

California Farm Labor in 2016
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Highlights

California's farm sales of \$54 billion in 2014 included over \$30 billion worth of FVH commodities, fruits and nuts (\$20 billion in 2013), vegetables and melons (\$7.8 billion), and horticultural specialties such as greenhouse and nursery products (\$2.4 billion). Rising demand has spurred increased production of FVH commodities despite worries about labor and water availability.

The average employment of hired workers in California agriculture rose 10 percent over the past decade, reaching 415,400 in 2014, with 829,000 unique workers hired sometime during the year. Overall employment stability reflects expansion (berries) offsetting mechanization (raisins). There has been a shift from hiring workers directly, an average 175,000 in 2014, to using nonfarm crop support firms to bring an average 205,000 workers to farms. Over half of crop support employment is with farm labor contractors (FLCs).

Farm employers face labor challenges, including new heat safety regulations and requirements to pay piece-rate workers for breaks at their average piece-rate earnings. The major labor challenge is fewer Mexican newcomers arriving as unauthorized workers. Farm employers are responding with 4-S strategies: **satisfy** current workers to retain them, **stretch** the current workforce with mechanical aids that increase productivity, **substitute** machines for workers, and **supplement** the workforce with H-2A guest workers.

Employment and Farm Workers

California's FVH sales in 2014 equaled the farm sales of the second-largest farm state, Iowa, \$31 billion. Labor-intensive berries, especially blueberries and strawberries, expanded over the past decade, as did the production of table grapes, broccoli, and leaf lettuces. Labor's share of production costs varies from less than five percent in field crops to 40 percent in berries; labor costs average 30 percent of production costs in hand-harvested commodities.

Average employment is derived from employer reports of workers on the payroll for the pay period that includes the 12th of the month, thus missing workers who are employed only in other payroll periods. Average employment or the number of full-time equivalent jobs has been rising over the past two decades, but the major way workers are brought to farms has changed.

In the early 1990s, two-thirds of California crop workers were hired directly; today 55 percent are brought to farms by nonfarm crop support firms, usually FLCs. Some of these FLCs provide workers to only one or a few farms, making them more long-term partners rather than seasonal agents who provide workers to one or more farms one season but not the next.

By taking all of the 829,000 unique workers reported by agricultural employers in 2014 and examining their earnings from farm and nonfarm jobs, we can determine which workers were primarily farm workers, meaning that they got most of their earnings from farm jobs. Some 629,000 workers, 83 percent, had their primary earnings from farm jobs.

Almost 80 percent of these primary farm workers had only one farm employer, suggesting far more stable employer-employee relationships than portrayed by follow-the-crop stereotypes. Fewer than 10,000 workers, less than two percent, had five or more farm jobs in 2014, although many of the almost 400,000 primary farm workers employed by crop support firms may have worked on multiple farms. Fruit and nut farms reported about 155,000 direct-hire workers whose maximum earnings were in agriculture, so that crop support and fruits and nuts together accounted for almost 80 percent of all primary farm workers.

Crop support and fruits and nuts also had the lowest average earnings, \$12,700 for full-time crop support and \$17,600 for fruit and nut workers. The dominance of these sectors explains why the overall average earnings of primary farm workers were only \$16,500, even though all other commodities had higher average earnings, such as the \$29,250 average earnings in cattle ranching. It should be emphasized that \$16,500 represents the earnings of a full-time equivalent worker; if two workers share one FTE job, average individual earnings would be \$8,250.

4-S Responses to Fewer Newcomers

Fewer newcomers to the farm workforce at a time when the production of FVH commodities is expanding to satisfy US and foreign consumers means that some farmers are scrambling to find workers. The farm labor market is often described as a revolving door, with (unauthorized) newcomers entering in their early 20s and exiting a decade later. The door turns fastest when unauthorized workers arrive in large numbers and nonfarm US jobs attract farm workers, as during the 2005-07 construction boom.

Fewer newcomers and sluggish recovery from the 2008-09 recession have slowed the revolving door, contributing to an aging and settled farm workforce. Farmers worried about the future availability of especially seasonal workers are pursuing 4-S strategies:

Satisfying current workers to persuade more to stay longer in farm work. It is hard to find a farmer under 40 because of capital requirements and hard to find a farm worker over 40 because of the physical demands of farm work. The average age of crop workers is 38, up from 30 in 2000 and approaching the median 42 of all US workers. Most farmers believe that the supply of labor inside US borders is inelastic; they do not believe that higher wages will attract or retain more farm workers. Some are improving training for first-level supervisors, offering bonuses, and taking other steps to retain current workers.

Stretching current workers with productivity increasing conveyor belts and other “back-saving” devices. By reducing lifting and carrying, workers can be more productive and farm work can be more appealing to older workers and women, as demonstrated by more older workers and women among berry- than citrus-picking crews.

Substitution means replacing workers with machines. Over half of raisin grapes are now harvested using dried-on-the-vine technologies that reduce harvest labor by over 90 percent, and machines are being developed to pick commodities from apples to olives and to increase the productivity of hand harvesters. Significant challenges remain, centering on uniform ripening for once-over harvesters and avoiding damage to trees and buds when shaking fruit off trees.

Supplement the current workforce with H-2A workers. The H-2A guest worker program was created in 1952 and used primarily by sugar cane growers in Florida and apple growers along the east coast until the mid-1990s, when the largest user became North Carolina tobacco. The H-2A program is still most heavily used in the east (FL, NC and GA accounted for 35 percent of certifications in FY15), but is growing fastest in California and Washington, which accounted for a seventh of H-2A jobs.

Receiving DOL certification to employ H-2A workers requires satisfying three major criteria: (1) trying to recruit US workers, (2) providing free housing for workers, and (3) paying a special Adverse Effect Wage Rate of \$11.89 an hour in CA in 2016. For California farmers, the major challenge is housing. Many farmers using the H-2A program for the first time house H-2A workers in motels, but some are building new housing for workers, which could presage a return to the 1950s and 1960s when Bracero guest workers were housed on the farms where they worked. Super FTEs may emerge to employ H-2A guest workers, house them in rebuilt Bracero

