



Farm Foundation

Issue Report

Immigration Reform, Agriculture and Rural Communities

Immigration policy is a major concern of farmers who hire workers, workers who seek jobs in the United States, and the communities in which the workers live and sometimes settle. Some areas of agriculture, such as fruits, vegetables and horticulture, have for more than 100 years relied on waves of newcomers to fill primarily seasonal jobs.

In the past 20 years, however, immigrants have spread throughout U.S. agriculture, as well as other sectors of the economy. Today, most of the workers hired to fill seasonal farm jobs were born abroad, and perhaps half are not legally authorized to be employed in the United States.

Immigration reform raises three critical issues for farmers, farm workers and communities:

- How fast is dependence on newly arrived immigrants spreading in rural America? What are the implications of an immigrant-dominated workforce in the U.S. food system? Latinos represent one-seventh of the U.S. labor force, but seven-eighths of U.S. crop workers and half of meatpacking workers.
- Farming offers most hired workers jobs rather than careers. Moving up the U.S. job ladder normally requires farm workers to get out of agriculture. If their children are educated in the United States, they rarely follow their parents into the fields. The annual turnover rate among hired workers is at least 10%, meaning that every year hundreds of thousands of new workers must replace those who left. Could farm workers be kept in agriculture longer, with higher wages and benefits justified by experience and more efficient labor markets, or will the farm labor

market continue to act as a revolving-door, first job for newcomers?

- Rural and agricultural areas attracting migrants are diverse. Some areas attract migrants to fill jobs in expanding recreational or manufacturing industries. Other areas are losing people, so the availability of migrants helps preserve farms and factories that could otherwise close. Still other agricultural areas are gaining people faster than jobs, keeping unemployment rates in double-digits and raising questions about the existence of farm labor shortages. What happens to immigrants and their children in areas of population expansion, decline and persistent high levels of unemployment?

In March 2005, there were 37 million foreign-born residents in the United States, including 31% naturalized U.S. citizens; 39% legal immigrants and non-immigrants, such as foreign students and legal temporary workers; and 30% unauthorized. The number of unauthorized foreigners increased an estimated 4.4 million between 2000 and 2005, while the number of legal immigrants was estimated at 706,000 in 2003.

Table 1. Status of Foreign-born U.S. Residents, March 2005

	Percent	Millions
Naturalized U.S. Citizens	31%	11.5
Legal immigrants and nonimmigrants	39%	14.4
Unauthorized	30%	11.1
Total	100%	37.0

Source: Passel, Jeffrey S., 2005. Size and Characteristics of the Unauthorized Migrant Population in the U.S.—Estimates Based on the March 2005 Current Population Survey. <http://pewhispanic.org/reports/reports.php?ReportID=61>

Implications for agriculture

Farmers worry that the availability and cost of farm labor could change unexpectedly with enforcement of existing laws or a tougher enforcement regime. Workers and their families are unsure of their future in the United States. Communities are struggling to cope with growing numbers of foreigners attracted to farm and farm-related jobs, who often have below-poverty-level incomes and who may or may not settle.

Farmers had total farm labor expenditures of \$22 billion in 2002, according to the Census of Agriculture. These labor expenditures are concentrated by size and type of farm: large farms producing fruits, vegetables, and horticultural specialties hire most of the workers. These operations account for two-thirds of crop labor expenses and half of total farm labor expenses. The largest 10% of the 555,000 farms reporting hired workers accounted for 60% of all workers hired in 2002.

The current H-2A agricultural guest worker program presumes that U.S. farmers will normally find sufficient domestic workers to fill farm jobs. Farmers anticipating too few domestic workers can ask the U.S. Department of Labor (DOL) to certify their need for foreign workers. Employers requesting H-2A workers are sometimes sued by unions and advocates for not hiring domestic workers. Worker advocates often raise questions about the need for foreign workers in areas with double-digit unemployment rates. Even though more than 95% of farm employer requests for H-2A workers are certified or approved by DOL, many farmers say the current H-2A program is unworkable.

Farmers want three major changes in the H-2A program. They want to replace certification with attestation. Under attestation, employers control the border gate by asserting that they have vacant

jobs and cannot find U.S. workers despite offering the prevailing wage. Second, rather than supplying housing, farmers want to pay a housing allowance of \$1 to \$2 per hour if the government agrees that sufficient rental housing is available. Third, farmers want to eliminate or freeze the Adverse Effect Wage Rate, the effective minimum wage that must be offered to domestic and foreign workers. Currently, farmers must pay the highest of three wage markers—the Adverse Effect Wage Rate, minimum wage or prevailing wage. In 2006, the Adverse Effect Wage Rate was \$9 an hour in California and \$8.51 in North Carolina; the minimum wage rates were \$6.75 an hour and \$5.15 per hour, respectively.

All three changes are included in the AgJOBS provisions of the Senate bill (S2611). If enacted, farm employers would get easier access to legal foreign workers, and worker advocates would get a path to immigrant status and citizenship for unauthorized farm workers.

If the House bill is enacted, farmers can expect a slower influx of new unauthorized workers, which would likely put upward pressure on farm wages. The speed and extent of the jump in labor costs would depend on how fast the U.S. labor market door is closed to unauthorized foreigners, and whether currently unauthorized farm workers remain in agriculture or move into nonfarm labor markets.

If the Senate bill were enacted, farm workers who are now unauthorized could become legal workers, and farmers would find it easier to employ H-2A workers. The implications for the farm labor supply are not clear. Newly legalized farm workers would be required to continue to do farm work. If most tried to do their required farm work—at least 150 days a year—in their first three years, the result could be a short-term increase in the farm labor supply. (See page 3.)

If AgJOBS is approved, some farmers may be tempted to use the H-2A program to obtain workers, especially since the Adverse Effect Wage Rate would roll back to its 2003 level—\$8.44 in California and \$7.74 in North Carolina. For farmers not currently hiring H-2A workers, these wage rollbacks would likely be offset by the additional housing charge of \$1 to \$2 an hour. The most likely effect of the Senate bill would be a short-term increase in the farm labor supply, followed by a sharp reduction as currently unauthorized farm workers obtain immigrant visas and find nonfarm jobs.

The Senate is expected to take up its comprehensive bill again early in 2007. Without immigration reform, a large and increasing share of unauthorized farm workers will continue to add another risk to farm production.

Implications for migrant workers and communities

The typical, newly arrived seasonal farm worker is a 25-year old man from rural Mexico not authorized to work in the United States. While in the United States, seasonal farm workers earn an average \$8 an hour for 1,000 hours of farm work, or \$8,000 a year, well below the 2006 poverty line of \$9,800 for one and \$20,000 for a family of four. Workers who find meatpacking or other year-round jobs in agricultural areas may earn a similar hourly wage, but have year-round work, increasing their annual earnings.

Many workers form or unite families in the United States, especially as they move up the job ladder. Immigrant families often include a mix of legal status—some are unauthorized, some may be legal immigrants and others U.S. citizens by birth. In such situations, eligibility for and use of public services is uneven. All children are obliged to attend K-12 schools. Some family members may be eligible for means-tested

Legislation Enacted and Proposed

Immigration Reform and Control Act (IRCA)

Enacted: 1986

Provisions:

- 1) Special Agricultural Worker (SAW) program allowed 1.1 million Mexicans, a sixth of the adult men in rural Mexico, to become legal immigrants;
- 2) Sanctions against employers who knowingly hired unauthorized workers; and
- 3) H-2A agricultural guest worker program which included a never-implemented Replenishment Agricultural Worker Program.

Impacts:

IRCA accelerated unauthorized migration, despite expectations to the contrary. Latino migrants continued to arrive and spread throughout the United States, filling seasonal farm jobs, as well as seasonal and year-round jobs in construction, service and manufacturing in rural and urban areas. The spread of unauthorized migrants has increased the risk of an abrupt change in the cost and availability of labor throughout agricultural America.

Border Protection, Antiterrorism and Illegal Immigration Control Act (H.R. 4437)

Status: Approved by U.S. House of Representatives December 2005.

Provisions:

- 1) Mandatory screening of employees to ensure they are legally authorized to work in the United States. By 2007, all U.S. employers must submit Social Security and immigration data on newly hired workers to government agencies by telephone or computer, receiving a credit-card type confirmation that the worker is legally authorized to work, is unauthorized, or has an undetermined status. Within six years, employers have to verify the status of their current employees.
- 2) Makes “illegal presence” in the United States a felony, which may make it hard for unauthorized foreigners to eventually become legal immigrants.
- 3) Adds 700 miles of fencing along the Mexico-U.S. border.
- 4) This bill does not include a guest worker or legalization program.

Comprehensive Immigration Reform Act of 2006 (S2611)

Status: Approved by the U.S. Senate in May 2006.

Provisions:

- 1) Increases border enforcement.
- 2) Requires employers to submit data on newly hired employees to a new government database.
- 3) Includes new guest worker and earned legalization programs.
- 4) Divides the 11 million to 12 million unauthorized foreigners in the United States into three groups based on their length of time in the country. Unauthorized foreigners in the United States at least five years could become “probationary immigrants” by proving they worked in the United States, paid any back taxes, paid a \$1,000 fee, and passed English and background tests. At the end of six years of continued work in the United States, tax payments and another \$1,000 fee, these workers could apply for green cards or immigrant visas, although they would have to go to the back of the visa queue. Unauthorized foreigners in the United States two to five years would have to satisfy the same requirements as the first group, but would have to return to their country of origin and re-enter the United States legally. Unauthorized foreigners in the United States less than two years would be expected to depart, although they could return legally with H-2C visas. Unauthorized foreigners who later become legal immigrants would be allowed to receive Social Security credit for work done while unauthorized, provided the appropriate taxes were paid.
- 5) The Agricultural Job Opportunity, Benefits, and Security Act (AgJOBS) would allow up to 1.5 million unauthorized foreigners who did at least 150 days or 863 hours of farm work during the 24-month period ending Dec. 31, 2005, to pay \$500 and obtain blue-card temporary resident status. Blue-card holders who perform at least 100 days of farm work each year during the five-year period beginning on the date of enactment, or at least 150 work days each year in a three-year period after enactment, could become legal immigrants. While in blue-card status, foreigners could do nonfarm work, travel legally in and out of the United States, get work authorization for their spouses, and obtain legal status for their minor children. When the farm work qualification was met, they could get immigrant visas outside the ceiling of 675,000 per year. The country numerical limitations for Mexico, India, China and the Philippines would also be waived to expedite their adjustment to immigrant status.

benefits, such as Food Stamps, Medicaid and other assistance. Most federal programs, such as those providing supplemental education and health care services to migrant and seasonal workers and their families, do not check on the legal status of those seeking services.

The reactions of local communities to the arrival and settlement of migrants varies from welcoming newcomers to rejecting business projects that could lead to migrants, such as new meatpacking plants. Immigration means change, from the number and characteristics of the people living in an area to housing patterns, culture or sports.

There appears to be no general pattern in migrant mobility or acceptance of migrants in local communities. Researchers may help identify the characteristics of employers, migrants and communities that promote integration. Does the multiplier effect of the local industry most dependent on migrants play a role? How important are employer recruitment and benefit policies? Do symbolic steps make a difference, as when employers who hire migrants open their training rooms to local groups offering English as a second language classes to adults, or to banks that help migrants buy homes?

Migrants and communities face other challenges. If migrants seek nonfarm jobs for upward mobility, how attached will they be to the communities in which they have their first U.S. jobs? What efforts will local communities make to educate the children of migrants if they leave to avoid following in their parents' footsteps in fields or packing houses? How does rural America avoid requiring a constant infusion of foreign newcomers to sustain local industries?

Summary

Farmers and farm-related industries increasingly rely on foreign-born workers, especially to fill entry-level jobs. Many of these immigrant workers are unauthorized, increasing the risk of unpredictable changes in the availability and cost of labor and complicating the integration of immigrants and their families.

The immigration reform debate in 2007 has important implications for farmers, farm workers and rural communities. The four major options are: status quo, enforcement only, enforcement plus guest workers, and enforcement plus legalization. The status quo gets agriculture and associated industries a labor force, but with other consequences increasingly perceived as negative by most Americans. The enforcement-only option threatens to raise labor costs and force adjustments.

The enforcement plus guest workers option would help cushion the effects of fewer unauthorized workers on farmers, but would result in more solo male workers living in barracks on farms or in nearby communities. Labor-intensive U.S. agriculture may also continue expanding, resulting in importing workers to produce fruits and vegetables, some of which are

exported. Finally, the enforcement plus legalization option would add people to rural America. However, if newcomers continued to fill seasonal farm jobs for a decade or less, and their children did not follow them into the fields, the result could be a new type of rural poverty that would eventually be remedied with rural-urban migration.

Enforcement and guest workers or legalization, combined with programs that accelerate development of mechanical aids and labor-saving mechanization are another alternative. Mechanical aids can allow women and older workers to do more farm jobs for more years, and mechanization can reduce the need for hand workers over time. Immigration reforms could lead to a gradual reduction in agriculture's dependence on immigrant workers.

In dealing with the foreigners who are becoming the core of the rural labor force, rural and agricultural leaders will have to weigh in on what may be the most crucial "people issue" in rural America today—the debate between those who want foreigners to be guest workers and those who want foreigners to be immigrants.

The Source

This *Farm Foundation Issue Report* is based on discussions at a June 14-15, 2006, conference in Washington DC. Participants in the conference, "Immigration Reform, Agriculture and Rural Communities," evaluated the impacts of proposed immigration reforms on agriculture, farm workers and rural and agricultural communities. Presentations from the conference are at <http://migration.ucdavis.edu/cf/index.php>. This report was authored by Phil Martin of the University of California, who organized the conference in partnership with Farm Foundation.

Farm Foundation's mission is to improve the economic and social well-being of U.S. agriculture, the food system and rural communities by serving as a catalyst to assist private- and public-sector decision makers in identifying and understanding forces that will shape the future.

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This publication is intended to be a vehicle to stimulate discussion and debate about challenges facing agriculture and rural America.