

IMMIGRATION POLICY CENTER

... providing factual information about immigration and immigrants in America

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FACTS ABOUT FARMWORKERS

The Agricultural Job Opportunities, Benefits, and Security (AgJOBS) Act has long served as a blueprint for comprehensive immigration reform. AgJOBS, which combines an earned legalization program for farmworkers with a reform of the H-2A temporary foreign agricultural worker program demonstrates a successful model for compromise where workers and employers have come together to resolve their differences. The dysfunctional U.S. immigration system is currently standing in the way of addressing deeper structural problems that impact U.S. workers and U.S. competitiveness in a globalized market. As Congress proceeds, here are a few facts about the current challenges at the intersection of immigration policy and agriculture, and why addressing these issues is critical to the nation's economy.

REALITY CHECK: Farmworkers are a small but important part of the U.S. workforce.

• According to agricultural labor economist <u>James Holt</u>, less than 2% of the U.S. workforce is engaged in farm work. However, more than 550,000 U.S. farmers hire workers to fill more than 3 million agricultural jobs each year. Because many of these agricultural jobs are seasonal, the 3 million jobs are filled by 2.5 million workers.

REALITY CHECK: Most farmworkers are not authorized to work legally in the U.S.

- According to the <u>National Agricultural Workers Survey</u> (NAWS), conducted biannually by the Department of Labor, the share of seasonal agricultural workers who reported that they were unauthorized has increased dramatically in the last two decades, rising from 7% in Fiscal Year (FY) 1989, to 16% in FY 1990-91, to 28% in FY 1992-93. In the most recently published NAWS survey from <u>FY 2001-02</u>, 53% of all seasonal agricultural workers admitted they were not authorized to work in the U.S. However, many experts suggest that the number may actually be closer to 75%.
- Each year, one-sixth of seasonal agricultural workers are "newcomers," working their first season in U.S. agriculture. 99% of newcomers self-identify as not work-authorized.

REALITY CHECK: A large unauthorized workforce is bad for workers and for growers.

• U.S. growers want a <u>stable</u>, <u>legal workforce</u>. The vast majority of U.S. employers is lawabiding and attempt to hire legal workers. However, even "good" employers can get caught up in immigration-enforcement actions. Labor disruptions due to worksite raids, immigration audits and investigations, Social Security Administration (SSA) "No-Match" letters, and other immigration-enforcement activities can result in severe financial problems for growers: crops rot in the fields, jobs further down the production line are lost, growers cannot make payments on loans, and farms go out of business.

• As in other sectors of the economy, the presence of many unauthorized workers exacerbates the problems of poor wages and working conditions and results in weak bargaining power for all workers. Undocumented workers live under the constant threat of deportation and are therefore less likely to lodge complaints or join labor unions, resulting in poorer wages and conditions for all workers, including U.S. citizens.

POLICY REALITY CHECK: Continued "deportation-only" policies without meaningful reform would be devastating for the agricultural sector and for U.S. jobs.

- An analysis by the <u>Farm Credit Associations of New York</u> found that a severe, prolonged disruption in labor availability resulting from enhanced immigration-enforcement actions without immigration reform could drive over 800 New York farms out of business, resulting in \$700 million in lost farm production. As many as 7,000 full-time farm jobs and 15,823 farm-related jobs could be lost.
- At an October 2007 hearing before the House Committee on Agriculture, Bob Stallman, President of the American Farm Bureau Federation, stated: "Without a stable, legal supply of labor to replace the presence of currently unauthorized workers, the fresh fruit and vegetable sector could see U.S. production decline by up to \$9 billion a year. Similarly, an abrupt loss of our labor supply would cause net farm income to drop by up to \$5 billion annually."
- According to economists, there are approximately 3.1 million <u>"upstream" and</u> <u>"downstream"</u> non-agricultural jobs that are dependent on U.S. agricultural production. If the agricultural industry were to decrease significantly, many of these jobs would disappear as well.

DEMOGRAPHIC REALITY CHECK: Native-born workers are not filling agricultural jobs, and they are unlikely to do so in the future.

- The native-born population is growing <u>older and better educated</u>, and therefore less likely to aspire to farm work. The median age of the native-born population rose from 32 years in 1994 to 35 years in 2004. According to the <u>Bureau of Labor Statistics</u> (BLS), the proportion of the native-born labor force age 25 and older that have not completed high school is 5.8%, compared to 26.4% of the foreign-born labor force.
- Even though the real hourly wage rate in agriculture increased more quickly than in nonagricultural work during the 1990s, the percentage of U.S. workers in agriculture declined. The share of seasonal agricultural workers who were U.S.-born decreased from 31% in 1990 to only 19% by the end of that decade.
- Several public-private outreach, training, and placement initiatives (including one in California's Central Valley in the late 1990's and another in Washington state in 1996)

sought to recruit U.S. workers for agricultural jobs. The California program took place against the backdrop of regional unemployment rates of 9-12%, with some localized unemployment rates exceeding 20%. Yet only a handful of workers were successfully recruited, prompting some county employment agencies to state that they would no longer try to place the unemployed into seasonal or intermittent agricultural jobs.

REALITY CHECK: Global markets create new challenges for the U.S. agricultural sector.

- Today, U.S. growers operate in an increasingly globalized market. Foreign growers are poised to take over larger sectors of the U.S. market for agricultural goods. For example, China is the world's <u>largest apple producer and exporter</u>, accounting for over one third of global apple output. The U.S. share of global apple exports has declined in recent years. Exports of low-cost <u>Chinese apple juice</u> are already displacing traditional suppliers and driving down the price per pound for juice apples. If and when Chinese eating apples match the quality of U.S. apples, the U.S. apple industry will face severe competition.
- The challenges faced by the agricultural industry could lead to an erosion of our nation's <u>food security</u> and independence. Being dependent on foreign countries for our food supply—just like being dependent on an unauthorized workforce—is detrimental to the nation's overall security.