



Testimony

PA Senate Agriculture & Rural Affairs Committee  
PA Senate Labor & Industry Committee

Joint Public Hearing

Agriculture Workforce Availability

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Harrisburg, Pennsylvania

Offered by

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Governmental Affairs & Communications Division

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Chairman Brubaker, Chairman Gordner, and members of the Committees, good morning and thank you for the opportunity to participate at this hearing. My name is Gary Swan and I am offering testimony on behalf of Pennsylvania Farm Bureau, the state's largest general farm organization with a membership of more than 42,000 families, representing farms of every size and commodity across the Commonwealth.

We know that the immigrant farm labor situation is not the sole focus of this hearing. However, because the matter is of such great significance to the future of Pennsylvania agriculture, our agri-business sector, food system and economy, I need to give the subject more than a passing mention. The previous panel did an outstanding job providing some compelling facts.

First, let's be clear. The farm families of Pennsylvania share the concerns about illegal immigration. They believe that our immigration laws should be enforced and that our borders should be respected. They do not want our nation's security to be compromised. Yet Pennsylvania's farm families are frustrated with Washington's lack of progress in responding to the current and future needs of farmers for available agricultural labor.

Decades ago, the growers of a good portion of our food supply did not purposely set out to eventually rely so much on immigrant labor to plant and harvest their crops, and to perform other work such as in our dairy industry. As was discussed earlier, there are many valid reasons why that has become the reality.

So far as agriculture is concerned, Farm Bureau has repeatedly called upon Washington to include three essential components if immigration reform is to be comprehensive. First, our impractical agricultural labor law related to foreign workers must be made workable and reliable. Secondly, agriculture needs a fool-proof and verifiable identification program for prospective workers which does not place an unreasonable burden on employers. Thirdly, agriculture needs a reasonable transition period to implement these new approaches.

Pennsylvania Farm Bureau respectfully suggests two actions you can take to help achieve a good outcome. First, we encourage you to help us convey the dimension and urgency of this problem to Pennsylvania's Congressional delegation. Secondly, we invite you to join with us in helping to enlighten all Pennsylvanians about how and why action on immigration reform must include sensible provisions to address the needs of agriculture, our economy and food supply.

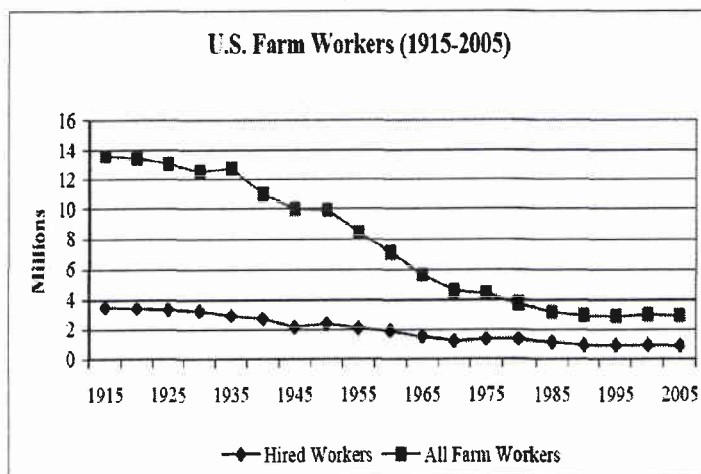
Now I want to move on to the overall subject of availability, accessibility and reliability of a farm workforce. Nowhere is the problem more acute than in agriculture. Let me share a few facts to give you an idea of the reality that farmers face today. Even though the numbers I will share are national in scope, they will provide you a sense of the picture in Pennsylvania.

After almost a century of shedding excess labor to the rest of the economy, agricultural labor demand stabilized over the last 20 years at about 3 million workers. (See **Figure 1 below**) This is due to multiple factors, such as increased mechanization, the aging of the farm operator pool, decreasing farm family size, economic opportunities elsewhere in the economy and the continued movement of people off the farm. Of the 3 million workers required to operate the agriculture sector, approximately 2 million are drawn from farm families. About 1 million are hired from non-family sources.

Geographically, roughly 40 percent of hired farmworkers reside in the Southwest, and 20 percent live in each of the South and Midwest regions. Almost half of all hired farmworkers live in just five states: California, Texas, North Carolina, Washington, and Pennsylvania.

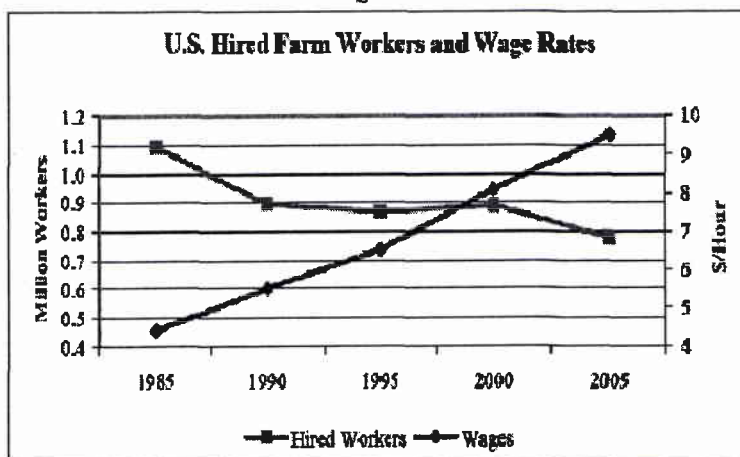
The change in the balance between farm labor supply and demand is reflected in increased hired worker wages (See **Figure 2 below**) USDA's National Agricultural Labor Survey indicates the average hired farm worker wage in 1985 was \$4.50 per hour. By 2005, the wage had increased to \$9.50 per hour and included an improved benefits package that pushed the average cost up to \$11 to \$12 an hour. (Please note that wages and benefits for H2A workers are higher.) Compare this with a 2005 minimum wage of \$5.15 per hour and U.S. Department of Labor survey results showing starkly different wages in jobs with similar skill requirements, ranging from \$6.65 per hour for food preparation, \$11 per hour for janitorial workers and \$14.35 per hour for construction labor. It demonstrates quite clearly the difficult situation farmers face as they scramble for additional labor in an economy with a relatively low unemployment rate and a lack of individuals willing to work in the agriculture industry.

Figure 1



Data Source: USDA-NASS

Figure 2



Data Source: USDA-NASS

The graph before you shows that as farm wages have increased substantially since 1985, the availability of farm labor has steadily declined. It refutes one often heard misguided statement along the lines of...“if farmers would just pay more, they would not have that problem.” The numbers clearly show that not to be the case. Right now, in our national economy, there are 10 million workers – over 7 percent of the entire nation’s workforce – who work for lower wages than they could make in agriculture. They have made a conscious decision not to work on farms. (*Data Source: USDA-NASS/ERS*)

It is also important to remember that for the most part, farmers are price-takers, not price-makers. Unlike many other business enterprises, they cannot simply pass along higher costs. The dairy industry is perhaps the best example, where as you know, the price paid to farmers for milk is established by government. Therefore, there is a practical limit to the wage agriculture can offer.

To our knowledge, there are no exact or recent studies that quantify the farm labor shortage in the commonwealth. Beyond the seasonal farm labor situation which has been aptly described today, as a general farm organization we continually hear from members who employ labor for all types of work among all commodity groups. They tell us that acquiring and retaining trained and reliable labor is one of their greatest headaches on the farm.

A study six years ago by Penn State Cooperative Extension and the Central Pennsylvania Workforce Development Corporation sheds more light on the question. They explored the status of agricultural production in the central region of Pennsylvania, which comprises nine counties. The study was designed to identify issues that both entities could use to develop strategies to help agriculture remain a valuable part of the area's economy and social fabric.

The focus group interview was determined to be the most effective process for obtaining the needed data. Fifty-four (54) individuals engaged in agricultural production, processing or financial lending, provided input in five separate focus groups or interviews. The findings include that:

- Lack of a consistent and reliable labor supply affects ability to remain in business.
- Migrant labor is viewed as a positive alternative.
- Agriculture employers' pay is equal to or above area's standard wage.
- Most employees lack technical and foundation skills, which hampers profitability.

We wish the answers to the farm labor challenge were as easy to produce as the evidence of the problem. Beyond the need to provide for a practical and reliable guest worker program for agriculture, which was discussed earlier, a few thoughts come to mind. Although Pennsylvania Farm Bureau does not have existing policy related to these ideas, we will be advancing a good amount of discussion about farm labor matters during the months ahead.

- Pennsylvania agriculture must be economically strong if farmers are to have the resources necessary to acquire and maintain the necessary labor. Policies which threaten or diminish net farm income will worsen the labor situation.
- There is potential for more training and education of a farm labor workforce, including worker health and safety.