The ALRA at 40: 1975-2015

Agricultural Labor Relations Board
"La Ley Laboral"

GIANNINI FOUNDATION
OF AGRICULTURAL ECONOMICS
UNIVERSITY OF CALIFORNIA

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ROSENBERG FOUNDATION
Ag & Farm Labor: 1975-2015

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Highlights: 1975-2015

• Farm sales up: $7 billion to $43 billion (up 1/3 real); stable 62% = FVH commodities

• Farm employment up: from an average 255,000 to 400,000 workers. 1974: 15% > 150 days on farm; 2012: 45%

• Farm workers: fewer US-born, more Mexican-born, 60% unauthorized

• Labor market: more workers brought to crop farms by intermediaries than hired directly

• Unions: from commodity-wide to farm-specific impacts: Teamsters, UFCW, UFW
CA Agriculture 3 S’ s: Sales, Labor’s Share, Seasonality

• CA farm sales = $45 bil (2012); IA = $32 bil
  – CA = 12% of US $380 billion in US farm sales. Why? FVH commodities = 2/3 of CA sales
  – US ag: 55% crops & 45% livestock; CA 73% crops; 27% livestock

• CA FVH crops: labor’s share = 20-30% of production costs (labor = 10% of mfg costs)
  – Fruits/nuts = $17 billion in 2012 or 38% of sales
  – Vegs & melons = $7 billion or 16%
  – Hort specialties (nursery, flowers) = $4 bil, 8%

• Seasonality: Peak 470,000 in June; low of 320,000 in March. Peak/trough ratio = 1.5
Crop Changes

1974:
- Cotton: 1.2 million acres
- Strawberries: 10,000 acres

2012:
- Cotton: 388,000 acres
- Strawberries: 41,000 acres
Mechanization
3 C’s of Farm Labor

• **Concentration**: 34,000 CA farmers had farm labor expenses in 2012; the 2,300 (<10%) with > $500,000 had 71% of farm labor expenses

• **Contractors**: nonfarm entities that bring workers to farms. Win-win specialization OR risk-absorbers?

• **Conflict**: Exit versus voice: easier to exit a “bad” job (ag & fast food) than to organize & voice demands to change wages and conditions
  – Exit of “best” workers makes it hard to sustain unions in ag, fast food & other high turnover industries
  – Workers with firm-specific skills have the most incentives to form unions and change conditions
Half of ag emp in SJV; 1/6 each in Central & South Coast

Average Employment by California Ag Region, 2004-2013

- San Joaquin Valley
- Central Coast
- South Coast

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<th>South Coast</th>
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Since 2007: more workers brought to crop farms by crop support (FLCs) than hired directly.

CA: Average Crop & Crop Support Employment, 1993-2012
1991-2001: 3-1 ratio between unique workers & jobs
2007-12: 2-1 ratio between unique workers & jobs
Crop support: $4.5 billion or 43% of $10.5 billion in agriculture wages paid in 2012 (QCEW); 55% of crop support wages paid by FLCs.
Fruit: accounts for $2.5 billion or 24% of California ag wages paid in 2012
Vegetables: $1 billion or 10% of ag wages paid
Nursery: $800 million or 8%
Dairy: $600 million or 6%
Big 5 = 95% of ag wages paid
Fewer Mexican migrants = fewer new farm workers


Source: Passel, 2012
Unions: from commodity-wide to farm-specific impacts
UFW: 3,300 active members; 25 contracts. UFW certified to represent workers on 600+ farms, max 200 contracts

Farm workers under UFW contract enjoy decent wages, benefits & working conditions. When you purchase agricultural products, please help farm workers maintain hard won victories in the field by looking for these labels:

**WINE**
- Chateau Ste. Michelle
- Columbia Crest
- St. Supery
- Dollarhide Ranch
- Scheid Vineyards Inc.
- Balletto
- Charles Krug
- C.K. Mondavi
- Gallo of Sonoma

**MUSHROOMS**
- Monterey Mushrooms (California or Del Fresh
- California Mushroom Farms Inc.

**Tomatoes**
- Triple E
- Sun Ripe * CA Only

**ALMONDS**
- Montpelier

**STRAWBERRIES**
- Dole Berry *
- Swanton Berry
  *Only with the UFW Black Eagle

**DATE**
- Patos Dream Date Garden

**ROSES**
- Star Roses

**VEGETABLES**
- Andy Boy
- Muranaka

**CITRUS**
- (Lemons, Oranges, Grapefruit, Tangerines)
- Sunkist*
- Sunworld*
- Airdrome*
- Big Jim*
  *Only with the UFW Black Eagle
If general labor wage in 2015 had same relation to state minimum wage as in 1979, general labor wage would be $16.30.
What next for farm labor?

- Major features of the FVH labor market have not changed, viz, seasonality, FLCs, & exit, not voice

- But recent changes:
  - Fewer new entrants, higher wages, more farm work
  - Will supply-chain pressure expand from safety to labor, with buyers requiring farm-labor audits to sell produce?

- California ag & farm labor supply:
  - New wave of personnel mgt to retain aging & settled farm workforce? Improve first-level supervision?
  - Rising labor costs & labor-saving mechanization? Crop changes (peaches to nuts)?
  - New E-Z guest worker program that allows 3-year stays and lets coops shift workers from farm to farm?
  - Likely some combination of all
Drought 2015: big red circles show groundwater levels that dropped by >100 feet 2009-14