

November 14, 1994

MEMO

To: Cheryl, Judy, Dan, Kristin, Lydia, Chris, Leon, Joan and Tina

From: Jerralynn 

Subject: WCCAO Farmworker Services Discussion to be held:

Thursday, November 17, 1994

10:00 - 12:00

WCCAO Meeting Room

Agenda:

- 10:00 Expectations of WCCAO to Serve Farmworkers - Jerralynn
1. State Farmworker Policy
  2. State Funding Allocations
  3. State Needs Assessment
  4. Farmworker Definition
- 10:30 Review of Services to Farmworkers - Cheryl
- 10:45 Review of WCCAO Involvement with Farmworker Need/Issues - Judy
- 11:15 Discussion: How can we better serve farmworkers? - Jerralynn
- 11:55 Next Steps

The following documents are attached for background:

1. Farmworker Fact Sheet
2. Farmworker Definition
3. Oregon Farmworker Policy
4. Policy Impact on Funding
5. Article: "good intentions gone awry"

**FACT SHEET**  
**FARMWORKERS IN WASHINGTON COUNTY**

- Income from agricultural sales in Washington County exceeded \$163 million in 1991
- Economic impact from processing farm products added another \$326 million to the county's economy
- Approximately 12,000 migrant, seasonal and year-round farmworkers are needed to plant, cultivate, harvest, process and transport Washington County's farm products
- The average farmworker annual family income is \$10,500, compared to the Washington County median family income of \$35,554
- The average hourly wage for farmworkers in \$4.88 per hour
- The average family size for farmworkers is 5 persons, compared to the Washington County average of 3.72 persons

Farmworkers bring with them strong family and religious values, a strong work ethic, and hopes of earning enough money to provide for their families. Yet, what they experience is oftentimes:

- poor housing conditions or homelessness
- low and intermittent wages
- unsafe, unsanitary working conditions
- lack of health care benefits
- lack of income to meet basic needs, such as food, transportation or clothing
- discrimination at all levels

Like all Washington County residents, farmworkers and their families need:

- safe, decent and affordable housing
- secure family wage employment with benefits
- reliable transportation
- access to basic services such as health care, child care and education

Washington County Community Action Organization  
451 S. 1st, Suite 700  
Hillsboro, OR 97123  
(503) 648-6646

## Farmworker Definition and Program Eligibility

For the purpose of Housing and Community Services Department (HCS) programs, farmworker or farm labor is defined as a person working in connection with cultivating the soil, raising or harvesting any agriculture or aquaculture commodity; or in catching, netting, handling, planting, drying, packing, grading, storing, or preserving in its unmanufactured state any agriculture or aquaculture commodity; or delivering to storage, market, or a carrier for transportation to market or to processing any agricultural or aquacultural commodity.

Funds allocated by HCS to assist farmworker populations are provided specifically for programs designed to benefit farmworker clients. Eligibility for services are dictated by specific program guidelines.

At a minimum, program beneficiaries (husband or wife, parent(s) with children, handicapped individual, or non-dependent individual over 18 years of age) must have earned at least 50% of their income or worked 50% of their time in agriculture.

5-10-93

Sister Bridget  
681-8048

To: Cheryl, Jen & Cathy  
This is the final farmworker  
policy that we need to be passed in  
compliance with ————  
Jen

Oregon

Policy on Providing Services to Farmworkers  
and  
Policy Implementation Measures  
Oregon Housing and Community Services Department

HOUSING AND  
COMMUNITY  
SERVICES  
DEPARTMENT

The Oregon Housing and Community Services Department's intent in establishing this "Policy on Providing Services to Farmworkers" is to create an on-going, collaborative, culturally sensitive service delivery system that assists farmworkers to meet emergency needs, to stabilize their lives, and to move toward self-reliance. The policy is necessary because farmworkers have become a substantial, permanent component of Oregon's low-income population who often experience difficulty accessing services available for low-income people because of cultural barriers.

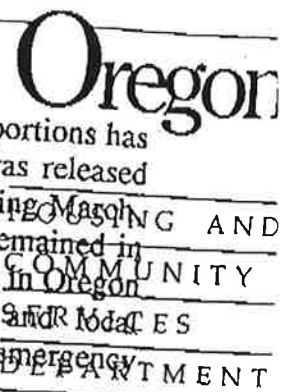
Background and Need for this Policy:

Implementation of the Immigration Reform and Control Act of 1986 and major shifts in Oregon's economy are primary factors in the dramatic growth of the State's farmworker population. The Immigration Reform and Control Act (IRCA) resulted in substantial numbers of farmworkers and farmworker families applying for Specialized Agricultural Worker status so they could remain in Oregon. An additional major motivating factor to stay in Oregon was the concern that if farmworkers left the country the processing of their permanent resident status applications would be jeopardized. Deterioration of economic systems in Mexico and Central America and the resulting lack of work in those countries also caused farmworker families to remain in the State. Growth in Oregon's migrant and seasonal farmworker population has occurred at the same time that the State's economy has undergone major changes. While traditional timber, wood products, and fishing industries have slumped, the State's service industries have experienced rapid growth. Members of farmworker families are accepting the minimum wage positions associated with this area of expanding employment.

The 1980 census counted 14,276 farmworkers in the State. Data from the 1990 census on Oregon's farmworkers indicates that this population more than doubled and now stands at 32,420. Data from other sources indicates a much greater number of farmworkers in Oregon than were identified by the census. Portland State University's Center for Population Research and Census March 1989 study, "How Many Farmworkers in Oregon?", estimated a monthly farmworker population of 43,579. This and other population counts focus on farmworkers and do not include farmworker family members. According to data gathered by the Northwest Regional Primary Care Association in 1989, there are approximately 150,000 farmworkers and family members in Oregon, year around.

Barbara Roberts  
Governor





The realization that farmworker population growth in Oregon has reached crisis proportions has motivated many of these studies. At the same time that the Portland State study was released (March, 1989), the crisis had impacted the State's emergency services network. During March, April, and May of 1989, farmworker in-migration added to populations who had remained in the state because of IRCA concerns and populations who were "settling out" (locating in Oregon and transitioning from migrant to seasonal farmworker status), forcing state and local governments to set up temporary camps, establish emergency shelters, and create emergency feeding operations for migrants.

In the four years that have passed since the state and local entities recognized this dramatic farmworker population increase, strategies for meeting emergency needs of farmworkers have been the main focus of state and local activities. While emergency needs are being addressed, efforts to develop long-term solutions have been completed in a haphazard manner by individual agencies serving farmworkers. Formal interagency coordination to meet long-term farmworker needs must be improved.

Policy Statement:

The Oregon Housing and Community Services Department's Policy of Providing Services to Oregon Farmworkers is:

A portion of the department's anti-poverty program funds shall be used to meet the special needs of farmworkers and shall be distributed to the Department's Lead Agencies, based on the farmworker population in each lead agency's service area. Lead Agencies shall be responsible for developing coordinated service delivery networks to serve farmworkers in their areas. Lead Agencies shall receive training and technical assistance in carrying out that responsibility from an organization selected by the Department on the basis of its qualifications.

The guiding principles used in implementing this policy will include:

1. The resulting service delivery system must provide the most effective delivery of services to the low-income farmworker population on a state-wide basis given the level of resources available for financing.
2. Local service delivery systems will be designed using interagency linkages and collaborative efforts to ensure that limited resources are used to serve as many clients as possible.
3. Local planning processes used to develop services will involve farmworker populations and representatives of those populations from the respective service areas.

Barbara Roberts  
error



4. Agencies receiving funds to operate programs serving farmworkers will account for how funds have been used and how populations have been served through regular reports on program operations. Long-term (3 to 5 year) strategic plans will be prepared on how the needs of the migrant and seasonal farmworker population are to be met in their service areas.

#### Policy Implementation Structure:

This model will continue to utilize Community Action Agencies (CAA) as local Lead Agencies in their respective geographic jurisdictions. Where no CAA exists, the Department shall designate a Lead Agency. Local Lead Agencies will be responsible for conducting a planning process to meet the needs of low-income farmworkers. That process shall fully integrate the Oregon Human Development Corporation (OHDC) into the anti-poverty delivery system.

Lead Agencies will use these plans to allocate farmworker anti-poverty resources and outline strategies designed to improve the living conditions of farmworkers. All plans must be approved by the Department prior to their implementation. The Department will be assisted by its Farmworker Advisory Committee in its review and evaluation of programs.

Our expectation is that Lead Agencies will use such mechanisms as community meetings, community surveys, and public hearings to actively involve farmworkers along with other low-income community members. Lead Agencies will be expected to capture information on levels of service provided to farmworkers and the outcomes resulting from services provided. That information will be used to evaluate program effectiveness in such areas as (but not limited to) improvements in housing, increases in employment income, access to health care, meeting nutritional needs, reducing language barriers, provision of child care, and access to legal services.

This policy recognizes the unique role that OHDC plays in both the planning and the delivery of services to farmworkers. In areas where OHDC provides services to farmworkers, OHDC will be expected to join local Lead Agencies in the development of farmworker plans. The Department expects that Lead Agencies will integrate OHDC into the planning process. The goal is an effective partnership between Lead Agencies and OHDC.

At its option, OHDC may participate in the development of farmworker plans in areas where it does not provide farmworker services.

#### Contracting and Reporting:

The Department will continue to contract with Lead Agencies for service administration. Lead Agencies will subcontract with other service providers as outlined in their respective local plans. When OHDC is designated to receive funds for provision of services to farmworkers, OHDC

will continue to contract directly with the Department for service delivery. Such contracts shall directly reflect the policy intent and other such directives including funding amounts contained in the local plans.

Lead Agencies should report their results and program findings to the Department as specified by contract. It is the Department's expectation that all such reports will be available to the public for purposes of accountability. All agencies, including OHDC, receiving funds from the Department shall coordinate services with and report through Lead Agencies. This information is vital to the Department's efforts to enhance the farmworker service delivery system.

#### Resource Allocation:

To ensure that resources are available to meet farmworker population needs, the Department is revising its allocation formulas. Ten percent of the Department's anti-poverty funds will be allocated based on the percentage of the farmworker population in each agency's service area. This change in allocation procedures will augment resources available to assist farmworkers in areas with concentrations of that population. Ten percent shall serve as a minimum level of services for farmworkers, not a maximum.

The Department will allocate these funds to Lead Agencies. Use of these funds will be determined by the local planning processes. Absent compelling justification, OHDC will continue to receive funding for service delivery for homeless and energy programs in those communities where it presently is providing such services to farmworkers. OHDC must participate in the local planning process to receive funding and will be expected to compete with other service providers to receive the benefits of the higher funding levels outlined in this policy. Community Service Block Grant (CSBG) funding will continue to be a minimum of \$100,000 while other funds will be subject to local plans. Lead Agency plans must be approved by the Department prior to the disbursement of any funds.

#### Technical Assistance:

The Department will allocate \$\_\_\_\_\_ to enhance the farmworker service delivery system on a regional and local level. Local Lead Agencies that identify weakness in service delivery through their plans can apply to the Department for technical assistance grants. The Department will ensure a fair distribution of these funds with the assistance to be contracted on a competitive basis.

The Department strongly believes that this Policy and proposed model for addressing the needs of Oregon's farmworkers and their families will result in a more effective delivery of services, a more cost-effective service delivery system, and a greater degree of accountability regarding levels of service provided for farmworkers as well as the results of those services. Department staff will closely monitor the new system's operation to evaluate the extent to which these

expectations are realized. Monitoring will include review of client and program files, client interviews, and on-site reviews of program operations.

May 3, 1993





**DATE:** November 3, 1993

**TO:** Bill Thomas, Director  
Department of Social Services  
Community Action Program Office

**FROM:** Gustavo Wilson, Administrator  
Housing and Community Services Department

**RE:** Impact of Farmworker Policy Implementation in Current and Future  
Anti-poverty Fund Allocations

HOUSING AND  
COMMUNITY  
SERVICES  
DEPARTMENT

**A. Current Allocations**

When it became apparent that discussions regarding implementation of the Department's Farmworker Policy would not be completed by the time that the 1993-95 Omnibus Contracts became operative, CAA's were instructed by the Division to develop workplans for the Contract using the entire allocation available for their anti-poverty programs, including funds for farmworker services. The Division indicated that CAA's that would be impacted would be "held harmless" in the first year of the new contract from any reallocation of funds as a result of OHDC's services to farmworkers. The Division stated that it would provide FY 93-94 funding to OHDC when Farmworker Policy discussions were completed.

Those discussions now are complete and the Division is allocating FY 93-94 funds to OHDC as follows:

- CSBG - \$100,000 (\$50,000 from 90% pass-through and \$50,000 from 5% discretionary; contract period July 1, 1993 through June 30, 1994; funds can be used for farmworker projects state-wide).
- Weatherization - \$104,721 (\$32,339 from LIEAP, \$33,382 from DOE, \$37,500 from PVE and \$1500 in T/TA funds; contract period July 1, 1993 through December 31, 1993 for LIEAP; July 1, 1993 through March 31, 1994 for DOE; and, July 1, 1993 through June 30, 1994 for PVE; funds can be used for farmworker weatherization activities and energy education in Marion County)
- Homeless - \$58,874 (EHA Discretionary is the funding source; contract period July 1, 1993 through June 30, 1994; funds can be used for homeless assistance to farmworkers in Multnomah, Jackson, Umatilla, Marion, Morrow, Klamath, Malheur and Washington Counties).

The Division also is providing \$35,000 in FY 93-94 5% CSBG Discretionary Funds to two CAAs that receive floor allocations and have substantial farmworker populations in their service areas.

W. V. Roberts  
Governor





Photograph © Ken Light

# good intentions gone awry

Comments on the Final Report of the Commission on Agricultural Workers

by Philip L. Martin  
Department of Agricultural Economics  
University of California, Davis

*This paper includes results from a research project, "Merchants of Labor," supported by the Western Rural Development Center*

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*Western Wire*, Spring 1993  
Western Rural Development Center

The final report of the Commission on Agricultural Workers is a consensus document which finds that the Immigration Reform and Control Act (IRCA) of 1986 was a case of good intentions gone awry in the farm labor market. The report recommends a renewed effort to reduce illegal immigration along with federal and state actions to mitigate some of the hardships of farm workers since IRCA.

Although I support most of the Commission's recommendations, in three important respects I fear they deal with symptoms rather than with causes or remedies to farm worker problems. First, the report attributes the problems of farm workers entirely to continued illegal immigration and thereby avoids assigning any responsibility to farmers who are expanding a labor market in

which most workers are poor immigrants. Second, the final report does not deal effectively with the most important actor in today's farm labor market: farm labor contractors. These intermediaries are considered to be employers in their own right, and have in many cases privatized immigration policy by employing newcomers and providing them with housing and transportation services. Third, the report ignores several troubling legacies of IRCA, including the creation in the United States of needy families whose legal status may range from U.S. citizen to legal immigrant to undocumented alien.

My purpose is not to detract from the report's recommendations; I believe that most of them should be implemented as soon as possible. Even if implemented, however, the Commission's



recommendations will not stem farm labor problems, deter farm labor contractors from opening side and backdoors for immigration into the United States, or prevent needy immigrant families from falling through the holes of the U.S. social safety net.

## Background

IRCA was enacted to reduce the presence of unauthorized or illegal alien workers in the U.S. work force, largely by imposing sanctions on employers who knowingly hire unauthorized workers and by legalizing many of the undocumented residents in the United States and most of the undocumented workers employed in U.S. agriculture. IRCA sought to cushion agriculture's transition to a legal work force by including several provisions, such as the Special Agricultural Worker (SAW) legalization program, the deferred enforcement of sanctions, and a Replenishment Agricultural Worker (RAW) program that would admit probationary immigrant farm workers should labor shortages develop.

The SAW program and related provisions affecting agriculture were not subject to extensive public hearings or debate. There was a great deal of uncertainty about their probable effects on farmers and farm workers, and this uncertainty, as well as the 4-year life of the RAW program, gave the Commission its mandate to review the effects on the farm labor market of IRCA, and especially of its SAW provisions.

## What the Commission did

The Commission was charged with "reviewing" nine questions and conducting "an overall evaluation of the special agricultural provisions" of the Immigration Reform and Control Act (IRCA) of 1986. These questions ask about the impact of the SAW program on U.S. farm workers and their wages as well as the extent of unemployment among farm workers in light of IRCA and other factors affecting the farm labor market.

On the basis of case study research and hearings, the Commission reached conclusions that can be grouped into three categories.

First, in its overall evaluation of the SAW program, the Commission concluded that the majority of those undocumented workers eligible under SAW gained legal status in a flawed program, described by Robert Suro in the New York Times as "what may be one of the most extensive immigration frauds ever perpetrated against the U.S. government." Second, the Commission noted that although the SAW program legalized many undocumented farm workers, they were prevented from obtaining improvements in wages and benefits by the continued availability of illegal workers. Third, the Commission found that the farm labor market continues to leave the average committed or professional farm worker with below

## The Commission deals with symptoms rather than with causes or remedies

The report avoids assigning any responsibility to farmers who are expanding a labor market in which most workers are poor immigrants.

It does not deal effectively with the most important actor in today's farm labor market: farm labor contractors.

The report ignores several troubling legacies of IRCA, including the creation in the U. S. of needy families.

poverty level earnings: an average farm worker earns about \$200 weekly, or \$5000 for 25 weeks of farm work, and is then unemployed for another 20 weeks.

The Commission recommended steps to develop a legal farm work force, to improve social services for farm workers and their families, and to improve the enforcement of labor laws. In response to IRCA's failure to significantly reduce illegal immigration into the United States, the Commission report recommends a renewed effort to reduce illegal immigration with more enforcement and a fraud-proof work authorization card. To combat declining real wages, the absence of benefits

like health insurance, and the exclusion of some farm workers from federal and state programs that would make them eligible for unemployment insurance benefits and workers compensation, the Commission recommends that the federal government provide more services to farm workers and their children and that farm workers be covered under protective labor laws. Finally, the Commission recognized that federal and state agencies today have only a limited ability to enforce farm labor laws, and recommended that enforcement efforts should be better coordinated and targeted.

## What the Commission did not do

Most of the consensus recommendations in the Final Report are a useful step in the right direction, but they fail to deal with the root causes of the farm labor problem and the legacies of IRCA's agricultural provisions. Dealing with the cause of farm worker poverty may have been within the Commission's mandate, and it was certainly discussed by Commissioners and witnesses, but was not the focus of the Commission's research or recommendations. In retrospect, it may have been better for the Commission to focus on these causes.

The federal government has permitted immigration to be a subsidy for the labor-intensive fruit and vegetable subsector of U.S. agriculture. This subsidy encourages the expansion of migrant labor, in spite of the fact that

the majority of farm workers earn incomes below poverty level. The Commission recognizes this poverty, and recommends more federal protections and services to mitigate it, but avoids the question of who is responsible for the workers' plight. By evading this question, the Commission casts poor farm workers in the role of yet another needy group asking for federal assistance in a time of tight budgets.

Several Commissioners and some witnesses argued that poor farm workers are the price that the society must pay for cheap food. But the Commission did not study the relationship between cheap farm workers and cheap food. If such studies had been conducted, I believe they would have shown that low farm wages are an economically inefficient and morally wrong method for

## LOW FARM WAGES ARE AN ECONOMICALLY INEFFICIENT AND MORALLY WRONG METHOD FOR REDUCING FOOD PRICES

<sup>1</sup> Reprinted in the Sacramento Bee November 12, 1989, pA1.

reducing food prices. Surely, instead of urging more federal funds to mitigate the poverty in today's labor markets, it would be better to call for reform of the farm labor market so that farm workers can earn enough not to need special federal assistance.

Second, the Commission report identifies but does not effectively deal with the dynamic element that is reducing the government's ability to regulate the farm labor market and reduce farm worker poverty: farm labor contractors. Given ineffective immigration controls and insufficient

farmer-provided and public services, such as housing for newly-arrived immigrants, these contractors have privatized important parts of both immigration policy and immigrant services. They are analogous to the ship captains of the 19th century who often recruited the immigrant workers that they transported. Farm labor contractors find workers abroad, provide them counterfeit documents, and are their first U.S. employers. These immigrant workers need housing and social services which, for a fee, the contractors provide. As the contractors' share of farm employment rises, federal and state agencies lose their ability to regulate the farm labor market because the contractors often know the workers they hire and discourage them from complaining of labor law violations. The Commission report acknowledges the problem, but its recommendations do not promise a remedy.

Third, the Commission report does not deal with several problems that developed in the wake of IRCA's agricultural provisions.

The SAW program legalized mostly young Mexican men, who were working illegally in U.S. agriculture, as a means of encouraging them to continue to return to their families each winter. Many continue to commute between the United States and Mexico, but many others are bringing their families to the United States. These mixed families—mixed in terms of the immigration status of family members—need education, health, and social services if they and their children are to succeed in the United States. However, their settlement in rural America and their mixed legal status makes it difficult to provide them with the social services that they need.

### Cheap farm workers and cheap food

The federal government intervenes extensively in U.S. agriculture. Water programs enable farmers to grow crops even in the desert. Government-guaranteed prices or government-authorized marketing orders help to stabilize farm prices and incomes. And once a crop is harvested, federal programs often subsidize its sale, at home and abroad. Americans are told frequently that the U.S. food system gives them an abundant supply of cheap food. Farmers often oppose changes in federal policies by arguing that change would mean higher food prices.

The link between federal intervention in agriculture and lower food prices, however, has been shown to be exaggerated. Federal

### The Commission concluded

The majority of undocumented workers eligible under SAW gained legal status in a flawed program.

Farm workers were prevented from obtaining improvements in wages and benefits by the continued availability of illegal workers.

The farm labor market continues to leave the average farm worker with earnings that are below poverty level.

subsidies are soon capitalized into land prices, enriching land owners, and not necessarily passed on to consumers. Nevertheless, the myth that cheap farm workers ensure cheap food persists.

The Commission had several discussions about the link between cheap farm workers and cheap food, but did not conduct research on this connection. I believe the question deserves serious study. If farm worker poverty holds down food prices, then Americans need to know the amount of money that is saved. The U.S. government

should be prepared to spend at least a share of these savings on services for impoverished farm workers.

I believe that serious study of the low wages-cheap food theory is avoided because such a study would show that facts do not support the theory. The numbers speak for themselves. Two-thirds of the nation's farm work is done by farmers and their families. Hired workers do only one-third of the nation's farm work. Immigrant farm workers, the poorest hired workers, do about two-thirds of the work done by hired workers. This means that if there were no immigrant farm workers, almost 80 percent of the nation's farm work would still get done without them. In other words, holding down the wages of seasonal farm workers, while it impoverishes more than 1 million workers, holds down

the average family's food bill only a little. Even in the case of the fruits and vegetables that immigrant workers harvest, farm wages account for less than 10 percent of the retail price of a head of lettuce or a

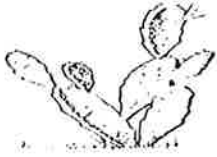
pound of apples. Doubling farm wages, and thus practically eliminating farm worker poverty, would raise retail food prices by less than 10 percent.

Retail food prices may not go up even if the U.S. government aimed to increase rather than to depress farm wages. The farmers who relied on Mexican bracero workers in the early 1960s argued that "the use of braceros is absolutely essential to the survival of the tomato industry."<sup>2</sup> But the termination of the bracero program in 1964 accelerated the mechanization of tomato harvesting and quadrupled production to 10 million tons between 1960 and 1990. Cheaper tomatoes permitted the price of ketchup and similar products to drop, fueling the expansion of the fast food industry.

Not only is it inefficient to hold down food prices by holding down farm worker wages; it is morally wrong. Why should the low wages of farm workers, who average \$5000 annually, subsidize low food prices for nonfarm workers, whose average earnings are \$25,000 per year?

<sup>2</sup> California Senate, Senate Fact Finding Committee on Labor and Welfare, California's Farm Labor Problems: Part 1 1961. p105.

<sup>3</sup> FVH sales rose 64 percent from \$10.5 billion in 1978 to \$17.2 billion in 1987. Total farm sales rose 26 percent during this period, from \$108 billion in 1978 to \$136 billion in 1987. The United States is a net exporter of FVH commodities, exporting an all-time high of \$6 billion worth in 1991, or more than the value of U.S. wheat exports.



Some people believe that farm labor problems will correct themselves as trade and mechanization eliminate farm jobs. This is a false hope. Labor-intensive agriculture is expanding,<sup>3</sup> and neither trade nor mechanization is likely to eliminate many farm jobs in the 1990s. The value of U.S. Fruit, Vegetable, and Horticultural (FVH) specialty production rose by 65 percent during the 1980s to \$28 billion, making these mostly labor-intensive commodities worth about one-sixth of total farm sales.

The Commission discussed the question of whether farm employers, who plant labor-intensive crops and make no provision to attract and house the workers they need, have a right to expect the federal government to permit their employment of immigrant workers who will not demand housing and other benefits—all to make the farmers' investments profitable. However, there was no consensus on the farmer's responsibility for creating jobs that, in today's farm labor market, are likely to be filled by immigrants.

Farmers assume considerable risk when they plant an apple or orange tree that will not yield fruit for five years. The Commission heard testimony from farmers who noted that they carefully studied soil, climate, disease, and marketing conditions before planting more apple and orange trees. These same farmers, however, admitted that they did not give much thought to the availability of seasonal workers to harvest their apples and oranges. They simply assumed that such workers would be available when they were needed. They further assumed that if U.S. workers could not be found, the federal government would open the border gates to immigrants, as it has done so many times in the past.<sup>4</sup>

The Commission implicitly endorses the further expansion of fruit and vegetable agriculture by failing to note the connection between decisions that create a need for workers, and the availability of the workers. The expansion of labor-intensive U.S. agriculture in a way that guarantees continuing shortages of U.S. farm workers raises a fundamental question about the link between immigration and agriculture: what responsibility does a farmer have to plan for a seasonal work force when he or she plants a crop that will require seasonal harvesters? If a manufacturing firm were to build a plant in a remote area, and then ask for government permission to import alien workers who would work there at the federal minimum wage, most Americans would reject the request, reasoning that a manufacturer should think for himself about the availability of workers.

<sup>4</sup> Numerous commissions have called attention to the federal government's tendency to guarantee farmers a work force. A 1959 commission recommended that growers should have "the responsibility for recruiting and retaining a labor supply." Instead, "the Government has in effect guaranteed the grower a supply of labor" by making Mexican Braceros available. National Advisory Committee on Farm Labor. *Report on Farm Labor* (1959). (p. 31).

## The Commission avoids

The question of who is responsible for the workers' plight.

The relationship between cheap farm workers and cheap food.

Farm labor contractors, who find workers abroad, provide them counterfeit documents, and are their first U.S. employers.

The mixed immigration status SAW created in many migrant families, making it difficult to provide them with social services.

employers who ran into labor shortages.<sup>6</sup>

Since government in the past made immigrant workers available to farmers who planted labor-intensive crops in remote areas, landowners, bankers, processors and others who invest in orchards or vineyards expect the government once again to make workers available at "reasonable costs." Reasonable costs have come to mean wages low enough to get the crop harvested and to keep farmers in business, not wages high enough to induce Americans to do seasonal work in remote areas. The basic question of who has the responsibility to ensure that any crops planted can be harvested was not studied, much less resolved, by the Commission.

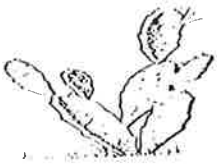
By avoiding the question of where responsibility lies for the

### FARM WAGES ACCOUNT FOR LESS THAN 10 PER CENT OF THE RETAIL PRICE OF A HEAD OF LETTUCE OR A POUND OF APPLES

expansion of a farm labor market that leaves the workers in need of special federal services, the Commission was able to sidestep the question of who should pay for the additional farm worker services that are recommended. Because the only rationale provided for more federal funds and programs to alleviate the problems stemming from today's farm labor market is farm worker need, it is unlikely that the funds and programs will be forthcoming.

<sup>5</sup> Zepp *et al.* in Martin, Philip (Ed) *Migrant Labor in Agriculture: An International Comparison* (Berkeley: Giannini Foundation, 1984) explain how U.S. potato acreage and processing vegetables shifted from the northeastern and midwestern to the western states during the 1950s because of new production and storage technologies and the availability of federally-subsidized inputs, including water and labor.

<sup>6</sup> I have found one Congressional reference that U.S. farmers should have easy access to alien farm workers so that they do not switch to growing crops that are eligible for government price supports. Senator Hatch (R-UT), arguing in support of the Wilson non-immigrant farm worker program in 1985, argued that without it, many of the perishable (FVH) growers may be forced out of business or may be forced to shift their production to non-perishable crops which are capable of being mechanically harvested. In light of the massive surpluses currently produced by wheat, corn, and soybean farmers, I believe the last thing Congress wants to do is to discourage perishable fruit farmers by unrealistic immigration restrictions. The alternative may be for them to enter other flooded agricultural markets." Congressional Record, September 12, 1985, p. S-11325.



The Final Report's recommendations are only the first step toward ending farm worker poverty. In the past, poor farm labor market conditions have done little more than prick the nation's conscience. These conditions should now attract another kind of interest. Low farm-worker earnings have always encouraged farm workers and their children to seek nonfarm jobs. More than one quarter of the adult immigrants who entered the U.S. labor market during the 1980s entered as farm workers. They and their children will not remain farm workers. Perhaps 10 percent, or 200,000, will leave the farm work force each year and, if they and their children are ill-prepared for success in the nonfarm labor market, then all Americans have to share the cost of supporting, educating, and retraining them.

The Commission would have done better to recommend that the federal government collect data and conduct studies on the true costs of cheap farm workers. These costs are significant, and as the farm work force includes more and poorer immigrants, the cost will rise.

### **Farm labor contractors and the farm labor market**

Farm labor contractors are the intermediaries who, for a fee, recruit, transport, and supervise farm workers. Since IRCA was enacted in 1986, the share of all seasonal job matches made by contractors has increased. Today it exceeds 50 percent in many harvest labor markets. Worker, farmer, and agency testimony, as well as research, suggest that contractors are practically a proxy for the employment of undocumented workers and egregious or subtle violations of labor laws.

The increase in contractor activities has been driven by several factors, including farmer efforts to minimize enforcement risk, the arrival of more diverse immigrant workers, and the legalization of people with the requisite experience to get into the game. IRCA's employer sanctions increased the potential cost of hiring illegal alien workers, so growers rationally tried to shift these risks to labor contractors, who are employers in their own right under IRCA. In many cases, the "new-new" immigrants arriving since IRCA have needed non-traditional intermediaries for language, recruitment, or social service reasons. Farmers used to dealing with Mexicans from the Central Highlands are not necessarily capable of dealing with the Mixtecs and Guatemalan Indians arriving today. Finally, because registration as a labor contractor usually requires legal status, and the SAW program legalized people who could be contractors, some newly-legalized SAWs became farm labor contractors.

Employer risk, diverse new workers, and aspiring legal labor contractors provided the foundation for the surge in contractor activity which followed the passage of IRCA. There was an economic rationale as well. With more workers and more contractors, employers could shift any IRCA-related documentation and sanctions costs to contractors at no additional cost, because the influx of workers and competition between contractors kept the commissions or overheads paid to them at early-1980s levels, even as the minimum wage rose and payroll taxes increased. In

California's San Joaquin Valley, workers are typically paid the minimum wage (\$4.25 per hour after July 1, 1988), or a piece-rate wage of say 16¢ per 25 pound tray of raisin grapes cut and laid on paper. The contractor got the same 30 percent commission, or \$1.30 per hour overhead, in the early 1990s as was paid in the early 1980s for recruiting and supervising raisin harvesters. Since "the employer" is liable for Social Security (7.5 percent), Unemployment Insurance (4 to 5 percent), and Workers Compensation (10 to 20 percent) payroll taxes, farmers, who would in any event be paying wages plus 25 to 30 percent of these wages in payroll taxes, plus additional costs for immigration paperwork, recruitment, supervision, and social services, while incurring some risks in the event of Immigration Naturalization Service or Department of Labor enforcement, rationally turned over recruitment and supervision to labor contractors. Thus enforcement risk, worker supply, and contractor availability combined neatly with economics to fuel the expansion of farm labor contractor activities.

The expansion of these activities in the wake of IRCA has helped to lower wages and incomes in rural America. Farm labor contractors are perhaps the most important actors in bringing "new-new" immigrants to the United States. In their role of 19th Century ship captains recruiting, transporting, and employing new arrivals, their activities promise to bring into rural communities some of the neediest immigrants that have ever arrived in the United States.

The Final Report recognizes the problem, emphasizing the role of farm labor contractors in "Mexicanizing" or "Latinizing" the farm work force throughout the United States. However, the

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Commission's recommendations for better data, higher bonds, and more enforcement will not solve it. The federal government has tried to regulate contractor activities since 1964 by requiring them to register with a government agency. Since then, contractors in

many states have been required to post bonds, to pass tests, and to take other steps designed to screen out individuals who might abuse farm workers.

The Commission's recommendations try to improve a system that may be fundamentally flawed. A contractor operates between a farmer and a farm worker, but their power over the contractor is very different. Farmers typically know what the going overhead or commission is, and thus are unlikely to part with an extra-high fee. Newly-arrived immigrants, on the other hand, may not know the minimum or the prevailing piece-rate wage, so that contractors can turn what appears to be a money-losing deal with farmers into a profit-making deal by extracting money from workers. As the U.S. Industrial Commission observed in 1901, "the position of the contractor...is peculiarly that of an organizer and employer of immigrants...He holds his own mainly because of his ability to get cheap labor...(he)succeeds because he lives among the poorest class of people, knows them personally, knows their circumstances, and can drive the hardest kind of bargain."<sup>7</sup>

<sup>7</sup> Reports. U.S. Industrial Commission. (Washington: Government Printing Office, 1901) Volume XV Part III, pp 320-21.

Many farm labor contractors do not openly violate the laws that the Commission would enforce more rigorously. Most contractors do not pay workers below minimum wages. However, many rent workers the housing they need, charge them for rides to work, and sell them other services. Some fail to forward payroll taxes to government agencies.

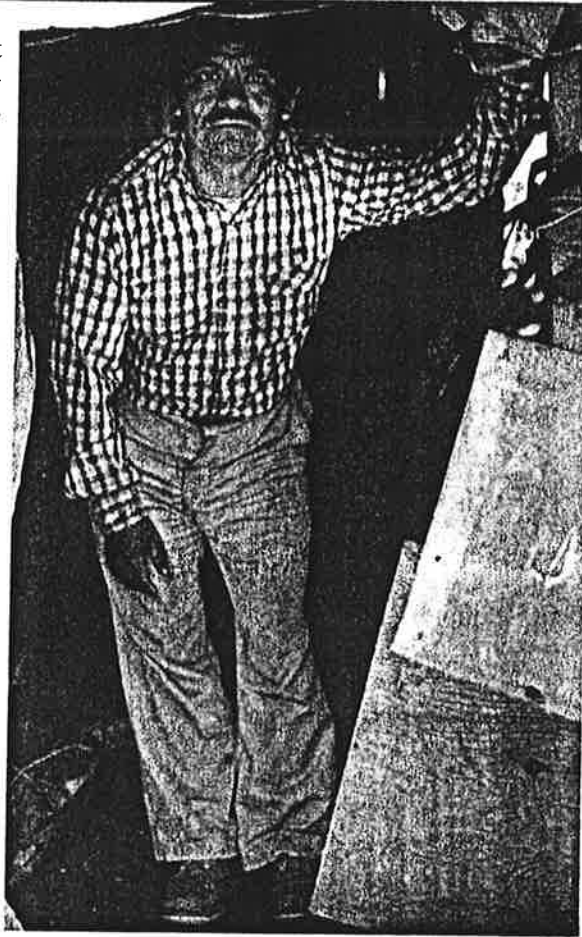
Labor contractors who select immigrants and provide them with jobs and social services are privatizing both immigration policy and social service programs. The U.S. government thus has a diminished ability to regulate immigration and the farm labor market. For example, farm workers employed by contractors often receive 25 percent less income just because they must pay for housing and transportation to work. A worker earning \$5 hourly for 40 hours, or \$200 weekly, must typically pay \$6 daily for housing (\$42 weekly) and \$4 daily for transportation (\$20), so that housing migrant workers off the farm can lower their take-home pay significantly, even if wages remain the same.

The power of farmers over labor contractors, and the power of contractors over farm workers, distinguishes labor contracting activities in the farm sectors. I must therefore dissent from the Commission's recommendation to bring all labor contracting activities under one federal body of law and regulation. A labor contracting firm that supplies engineers or doctors, or secretaries and nurses, needs a different regulatory framework than one supplying farm workers. Perhaps the Commission would have been better advised to recommend the German system of prohibiting labor contracting in industries in which contracting has proven difficult to regulate. So long as farm and nonfarm employer-labor contractor and worker differences persist, I believe that special laws and regulations will be needed to regulate farm labor contracting.

### **SAWs, mixed families, and the new rural poverty**

For the past century, immigration to the United States has been primarily an urban phenomenon, but about one-fourth of the current wave of immigrants is arriving in rural America, and a rural America that is ill-prepared to assist them. Furthermore, the "new-new" immigrants arriving in rural America are often the neediest immigrants that have ever arrived.

IRCA's most important legacy may be the foundation it laid for a new wave of rural poverty in the United States. The rural poverty



that many thought was reduced when millions of small white and Black farmers left agriculture in the 1950s and 1960s may be recreated through immigration in the 1990s.

This rural poverty may prove even more difficult to reduce. Most of the immigrants arriving in rural America are young men with primary school education or less. Seasonal farm workers for 10 or 15 years, at age 35 to 40 many can no longer find jobs harvesting fruits and vegetables. In the past, most returned to Mexico and sent their sons to replace them in U.S. fields and orchards. Today, more appear to be settling in the United States.

There are no reliable data on the new immigrants and the new rural poverty. SAWs were excluded from the INS-funded study of the newly legalized population, and so there are no data on what a random sample of SAWs is doing 3 to 5 years after receiving an immigrant status. There is even less information available on whether SAWs are uniting their families in the United States, and how these families are faring.

There is little disagreement that farm workers need help. IRCA prompted the U.S. Department of Labor to begin the National Agricultural Workers Survey (NAWS) in order to determine whether the exit of newly-legalized SAWs would lead to farm labor shortages. The Survey found that three-fourths of the farm workers are minorities, usually immigrants from Mexico who have been in the United States less than 10 years. Most of these farm workers are married men who are poorly educated and live with their families at their U.S. work sites. In farm worker households, almost everyone works—85 percent of the household members who are 15 and older have a job sometime during the year. Yet 46 percent of all Seasonal Agricultural Service workers, and 77 percent of the recently-arrived unauthorized workers, have below-poverty level incomes.<sup>8</sup>

The SAW program was worker- and industry-specific. Most of those legalized under the SAW program were young men from Mexico. Many of these men have families, and some of them have brought their families to the

<sup>8</sup>There are a variety of estimates of the percentage of U.S. farm workers who are currently unauthorized. In hearings and case studies conducted by or for the Commission on Agricultural Workers (CAW) in 1990 and 1991, estimates of 10 to 40 percent unauthorized workers were made. However, it should be emphasized that many of the estimates offered are highly speculative, and in some instances are made by persons who have

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United States without authorization. Immigration policies developed in deference to family ties mean that most of these large Mexican families will be tolerated in the United States. The SAW program does not necessarily exclude family members; it merely puts them in an illegal status until the reality that they are here and will not be deported is eventually accepted and they, too, are legalized.

However, while these families wait to be accepted, their presence raises important social policy questions. In some SAW families living in the United States, the father is a Permanent Resident Alien, the mother and older children are unauthorized, and there are one or more U.S.-citizen babies. The SAW father is barred from some federal assistance programs for 5 years, and other members of the family may be ineligible for most services, but the U.S. citizen family member is not barred from any service on grounds of immigration status. The SAW program produced far more "mixed family" situations than the general legalization program because 82 percent of the SAW applicants were men.

As SAWs bring their families to the United States, they raise the issue of how social policies should deal with families, some of whose members are legal and others unauthorized. Nowhere is

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an incentive to overestimate the percentage (e.g. employers who are asked "if IRCA were strictly enforced, would you face a shortage of labor?" have an incentive to overestimate their employment of unauthorized workers if they are also advocating a program which would give them easy access to legal foreign farm workers in the event that unauthorized workers were no longer available).

Many casual estimates and case study reports also refer only to harvest workers, who in the NAWS were only 42 percent of all workers. (840,000. Coincidentally, the number of harvest workers is equal to the number of migrant workers in the NAWS). Even if 40 percent of the harvest workers were unauthorized, as is sometimes asserted, 40 percent unauthorized times 42 percent harvesters means that only 17 percent of the total SAS work force is unauthorized. The current SAS work force is probably 10 to 20 percent unauthorized. However, there is general agreement that the unauthorized percentage is increasing, and that NAFTA may intensify the factors which push rural Mexicans into rural America, and thus push the unauthorized percentage of the U.S. farm work force higher in the 1990s.

this mixed family issue more prominent than in agriculture, primarily because only agriculture had a worker-and industry-specific legalization program.

## Conclusion

The Commission's Final Report does not have a descriptive title because there was no consensus on a unifying theme such as Good Intentions Gone Awry or Bringing Farm Labor into the Mainstream. Instead, almost four years of study and debate produced a final report without a clearly articulated justification for action. The Final Report recommends incremental changes that, if implemented, would reduce the immigration and labor law exceptions that now apply to farm labor, but the Commission develops no overarching theory and no sense of urgency to justify Congressional action on its recommendations.

I believe that there is a theory to justify action. Immigration and labor law exceptions for agriculture have acted as a subsidy that encouraged the expansion of a subsector of a U.S. industry in a manner that leaves the majority of its workers in poverty. Cheap farm labor does not provide consumers with cheap food, but it does act as a regressive tax on some of the poorest workers. Furthermore, fruit and vegetable agriculture does not employ seasonal farm workers for a lifetime; when they leave through agriculture's revolving-door labor market, they increasingly become the neediest residents in American towns and cities.

Americans want a prosperous farm economy that can provide them with an abundant supply of food. But the fruit and vegetable subsector of American agriculture is expanding in a manner that requires all taxpayers to alleviate the human suffering it produces. Making the fundamental changes in the farm labor market that are necessary in order to reduce or eliminate farm worker poverty, instead of merely mitigating it, is the economically and morally right thing to do. I wish that the Commission had embraced the idea that fruits and vegetables can be produced in the United States without farm worker poverty and without requiring federal assistance programs to overcome labor market deficiencies. The Commission did not tackle the issue of eliminating farm worker poverty at its source.

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## recent publications

### Don't leave home without it

A review by Patrick Corcoran, Community Economics Specialist, Oregon State University Extension

*Communities in the Lead: The Northwest Rural Development Sourcebook*, Harold L. Fossum, 215 pp. \$30 Northwest Policy Center, 327 Parrington Hall, DC-14, University of Washington, Seattle WA 98195 Make checks payable to University of Washington. Call (206)543-7900 to receive the

Center's newsletter, *The Changing Northwest*, and to order other publications.

Hal Fossum and the Northwest Policy Center have done a great service to practitioners of economic development by publishing *Communities in the Lead: The Northwest Rural Development Sourcebook*. The *Sourcebook* is a well designed and engaging guide to the most relevant published materials and resources available on contemporary

economic development for rural communities. Fossum seems to have taken the very best materials from my cluttered files and distilled them into a single reference that is thoughtful, comprehensive, and very useful.

The *Sourcebook* has relevance for a wide audience. Community activists and rural development practitioners will gain from its review of useful principles, strategies, resources, and tools for planning and managing local develop-