



Immigration Reform: Status and Outlook

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US Farm Workers

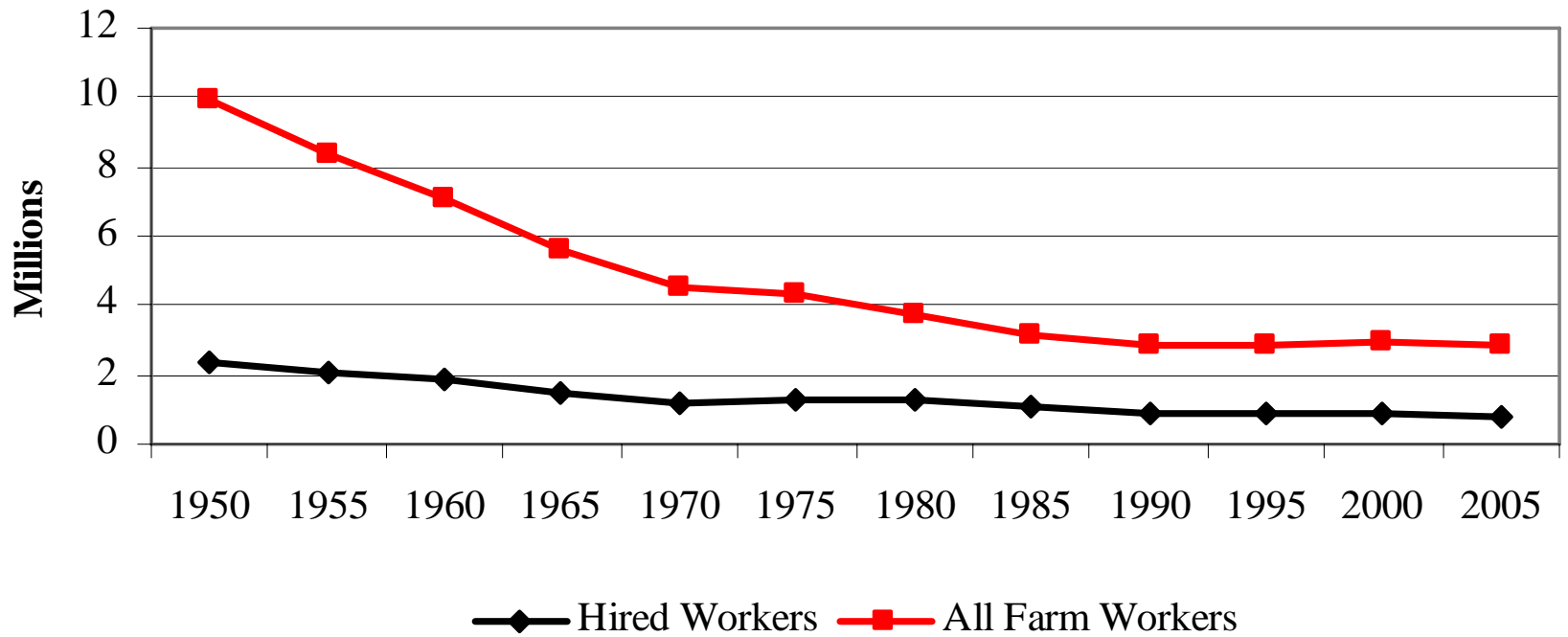
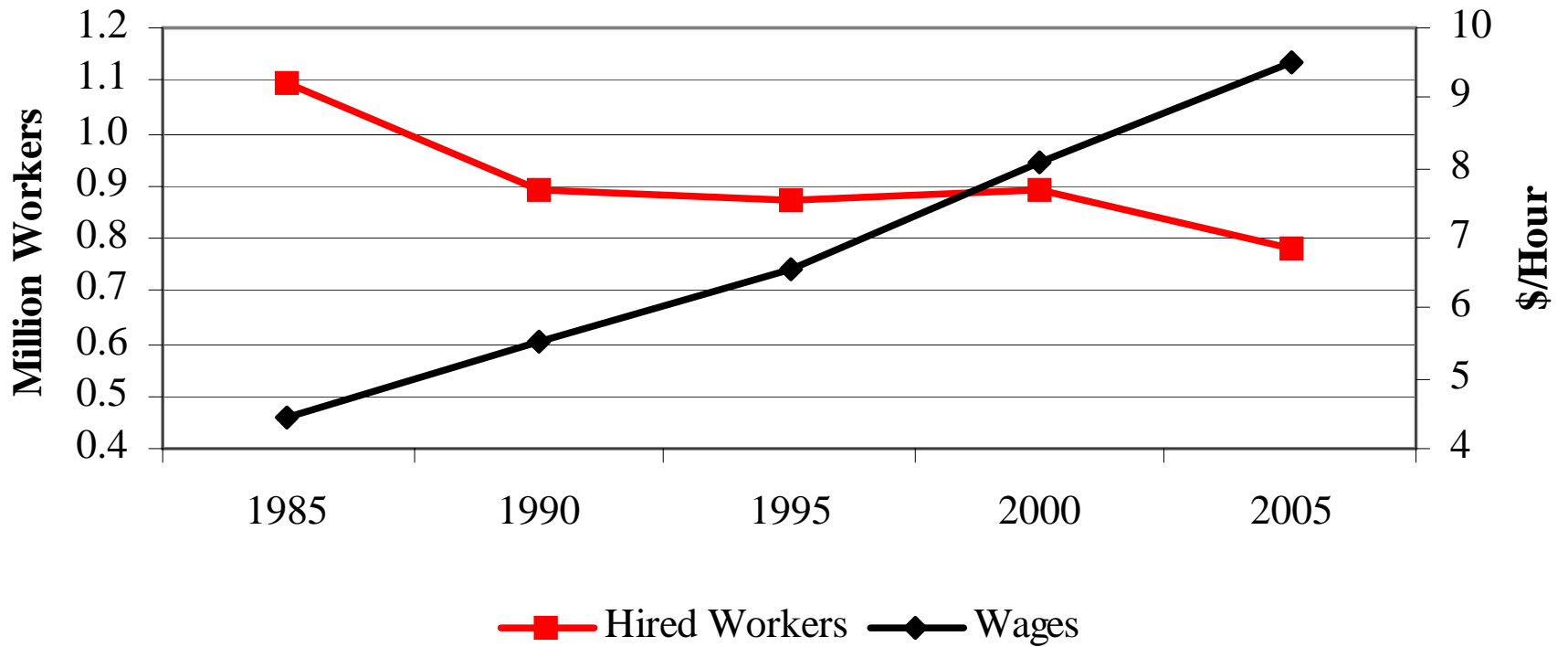
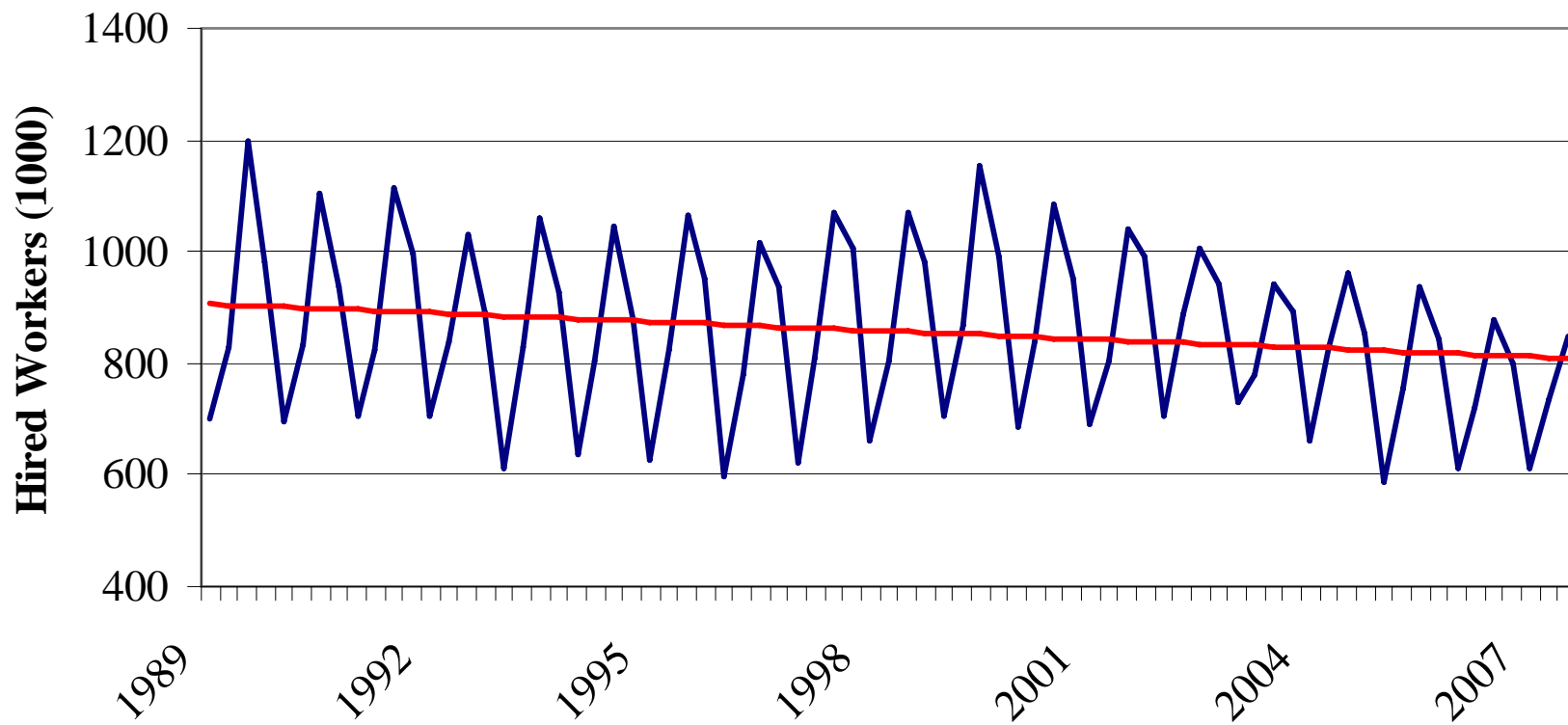


Figure 2. US Hired Farm Workers and Wage Rates



Agriculture Hired Workers by Quarter

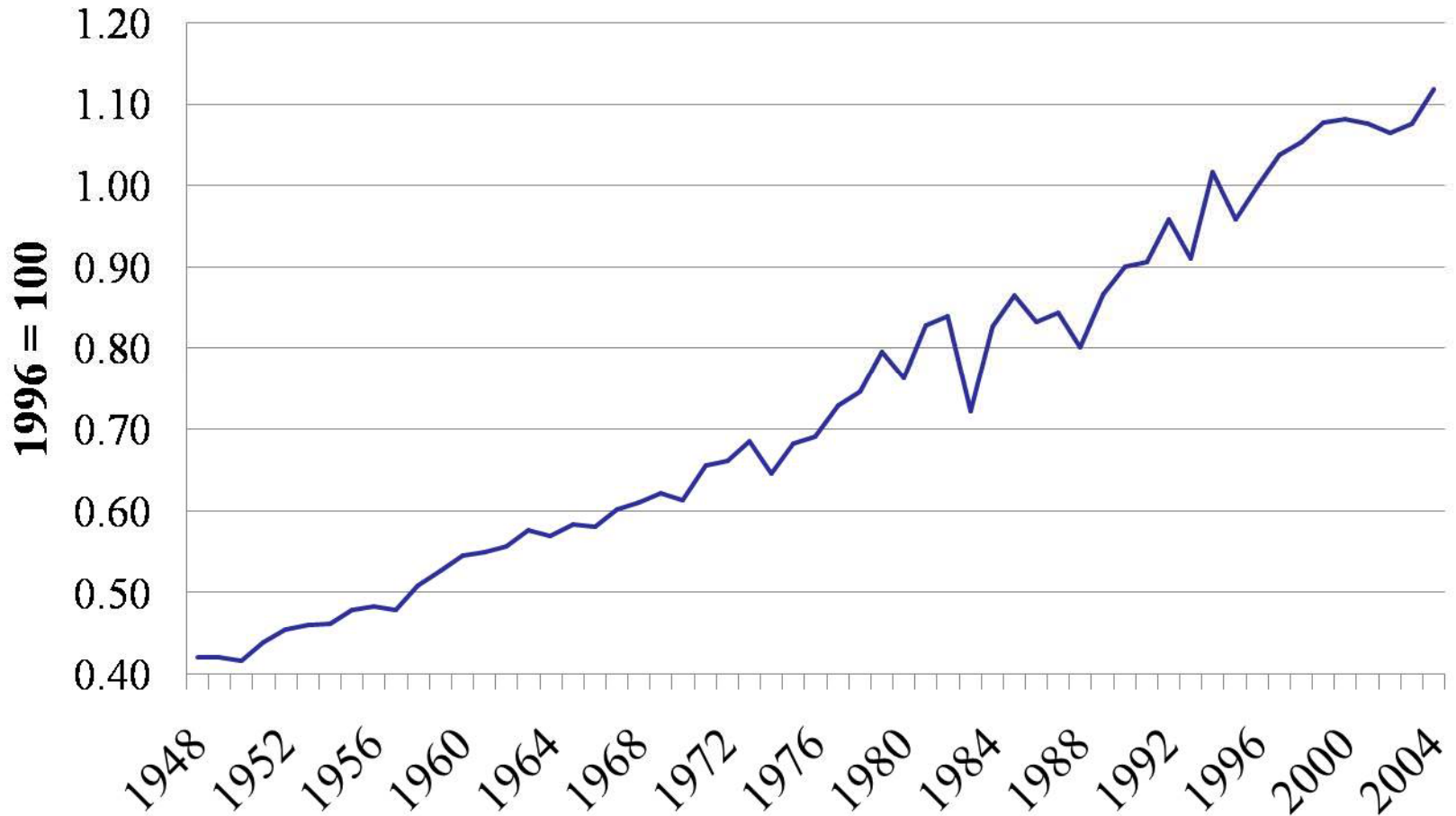


The Supply of Workers In Ag is Declining

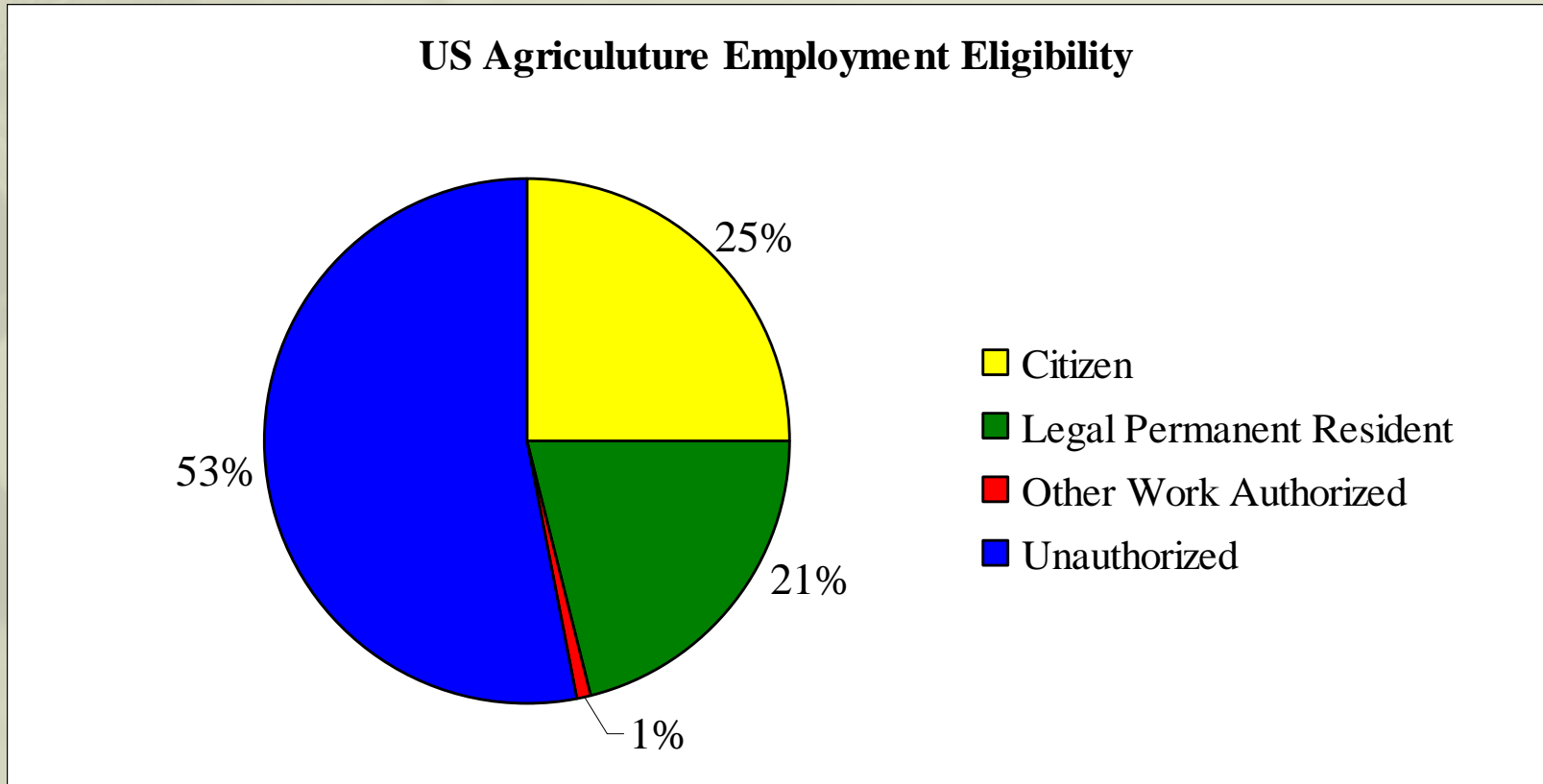
(Number of workers by quarter, in thousands)

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Average
	Thousands				
2001	691	804	1,039	991	881
2002	707	890	1,006	940	886
2003	729	781	943	891	836
2004	662	827	961	851	825
2005	589	753	936	842	780
2006	614	720	876	797	752
2007	614	736	847	843	760
Change 2006-2005	25	-33	-60	-45	-28
Change 2007-2006	0	16	-29	46	8

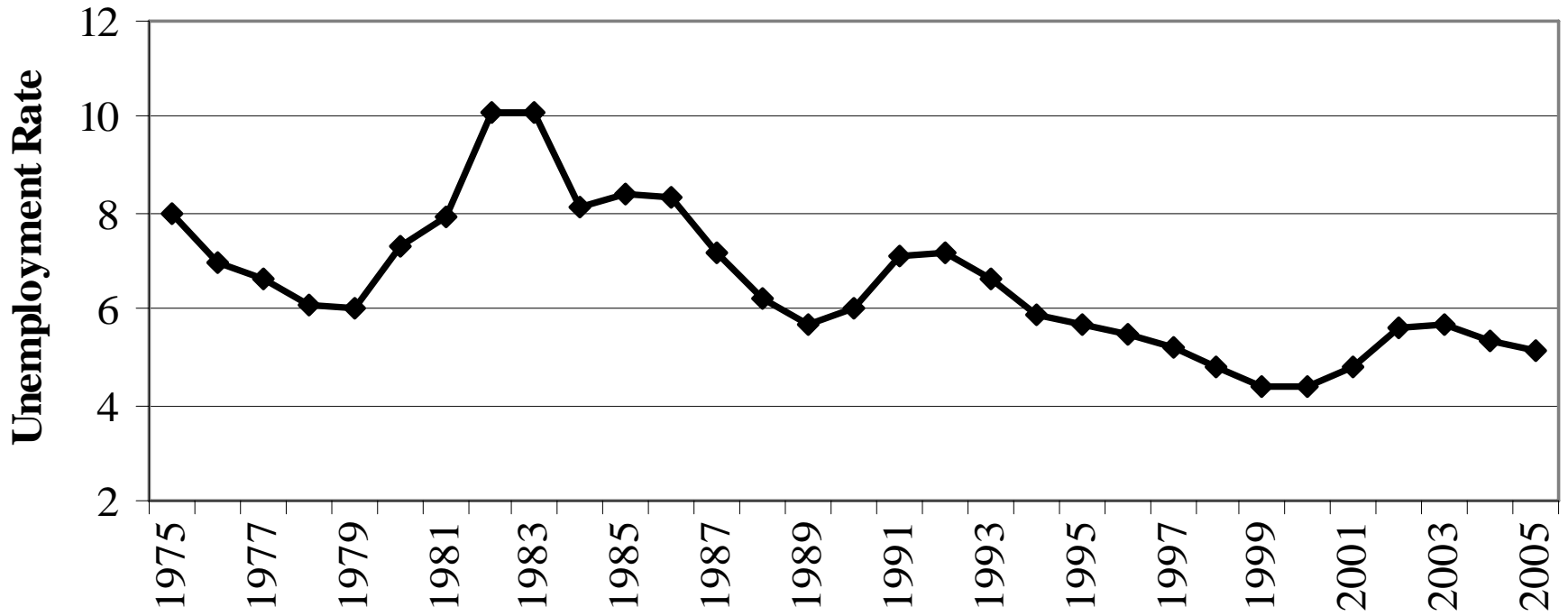
All Ag Output



DOL National Agriculture Workers Survey



Non-Metropolitan Unemployment Rate



Labor Demand Factors

- Consumer Preferences

- The market for fresh fruits and vegetables has grown over 30% in the last two decades.
- That market puts a premium on peak quality and ripeness – qualities that depend on human judgment and dexterity in picking and packing.

Labor Demand Factors

- Technology and Consolidation

- Dairy example of increased reliance on hired labor with technology adoption.
- As farms consolidated, size considerations have increased dependence on hired labor.

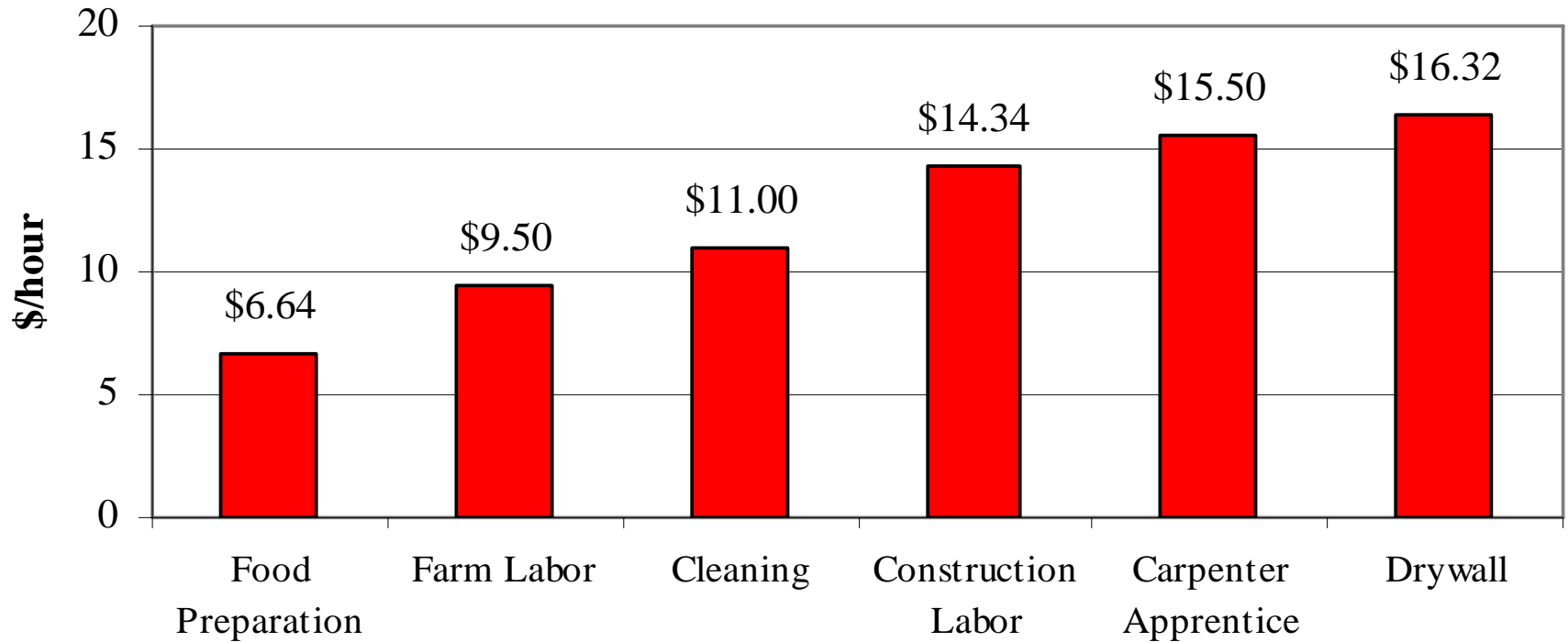
Worst Case?

- What if there are no provisions made for a guest worker program, causing an abrupt change in the labor market?

Impact of Labor Scarcity

- With at least half of hired workers displaced with a migrant worker cut-off, agriculture would have to bid workers away from other sectors of the economy at a time when those sectors also face a loss of workers.
- Agriculture's current average wage of \$9.50 per hour would have to rise to \$11-14.50 per hour to attract sufficient labor from janitorial and construction jobs.
- Maybe higher

Wage Rates for Selected Categories



Impact of Labor Scarcity

- Vulnerable fresh fruit and vegetable producers would be at severe risk of going out of business as added imports displace domestic production.
- The rest of the sector will see a drop in net farm income, given farmers' very limited ability to pass on costs to consumers.

Solutions

- Legislative
 - Comprehensive Guest Worker Program
 - Nothing in sight, except Ag Jobs
 - No significant enhanced border security
 - Calls for biometric cards
 - Small fine for aliens – \$100
 - Blue cards to green cards after 3 years (Amnesty???)

- Administrative
 - Significantly enhance the current H2A program
 - From 35,000 workers to 500,000 workers
 - Market based (prevailing wages), not AEWR
 - Definition of seasonal work
 - Cumbersome program, advertising, and timing

Implementation and Enforcement --To Quote the Government (USDA)

Employers with four or more employees are prohibited from committing document abuse. Document abuse occurs when an employer requests an employee or applicant to produce a specific document, or more or different documents than are required, to establish employment eligibility or rejects valid documents that reasonably appear genuine on their face. Employers must accept any of the documents or combination of documents listed on the back of the INS Form I-9 to establish identity and employment eligibility. Examples of document abuse include requiring immigrants to present a specific document, such as a "green card" or any INS-ISSUED document, upon hire to establish employment eligibility, and refusing to accept tendered documents that appear reasonable on their face and that relate to the individual.

...

Applicants should not be asked where they were born or whether they are legally entitled to work in the United States.

DHS No-Match Letters

- Social Security Administration sends letters to employers with 10 or more social security number mismatches in the previous year
- Must solve discrepancy within 90 days or become subject to fines
- Injunction prevented implementation due to errors in SSA database.

DOL - TEGL

- Training and Employment Guidance Letter (TEGL)
- Issued November 14, 2007
- Addresses some of the cumbersome areas of H-2A
 - Streamlines recruiting/advertising
 - Helps make program more timely – in receiving DOL labor certification for employer, SWA housing inspections, and getting workers
 - SWA must verify “local” workers are legal
- Worker Groups may sue DOL to remove TEGL

DHS – Interim Final Rule

- Effective Immediately
- Further defines seasonal/temporary work
- Extends workers' length of stay
 - Stands to benefit dairy
 - DHS stated effect – “Crops will be more likely to be harvested, cows milked, etc.”

Other Possibilities

- One option – modify AEWR – use a wage that is closer to market/prevaling wage rates
- Would require a rule by DOL
- Would likely have a 60 day comment period after release

Take Home

- Lots of factors at play... much depends upon enforcement and administrative changes.
- Anyone with a solution does not understand the problem; anyone who understands the problem does not have a solution. --Phil Martin

Questions

