Outlook on Agricultural Labor in Florida, 2012-13

Fritz Roka
UF/IFAS – Southwest REC
Immokalee, FL
fmroka@ufl.edu
(239) 658-3400
Specialty Crops & Labor

• Citrus and Fresh Vegetable production important
  – $3.8 billion dollars farm gate sales (2011).
  – 70% of total FL agricultural sales
  – 90% of total crop value

• Heavy dependence on seasonal and migrant workers
  – round tomatoes: 200 man-hrs/ac
  – juice oranges: 50 man-hrs/ac

• 55K workers during Apr (peak production period)
Labor issues

• raising minimum wage
• farm labor regulations
• immigration reform
• labor “solutions”
# Minimum wage

<table>
<thead>
<tr>
<th>Year</th>
<th>State (FL) Minimum wage rate</th>
<th>Federal Minimum wage rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$5.15</td>
<td>$5.15</td>
</tr>
<tr>
<td>2006</td>
<td>$6.40</td>
<td>$5.15</td>
</tr>
<tr>
<td>2008</td>
<td>$6.79</td>
<td>$6.55</td>
</tr>
<tr>
<td>2010</td>
<td>$7.21</td>
<td>$7.25</td>
</tr>
<tr>
<td>2012</td>
<td>$7.67</td>
<td>$7.25</td>
</tr>
<tr>
<td>2013</td>
<td>$7.79</td>
<td>$7.25</td>
</tr>
</tbody>
</table>
Consequences of higher minimum wages

- harvest labor paid by piece rate
- productivity of harvest labor constant
- grower choice:
  - increase piece rates to cover MW threshold
  - face DOL violations /legal action
## Piece Rates & Minimum Wage

<table>
<thead>
<tr>
<th>Season</th>
<th>Minimum Wage Rate</th>
<th>Citrus Harvester (8 box/hr)</th>
<th>Tomato Harvester (15 buckets/hr)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$/hr</td>
<td>$/box</td>
<td>$/bucket</td>
</tr>
<tr>
<td>2004</td>
<td>$5.15</td>
<td>$0.65</td>
<td>$0.34</td>
</tr>
<tr>
<td>2008</td>
<td>$6.79</td>
<td>$0.85</td>
<td>$0.45</td>
</tr>
<tr>
<td>2010</td>
<td>$7.25</td>
<td>$0.91</td>
<td>$0.48</td>
</tr>
<tr>
<td>2013</td>
<td>$7.79</td>
<td>$0.97</td>
<td>$0.51</td>
</tr>
</tbody>
</table>
2012-13: DOL targets for investigations

2011-12 DOL investigations:
91% citrus harvesting companies committed “major” violations.

1. hours record
2. unpaid hours
3. information disclosure
4. vehicle safety
5. housing
Immigration reform

• 12 million illegal workers in U.S.
  – “only” 1.5 million work in agriculture
• 70% (+) “domestic” farm workers NOT legal
• National Immigration debate polarized
• State immigration initiatives
  – FL legislature came close in 2011
  – nothing in 2012; nothing expected in 2013
• E-Verify common thread
Agricultural Guest Workers

- Few LEGAL domestic workers
- H-2A program – only avenue for legal workers
  - 40% citrus harvested with H-2A labor, 2011-12 (Carlton, FFVA)
  - contradicting policy signals - bureaucratic nightmare
    - push for legal workers
    - H-2A demonized as “slavery”
- Important elements
  - AEWR: $9.54/hr (predicted to be >$10/hr in 2013)
  - ¾ guarantee
  - housing costs
  - travel costs
  - available to any legal domestic workers who apply
- AgJOBS dead
- Several congressional initiatives proposed to “fix” agriculture labor
Mechanical Harvesting

• Field crops and sugarcane already harvested mechanically.

• Some fresh fruit & vegetables:
  – blueberries, potatoes and green beans.

• No near-term option tomatoes ("soft" vegetables)

• Possibilities for juice oranges
Fruit & Vegetable Mechanical Harvesters

Blueberries
Sweet Corn

Lettuce
Potato

Snap Beans
Black Currant
Citrus Mass Harvesters

Canopy Shakers

Trunk Shakers
Citrus MH - Situation

• HLB / Citrus greening – tree stress

• CMNP – expected registration by March 2013.

• Reasons for CMNP hope:
  – able to harvest late-season Valencia
  – decrease harvesting force and hence decrease visible tree damage
  – higher % of fruit recovered
  – less debris carried to processing plants

• MH Goal: $0.75/box!
  – Hand harvest cost: $1.80 to $2.00/bx
Concluding remarks

• Fresh fruit & vegetables important FL Ag Econ
• Seasonal & migrant labor required
• Current labor market dynamics unsustainable
  – push for legal work force
  – lack of political courage to fix immigration
  – “guest” workers not accepted by labor advocates
• Even with immigration reform & viable guest worker program – cost of labor increasing
Thank you

fmroka@ufl.edu
(239) 658-3400