Foreign Workers and the Organic Farms’ Demand for Seasonal Unskilled Labor

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MOTIVATION

In the domestic context, the whole country was in the middle of an economic downturn. The government provided a stimulus package at the end of the year, but the economic recovery was slow and the unemployment rate was high. While the economic downturn was ongoing, one type of business that thrived in the recession was organic farming. According to the USDA, the organic sector had increased by 6% in terms of acreage and 12% in terms of sales. This trend has continued into 2010, and the USDA projects that the sector will grow by 10% this year.

BACKGROUND

Organic Production and Changing Farm Labor Markets

As a result of the economic downturn, the demand for seasonal labor decreased. Organic farmers, however, continued to hire seasonal labor. In fact, the organic sector is one of the few that have been able to hire seasonal labor in the recession. This is due to the fact that organic certification requires the use of organic inputs, which are generally more expensive than conventional inputs. Therefore, organic farmers are more willing to pay higher wages to attract workers.

RESEARCH DESIGN

Aim

To analyze the demand for seasonal labor in the organic sector.

Methods

A cross-sectional study was conducted in the summer of 2009. A survey was administered to organic farmers in the eastern U.S. The survey was administered via email and included questions about the number of workers hired, the wage rate paid, and the reason for hiring.

RESULTS

C. Southeastern Farm Survey Results

Immigration Policies and the Farm Economy

Table 1. Farm Labor Management Strategies

<table>
<thead>
<tr>
<th>Farm Type</th>
<th>Organic Farms</th>
<th>Conventional Farms</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers Hired</td>
<td>10</td>
<td>6.06</td>
<td>14.29</td>
</tr>
<tr>
<td>Wage Rate</td>
<td>8.48</td>
<td>8.42</td>
<td>14.74</td>
</tr>
<tr>
<td>Total Income</td>
<td>24</td>
<td>14.55</td>
<td></td>
</tr>
</tbody>
</table>

D. Case Study Results

Farming in the Southern U.S.

The Brewery Farms

The Pineapple and Soybean Farms

Interview Highlights

1. Organic farmers are more willing to pay higher wages to attract workers.
2. Organic farms require the use of organic inputs, which are generally more expensive than conventional inputs.
3. Organic farmers are more likely to hire seasonal labor in the recession.

DISCUSSIONS AND CONCLUSIONS

1. The organic sector is one of the few that have been able to hire seasonal labor in the recession.
2. The organic sector requires the use of organic inputs, which are generally more expensive than conventional inputs.
3. Organic farmers are more likely to hire seasonal labor in the recession.

For more information, please see the full report titled “Foreign Workers and the Organic Farms’ Demand for Seasonal Unskilled Labor” by Ye Wu, Cesar L. Escalante, Samuel L. Perkins, and Carrie E. Neely.