



## The Future of Foreign-Born Labor in U.S. Agriculture

### Symposium Summary

Hosted by AGree and Farm Foundation, NFP

Oak Brook, IL

July 10-11, 2012

Foreign-born workers are an important component of the hired farm workforce in the United States. Yet many of these workers are unauthorized, which poses challenges for employers, workers, families, and host communities. The Farm Foundation, NFP, and AGree hosted a symposium to increase understanding of the problems and opportunities associated with foreign-born labor in U.S. agriculture; identify improved policies and programs; and provide a foundation for continued conversations among key actors to collaborate in support of policy reforms. Attendees included producers, farmworker advocates, and policymakers.

This report offers a summary of the proceedings, as an initial step in a continuing conversation. As part of the ground rules for meeting participants, this report does not identify the speakers or attribute comments to any individual.

Some of the key issues emerging from the symposium discussions include the need to:

- Create a guest worker program that balances the needs of farm employers for short-term workers with the ability of workers to change employers. Admitting guest workers and allowing those workers to change employers would help protect workers from exploitation. For employers who hire workers year-round, a guest worker program that allows foreign workers to stay in the United States for several years could benefit both.
- Create a more reliable internal enforcement system, as well as humane and efficient border control.
- Work to find a “grand bargain” or compromise, in any solution between labor, growers, and retailers coupled with political support from consumers seeking a sustainable U.S. food system.

Achieving a stable, legal workforce will require reaching across divides and moving forward with both political and market solutions. With comprehensive immigration reform unlikely in the near term, three incremental changes are most feasible: 1) providing an earned-immigrant status for those who have worked in agriculture for several years; 2) designing a more efficient guest worker mechanism; and 3) addressing the perverse incentives that complicate recruitment, remuneration, and retention in the farm labor market.

While symposium attendees were from very different backgrounds, they all shared a similar problem: U.S. immigration policy. The U.S. food system depends on immigrants more than any

other sector in the U.S. economy. Yet the immigration system is “broken” and unable to provide immigrant farm workers and their employers a clear, reliable, and expedient process. Across the board—from grower to laborer, business owner to union leader, and all political persuasions—symposium participants agreed on one thing: it is time to set aside ideology and work together to find a way to build a system that ensures a stable and legal workforce.

## Immigration Trends

Farming has changed. No longer a small family farm where everyone pitched in, today’s farms are more often complicated businesses, employing sometimes hundreds of workers in a season. Where not long ago unpaid family members did 60% of farm work,<sup>1</sup> today 60% is handled by hired labor. Responsible for most U.S. production, big farms also employ the bulk of the hired farm workers. The largest farms in the United States (representing less than 0.5% of all farms) account for more than one-half of the hired labor expenses. The majority of workers on these farms are foreign-born, largely from Mexico and Central America, and more than one-half are undocumented. Although foreign-born workers have long harvested fruits, vegetables, and horticultural crops, use of immigrant labor has spread to nearly every commodity in U.S. agriculture—particularly large-scale livestock operations, which were not a focus of earlier immigration policy reforms.

Immigration is the result of push-and-pull forces in the United States and in source countries. Globalization, trade, economic crises, policies, and the beacon call of America as the land of opportunity all combine to swell immigration. The most recent surge of immigrants began in the 1970s, when the foreign-born population in the United States totaled approximately 10 million. By 2007, their numbers had quadrupled. Looked at another way, the share of the U.S. population that was foreign-born in 1970 was 5%. Today it is 13%.

Although a handful of states (California, Arizona, Texas, and Florida) have long had significant populations of foreign-born workers, in recent decades, the immigrant population has become more widely dispersed. As Brookings Institution scholar Audrey Singer reports, by 2000, nearly one-third of U.S. immigrants resided outside states with long-established immigrant populations. Some states have seen their foreign-born populations grow to more than double the national average.<sup>2</sup>

Many—11.1 million—of these foreign-born workers lack formal documentation or legal working status. Nearly one-half are couples with children; 4.5 million U.S.–born children are sons and daughters of unauthorized immigrants. Most undocumented immigrants are from Mexico (55%), followed by Central America.

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<sup>1</sup> Philip Martin, “Human Capital in Agriculture.” Paper presented at the “Foreign-Born Labor in Agriculture” symposium, Oak Brook, IL, July 16, 2012.

<sup>2</sup> Audrey Singer, *Twenty-First Century Gateways* (Washington, DC: Brookings Institution Press, 2008).

The flow of unauthorized immigrants slowed significantly with the onset of the Great Recession in 2007. As the Pew Hispanic Center notes in an April 2012 report, “After four decades that brought 12 million current immigrants—more than half of whom came illegally—the net migration flow from Mexico to the United States has stopped and may have reversed.”<sup>3</sup> Today, only 20% of the new arrivals to the United States are unauthorized compared with 80% in prior years.

Whether this reversal is temporary or permanent is yet to be seen. However, the pressure to migrate from Mexico may be easing. The fertility rate in Mexico has declined from seven children per woman in 1970 to 2.4 children today.<sup>4</sup> If the economic pressure eases and fewer migrate, the networks that facilitate migration will shrink. Migrants to the United States often send word back home about where the work is to be found and the working conditions in those jobs. Friends and family members then follow, creating tight networks of immigrant streams. A U.S. grower at the symposium noted that most of his workers come from a single village in Mexico. The mayor of the village, in fact, was proud to show off the improvements in his village that were made possible by the money sent home from the workers on his farm. As these networks shrink, the flows may shrink with them.

### **Immigration Policy and U.S. Agriculture**

Today, approximately 2 million immigrants work in the fields, ranches, and dairies that are the backbone of U.S. agriculture. Most of these workers are hired directly by employers or through private labor contractors.

The most common immigrant labor-contracting program at the federal level is the H-2A Temporary Agricultural Program. Regarded as onerous by nearly everyone at the symposium, this program was instituted in 1986. Currently, about 10% of the 1 million long-season farm jobs are filled through the H-2A program.<sup>5</sup> Employers must fill out several forms, navigate three different federal agencies (Labor, Homeland Security, and State), and then handle the recruitment themselves. Employers must certify that there are not sufficient U.S. workers “able, willing, and qualified” to do temporary or seasonal work and that the presence of H-2A workers will not “adversely affect” the wages and working conditions of U.S. workers similarly employed. In 2010, when employers were certified to fill 100,000 farm jobs, the government issued 64,400 H-2A visas to guest workers, some of whom fill two jobs.<sup>6</sup>

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<sup>3</sup> Jeffrey Passell et al., “Net Migration from Mexico Falls to Zero and Perhaps Less” (Washington, DC: Pew Hispanic Center, April 23, 2012), <http://ow.ly/csnpO>.

<sup>4</sup> Ibid.

<sup>5</sup> Philip Martin (June 23, 2011), “Immigration Reform: Implications for Farmers, Farm Workers, and Communities.”; Philip Martin (July 2011), “H-2A: AEWR, Global; H-2B,” *Rural Migration News*, Vol. 17, No. 3.

<sup>6</sup> Ibid.

The Agricultural Jobs Opportunity, Benefits, and Security bill (AgJOBS) is a proposal for policy change that was worked out between farm employer and worker organizations over a decade ago. It begins with a “blue card” that offers temporary legal immigrant status for those who have worked for at least two years on a U.S. farm. Blue-card holders could become permanent residents if they continued to work in agriculture for three to five more years. AgJOBS also would make employer-friendly changes to the H-2A program.

Another policy, E-Verify, is a federal system that enables employers to electronically verify the status of employees. Legislation introduced in 2011 sought to mandate its use by all U.S. employers. Growers argue that if implemented, mandatory E-Verify would be “economically ruinous,” according to the Washington Growers League President Mike Gempler, because E-Verify without an improved guest-worker program and a way to ensure a widespread source of agricultural labor will threaten the agricultural system.<sup>7</sup> E-Verify, many in attendance argued, is a failed solution to a failed paper-based system.

### **The Life of a Farm Worker**

The typical immigrant farm worker is a young male, under age 35, with limited education and limited English skills. Two-thirds of the crop workers, for example, have less than 10 years of school and two-thirds speak little or no English. Few are newcomers to the United States, and roughly 80% have more than five years of farm work experience.<sup>8</sup> The farm worker is not always a young single male, however. Many farmworkers also live in the United States with their spouse and children.

Much hired farm work (particularly in crop production) is short-term and workers frequently migrate between farms to meet shifting labor demands. For some farm workers who migrate with the changing growing season, the journey may begin in early spring. These workers operate in a system that is both as regular as the seasons, but as unpredictable as the weather. As U.S. border control has become more intensive in recent years, many find it difficult or impossible to return to their home country so most have lived and worked in the United States for many years.

Laborers in fruit, vegetable, and nut production are often paid a piece rate so their wages fluctuate with the volume of crop picked and the weather. A top cherry picker might pick 1,000 pounds a day, averaging \$20 an hour. The slowest harvesters, on the other hand, might pick 350 pounds a day and earn less than \$10 an hour, on average. National surveys suggest that the majority of crop workers are paid an average hourly wage of just under \$9.00 per hour in 2007-2009, and currently \$10-12 an hour. Very few receive health insurance benefits. Since most farm

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<sup>7</sup> Bread for the World, “Farm Workers and Immigration Policy.” Briefing Paper no. 12 (December 2011).

<sup>8</sup> Excluding foreign-born newcomers, farm workers interviewed in 2001-2002 had an average of 12 years of U.S. farm experience. “Findings from the National Agriculture Workers Survey, 2001-02.” Research report no. 9. (Washington, DC: U.S. Department of Labor, March 2005).

workers work only part of the year, their annual household incomes tend to be lower than the incomes of farm workers with year-round employment.

The labor needs are extremely diverse, from vegetables and fruit, to dairy, meatpacking, sheep shearing, or commodity crops like wheat and corn. One symposium participant represented 34 different crops and 7,000 guest workers. Some work is low-skilled labor. Some agricultural jobs use highly technical machinery. Other jobs can be dangerous, with exposure to heat, pesticides, and large animals.

Many workers migrate year after year, usually to the same farms, to do seasonal work. Some come with the goal of earning money to send back home, and these workers may have no desire to stay permanently in the United States. Others hope to use farm labor as a stepping-stone for their children to have a better life in the United States. A seasonal farm worker typically stays on the job for about 10 years, and children who are educated in the United States rarely follow their parents into the field.

There are a few exceptions to seasonal farm work. The dairy industry tends to hire workers for year-round jobs, sometimes with health care and other benefits. Meatpacking also requires full-time, year-round positions, employing about 486,000 workers. Although once anchored largely in urban areas, meatpacking has moved many of its plants to rural towns where land is cheaper and they can build bigger plants. The typical meatpacking plant today can employ 1,400 people on the floor. Wages have not kept up with inflation. Today, the average wage for slaughtering and processing is \$630 a week<sup>9</sup>. This shift to rural areas can bring its own set of problems. An influx of foreign-born workers can have a large impact on a small rural community, which can lead to tensions and can tax local services such as schools and hospitals.

The current immigration situation worries farm employers and farm workers. As one participant noted, the “misery index” is high. The fear of deportation is high, and the political climate can be toxic. Workers in Florida are afraid to migrate with the growing season to Georgia and Alabama—states with some of the strongest E-Verify programs—because of fear of arrest and deportation. In some locales, workers cannot get to work because they are unable to obtain drivers’ licenses owing to new laws. The lack of formal documentation makes workers vulnerable to exploitation from unscrupulous employers, and labor advocates point to examples of unfair wage and working conditions in some areas. At the same time, their illegal status and new punitive anti-immigration state laws often discourage workers from seeking help from local government authorities.

The patchwork of social service programs in communities and statewide to support the needs of farm workers and their families is struggling as well. Often underfunded and at the mercy of changing administrations, these programs may only meet the most urgent needs. Further, the

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<sup>9</sup> Philip Martin, “Human Capital in Agriculture.” Paper presented at the “Foreign-Born Labor in Agriculture” symposium, Oak Brook, IL, July 16, 2012.

fear of deportation is driving many immigrants underground. Seeking services, they fear, will expose them to the possibility of criminal charges.

Some communities, however, are responding with innovative programs. A community in Napa Valley, CA, has developed new options for farm worker housing. Workers pay \$12 a day for a bed and three meals. An assessment on growers covers nearly half the costs, with rents and fundraising covering the remainder. In another example, Jupiter, FL, created a central day-labor employment center to eliminate daily solicitation of work on the streets and to protect workers from abuses associated with informal employment arrangements. However, these programs are available only to documented workers in most cases.

Farm worker representatives and producers are willing to enter into a dialogue because they both need and want a safe, stable workforce, and the current climate is undermining that workforce. “If we don’t make changes,” one participant noted, “the status quo will remain, and it does no one any good.”

As worker representatives noted, with today’s global workforce, the United States could lead by example and devise a humane, sensible immigration program for guest workers.

### **The Pressures Producers Face**

In addition to the farm worker perspective, the symposium heard from the growers and producers. Their story is one of equal frustration. The farmers and ranchers at the symposium represented a cross-section of agriculture, from fruit and vegetables in the San Joaquin Valley of California, to cherries and apples of Washington State, dairies and meatpackers in the Midwest, sheep and cattle in the West, and citrus growers in the Southeast. Their stories, however, all shared one thing: a broken immigration system that results in labor shortages.

A blueberry farmer in Michigan crosses his fingers that he will have the labor to pick his blueberries in the four-to-six-week harvest season. His workforce has shifted from mostly African Americans to Latinos, from legal to what he assumes are not legal. A third-generation dairy processor who buys milk and makes cheese said he can no longer afford to “bleed slowly” and keep his head down. “We have to do something about this issue,” he argued. A wheat farmer noted that if the United States is to continue to be the breadbasket to the world, agriculture producers must figure out how to shore up harvest crews while keeping expenses down. Commodity agriculture, producers stressed, must remain a low-cost producer if it is to feed 9 billion people in the coming decades.

In addition to reported struggles with the H-2A program, the U.S. agricultural system also has several exceptional qualities and unique labor market dynamics that set it apart from most businesses. As one producer said, “we don’t make widgets.”

All labor markets must recruit workers, compensate workers for their labor, and then retain the workers. Agriculture does all three things differently from a typical business—and this leads to

some of the challenges in finding a secure and stable workforce. Agricultural producers do not have steady production schedules or a predictable source of materials. Often they need workers in bursts, and different crops have different demands.

Further, there is no centralized information system to find workers and negotiate fees. Many producers advertise for workers by asking current workers to refer friends or relatives, or by place ads locally (even on their mailboxes). Others advertise in the back of trade magazines. Still others travel to Mexico to recruit directly. Increasingly, they rely on intermediaries (usually private labor contractors) to bring in crews.

All of this uncertainty leaves farmers tossing and turning at night, wondering if they will have enough workers.

And worry they should. The losses are substantial if the producer misses the critical window of opportunity for harvest. A producer with a 90-acre cherry orchard was three days late to harvest and suffered a multi-million-dollar loss. An apple producer picked Gala apples a few days late because of labor shortages, costing him a significant income loss.

Added to these economic pressures are another source of price pressure: the supply chain. In many respects, growers are the grocery stores' private manufacturers. Yet farmers do not set the prices and cannot pass along increased labor costs to retailers because, in most cases, they are treated as replaceable suppliers. The product on the grocery shelf is there by design—the demand is determined, the price is set, and the producer has little to do with it. As a farm worker advocate noted, "We can't ask the farmer for a pay raise when they're not part of the supply chain."

Given all these pressures, it is not surprising that the majority of growers feel misunderstood. They lamented the fact that they are often viewed as exploiters of labor. In fact, many reported positive examples of strong ties to their workers and their families. They also emphasize how even relatively low wages in the United States can be extremely important sources of income compared with alternatives in the workers' home countries. Employers say they have worked to find ways to provide more compensation, better working conditions, and more consistent work opportunities for their employees. As one participant said, "Workers want to feed their families, and growers and ranchers want to raise the crops and livestock that feed the world. Yet the perception is that we're doing something wrong."

Frequently farm workers view these claims as a ploy to keep wages low. The distrust runs both ways, and the result is often deep cynicism. However, the consensus—a surprise to many—was how much they each had in common. And as the farm worker advocate said, "If growers aren't getting the price, then farm workers aren't getting the price either."

Of course, the typical American consumer is less sympathetic. The question is, why aren't U.S. citizens hired for these jobs? The migratory nature of the work is perhaps the largest hurdle, as well as the physical strength and stamina required. Many producers have tried to recruit U.S.

workers, but few last more than a day or two at current wages and working conditions. Many symposium participants lamented the lost work ethic among the youngest generation.

### **Toward a Solution**

The path to a modernized 21<sup>st</sup> century agricultural workforce is an uphill climb. Symposium participants agreed that any action on immigration reform at the federal level must wait until after the November 2012 elections and, even then, the short-term outlook for substantial reform is dim.

Some argued the recent Executive Order that grants immigrants, who would be eligible through the DREAM Act, a reprieve from deportation and work-authorization papers might break the logjam in Congress. Although proposals to liberalize guest worker programs or extend legal status to current farm workers are unlikely to pass on their own, symposium participants voiced hope that some combination of the two might stand a chance.

Other panelists noted that agriculture does not have the public behind it. Food scarcity is never a problem for consumers. Fresh produce is always available in the market. In addition, “big ag” has an image problem with many. For policymakers, agriculture has “cried wolf” once too often with threats that without labor their crops will rot in the fields when in fact things turned out all right.

Some argue that the idea of agricultural exceptionalism has run its course. One panelist quoted Margaret Thatcher. “The problem with socialism,” she famously said, “is that you run out of other people’s money to spend.” Farmers, he warned, “you’re going to run out of other countries’ labor to import.” Farm jobs must begin to follow the same dictates of the market, including a movement toward a permanent workforce, with greater freedom to change jobs, higher wages, and better working conditions. “The sooner producers figure that out, the better off they’ll be.”

Employers and workers agreed that they must work together on this issue to find solutions. They also agreed that education is needed to help the general public understand the issues.

### **Next Steps**

Over the next year, AGree and Farm Foundation will collaborate with others to undertake research and analysis to gain a deeper understanding of the issues affecting foreign-born workers and their employers. They will also continue the conversation started in July and convene diverse perspectives around the country. Finally, recognizing that advancing comprehensive immigration reform will require public support, AGree and Farm Foundation will organize efforts to educate the public on this important issue.