

U.S. FRUIT AND VEGETABLE AGRICULTURE

— by Frank Bouis —

U.S. production of fruits and vegetables has come a long way since household gardens or market gardens surrounding cities and towns were the primary source of fresh fruits and vegetables. Now, it is relatively large scale production concentrated in areas in the Southeast, especially Florida; the Southwest, especially California; the Northwest, especially Washington; and other areas such as Texas and the Northeast. This evolution in the location of production was made possible by refrigerated transport, sophisticated irrigation and water control systems, effective insect and disease control, and very especially, the availability of pools of labor ready and willing to do the work.

The concentration of production in large scale fruit and vegetable producing units was also stimulated by the concentration of food distribution in supermarkets owned by large chains. These companies, responding to consumer demands, have a voracious appetite for a steady year-round supply of products of a known and dependable quality at as stable prices as possible.

Concentration of production is not economically possible through the market garden approach. Even so, in parts of the country outside of the large scale producing regions, fruit and vegetable production involves part-time farming, specialty operations, and thousands of U-Pick farms across the country. These approaches are being stimulated by the lack of available labor supplies at critical periods of time such as harvesting. While the amounts of produce these kinds of units can supply may be significant, the bulk of the national fruit and vegetable diet will continue to come from large scale producing units.

Large Number of Workers Are Required

Large scale fruit and vegetable production is heavily dependent on a large supply of workers willing and able to do the work. Though there are few absolutes, clearly the jobs in this industry differ significantly from jobs in mainstream America.

The work is seasonal and out-of-doors. Weather and other reasons cause the beginning and the end of work days to vary widely. The crisis of a short harvest period for these perishable commodities or variable market demands may require extra-long hours or even longer than normal stretches of continual work days. Though the work is thought unskilled, many jobs require skill, training, and acclimatization. The skill needed is a manual, or digital kind, and many jobs can be performed by workers with limited skills although they may not do as well as those better qualified.

Employers of fruit and vegetable workers pay the same mandated benefits as all other U.S. employers. Social Security, Workers' Compensation, and Unemployment Compensation are all

included. There are some agricultural exemptions from overtime pay, but there are also special provisions for migrant protection, including especially high rates in certain circumstances, and there is not a training wage for agriculture. The large number of workers, often in truly rural areas, make housing a constant problem. There are always strong economic and public relations reasons for employers to supply housing and transportation at a reduced cost, or even at no cost at all.

Even with these stimulations, sufficient labor is difficult to assemble. Indeed, it is said that the reason Mexico is a major supplier of fruits and vegetables to the U.S. winter market is that workers are readily available there in contrast to the reduced availability of legal workers in the United States. Today, U.S. employers have massive programs for recruiting and transporting workers in order to assure an adequate supply of workers.

These conditions make fruit and vegetable production difficult within the labor policy of a highly industrialized nation. Construction and fishing industries are in similar situations.

Fruit and vegetable production is a market driven economy. Growers are price takers, not price setters. Not infrequently, perhaps even usually, there is a money losing period during the harvest season. For this reason, if for no other, there is a strong effort to keep costs down. Lastly, worker earnings are usually computed by piece rate. Each worker is paid according to what he does, even though all are paid at the same rate. The inefficient or non-productive worker tends to set the piece rate higher than it might otherwise be. Thus, high producers are very well paid, indeed, but low producers may make only the minimum wage per hour guaranteed all workers. The effect of this system on average costs needs to be examined, especially as the U.S. minimum wage is being increased.

U.S. producers cannot casually increase their wage labor costs in order to increase their labor supply. Because of the internationalization of the fruit and vegetable industry, almost any increase in costs results in a decrease in domestic production and a corresponding increase in imports.

Fruit and vegetable producers could reduce their dependence on labor by mechanizing. That trend is progressing steadily and will likely continue. However, there are several reasons mechanization has not moved more rapidly.

- First, and perhaps the outstanding one, is the large migration, both legal and illegal, of Central American and Caribbean people into the United States. They have come in waves over the past twenty years and their first occupational stop is often in agriculture.
- Second, is the lack of mechanical harvesting methods. Correctly this deficiency involves designs of new machines and development of plants that lend themselves to the market demands, a lengthy and costly process. It also involves development of abscission chemicals to increase the efficiency of the markets. That development is made almost impossible by the manner in which minor crops (fruits and vegetables are treated in FIFRA).
- Third, mechanization involves very heavy capital costs. The already costly capital structure of fruit and vegetable production does not generally allow for this kind of investment. It would require a very substantial change in the industry's methods and relationships.

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Often, agricultural entrepreneurs, not workers, or farmers, or landowners, but those whose business is dealing with the products of the land—processors, packagers, financiers, and brokers—find it easier to contract for foreign production than to facilitate changes in U.S. methods that will allow continued competitiveness of U.S. farmers. Still, more and more functions are mechanized, and this will continue.

At the same time that there has been a huge migration of workers into the United States from Central America there has also been a huge increase of fruit and vegetable production in Central America, especially Mexico. Much of it involves U.S. based investments. At present the United States imports a fifth to a fourth of our yearly needs and over half of our winter needs and the proportion is growing.

There are two major reasons for this growth—cost and the availability of labor. Foreign producers have much lower costs than domestic ones. Not only are wages much lower, but also there are fewer social taxes and costs that are levied on the American farmer. The Central American farmer is not operating in the environment of an industrial society. However, sometimes availability is more important than cost. Large volume food marketing demands large volumes of merchandise, preferably at a stable price. Brokers are little concerned with the source of their supplies so long as they keep on coming.

National Policy Needed

More attention needs to be paid to devising a national farm labor policy. Such a policy should be demographically and economically realistic. It is fair to say that the labor supply of the future in the United States will increasingly consist of women, minorities, immigrants, and older workers. There is growing concern that the high tech world of the future will not provide opportunities for these workers without a massive retraining program, and the retraining programs have not yet been successful. And yet, these are the very workers most usually found in agriculture.

On the other hand, to the extent that fruit and vegetable production is exported abroad to Central and South America, these

jobs will not be available here. Unless the industry can mechanize to meet cost competition or to avoid regulatory, liability, or public relations exposures, an even more limited number of these jobs will be available here in the United States.

There is some thought that a collapse of the U.S. farm labor job market would discourage legal and illegal immigration into the United States from Central American countries. This is problematical. It seems unlikely that overall U.S. employment prospects will be worse than those in Mexico anytime in the foreseeable future, and, therefore, the migration will continue whether or not farm jobs are available.

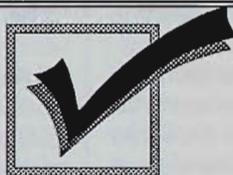
Any new international trade policy should include labor provisions that would allow U.S. producers to compete with producers in developing nations while still providing jobs in the traditional way.

There should be recognition that free trade without means for compensating for the costs and other consequences of unequal treatment of labor is not free trade at all, and that the sufferers are more liable to be workers than any other interest group.

In the subject here discussed, the affected workers are agricultural workers, often referred to as "powerless" by well meaning people. Perhaps they are, since their jobs seem to be on the international block this year, and no one is speaking for them effectively in international trade discussions.

Sooner or later, someone has to come to grips with the issue of "Who is Agriculture?" Is it the worker, the landowner, the farmer, the processor/handler, or it is the packager or the chain store? I think it is the workers, the landowners, the harvesters and farmers. They are the ones who take the risks and suffer the consequences of inappropriate government action.

In reality, the fates of workers, landowners, harvesters, and farmers in the United States are intertwined. It's time for all of them to recognize this reality and search for their common ground in pursuit of a rational national farm labor policy and international trade policies consistent with it. Surely, there is a better policy than attempting to take workers out of agriculture, as we have done; or attempting to encourage foreign production as we have done. There is nothing more important than the gradual demise of domestic fruit and vegetable agriculture at stake.



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WHEN: August 4 1:00 p.m. - 5:00 p.m.
August 5-6 8:00 a.m. - 5:00 p.m.
August 7 8:00 a.m. - noon