



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

FL

SP92-20

Staff Paper Series

AGRICULTURAL LABOR ISSUES

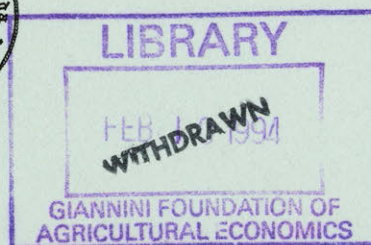
IN THE SOUTH

by

Leo C. Polopolus

Staff Paper SP92-20

September 1992



FOOD AND RESOURCE ECONOMICS DEPARTMENT

Institute of Food and Agricultural Sciences

University of Florida

Gainesville, Florida 32611

ABSTRACT

This paper seeks to discuss the major trends and policy issues affecting farm labor demand and supply in the South. Trends in the number of workers and wage rates are provided, along with a brief discussion of the changing demographics of the hired farm labor market. Latinization of the farm labor market is occurring.

The current status of the following public policies are discussed and evaluated: immigration reform, labor and international trade policy, minimum wage law, unemployment insurance, workers' compensation, Occupational Safety and Health Act, and Social Security. Changing entrepreneurial behavior in the context of sanctions or penalties for hiring illegal aliens is also evaluated.

KEY WORDS: Agricultural labor, farm labor, South, wage rates, labor policies, immigration reform, demographics of farm workers

TABLE OF CONTENTS

	<u>Page</u>
Abstract	ii
Key Words	ii
Introduction	1
Recent Trends in the Farm Labor Market	2
Workers on Farms	2
Wage Rates	3
Changing Demographics of Hired Farm Workers	4
Some Major Public Policy Issues	6
Immigration Reform	6
Labor and International Trade Policy	8
Fair Labor Standards Act (Minimum Wage/Child Labor)	9
Unemployment Insurance	10
Workers' Compensation	12
Occupational Safety and Health Act (OSHA)	13
Social Security	14
Overall Impact on Employment and Workers	15
Sanctions Risk and Entrepreneurial Behavior	16
Overall Summary	18
Figures	20
Appendix Tables	33
References	46

Thus, the farm work force (unpaid and hired) in the South has been greatly affected by structural adjustments (farm numbers and farm size), technology changes, and changes in the level and mix of agricultural output. The net effect of these forces has been a decrease in total agricultural labor demand in the South. The exception is Florida where agricultural labor demand has held fairly steady or has grown slightly over time, as output growth has increased for fruits, vegetables, and ornamentals, and where harvesting of fruits, vegetables, and sugarcane has been slow to mechanize.

Recent Trends in the Farm Labor Market

For purposes of our discussion, the "South" is defined to include six smaller regions totalling 14 states. These regions and their representative states are as follows:

Appalachia I	North Carolina, Virginia
Appalachia II	Kentucky, Tennessee, W. Virginia
Southeast	Alabama, Georgia, S. Carolina
Florida	Florida
Delta	Arkansas, Louisiana, Mississippi
Southern Plains	Oklahoma, Texas

Workers on Farms

The Southern region of the United States accounts for approximately one-third of the nation's farm labor force. Because of seasonality effects, the South has slightly more than one-third of the U.S. farm labor force in January and April months, but slightly less than one-third in the months of July and October (Appendix Table 1). The aggregate size of the farm labor

force in the South is near or slightly above one million workers, paid and unpaid, depending upon the month of the year.

Only 30 per cent of the farm work force in the South is "hired" or paid for work accomplished. Thus, the bulk of the labor force (70 per cent) is represented by farm operators and other unpaid family workers. The exception is in Florida where in the winter months, hired workers represent 70 per cent of the total farm work force (Appendix Table 1).

Over the ten year period, 1980-1990, the number of workers on farms in the South has decreased (Figures 1, 2, 3 and 4). The rate of decrease is most dramatic for the July period where the number of all workers, paid and unpaid, decreased by roughly one-half million, or from 1.57 million in July of 1980 to 1.05 million in July of 1990. Also, there has been a substantial decrease in the number of hired farm workers in the South over the same period, or from 657 thousand hired farm workers in July of 1980 to 324 thousand hired workers in July of 1990, a loss of over 300 thousand jobs.

Seasonality of workers on farms in the South has lessened over the past decade. Comparing 1980 with 1990, the seasonal patterns of all workers (paid and unpaid) and hired workers are less pronounced for 1990 (Figure 6) when compared with 1980 (Figure 5).

Wage Rates

Average wage rates for all types of hired workers increased roughly 3 per cent per year in the South over the decade 1980 to 1990 (Appendix Table 2). The increase in average wage rates was quite similar for each of the four seasons, January, April, July, and October. For example, the South's average wage rate increased from \$3.47 per hour for April 1980 to \$4.98 per hour for April 1990. Average wage rates for hired farm workers in the South were consistently below averages for all U.S. farm workers (Figures 7, 8, 9, and 10). The gap between wage rates in the South and the U.S. also widened slightly over the 1980-1990 period.

The differential between farm wage rates in the South and the United States as a whole is due primarily to the lower wages paid to field workers in the South. Average wage rates paid to livestock workers are essentially the same for the South and the U.S. (Appendix Table 2). Also, the differences between average wage rates paid for supervisors are quite small.

Hired farm workers in Florida receive higher average wage rates when compared with the national averages over time or by category of employment (Appendix Table 2). Also, supervisory personnel in the Southeast (Alabama, Georgia, and South Carolina) tend to receive wage rates near or above the U.S. average.

There is only modest seasonal variation in average wage rates for hired farm workers in the South. Wage rates, however, do drop slightly in July from levels in January and April, rebounding again by October (Figures 11 and 12). The national pattern of seasonal wage rates is similar to that found in the South, except possibly with a slightly more pronounced dip in the summer.

Changing Demographics of Hired Farm Workers

The racial and ethnic composition of hired farm workers in the South is changing in the direction of changes that have occurred in California, Texas, and Florida over the past two decades. The hired farm work force, particularly for perishable crop agriculture, has become increasingly Latinized. This result has recently been confirmed by the reports of the National Agricultural Workers Survey (NAWS) of the U.S. Department of Labor. Our farm labor research at the University of Florida has also found similar results for the Florida farm labor market.

The NAWS data are drawn from a random sample of 8,000 workers in 1990 from 72 counties located in 25 states in nation. The sampled workers were either currently or previously

engaged in perishable crop agriculture, as broadly and jointly defined by the U.S. Departments of Labor and Agriculture. While the results of this research cannot be partitioned for the South, it is believed that the general findings are reasonable for trends occurring in our region.

In general, hired crop farm workers are mostly, but not overwhelmingly, Mexican born. A large percentage of Mexican workers are married and have children. Many of these married workers tend to be "unaccompanied" males while engaged in farm work. Farm workers have low annual incomes and are attached to the farm labor market although not fully employed for 52 weeks of a year. Farm workers are poorly educated and many do not speak English.

From the NAWS 1990 survey, three-fifths of all crop workers are foreign born. Thus, two-fifths are native U.S. citizens. Of the foreign born farm workers, one-half are SAWs and one-third were legalized before IRCA. Only one-sixth of the total were undocumented workers.

Farm workers are relatively young in age, with a median age of 31. They are poorly educated. Of the foreign born crop workers, the average level of education is the 6th grade, while U.S. born workers have an average of an 11th grade education. Roughly one-half of America's crop workers are functionally illiterate. Many of these workers cannot access government services/agencies in either English or Spanish.

Unaccompanied males account for 28 per cent of all crop farm workers, but 41 per cent of all harvest workers. The all male culture leads to special social pathologies, i.e., alcoholism and sexually transmitted disease.

Roughly one-sixth of all crop workers are employed not by farmers, but by independent farm labor contractors. Those workers employed by farm labor contractors are mostly immigrants (90%) and relatively newcomers to the farm labor market (SAWs and undocumented workers). Approximately one-third of these workers of farm labor contractors are paid by the piece rate method.

The most profound demographic change occurring in farm labor markets throughout not only the South but the United States is how quickly it is becoming Latinized. Hispanic workers with ethnic ties to Mexico and Central America are displacing domestic Black Americans and domestic non-Hispanic Caucasians in the farm labor market. This process of Latinization that first occurred on the West Coast is now spreading throughout the country.

Latin immigrants first become involved in harvest jobs and they then move to preharvest occupations. Their next move is to preharvest, followed by post harvest employment. Finally, Hispanic/Latin workers move into more skilled agricultural occupations.

Some Major Public Policy Issues

Immigration Reform

Immigration reform policy is focused upon the provisions and administration of the Immigration Reform and Control Act of 1986. This program, more affectionately called IRCA, makes it unlawful for any employer in the United States to employ an alien not legally entitled to work in the United States. It requires that farms in the South and elsewhere carefully monitor Form I-9 for completeness, making this form available to officers of the U.S. Immigration and Naturalization Service (INS) or U.S. Labor Department for inspection upon advance (3 days) notice.

In addition to record-keeping and I-9 requirements, IRCA has a broad array of provisions that include: (a) imposition of civil and criminal sanctions or penalties for knowingly hiring illegal aliens; (b) violation of the law for improper discrimination in hiring or recruiting of individuals on the basis of nationality or citizenship status; (c) a broader program (H-2A) for obtaining temporary foreign agricultural workers; (d) a Special Agricultural Worker (SAW) program which provided opportunity for eventual U.S. citizenship of previous illegal aliens

working in U.S. agriculture; and (e) a Replenishment Agricultural Worker (RAW) program to replace perishable crop agricultural workers (SAW) who do not qualify for legalization or who leave agriculture for other jobs.

Almost immediately upon passage of this seemingly monumental legislation, agricultural economists, including myself, began to analyze the likely labor market impacts. With such heavy penalties (up to a maximum of \$10,000 for each unauthorized alien employed) for knowingly hiring illegal aliens and with added funds for enforcement, it initially appeared that IRCA would have the effect of setting up the following chain of events:

- Large numbers of previously illegal farm workers would be "legalized" as SAWs workers;
- Once given Resident Alien status, many of these SAWs workers would abandon seasonal agricultural jobs for nonagricultural, year around jobs;
- With tight controls at the border and stiff sanctions, the supply of new illegal workers would decline sharply;
- The market for seasonal farm workers in the United States would become tight in terms of supply, causing wage rates to escalate.

Of course, we all know now that the above scenario did not take place. The main reason that our ex ante economic analysis went awry involves the assumption of enforcement. IRCA has not prevented new illegals from entering seasonal labor markets. The interesting fact is that these new workers come from foreign countries, mostly Mexico, with exceptionally fine looking, but forged, documents. We refer to these workers as "documented illegals", except we cannot easily distinguish bona fide workers from "documented illegals". The important point about seasonal farm labor markets is that the unexpected increase in the supply of workers has kept wage rates and piece rates in the South from increasing much above the inflation rate.

Labor and International Trade Policy

Changes in international trade policy can affect farm labor markets in the South in two major ways: (1) by altering the demand for domestically produced agricultural products and thereby shifting the demand for farm labor up or down; and (2) by changing the incentives for illegal entry into the region, and thereby causing labor supplies to go up or down. The first issue requires an analysis of the competitive positions of the respective countries for each commodity or product under scrutiny. An answer to the second issue requires knowledge of the workings of farm labor markets and the wage rate differentials between countries. This discussion will concentrate upon the second issue of illegal entry of farm workers.

While GATT negotiations are still in process, the development of the North American Free Trade Agreement (NAFTA) is in the ratification stage. The question we seek to address is "will NAFTA reduce or increase the flow of illegal workers into the South and the rest of the United States?"

While one can develop a good argument for either side of this question, I will argue that NAFTA will have the effect of increasing the flow of illegals into farm labor markets in the South and elsewhere in the United States.

While one would normally expect free trade between nations to equalize factor prices over time, the wage rate differential between Mexico and the United States is so large that the incentive to illegally enter the higher priced labor market (the United States) will continue unabated after the NAFTA agreement is ratified by both nations. More significantly, it is expected that agricultural production of fruits and vegetables in Mexico will increase following NAFTA, causing increased labor migration within Mexico to supply labor requirements for their expanded production. Since these migrant workers will be employed in Mexico during the months of January through April, many will likely continue their migration into the United States

for Spring and Summer farm work. For example, if Mexican tomato production increases as a result of NAFTA, this will cause an increase in illegal alien border crossings. Thus, NAFTA will likely have the effect of increasing both trade flows and labor flows from the same direction (Mexico). This is in contrast to the traditional theory which states that trade in commodities is a substitute for migration.

Another reason why illegal immigration will likely continue to increase into the South and elsewhere from Mexico after NAFTA is because of the entrenched migration networks that have already been developed. These migration networks link families and villages on both sides of the international border. The employer-recruiting pull of jobs becomes less important than the push of family ties. Also, wage differentials loom larger in migration decisions. Finally, the four decades of recruitment and illegal immigration have forged such developed migration networks between the United States and Mexico/Central America that NAFTA will not come close to abolishing illegal entry of individuals.

Fair Labor Standards Act (Minimum Wages/Child Labor)

This Act is more commonly known as the Minimum Wage Law. It generally is concerned with the minimum standard of living in terms of minimum wages, equal pay, overtime pay, record keeping, and child labor. Farm employers are exempt from the overtime pay provisions of the Act, while the minimum wage of \$4.25 per hour is required of farm employers covered under the statute.

Farmers who use more than 500 man days of labor during any calendar quarter (approximately 7 full time employees working 5 days a week) must comply with the provisions of the Minimum Wage Law. Family members (parent, spouse, child) are excluded from the minimum wage requirement, as well as the 500 man day test. Also, the Act permits teenagers

between 16 and 19 years of age to be employed at wage rates somewhat below the minimum wage.

The federal law establishes 16 as the minimum age for working in agricultural jobs declared hazardous by the Secretary of Labor and during school hours. Children 14 and 15 years of age can be employed in any non-hazardous agricultural occupation outside school hours. A child 12 or 13 years of age can also be employed outside school hours if she/he has written consent of parents or if the employment is on the same farm where her/his parents are employed.

The primary issue with the Minimum Wage Law in the South is its impact on jobs. Historically, each ratcheting upward of the minimum wage has had the net effect of displacing farm jobs with the lowest skill requirements. This occurred because many farm jobs in the South were paid at hourly rates at or very near the minimum wage. Thus, increasing the minimum wage has had the effect of increasing the adoption of capital intensive or labor-saving technology on farms in the South. This is one of the major reasons why the number of hired workers in the South has declined over time.

Unemployment Insurance

Although there is considerable variation from state to state in employer coverage and worker benefits, the overall purpose of unemployment insurance is to provide a partial and temporary income supplement to persons who lose their jobs through no fault of their own. Minimum federal coverage standards of agricultural employers are established, but individual states may have more extensive coverage.

In Florida, for example, a farm is required to pay the federal tax (0.8% of the first \$7,000 of annual payroll of each employee) and state tax (depending upon experience rating, but

between 0.1% and 5.4% of the first \$7,000 in salaries) if:

- The farm's payroll is at least \$10,000 in any calendar quarter; or
- The farm has 5 or more employees for some portion of a day in 20 or more weeks in the year.

To be eligible for receiving unemployment insurance benefits in Florida, an unemployed farm worker would have to:

- Be unemployed;
- Able and available for work;
- Not subject to disqualification;
- Have wage credits from employment with covered employer during the base period at the rate of \$20 or more per week with total base wages of at least \$400.

Once meeting the benefit eligibility requirements, claimants are entitled to receive weekly benefits of one-half of his/her weekly average wage, but not more than \$200.

Farm workers can be denied unemployment compensation if they (among other factors):

- Voluntarily quit their job without good cause;
- Were discharged for misconduct;
- Fail to apply for or accept suitable work; and
- Are illegal aliens.

Somewhat misunderstood about the unemployment insurance program is the burden of taxes. Employees do not pay any part of the taxes. Costs are borne by the employer, except for extended federal benefits which are subsidized by the federal treasury.

The equity issue is the key one here. Relatively small farms in the South do not have to pay the unemployment insurance tax, while the larger farms must pay the U.I. tax. This can increase average unit production costs for the larger farm units, other factors being equal. From a public relations standpoint, however, workers tend to prefer being employed by farms that provide unemployment insurance benefits. This factor could improve the quality of labor available for open positions at farms in the South covered with unemployment insurance.

Workers' Compensation

Each state has its own rules and regulations regarding workers' compensation. The general approach in each state, however, is identical -- the protection of workers that receive job-related injuries or diseases.

Coverage for agricultural firms is applicable for the medium-sized to larger employers. In Florida, for example, agricultural employers of 6 or more regular employees are required to purchase Workers' Compensation insurance. Farm that qualify for coverage must purchase Workers' Compensation insurance from an insurance carrier, qualify as a self-insurer, or join a group self-insurer fund. Cost of insurance varies depending upon employment activity and experience rating of each employer.

A significant policy issue has arisen from a recent U.S. Supreme Court case. In the Adams Fruit Company case, the United States Supreme Court held that injured agricultural workers may sue their employer for damages under the federal Migrant and Seasonal Agricultural Worker Protection Act, as well as receive benefits for work-related injuries under the State Workers' Compensation Law. This decision erodes the doctrine of exclusivity of workers' compensation remedies which allow for quick, no-fault relief for work-place injuries in exchange for foregoing expensive private lawsuits.

The Adams case also exposes employers to double liability in workers' compensation cases. Certain farm employers must now pay the insurance premium for the state workers' compensation program, plus provide additional liability insurance coverage in the event that state insurance does not provide sufficient relief to workers seeking even larger benefits for work-place injuries.

There is some effort in the Congress to reverse the thrust of the Adams Supreme Court decision through new legislation. These efforts are designed to restore state workers' compensation laws as the exclusive remedy for work-place injuries.

Occupational Safety and Health Act (OSHA)

The OSHA program seeks to assure a safe and healthful working environment, along with preserving human resources. While this federal law covers every employer engaged in a business that affects interstate commerce, farmers hiring 10 or fewer employees are exempt from OSHA inspection and all subsequent rules and penalties. However, serious, willful, or repeated violations by any farm employer are subject to citation.

For farm employers of 11 or more workers, OSHA imposes several requirements, such as the following (among other requirements):

- Informing employees of safety regulations and displaying posters;
- Reporting serious accidents within 48 hours;
- Maintaining up-to-date records of all occupational injuries and illnesses;
- Posting summary of prior year's occupational injuries and illnesses;
- Complying with special agricultural standards for anhydrous ammonia, slow moving vehicles emblem, roll-over protection structure, and field sanitation; and

- Instructing each employee on safe operation and servicing procedures for tractors and the handling of hazardous materials;

Although Workers' Compensation and OSHA programs both relate to accidents and illnesses in the work place, their reporting requirements are different. There is also a difference in coverage or applicability. OSHA regulates only the larger agricultural employers (11 or more employees), while workers' compensation covers medium and large sized employers (6 or more regular workers).

A dramatic fire at a North Carolina poultry processing plant in September of 1991 has prompted additional congressional interest in revising OSHA. Hearings have resulted in conflicting views from labor and management groups. The AFL-CIO has strongly supported language in an OSHA reform bill that would create labor-management safety committees as a way to broaden the rights of workers where health and safety are concerned. Employer groups have testified against this reform bill on the basis that the reform measure reaches beyond work place safety and health issues and represents a vehicle for other priorities of organized labor.

Social Security

The objective of the federal social security program is to provide monthly cash benefits to replace a part of the earnings lost through an employee's retirement, death, disability, or hospitalization.

Essentially all farm employers must comply with federal Social Security regulations. To avoid employer coverage, farms in the South would have to pay an employee less than \$150 in cash wages during a calendar year or pay total wages of less than \$2,500 per year to all employees.

Both employers and employees contribute to the tax base. In 1990, employers withheld 7.65% of an employee's cash wages up to a limit of \$51,300 in annual wages. Employers also were required to add 7.65% of cash wages as the employer's contribution to the program.

The Social Security program prescribes an assortment of forms to be filed and data to be recorded. Where labor contractors are involved, a farm operator may be held liable as a joint employer if the labor contractor fails to pay the Social Security tax.

Overall Impact Upon Employers and Workers

Impact on Employers. There is usually a differential impact of labor laws upon the two major groups of participants, employers and workers. Farm employers affected by these laws and regulations usually are burdened or adversely affected by the following:

- Additional and excessive paperwork;
- Complexities of dealing simultaneously with parallel, but not identical, programs of federal and state governments;
- Inequity among farmers for identical programs (larger farmers covered while smaller farmers not covered);
- Criteria for employer coverage not uniform across labor programs;
- Difficult to utilize labor programs for enhancing individual worker productivity; and
- Weak enforcement of existing labor programs.

Thus, farmers in the South and elsewhere tend to view federal and state labor laws as a required form of bureaucracy or nuisance. However, enlightened farmers have increasingly softened their opposition to labor programs over time. The real issue then is how to improve the effectiveness of existing programs, while diminishing the inequities.

Impact on Workers. Farm workers in the South are generally pleased that such programs as social security, minimum wage, unemployment insurance, and workers' compensation have become increasingly available to them. Gaps in worker coverage still exist, however, particularly among relatively smaller farms.

For larger farms that also provide opportunities for year around employment, attracting good quality labor has not been a problem. Many of the larger dairy farms in the South, for example, provide benefit packages that include paid vacations, health insurance, and free housing for regular or year-around employees.

For many farm employers caught in adverse competitive situations in product markets, the cost of mandated labor programs may have contributed to marginal or negative profits. This could lead to the closing down of farm operations altogether. Thus, the long term effect of providing increased labor program benefits to farm workers in the South has been better and larger benefits for fewer, not more, workers over time. If the industrialization of agriculture continues to march forward, those remaining agricultural workers will likely have labor program benefits essentially equal to non-farm workers in the future.

Sanctions Risk and Entrepreneurial Behavior

While the supply of farm labor has continued to be adequate in the South during a period of policy change (passage of IRCA), the employer of farm labor has tended to shift in the direction of farm labor contractors. On the basis of research conducted in Florida relating to prevailing wages for harvesting oranges for processing, it was discovered that agricultural entrepreneurs (farmers) innovate their individual business organizations to deal with the risk of sanctions imposed by laws and regulations, such as IRCA.

The potential risk of sanctions from IRCA and other labor-environmentally related programs has had the effect of shifting the management of routine seasonal labor jobs from growers to independent labor contractors. Our survey of citrus harvest employers, for example, has revealed that 76 percent of the employers of Valencia orange pickers in 1990 were independent labor contractors, not growers. These labor contractors employed 57 percent of the fruit pickers employed by respondents of the survey. Other non-grower employers of citrus harvesting include processing firms, packing houses, and independent buyers of fruit.

The primary function and role of the farm labor contractor is to coordinate seasonal labor supply and demand in an otherwise casual and disorderly farm labor market. Growers look to labor contractors to deliver a sufficient supply of labor to meet highly seasonal labor needs and to oversee the work performed by seasonal farm employees. Labor contractors permit growers to avoid the details of field labor management, including the hassles and problems associated with recruitment, retention, productivity, payroll, transportation, meals, and housing. This permits the grower to treat labor more like any other purchased input.

Labor contractors are particularly advantageous where workers are likely to be foreign born, migrant, illegal, unskilled, uneducated, and unorganized. Workers with these characteristics face difficulty in finding jobs and consequently, rely upon informal networks of friends, relatives, and contractors for employment information.

Small growers are more likely to utilize independent labor contractors when compared with large growers. There are substantial information and transaction costs associated with obtaining relatively large numbers of harvest workers for short durations. Labor contractors can take advantage of economies of scale by specializing in information unique to the harvest labor market: sources of workers, language skills, and communications with workers, all of which have little bearing to other activities in agricultural production. Also, the cost of this knowledge

can be spread over several different agricultural producers rather than be absorbed by the individual producer.

Overall Summary

From an outlook perspective, the above discussion can be summarized with the following points:

- There are roughly one million people engaged in farm work in the South in the peak month of July;
- Only 30 per cent of the farm work force is "hired". Thus, 70 per cent is represented by farm operators and unpaid family laborers;
- The total number of farm workers has declined over the past decade;
- The total farm work force will continue to decline in the future because of the continuing impact of labor-saving technology and the changing structure of Southern agriculture;
- Average wage rates for "hired" farm workers in the South have increased roughly in line with the inflation rate in recent years;
- Farm wage rates are not expected to increase appreciably in the near future as labor supplies are adequate for most agricultural operations in the South;
- Certain situations in the South, such as harvesting sugar cane, tobacco, and apples, will likely continue to require temporary seasonal foreign agricultural workers from the H-2A program of IRCA;
- The Southern hired agricultural work force will become even more Latinized in the future, as Mexican and other workers of Hispanic descent displace Black Americans and non-Hispanic Caucasians;

- Unless more stringent enforcement of present immigration policies are imposed, the problem of "documented" illegal aliens in our Southern farm work force will continue;
- The North American Free Trade Agreement will likely exacerbate, not mitigate, the problem of illegal aliens in the region;
- While annual incomes of seasonal farm workers are admittedly low, further increases in the minimum wage will have the effect of further reducing the number of hired farm workers in the South;
- Each piece of social labor legislation (minimum wage, unemployment insurance, workers' compensation, OSHA, social security) can be justified on its own merits. However, when viewed as an aggregate, the large number of labor and labor/environment laws and regulations at both federal and state levels creates a bewildering array of inequities between different types and sizes of farmers. Also, these programs add to the cost of production and marketing of domestically produced farm products, not to mention the excessive paper work and bureaucratic red tape. Reducing inequities and unnecessary bureaucracy should become a part of future policy reform measures;
- Farmers in the South can and do modify their business organizations to reduce the level of risks, such as price, production, and sanctions risk.
- In the context of heavy penalties for knowingly hiring illegal aliens, some farmers in the South have shifted the harvest employment function to independent farm labor contractors.

FIGURES

•

•

•

•

Figure 1
The Number of All Farms Workers
and Hired Farm Workers
in the South During the Month of January

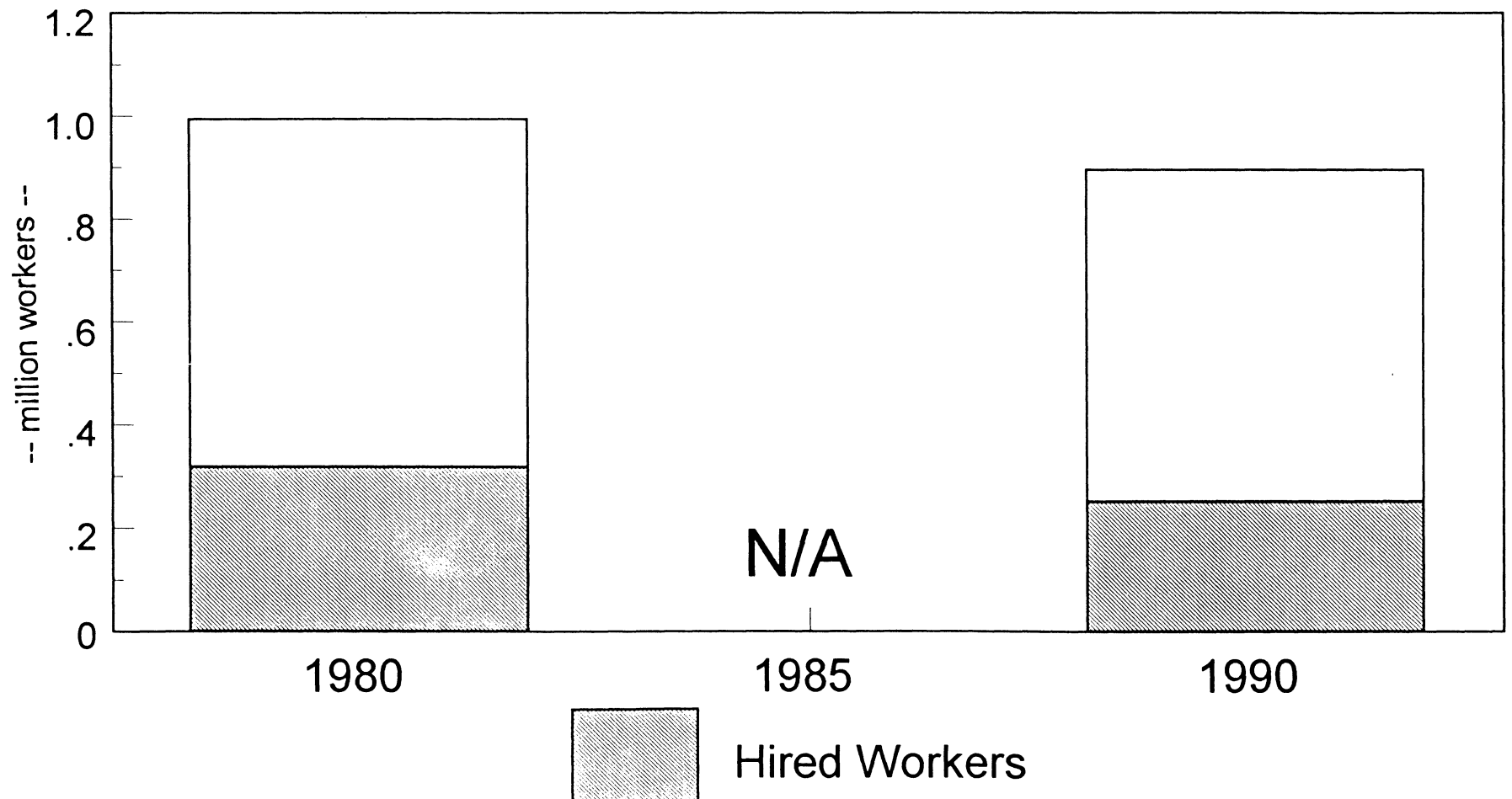


Figure 2

The Number of All Farms Workers
and Hired Farm Workers
in the South During the Month of April

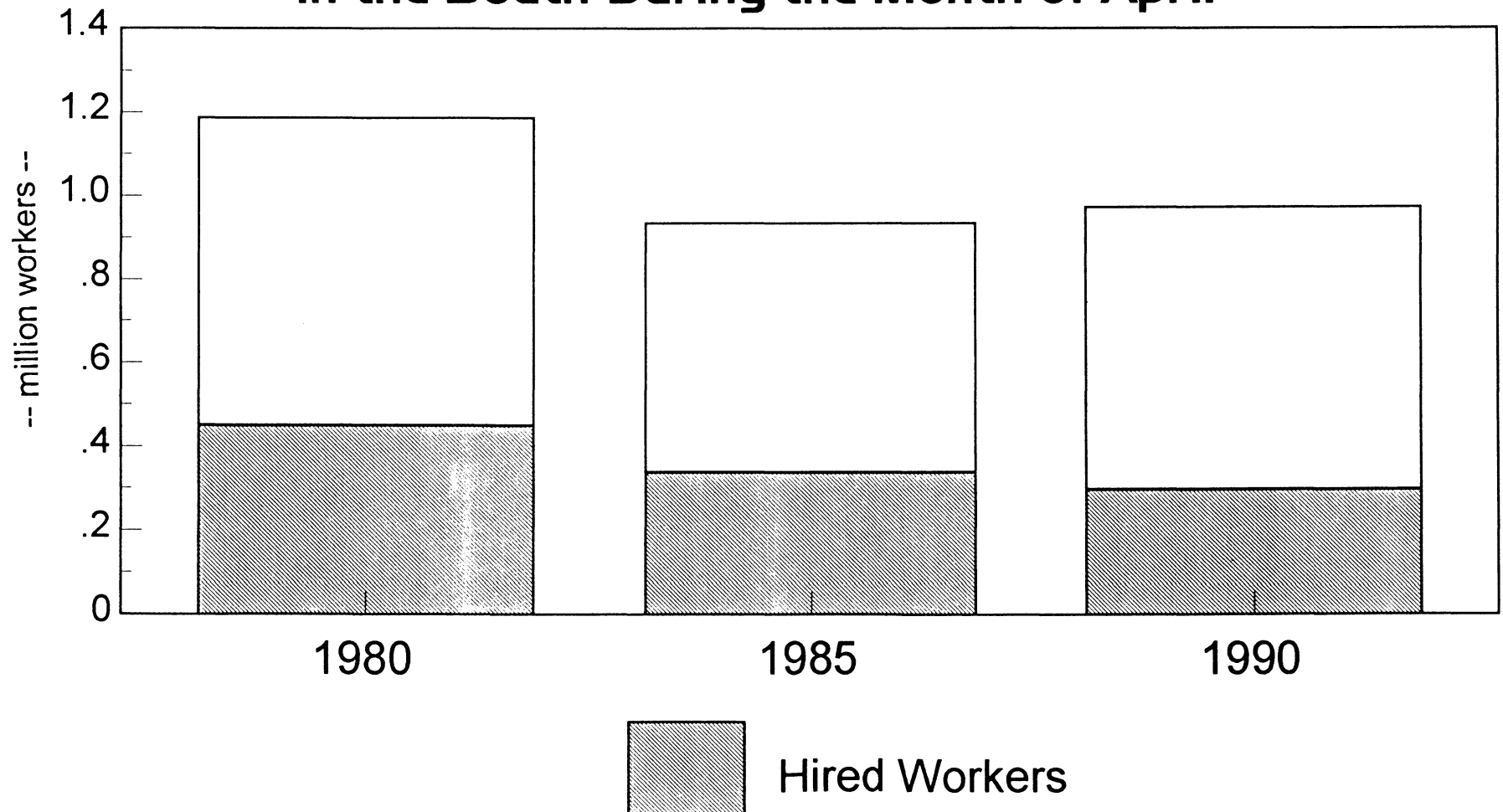


Figure 3

The Number of All Farms Workers
and Hired Farm Workers
in the South During the Month of July

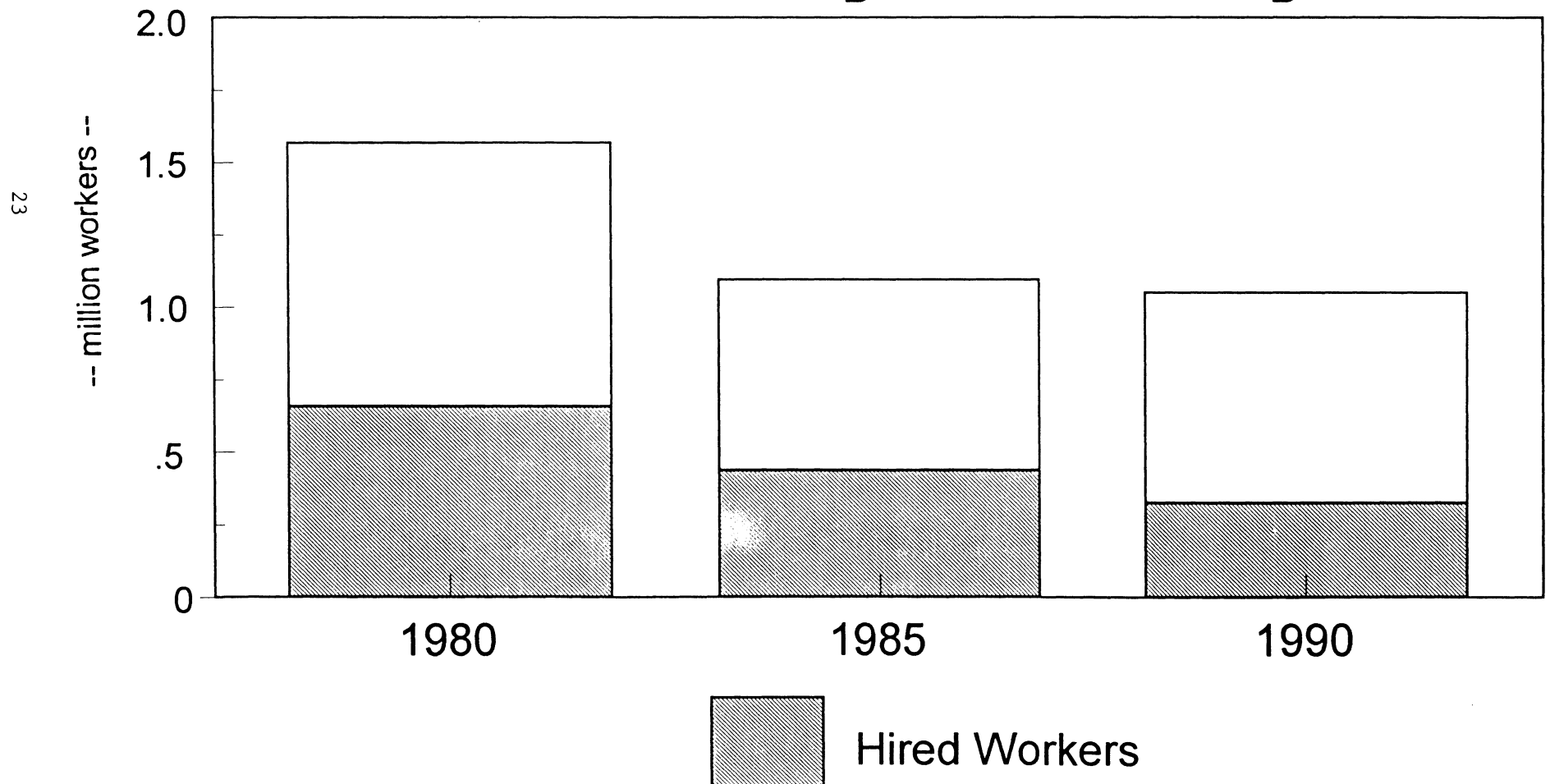


Figure 4

The Number of All Farms Workers
and Hired Farm Workers
in the South During the Month of October



Figure 5

Number of All Farms Workers
and Hired Farm Workers
in the South in 1980, By Season

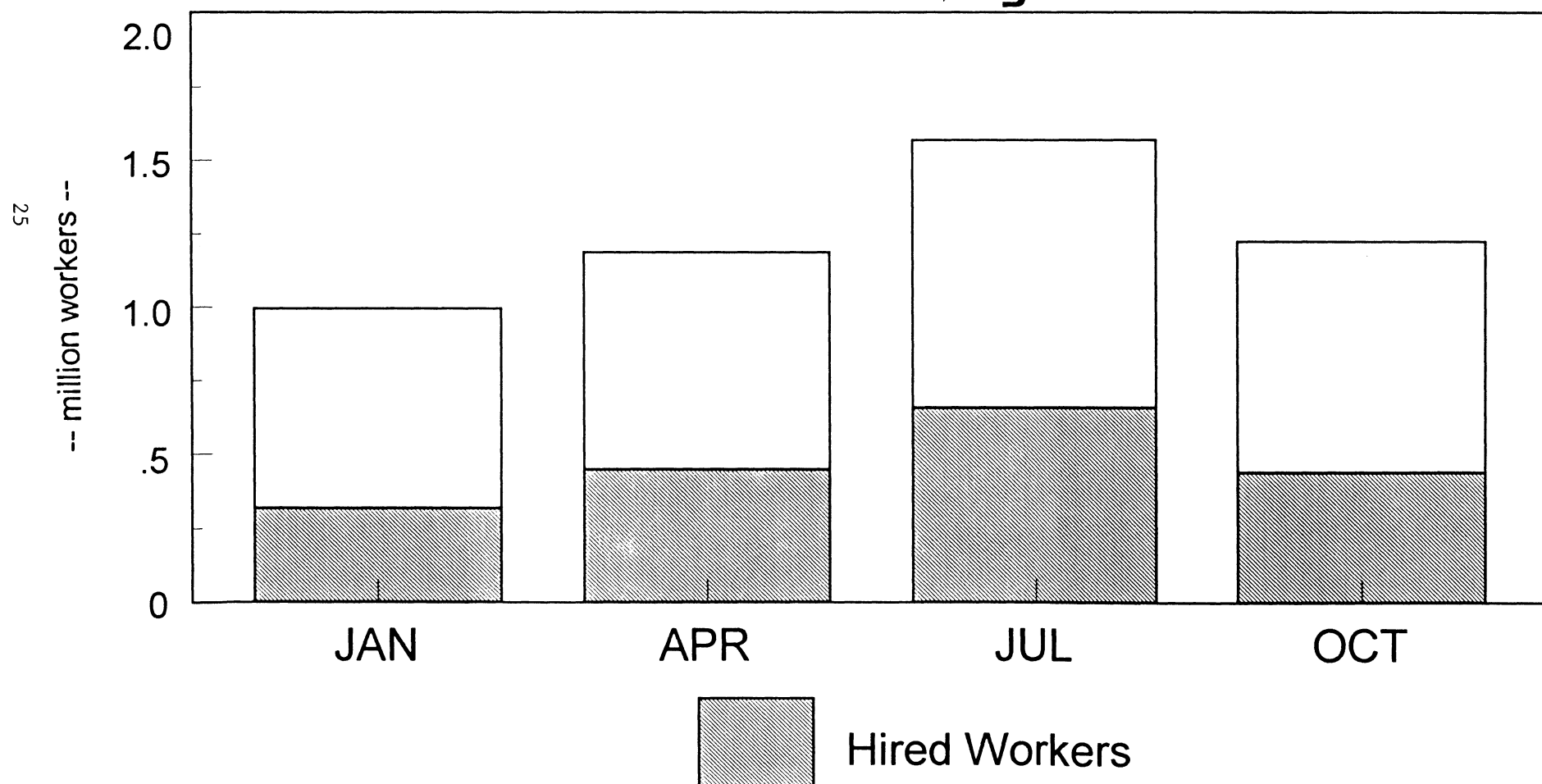


Figure 6

Number of All Farms Workers
and Hired Farm Workers
in the South in 1990, By Season

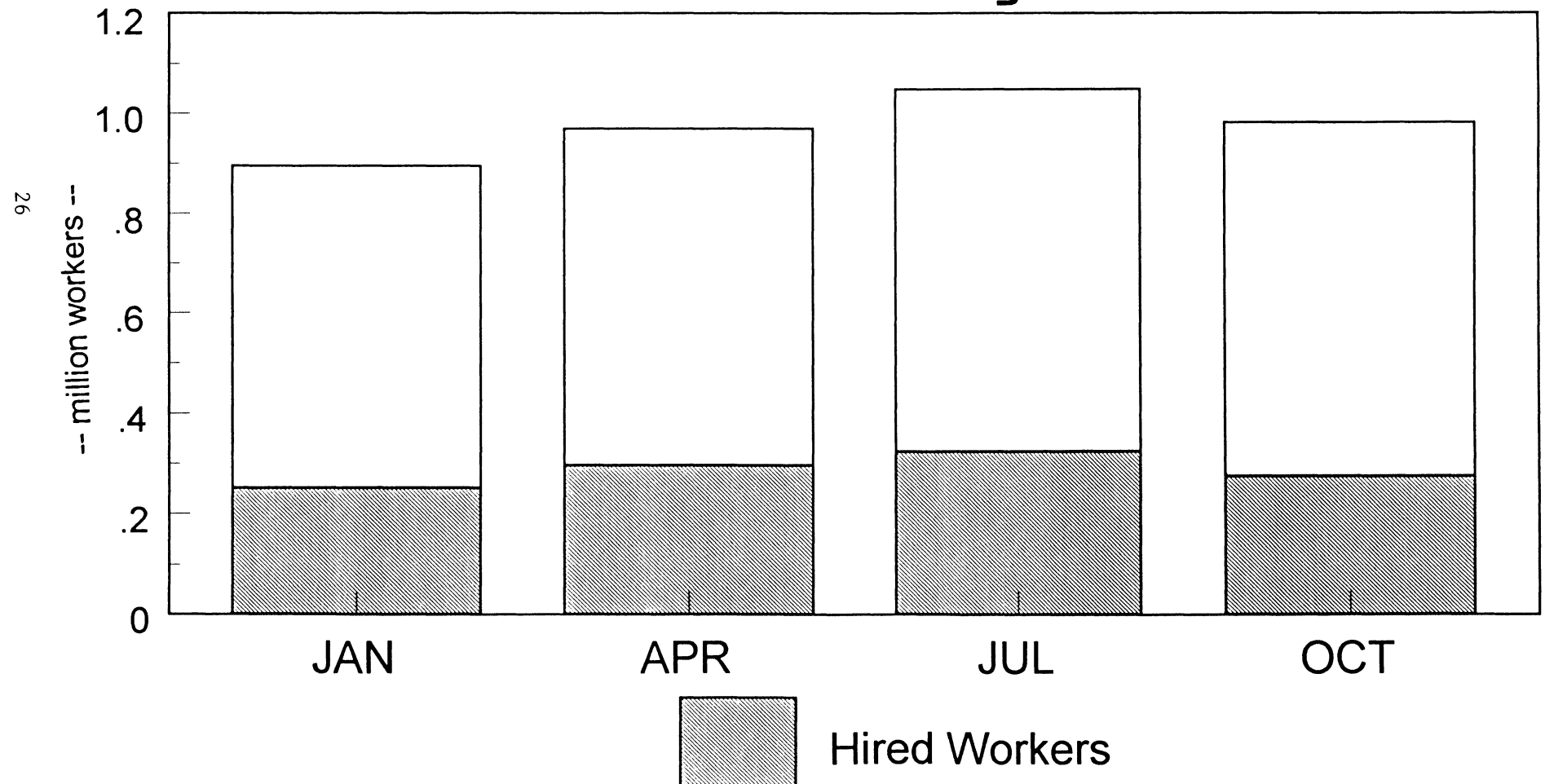


Figure 7

Average Wage Rates for All Hired Farm Workers

in the South and United States During the Month of January

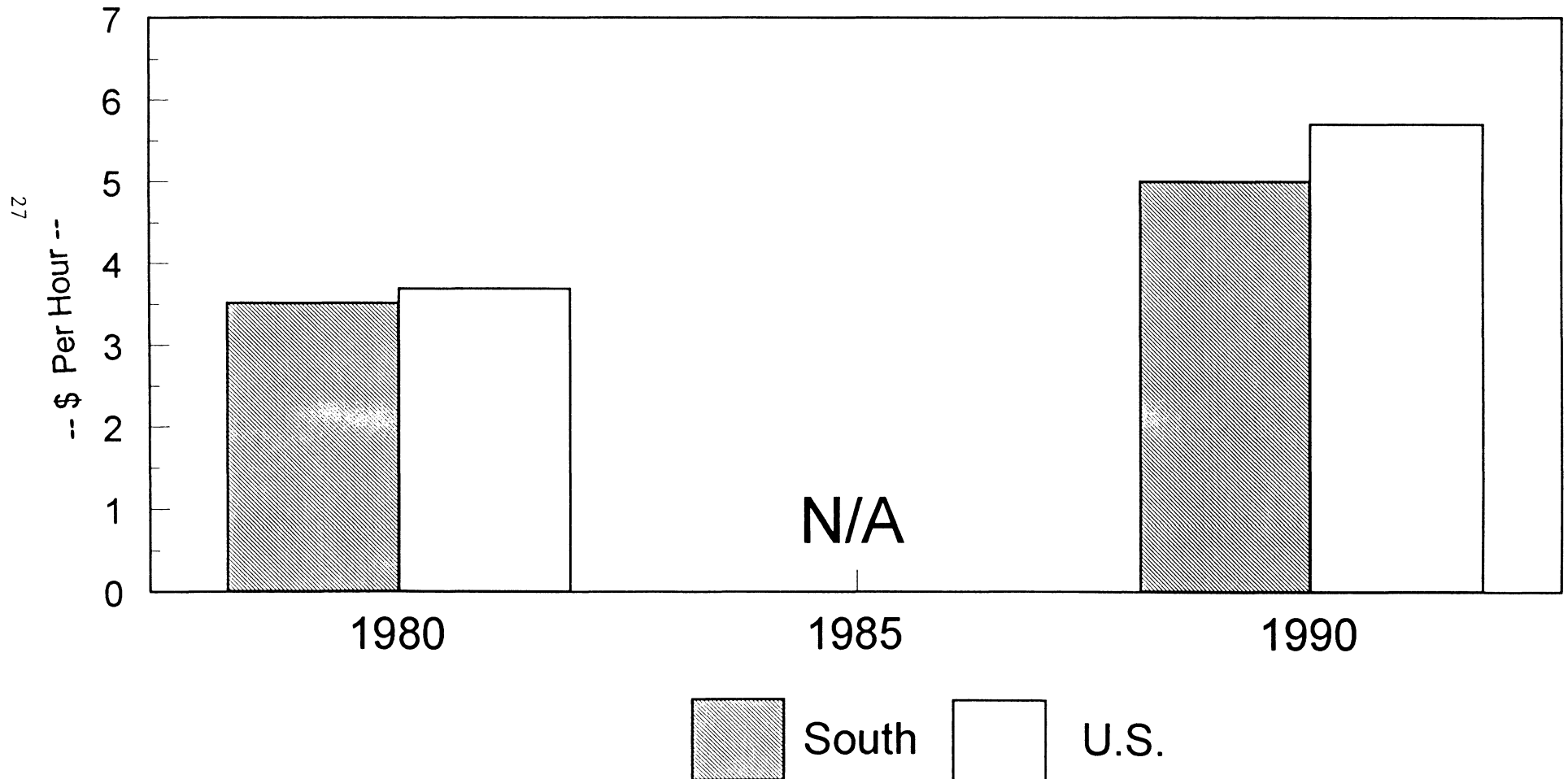


Figure 8

Average Wage Rates for All Hired Farm Workers

in the South and United States During the Month of April

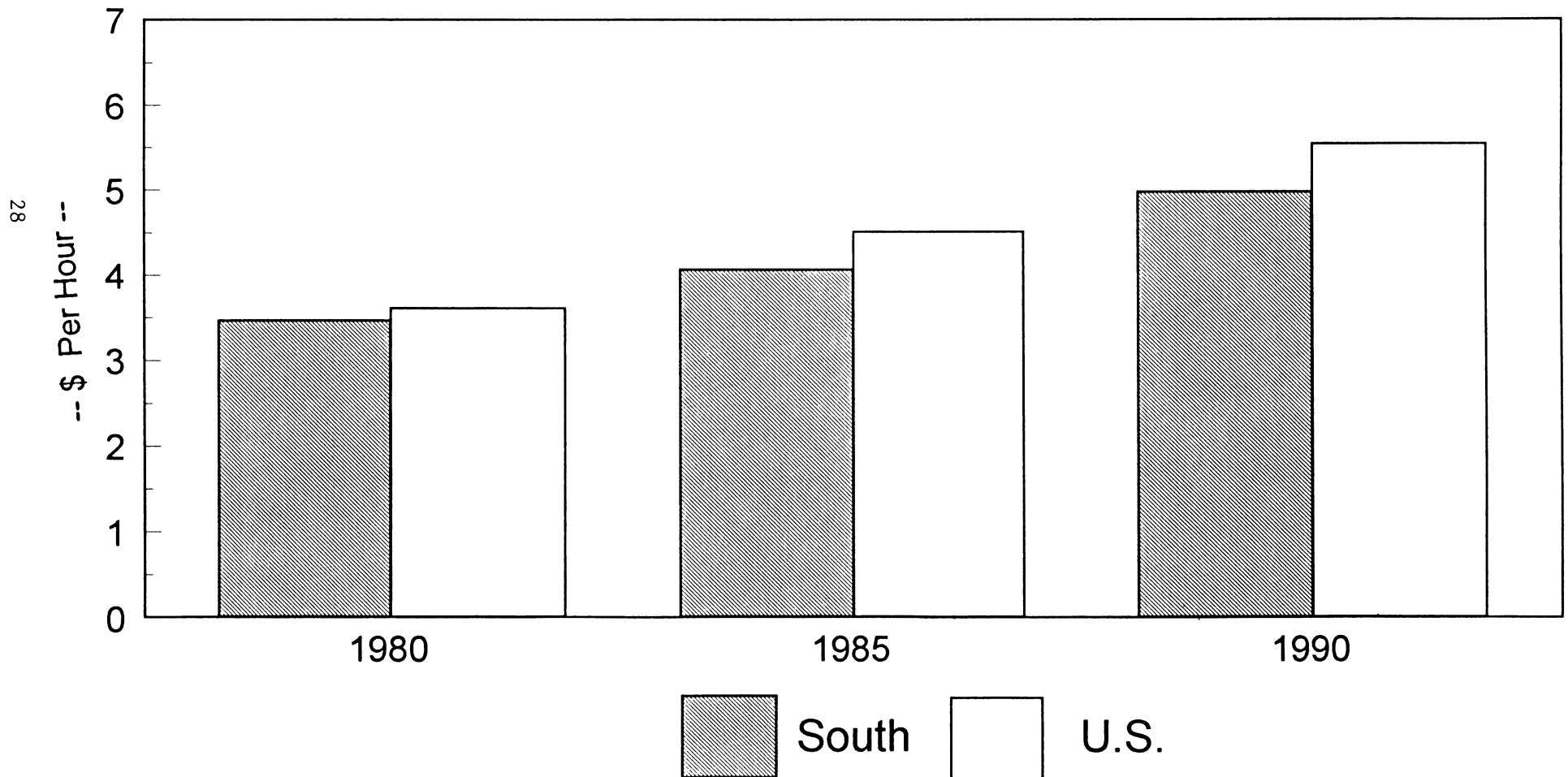


Figure 9

Average Wage Rates
for All Hired Farm Workers
in the South and United States During the Month of July

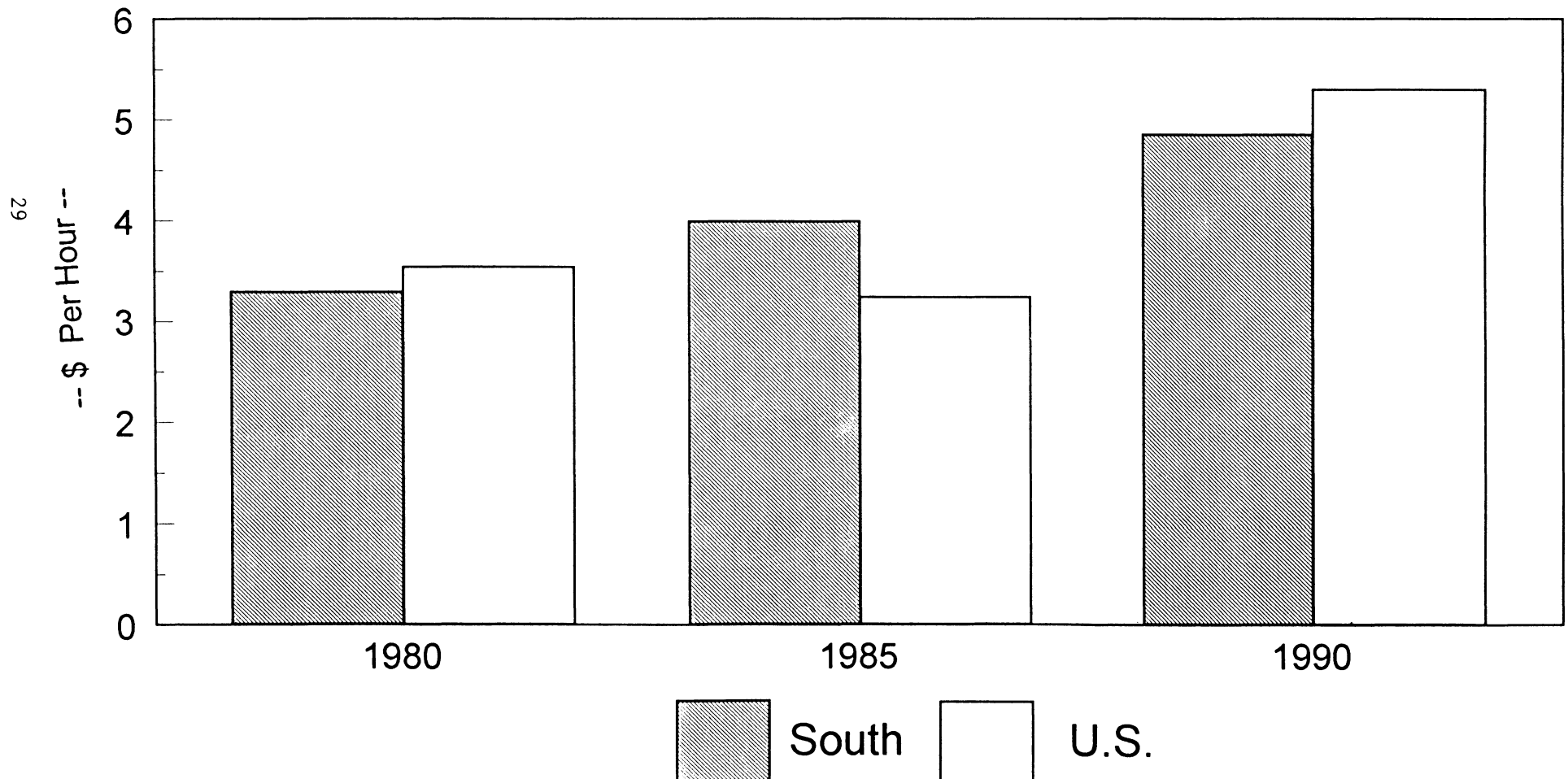


Figure 10
Average Wage Rates
for All Hired Farm Workers
in the South and United States During the Month of October

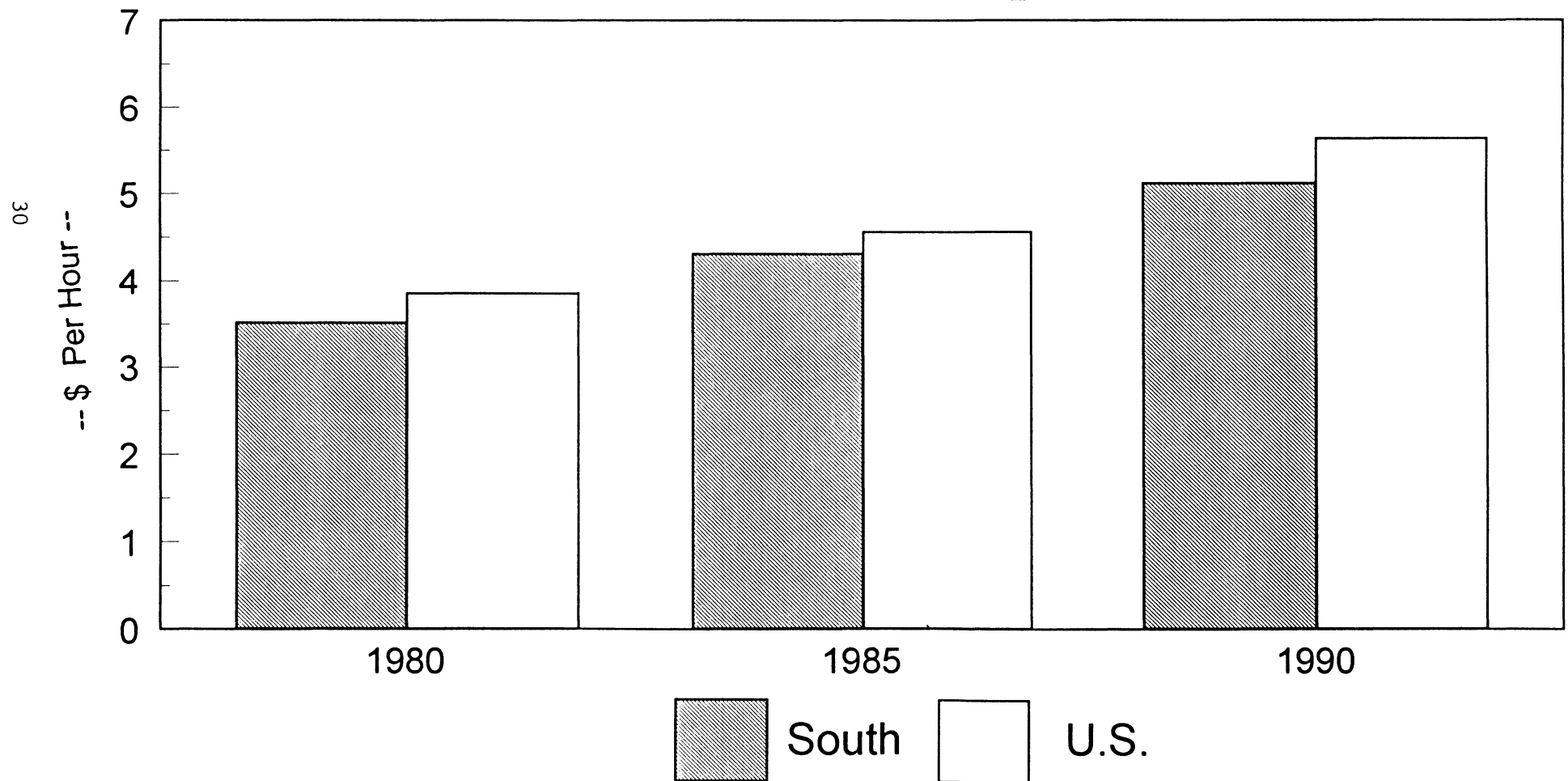


Figure 11

Seasonal Variation in Average Wage Rates
for All Hired Farm Workers
in the South and United States in 1980

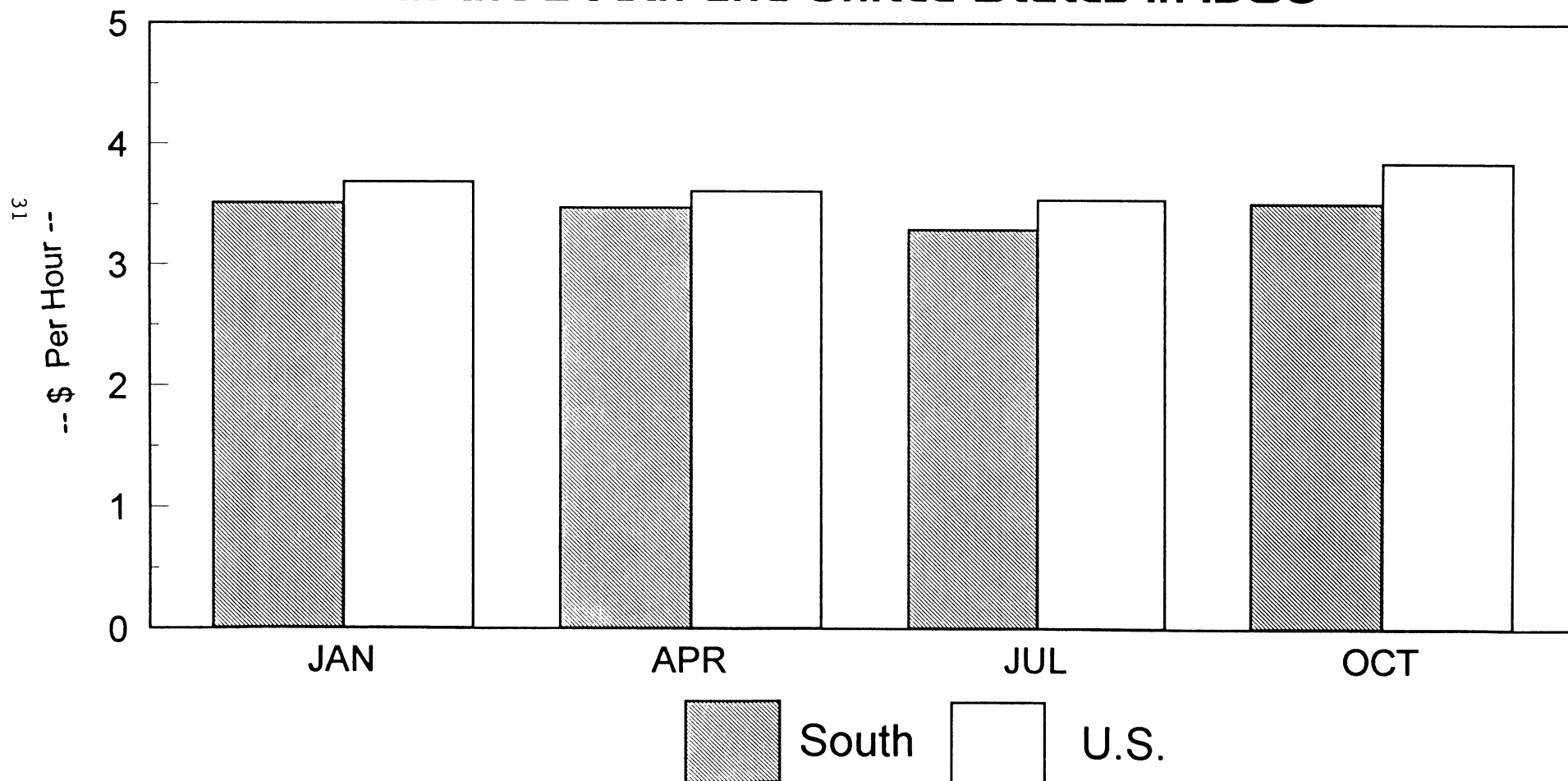
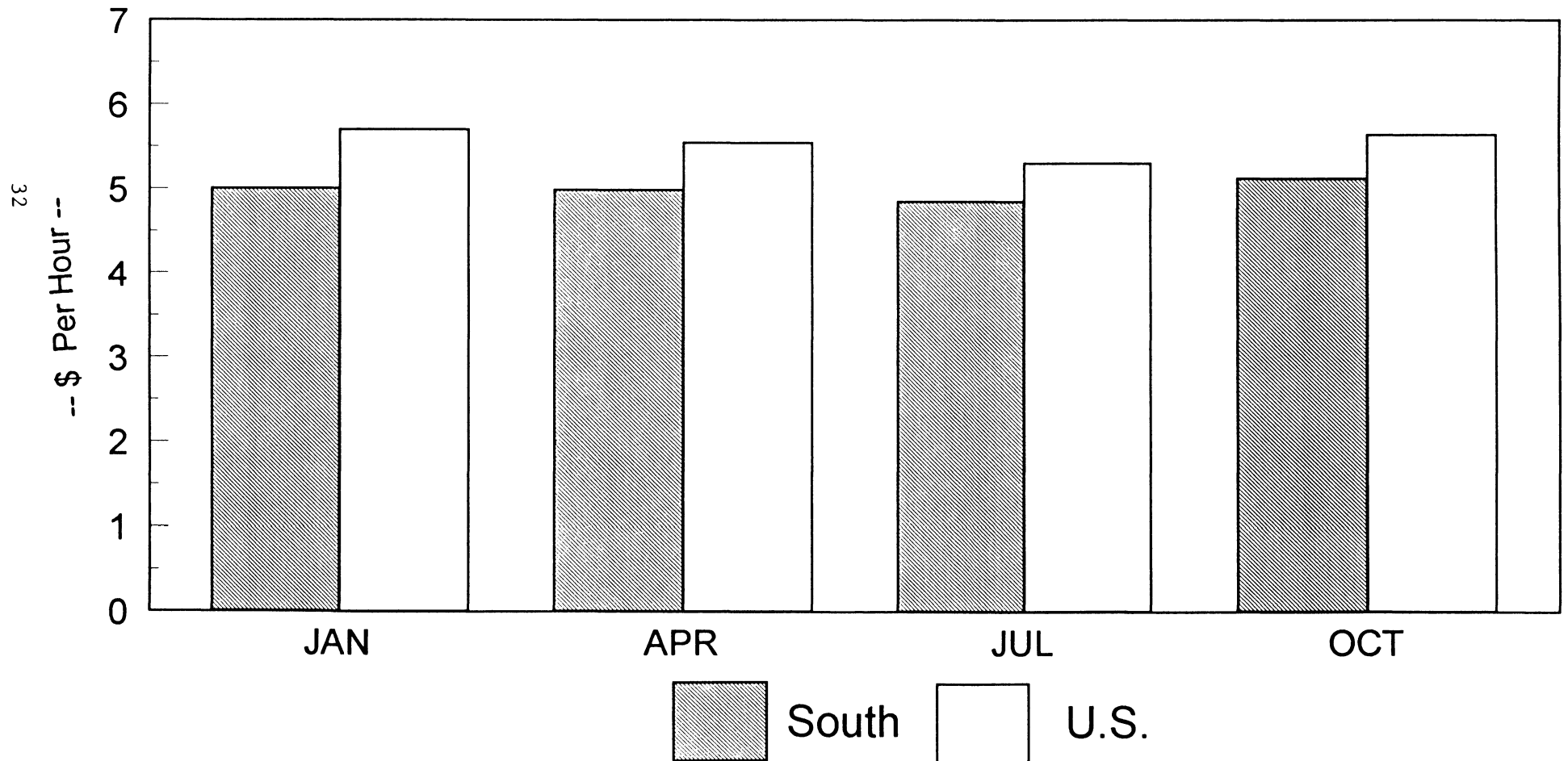


Figure 12

Seasonal Variation in Average Wage Rates
for All Hired Farm Workers
in the South and United States in 1990



APPENDIX TABLES

.

.

.

.

Appendix Table 1. Workers on Farms in the South, By Region, By Season, 1980, 1985, and 1990.

Region	All Farm Workers	Hired Workers	Percentage Hired to Total
<u>January 1980</u>			
	-----1,000-----		
Appalachian I	154.0	35.0	22.7%
Appalachian II	198.5	38.8	19.5%
Southeast	149.0	57.0	38.3%
Florida	93.0	70.0	75.3%
Delta	148.0	46.0	31.1%
South. Plains	<u>252.0</u>	<u>71.0</u>	<u>28.2%</u>
Total South	994.5	317.8	32.0%
Total U.S.	3,021.5	909.6	30.1%
<u>April 1980</u>			
Appalachian I	206.0	62.0	30.1%
Appalachian II	204.7	49.8	24.3%
Southeast	185.0	81.0	43.8%
Florida	117.0	90.0	77.0%
Delta	184.0	81.0	44.0%
South. Plains	<u>290.0</u>	<u>86.0</u>	<u>29.7%</u>
Total South	1,186.7	449.8	37.9%
Total U.S.	3,441.4	1,186.4	34.5%

Appalachian I - NC/VA
 Appalachian II - KY/TN/WV
 Southeast - AL, GA, SC
 Florida - FL
 Delta - AR, LA, MS
 So. Plains - OK, TX

Appendix Table 1 (continued)

Region	All Farm Workers	Hired Workers	Percentage Hired to Total
<u>July 1980</u>			
	-----1,000-----		
Appalachian I	324.0	150.0	46.3%
Appalachian II	281.9	82.9	29.4%
Southeast	281.0	140.0	49.8%
Florida	82.0	54.0	65.9%
Delta	243.0	105.0	43.2%
South. Plains	<u>356.0</u>	<u>125.0</u>	<u>35.1%</u>
Total South	1,567.9	656.9	41.9%
Total U.S.	4,542.6	1,791.4	39.4%
<u>October 1980</u>			
Appalachian I	203.0	77.0	37.9%
Appalachian II	233.2	48.2	20.7%
Southeast	209.0	71.0	34.0%
Florida	84.0	57.0	67.9%
Delta	212.0	92.0	43.4%
South. Plains	<u>283.0</u>	<u>93.0</u>	<u>32.9%</u>
Total South	1,224.2	438.2	35.8%
Total U.S.	3,791.4	1,306.0	34.4%

Appendix Table 1 (continued)

Region	All Farm Workers	Hired Workers	Percentage Hired to Total
<u>January 1985*</u>			
	-----1,000-----		
Florida	83.0	63.0	76.0%
South. Plains	284.0	85.0	30.0%
<u>April 1985</u>			
Appalachian I	136.0	46.0	33.9%
Appalachian II	177.0	31.0	17.5%
Southeast	120.0	44.0	36.7%
Florida	104.0	82.0	78.9%
Delta	126.0	49.0	38.9%
South. Plains	<u>272.0</u>	<u>85.0</u>	<u>31.3%</u>
Total South	935.0	337.0	36.0%
Total U.S.	2,821	907.0	32.2%

*Only seven states surveyed.

Appendix Table 1 (continued)

Region	All Farm Workers	Hired Workers	Percentage Hired to Total
<u>July 1985</u>			
	-----1,000-----		
Appalachian I	220.0	108.0	49.1%
Appalachian II	167.0	39.0	23.4%
Southeast	184.0	99.0	53.8%
Florida	49.0	33.0	67.4%
Delta	175.0	61.0	34.9%
South. Plains	<u>299.0</u>	<u>97.0</u>	<u>32.4%</u>
Total South	1,094.0	437.0	39.9%
Total U.S.	3,570.0	1,373.0	38.5%
<u>October 1985</u>			
Appalachian I	158.0	64.0	40.5%
Appalachian II	163.0	39.0	24.0%
Southeast	129.0	55.0	42.6%
Florida	54.0	41.0	75.9%
Delta	166.0	64.0	38.6%
South. Plains	<u>243.0</u>	<u>62.0</u>	<u>25.5%</u>
Total South	913.0	325.0	35.6%
Total U.S.	2,956.0	1,015.0	34.3%

Appendix Table 1 (continued)

Region	All Farm Workers	Hired Workers	Percentage Hired to Total
<u>January 1990</u>			
	-----1,000-----		
Appalachian I	108.0	24.0	22.2%
Appalachian II	197.0	39.0	19.8%
Southeast	136.0	43.0	31.6%
Florida	90.0	65.0	72.2%
Delta	114.0	32.0	28.1%
South. Plains	<u>250.0</u>	<u>48.0</u>	<u>19.2%</u>
Total South	895.0	251.0	28.0%
Total U.S.	2,447.0	695.0	28.4%
<u>April 1990</u>			
Appalachian I	122.0	38.0	31.2%
Appalachian II	210.0	34.0	16.2%
Southeast	160.0	61.0	38.1%
Florida	76.0	57.0	75.0%
Delta	137.0	50.0	36.5%
South. Plains	<u>266.0</u>	<u>56.0</u>	<u>21.1%</u>
Total South	971.0	296.0	30.5%
Total U.S.	2,761.0	833.0	30.2%

Appendix Table 1 (continued)

Region	All Farm Workers	Hired Workers	Percentage Hired to Total
<u>July 1990</u>			
	-----1,000-----		
Appalachian I	171.0	74.0	43.3%
Appalachian II	211.0	38.0	18.0%
Southeast	158.0	62.0	39.2%
Florida	66.0	36.0	54.6%
Delta	138.0	45.0	32.6%
South. Plains	<u>306.0</u>	<u>69.0</u>	<u>22.6%</u>
Total South	1,050.0	324.0	30.9%
Total U.S.	3,335.0	1,106.0	33.2%
<u>October 1990</u>			
Appalachian I	131.0	42.0	32.1%
Appalachian II	231.0	50.0	21.7%
Southeast	115.0	28.0	24.4%
Florida	76.0	48.0	63.2%
Delta	130.0	41.0	31.5%
South. Plains	<u>300.0</u>	<u>65.0</u>	<u>21.7%</u>
Total South	983.0	274.0	27.9%
Total U.S.	3,022.0	935.0	30.9%

Source: U.S. Department of Agriculture, National Agricultural Statistics Service, Farm Employment and Wage Rates 1910-1990, Stat. Bull. 822, Washington, D.C., March 1991.

Appendix Table 2. Wage Rates for Hired Workers, By Region, By Season, South, 1980, 1985, 1990

Region	All Hired Workers	Field Workers	Livestock Workers	Field & Livestock Workers	Supervisors
-----\$/Hr-----					
<u>January 1980</u>					
Appalachia I	3.30	3.23	3.07	3.12	5.01
Appalachia II	3.00	2.98	2.89	2.93	4.17
Southeast	3.33	3.20	3.09	3.14	5.31
Florida	4.25	4.21	3.68	4.10	6.32
Delta	3.66	3.42	3.40	3.41	6.06
South. Plains	<u>3.49</u>	<u>3.36</u>	<u>3.41</u>	<u>3.39</u>	<u>5.06</u>
South Avg.	3.51	3.40	3.26	3.35	5.32
U.S.	3.69	3.77	3.26	3.46	5.57
<u>April 1980</u>					
Appalachia I	3.15	3.11	3.05	3.08	3.97
Appalachia II	3.25	3.02	2.94	2.99	5.04
Southeast	3.27	2.96	3.10	3.02	5.53
Florida	4.33	4.30	3.84	4.21	6.16
Delta	3.45	3.24	3.27	3.25	5.56
South. Plains	<u>3.39</u>	<u>3.13</u>	<u>3.28</u>	<u>3.21</u>	<u>5.00</u>
South Avg.	3.47	3.29	3.25	3.29	5.21
U.S.	3.61	3.55	3.16	3.38	5.56
Appalachia I	- NC, VA				
Appalachia II	- KY, TN, WV				
Southeast	- AL, GA, SC				
Florida	- FL				
Delta	- AR, LA, MS				
South. Plains	- OK, TX				

Appendix Table 2. (continued)

Region	All Hired Workers	Field Workers	Livestock Workers	Field & Livestock Workers	Supervisors
-----\$/Hr-----					
<u>July 1980</u>					
Appalachia I	3.02	2.88	3.00	2.90	4.50
Appalachia II	3.17	2.97	3.17	3.02	5.27
Southeast	3.09	2.80	3.06	2.88	4.69
Florida	3.97	3.60	3.68	3.67	6.00
Delta	3.28	3.10	3.26	3.13	4.62
South. Plains	<u>3.19</u>	<u>3.08</u>	<u>3.03</u>	<u>3.06</u>	<u>5.31</u>
South Avg.	3.29	3.07	3.20	3.11	5.07
U.S.	3.54	3.38	3.22	3.35	5.45
<u>October 1980</u>					
Appalachia I	3.51	3.25	3.55	3.39	5.53
Appalachia II	3.30	3.20	3.21	3.21	N/A
Southeast	3.23	2.90	3.03	2.96	5.64
Florida	4.13	3.72	4.00	3.78	6.28
Delta	3.43	3.29	3.36	3.31	4.86
South. Plains	<u>3.44</u>	<u>3.27</u>	<u>3.27</u>	<u>3.27</u>	<u>5.99</u>
South Avg.	3.51	3.27	3.40	3.32	5.66
U.S.	3.85	3.82	3.40	3.68	5.79

Appendix Table 2. (continued)

Region	All Hired Workers	Field Workers	Livestock Workers	Field & Livestock Workers	Supervisors
-----\$/Hr-----					
<u>January 1985*</u>					
Florida	5.20	5.04	4.41	4.99	7.69
South. Plains	4.71	4.15	4.15	4.15	6.34
South Avg.	X	X	X	X	X
U.S.	X	X	X	X	X
<u>April 1985</u>					
Appalachia I	3.84	3.73	3.93	3.81	5.14
Appalachia II	3.90	3.65	4.13	3.88	N/A
Southeast	3.51	3.18	3.85	3.44	5.76
Florida	4.84	4.28	4.49	4.30	8.21
Delta	3.93	3.86	3.89	3.87	5.92
South. Plains	<u>4.39</u>	<u>4.11</u>	<u>3.92</u>	<u>4.04</u>	<u>6.48</u>
South Avg.	4.07	3.80	3.92	3.89	6.30
U.S.	4.51	4.51	3.91	4.26	6.96

*Only seven (7) states surveyed.

Appendix Table 2. (continued)

Region	All Hired Workers	Field Workers	Livestock Workers	Field & Livestock Workers	Supervisors
-----\$/Hr-----					
<u>July 1985</u>					
Appalachia I	3.77	3.50	3.78	3.56	6.18
Appalachia II	3.73	3.58	3.69	3.61	N/A
Southeast	3.48	3.29	3.74	3.38	6.02
Florida	4.95	4.19	4.37	4.24	8.28
Delta	3.86	3.74	4.08	3.81	5.77
South. Plains	<u>4.16</u>	<u>3.68</u>	<u>4.19</u>	<u>3.92</u>	<u>6.04</u>
South Avg.	3.99	3.66	3.98	3.75	6.46
U.S.	4.24	4.07	3.97	4.05	6.86
<u>October 1985</u>					
Appalachia I	4.35	4.17	4.15	4.16	7.80
Appalachia II	4.04	3.99	3.88	3.96	N/A
Southeast	3.68	3.37	3.86	3.61	5.33
Florida	5.05	4.27	4.56	4.35	8.22
Delta	3.86	3.76	4.46	3.95	5.71
South. Plains	<u>4.71</u>	<u>4.20</u>	<u>4.43</u>	<u>4.36</u>	<u>6.84</u>
South Avg.	4.31	3.96	4.22	4.07	6.78
U.S.	4.56	4.47	4.24	4.40	7.07

Appendix Table 2. (continued)

Region	All Hired Workers	Field Workers	Livestock Workers	Field & Livestock Workers	Supervisors
-----\$/Hr-----					
<u>January 1990</u>					
Appalachia I	4.75	4.44	4.54	4.51	6.62
Appalachia II	4.79	4.19	4.61	4.44	8.33
Southeast	4.91	4.10	5.02	4.41	10.23
Florida	5.94	5.19	5.57	5.22	10.66
Delta	5.18	4.91	4.22	4.54	8.07
South. Plains	<u>5.25</u>	<u>4.56</u>	<u>4.69</u>	<u>4.63</u>	<u>9.23</u>
South Avg.	5.00	4.57	4.78	4.63	8.86
U.S.	5.70	5.34	4.99	5.18	9.13
<u>April 1990</u>					
Appalachia I	4.76	4.47	4.54	4.49	9.79
Appalachia II	4.64	4.33	4.48	4.42	8.24
Southeast	4.90	4.31	5.02	4.52	10.01
Florida	5.91	5.44	4.79	5.33	10.29
Delta	4.52	4.53	4.02	4.34	7.01
South. Plains	<u>5.12</u>	<u>4.74</u>	<u>4.87</u>	<u>4.81</u>	<u>7.27</u>
South Avg.	4.98	4.64	4.79	4.65	8.77
U.S.	5.54	5.20	4.92	5.11	8.94

Appendix Table 2. (continued)

Region	All Hired Workers	Field Workers	Livestock Workers	Field & Livestock Workers	Supervisors
-----\$/Hr-----					
<u>July 1990</u>					
Appalachia I	4.60	4.40	4.87	4.48	6.48
Appalachia II	4.98	4.75	4.82	4.78	8.28
Southeast	4.45	4.10	5.05	4.23	7.43
Florida	5.87	5.32	5.59	5.36	9.77
Delta	4.59	4.41	4.30	4.39	8.27
South. Plains	<u>4.61</u>	<u>4.32</u>	<u>4.26</u>	<u>4.30</u>	<u>7.36</u>
South Avg.	4.85	4.55	4.82	4.59	7.93
U.S.	5.30	5.05	4.90	5.02	7.93
<u>October 1990</u>					
Appalachia I	4.73	4.59	4.39	4.52	7.39
Appalachia II	4.94	4.43	4.79	4.58	7.69
Southeast	5.16	4.97	4.63	4.83	8.94
Florida	6.28	5.68	5.48	5.64	10.35
Delta	4.59	4.33	4.66	4.39	7.86
South. Plains	<u>5.04</u>	<u>4.74</u>	<u>4.78</u>	<u>4.76</u>	<u>7.65</u>
South Avg.	5.12	4.79	4.79	4.79	8.31
U.S.	5.64	5.41	5.00	5.30	8.52

Source: U.S. Department of Agriculture, National Agricultural Statistics Service, Farm Employment and Wage Rates, 1910-1990, Stat. Bull. 822, Washington, D.C., March 1991.

References

- Martin, Philip L., and Gary Thompson, "Labor and International Trade in Vegetables", in Vegetable Markets in the Western Hemisphere, edited by Rigoberto A. Lopez and Leo C. Polopolus, Ames: Iowa State University Press, 1992.
- Mines, Richard, "Latinization of Farm Labor and Patterns of Geographic and Economic Mobility", AAEEA Organized Symposium on "The Post-IRCA Farm Labor Market: Supply and Demand Trends for the 1990s", Baltimore, MD, August 12, 1992, unpublished paper.
- Polopolus, Leo C., "Labor Laws That Affect Human Resource Management", in Large Dairy Herd Management, publisher not yet announced, expected in 1993.
- Polopolus, Leo C. and Robert D. Emerson, "Immigration and Employment Policy Impacts: The Florida Citrus Case", Choices, Fourth Quarter 1991, pp. 16-18.
- U.S. Department of Agriculture, National Agricultural Statistics Service, Farm Employment and Wage Rates 1910-1990, Stat. Bull. 822, Washington, D.C., March 1991.