

Farmer Perceptions of Labor Supply and Immigration Reform in New York State

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Conference on Immigration Reform
Washington, DC
May 9, 2008

In recent years immigration issues across the United States have received much attention from the media, employers, policy makers and the public. Failed attempts by Congress to enact comprehensive immigration reform and increased immigration enforcement activities have heightened concerns over illegal immigration. At the center of the debate is concern over what to do about an estimated eight million unauthorized individuals who are living and working in the United States.

The objectives of this paper are to: 1) discuss immigration issues as they relate to New York farms 2) report farmer perceptions regarding immigration reform and 3) discuss farm managers' responses to labor supply and immigration issues.

Part 1 - New York Agriculture: Context and Overview¹

Commercial agriculture continues to be an important economic force in New York State and many sectors of the industry rely heavily on the work of immigrants. New York ranks third nationally in milk production, behind California and Wisconsin. In 2006 the value of milk produced on New York dairy farms totaled \$1.61 billion. New York's dairy employers began to hire Mexican and Guatemalan workers in the mid 1990's and their numbers have increased steadily since.

The value of production from New York's apple industry was approximately \$197 million in 2006. New York is second, a distant second, in US apple production and accounts for about 10% of the total crop. Apple farm employers rely heavily on immigrant workers for hand harvest, pruning and other labor intensive production practices. Farmer-owned fruit packing facilities also rely on Hispanic immigrants.

New York ranks fifth nationally in fresh vegetable production. Much like fruit, the hand harvest of vegetables as well as other field operations are done predominantly by immigrant workers.

New York is a large juice and wine grape producer with 33,692 acres under production in 2006. While most of the grape crop is harvested mechanically, many of the field operations, including pruning and tying, are done by immigrant crews throughout the year.

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¹ Information for this section is based on the New York Agricultural Statistics 2006-2007 Annual Bulletin and the 2006 Fruit Tree and Vineyard Survey, State of New York Department of Agriculture and Markets, Albany, NY 2007.

Floriculture sales in New York State ranked fifth nationally in 2005, totaling \$200 million. This industry is also heavily dependent on immigrant workers, especially on Long Island.

Presence of Illegal Immigrants

New York shares the endemic problems associated with measuring the number of agricultural workers. The majority of New York farms are family businesses with considerable family labor, both paid and unpaid. Crop selection leads to seasonal agricultural workforce requirements and compounds measurement issues.

The presence of illegal immigrants in New York agriculture is especially difficult to estimate because unauthorized workers tend to keep a low profile and frequently present fraudulent documents to their employers. However, there have been numerous attempts to compile evidence of the number of unauthorized workers in the United States. The most notable work is conducted by the Pew Hispanic Center in Washington, D.C. In 2006 the Center estimated there were 11.5 million unauthorized immigrants in the country and that 8 million of them were gainfully employed. A 2004 Cornell study of 111 dairy workers in New York reported that many Hispanic dairy workers in the State are likely not authorized to work in the United States (Maloney and Grusenmeyer). Workers in this study were not asked directly if they had entered the United States legally, nor did they directly state as part of the survey that they were in the country illegally. However, when asked to select from a list of the greatest challenges in coming to the United States, two-thirds of the workers surveyed said crossing the border was one of their top three challenges.

So, while estimates of the level of illegal immigration in New York agriculture are suspect, there is ample evidence that unauthorized workers have a considerable presence in New York's agricultural workforce. It is important to note that those immigrant agricultural workers with fraudulent documents are typically treated like other workers on the payroll and have social security and other taxes deducted from their pay checks.

Labor Supplies

Our periodic contacts with key agricultural leaders around the State, including Farm Bureau, Agricultural Affiliates and two farm labor recruiting firms, indicate that labor supplies in 2007 turned out to be sufficient to accomplish most field operations and other agricultural work. There have been occasional reports that a crew has a few less workers than in previous years or it takes a little longer to harvest a crop because of a slightly reduced workforce. Additionally, reports suggest that a softening in the construction industry has also helped to ease pressure on agricultural labor supplies. Across the State there have been no reports of measurable economic losses due to a shortage of labor for the time being. Concerns over immigration enforcement activities however, are a much bigger issue.

The Immigration Enforcement Environment in New York State

Agricultural employers and the news media report an increase in enforcement activities, detentions and deportations around the State. There are increasing reports that Hispanic workers are reluctant to come to New York because of the high level of enforcement activities. New York is located along the Canadian border with a significant concentration of immigrant enforcement officials. In addition, Batavia, New York houses a 500 bed immigration detention facility. As a result of enforcement activities many growers and dairy farmers fear that they will not have sufficient labor during critical work periods. Anxiety is also high among Hispanic workers, who fear detention, deportation and especially the possibility of a criminal record that would threaten their long term options for living in the United States.

Part II – Survey of New York Farm Managers

Methodology

In the fall and winter of 2007- 2008 the New York State Agricultural Statistics Service conducted a survey of farm managers in cooperation with the Department of Applied Economics and Management at Cornell University. The sample was prepared by NYASS from a stratified list of New York farms in the following categories; fruit, vegetables, dairy and livestock. The set of questions regarding immigration and labor supply were added on to standard annual surveys conducted in the aforementioned commodity areas. The surveys were initiated in sequence between December 2007 and January 2008. We are still analyzing the survey results but appreciable amounts of non-response were encountered. The overall response rate was 32%, ranging from a high of 69% for farms classified as vegetable farms to 18% and 22% respectively, for farms classified as fruit and other livestock. The response rate for New York’s mainstay dairy sector was about 31%. Usable data were obtained for nearly 1,250 farm operations across New York State as noted below:

Farm Type	Number of Responses
Fruit	314
Vegetables	533
Dairy	265
Other livestock	133
Total	1,245

The purpose of the survey was to document farmer concern over attracting a sufficient number of workers and to assess farmer attitudes regarding immigration reform. Farm operators were asked the four questions summarized here and the results were cross-tabulated based on employer status and farm type. It is important to note that the data reported here are not weighted or adjusted for sample size or survey nonresponse.

A) Employer Status

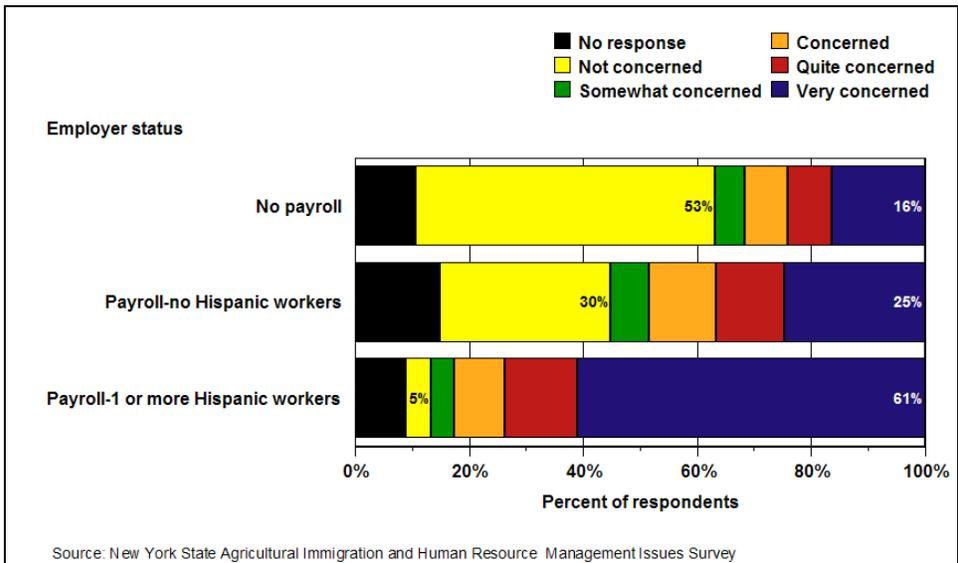
Responses to the labor supply and immigration reform questions in the next section have been grouped by employer status. There are three groups included; farms with no payroll, farms with a payroll and no Hispanic workers and finally, farms with a payroll and one or more Hispanic workers. As is illustrated in Figures 1-4, the responses to each question varied by whether or not the respondent was in one of each of these three groups. Generally speaking, the results illustrate that those employers who hire Hispanic workers are far more likely to be concerned about labor supplies and immigration policy.

Question 1 - As you make plans for your business over the next 3 years, how concerned are you that there may not be sufficient workers (immigrant or local) to employ for your business?

Concern that there may not be sufficient workers available over the next three years varied, depending on whether employers had a payroll or depend solely on unpaid family and/or operator labor (Figure 1). Of those without a payroll, 53% indicated that they were not concerned. Those who had a payroll but did not employ Hispanic workers expressed a greater concern over there not being sufficient workers, with 25% indicating that they were very concerned. Survey respondents who had one or more Hispanic workers on their payroll expressed the greatest

concern that there may not be sufficient workers to employ in their business, with 61% responding that they were very concerned.

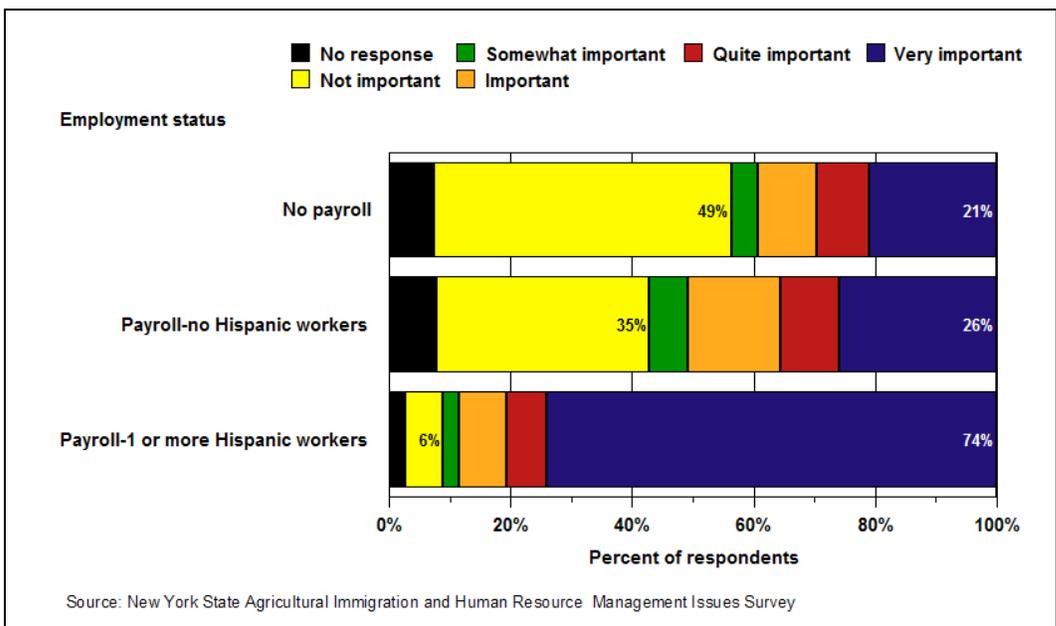
Figure 1: Concern that there may not be sufficient workers



Question 2 - Please indicate how important a national immigration reform policy is to your business

When survey participants were asked how important a national immigration reform policy is to their business, those who had one or more Hispanic workers on the payroll placed the most importance on this issue with 74% indicating that they were very concerned. Of respondents who had a payroll but no Hispanic workers 35% indicated that the issue is not important, but 26% felt that the issue was very important. Those who did not have a payroll placed the least importance on a national immigration policy with 49% indicating that the issue was not important to them.

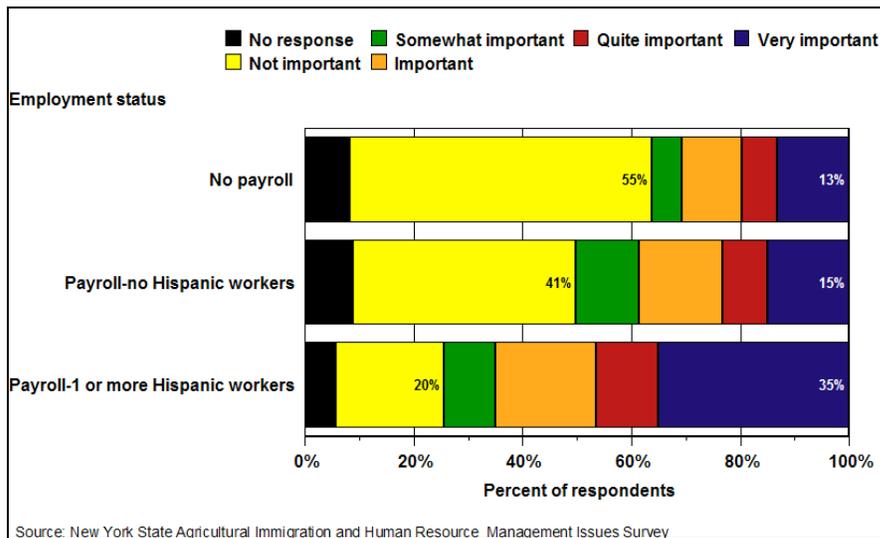
Figure 2: Importance of immigration reform



Question 3 - Please indicate how important a path to citizenship for unauthorized workers is to your business

When asked how important a path to citizenship was for unauthorized workers, again the responses followed in the patterns of previous questions. Of those who with no payroll, 55% felt a path to citizenship was unimportant. Of employers who had a payroll but no Hispanic workers 41% felt that the issue was not important while 15% felt the issue is very important. Survey participants who hired Hispanic workers were far more likely to feel a path to citizenship for unauthorized workers was important with 35% indicating it was very important.

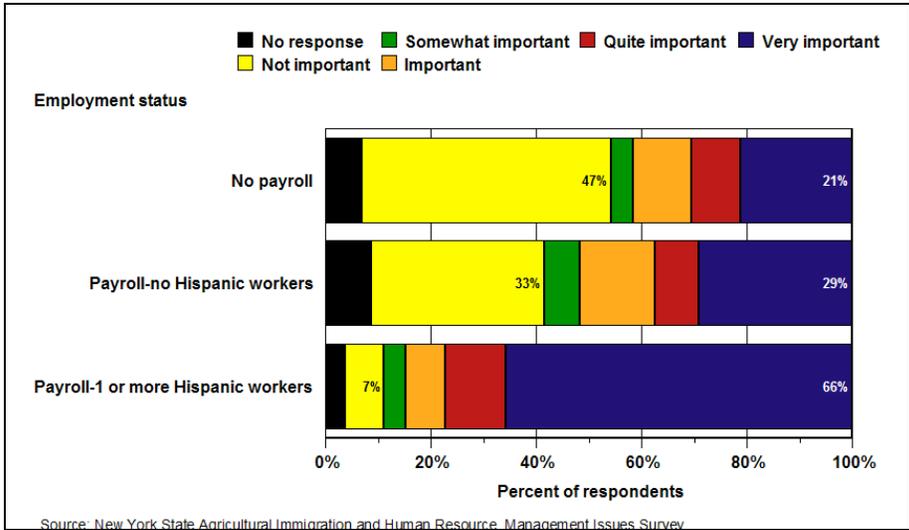
Figure 3: Importance of a path to citizenship



Question 4 - Please indicate how important a guest worker program is to your business.

Generally speaking, guest worker programs bring immigrant workers to the United States for a specified period of time to work. In agriculture the most notable guest worker program is the H-2A program, often used by fruit and vegetable growers for harvest and other seasonal production activities. Of those employers who hired Hispanic workers 66% felt that a guest worker program at the national level was very important. Those with no Hispanic workers or no payroll did not express the same level of concern as employers with Hispanic workers.

Figure 4: Importance of a guest worker program

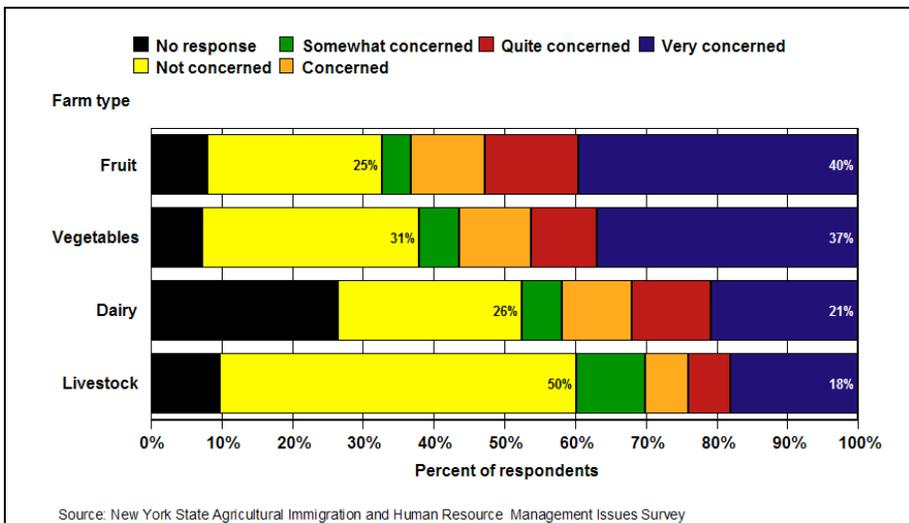


B) Farm Type

Question 1 - As you make plans for your business over the next 3 years, how concerned are you that there may not be sufficient workers (immigrant or local) to employ for your business?

When the data are aggregated by farm type, fruit and vegetable growers express the greatest concern with 40% of fruit growers indicating that they were very concerned that there may not be sufficient workers, followed by vegetables at 37%, dairy at 21% and livestock at 18%. These answers reflect the fact that fruit and vegetable growers employ a larger number of immigrant workers as well as the fact that in the New York dairy and livestock industries the hiring of immigrant workers is a relatively new trend increasing steadily over the last 10 years.

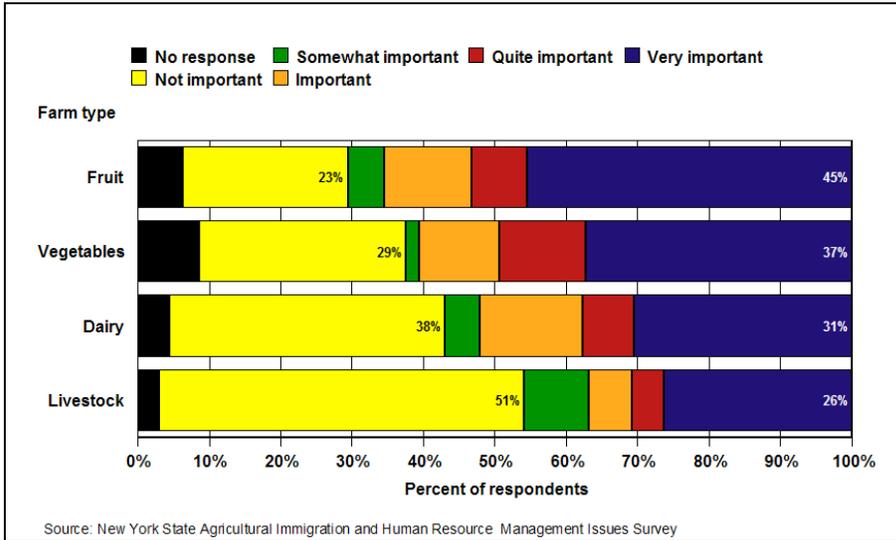
Figure 5: Concern that there may not be sufficient workers



Question 2 - Please indicate how important a national immigration reform policy is to your business

Fruit and vegetable growers clearly place more importance on the issue of immigration reform than dairy and livestock producers. Of the farmers participating in the survey 45% of fruit farmers felt that a national immigration policy was very important followed by 37% of vegetable growers, 31% of dairy producers and 26% of livestock producers.

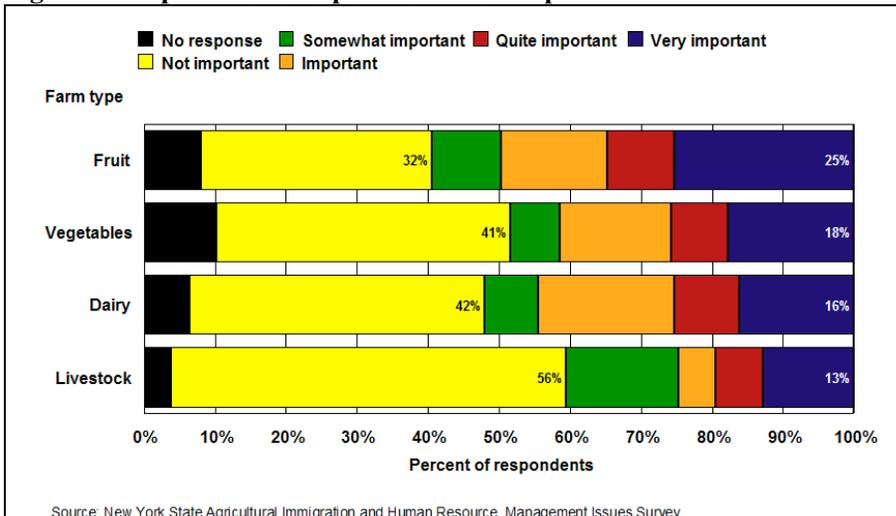
Figure 6: Importance of immigration reform



Question 3 - Please indicate how important a path to citizenship for unauthorized workers is to your business

When farm type was considered in relation to the path to citizenship question, fruit and vegetable growers placed the most importance on a path to citizenship with dairy and livestock farmers placing a lesser importance on this issue.

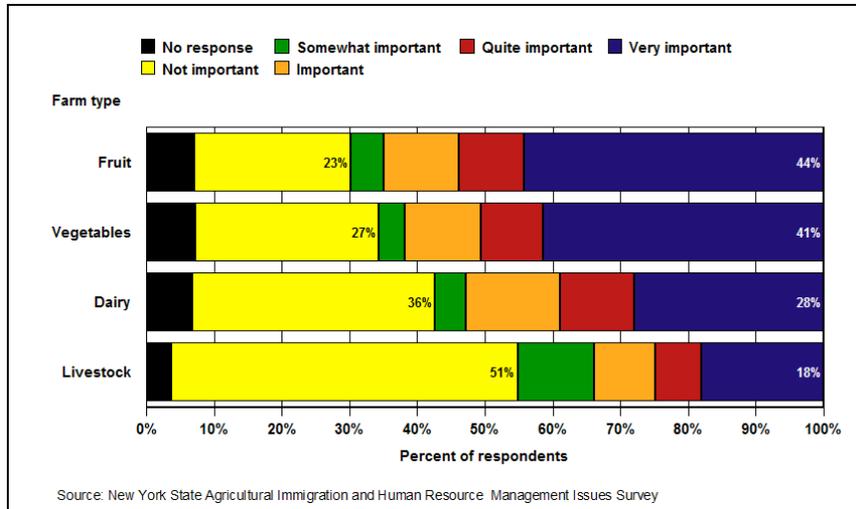
Figure 7: Importance of a path to citizenship



Question 4 - Please indicate how important a guest worker program is to your business.

From the responses in Figure 8 it is clear that fruit and vegetable growers are more concerned about a guest worker program than dairy and livestock producers. It is important to note that fruit and vegetable growers currently have access to the H-2A program and dairy and livestock producers do not. However, it has been proposed in the current version of the AgJOBS bill (introduced in both House of Congress, January 2007) that dairy producers be included in the H-2A program.

Figure 8: Importance of a guest worker program



Part III - Farm Manager Response to Immigration Concerns

The immigration and human resource management issues survey strongly indicates that many farm managers are concerned about labor supply. They feel that immigration reform is an urgent public issue and very important to their business. While the survey did not inquire about managers' responses to the current immigration environment, ongoing informal feedback from farm managers and the organizations that represent them reveal a number of emerging trends and responses. As a result of increasing controversy over immigration reform as well as increased immigration enforcement activities, farm managers are beginning to make decisions they would not have made several years ago. Current issues facing New York farm managers and their management responses are outlined here.

1) Importance of involvement in the policy making process – There is a strong sense among New York's agricultural industries that issues relating to unauthorized immigrant workers will not be solved until new immigration reforms are implemented. Agricultural employers are increasingly aware of the importance of staying in touch with their congressmen and making them aware of their immigration policy concerns. Increasingly, as legislation is introduced to Congress, agricultural organizations make farm employers aware of the need to support legislation at critical times. This has increased the number of calls and emails congressmen receive when important pieces of legislation are being discussed. Agricultural employers are aware that their voice is often overshadowed by the large number of non-farm voters concerned about immigration reform. Agricultural involvement in the policy making process is likely to take on an increasing sense of urgency in the months ahead as enforcement continues to put pressure on farm businesses that require immigrant workers.

2) Increased caution regarding staffing decisions -Although New York farmers generally acquired sufficient labor in 2007, concern over adequate labor supplies is growing. There are increasing anecdotal reports that some operators are holding off expansion plans until they are more certain that they can acquire the workforce necessary for larger agricultural operations. Some New York vegetable growers report that they are considering a change in their crop mix to take advantage of less labor intensive crops. A crop like cabbage for example, requires a substantial capital investment in production facilities and equipment as well as a large workforce for hand labor operations. Some of these growers are changing their crop mix to substantially reduce the amount of hand labor required.

3) Reducing immigrant worker visibility in the community - As enforcement increases the farm manager's first response is often to keep the workers on the farm as much as possible to reduce potential contact with law enforcement. In northern New York for example, dairy farm workers are rarely taken off the farm. Agricultural employers and their immigrant employees have found that this is the most effective way of avoiding Hispanic worker detention and deportation. Further, Border Patrol has indicated that they will not come on the farm but will stop and question workers when they are off the farm. The presence of immigration enforcement officials in the community, at grocery stores and other places that farm workers frequent is more common in certain areas of the State. Both employers and their Hispanic employees are taking conscious steps to reduce worker visibility in the community.

4) Search for alternative labor pools -Agricultural employers in New York generally have high regard for their Hispanic workers and want to retain them for as long as possible. However, as enforcement grows some employers are considering alternative staffing options. More fruit and vegetable growers are using the H-2A program and some employers have also considered recruiting foreign workers through the J-1 training visa program. Other managers are reluctantly considering recruiting local workers, but they expect that the work ethic and work performance will be below that of the current Hispanic workers.

5) Substituting capital for labor - With greater frequency farm managers are considering substituting capital for labor by making investments in labor saving technology and equipment. In the dairy industry robotic milking equipment has become reliable and has the potential to reduce labor requirements. Several New York dairies are currently using this technology and more are seriously considering it. In the apple industry platform harvesting equipment reduces the amount of physical strain and adds to harvest efficiency. In most cases the use of increased technology, when available and when it works, comes at a very high capital investment and frequently is used by early adapters and then slowly adapted by the rest of the agricultural industry. There will likely be an increase in the mechanization of some jobs but others still cannot be mechanized effectively.

Summary

Immigration concerns are currently foremost on the minds of New York agricultural producers. New York, like many other states, has a substantial number of agricultural workers who are likely not authorized to work in the United States. Proximity to the Canadian border means that there is a substantial Border Patrol presence, along with other immigration enforcement officials. Immigration enforcement activities have accelerated in recent months, creating a great deal of anxiety for agricultural employers and their Hispanic farmworkers.

A recent survey of farm operators indicates, not unexpectedly, that there is a great deal of concern in the farm community regarding labor supplies and immigration policy issues. That concern, however, is not uniform across the industry. Those agricultural employers with smaller farms or those that hire no Hispanic workers appear to be far less concerned about immigration reform and supply issues than those who hire Hispanic workers. The survey results also indicate that fruit

and vegetable growers are more likely to be concerned about immigration and labor supply issues than New York dairy farmers. However, New York dairy farmers who hire Hispanic workers generally felt that labor supply and immigration reform issues are very important. These operations account for a substantial share of fluid milk production but represent a relatively small number of farms in the State. Indeed, many New York dairy farms depend entirely upon family and operator labor. This suggests that immigration reform issues are not only paramount but somewhat divisive with points of view cleaving around different communities and different business models.

Regardless, concern over immigration policy and immigration reform issues is beginning to impact management decisions on New York farms. Farm managers are becoming increasingly involved in the policy making process, hoping that immigration reform will help to ensure an adequate supply of authorized immigrant workers. In addition, we have occasional reports that some farm operators are holding off the business expansion plans; others report they are considering a change in their crop mix to take advantage of less labor-intensive crops. With greater frequency, farm managers are considering substituting capital for labor by considering investments in labor saving technology and equipment. These emerging developments suggest that access to immigrant workers will ultimately affect the economic trajectory of the New York State farm sector in a substantive way. Farm managers who hire immigrant workers are becoming more cautious about taking business risks due to the current environment of labor supply uncertainty.

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