourth and apples rank seventh in terms of production in the US.

Yet they cannot reap the benefits they sow

About 40% of hired farmworkers are in the South (1994).

Almost half of the farms in North Carolina, or 21,919 farms, employ hired labor (1992).

The number of migrant farmworkers and dependents in North Carolina during the growing season is estimated to be 142,144, the majority of whom are Spanish-speaking. North Carolina has the fifth largest number of farmworkers in the nation.

North Carolina has more than twice the number of seasonal farmworkers than migrant farmworkers.

Farmworkers face low earnings, unstable seasonal employment, and few possibilities for economic mobility within the rural sector.

Farmworkers are excluded from federal and state protections including the right to organize and form unions, overtime provisions. Child labor laws for farmworkers are less stringent than for other occupations. Most farmworkers are also excluded from pension plans, unemployment insurance and workers' compensation.

The median individual annual earnings of farmworkers from farmwork alone is between \$2,500 and \$5,000 in the Southeast (1994-5).

The average hourly wage for farm labor in North Carolina is \$6.14 per hour (1995).

Hired farmworkers have the lowest annual family incomes of all wage and salary workers in the United States (1994).

Sixty-one percent of farmworkers live in poverty (1994-5). This is an increase from 1990, when 50% of farmworkers lived in poverty.

Hired farm labor accounts for only 10.2% of all production expenses in agriculture in North Carolina and contract labor accounts for 1.1%. About the same amount is spent on commercial fertilizer and agricultural chemicals (1992).

Increasing farmworker wages by 50% would:

- Cost less than \$3.85 more for fresh fruits and vegetables a year?
- Only raise the price of a head of lettuce or a pint of strawberries by five cents?

This is How:

If farmworker wages are raised by 50%, holding the number of workers constant, and if the cost is completely passed down to consumers, it would be an increase in the amount spent on fresh fruits and vegetables of less than \$10 a year for the average household of 2.6 people. This is because farmers receive an average of 21% of the sale amount of fresh fruits and vegetables, or \$57 dollars from each household each year. Hired labor receives about 30% of what farmers receive or about \$19 dollars a year from each household. Increasing wages by 50% only increases the amount spent on fresh fruits and vegetables from \$270 to \$280 per year per household.

Copyright © 2000 NC Farmworker Health Alliance. All rights reserved. No part of this website may be reproduced in any way without written permission from the NCFHA.

Please contact us at info@ncfarmworkerhealth.org with any comments or questions.