Trends in California's Crop Workforce

Alexandra E. Hill

2023 Vegetable Crop Program Team Meeting
December 11, 2023

Assistant Professor of Cooperative Extension
Department of Agricultural and Resource Economics
University of California, Berkeley

A Little About Me and My Work

Ali Hill, Ph.D. in Agricultural & Resource Economics at UC Davis in 2019
Assistant Professor of Agricultural Economics at Colorado State University 2019-2023;
Joined UCCE in August 2023

www.alexandraehill.com

Some of My Research Areas:

- Agricultural Overtime Laws
- Factors Influencing Turnover, Retention, & Labor Supply for Ag Employees
- Air Pollution and Agricultural Workers
- Compensation Policies & Worker Productivity
- Trade-offs between Speed and Quality with Piece Rate Pay
- Constructing Agricultural "Labor Sheds"

Today: Understanding Trends in California's Crop Workforce

Big Picture Trends in the California Crop Workforce:

How many workers, how much are they paid?

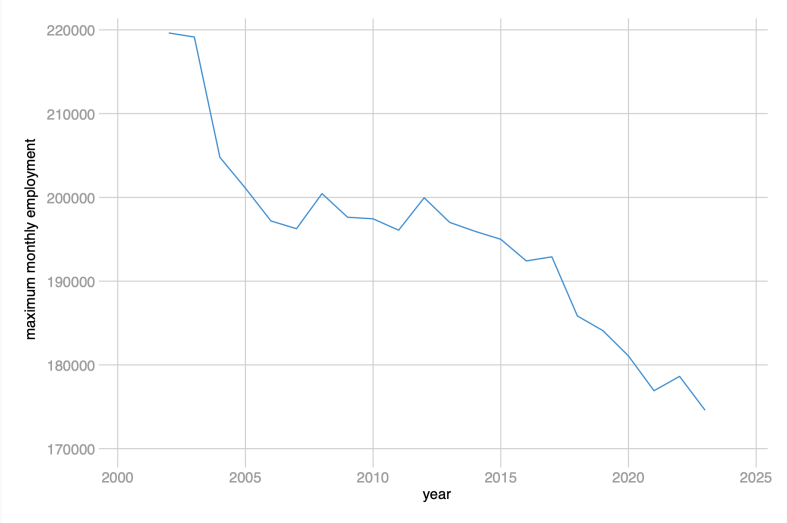
- # direct hire workers ↓
- # FLC workers ↑
- $ hourly wage rates ↑
- $ weekly earnings ↓

Trends in Characteristics of the California Crop Workforce:

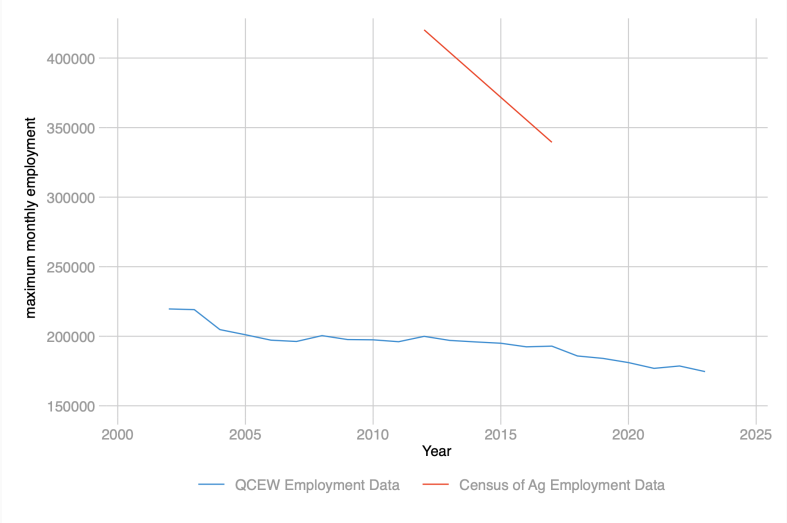
Age, Gender, Documentation Status, Migrant vs. Settled

- Age ↑
- Migrant workers ↓
- Settled, Married, w/Kids ↑

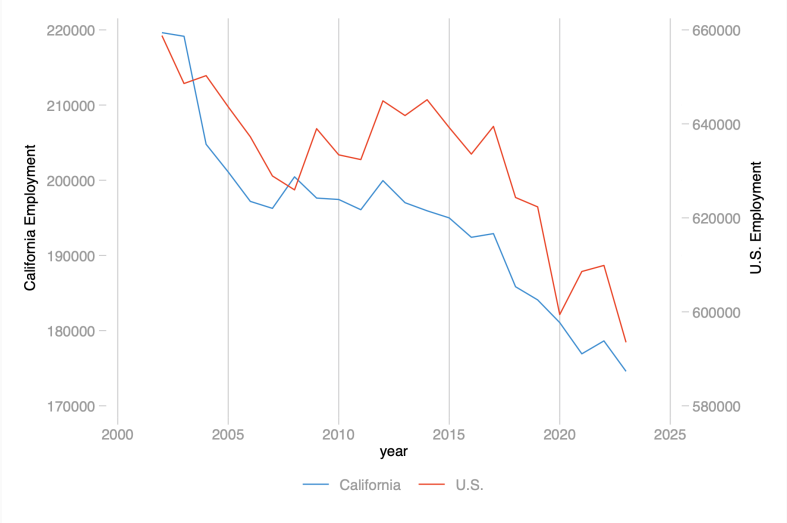
Fewer Direct Hire Crop Workers in California



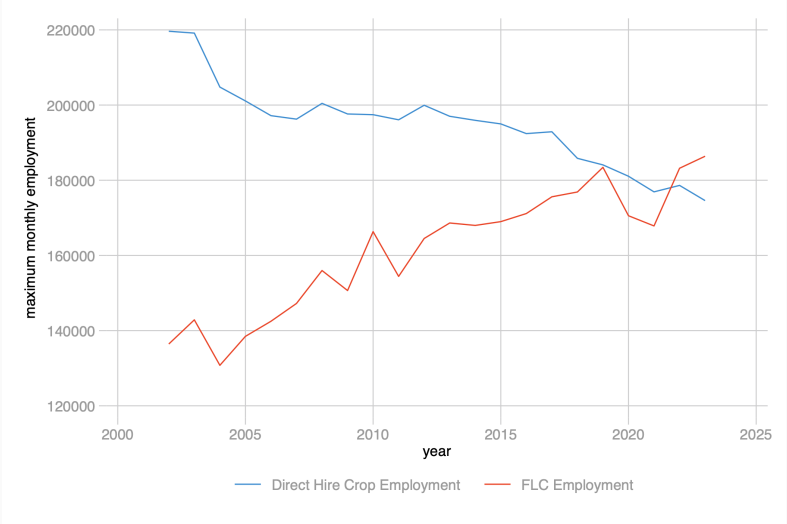
Fewer Direct Hire Crop Workers in California... Consistent Across Data Sources



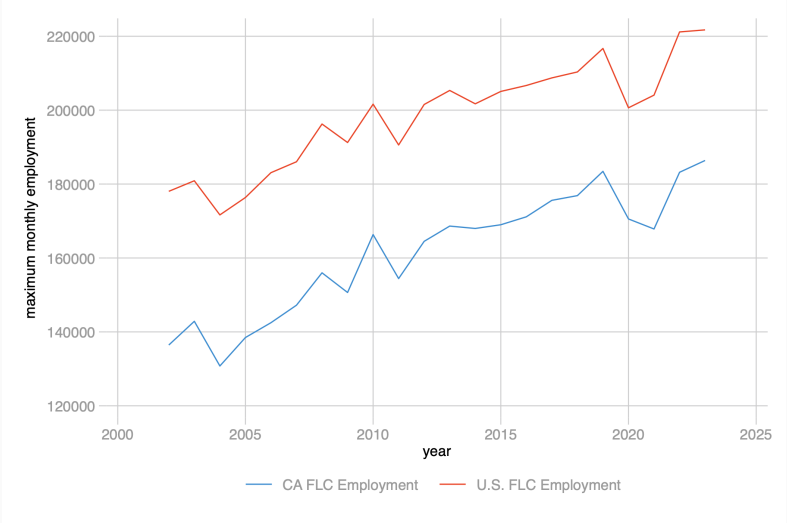
Fewer Direct Hire Crop Workers in California... Consistent with Rest of Country



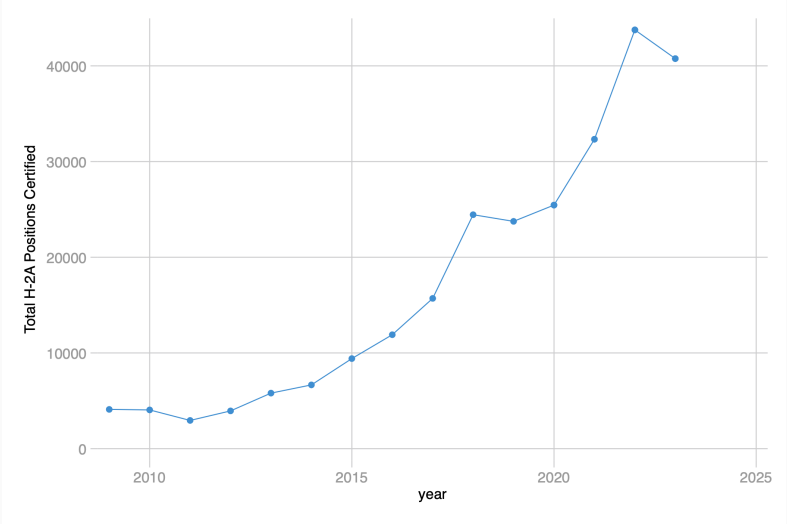
But MORE FLC's in California



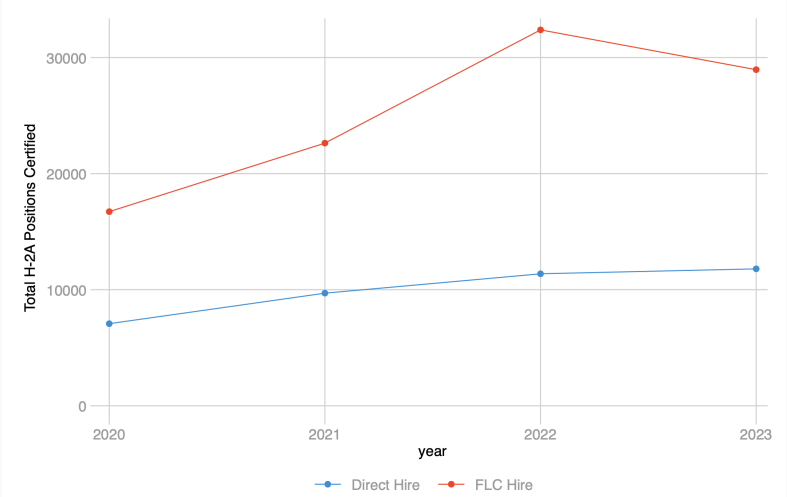
CA FLC's Make up a Large Portion of U.S. FLC Employment



More H-2A Workers in California



Most California H-2A Workers are Employed by FLCs



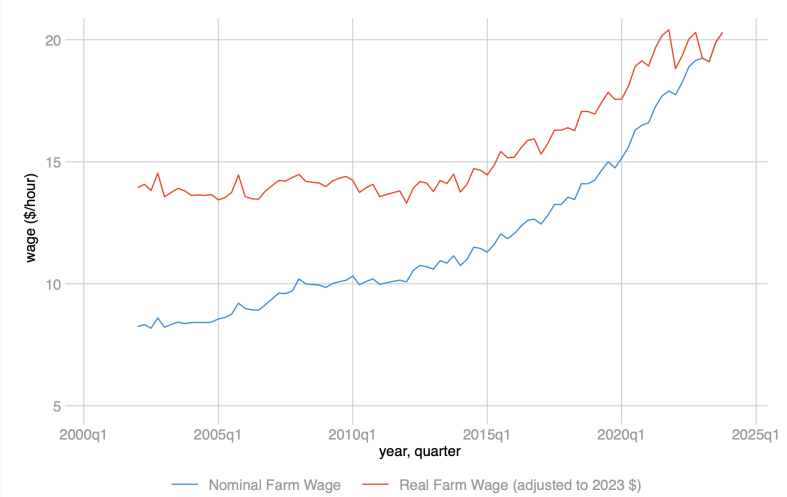
Trends in California Crop Employment:

Direct Hire Workers $\downarrow$

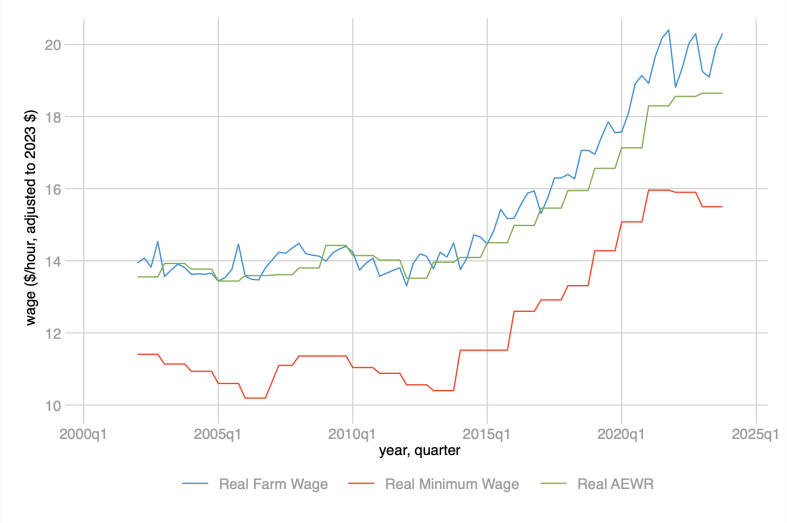
FLC Hires $\uparrow$

H-2A Workers $\uparrow$

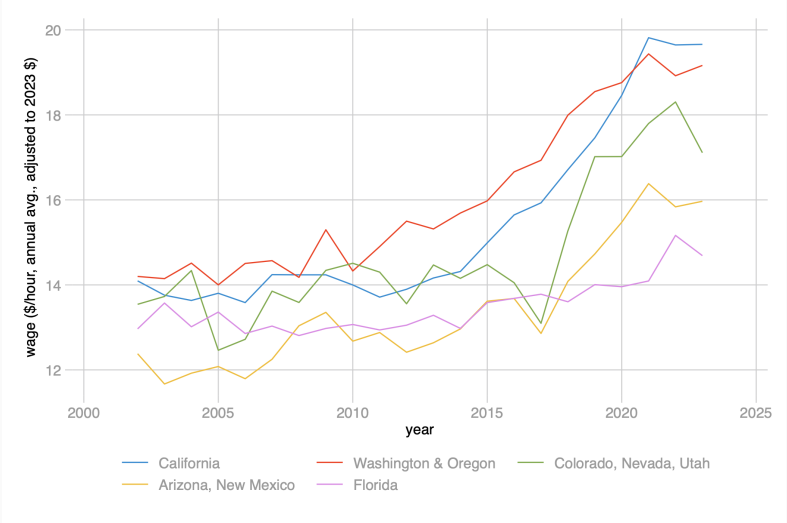
California Crop Wages Continue to Rise



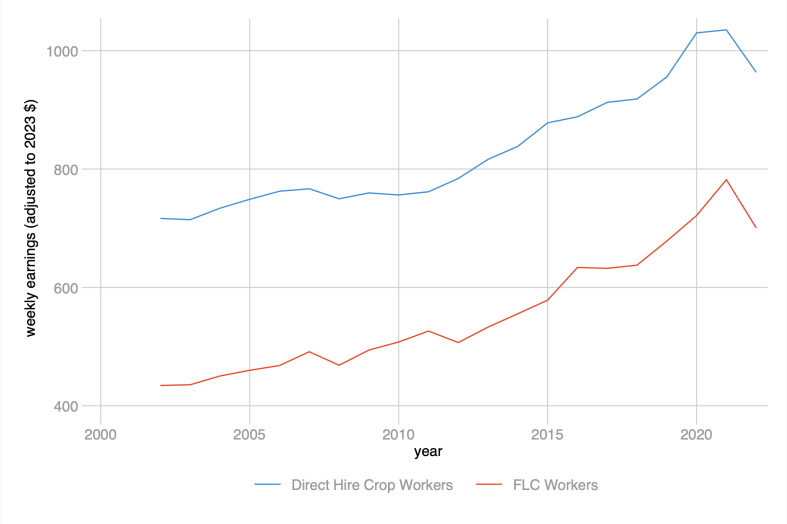
California Crop Wages Rise, Relative to AEWR and Minimum Wage



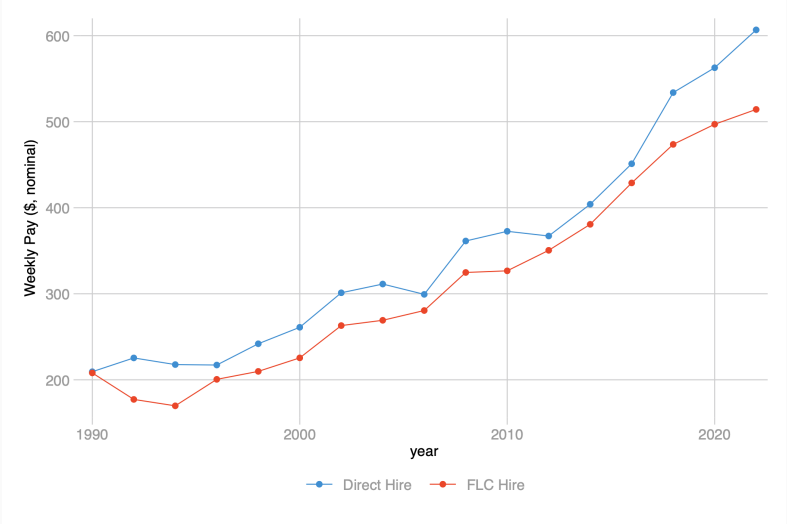
Wage Changes Differ Across States/Regions



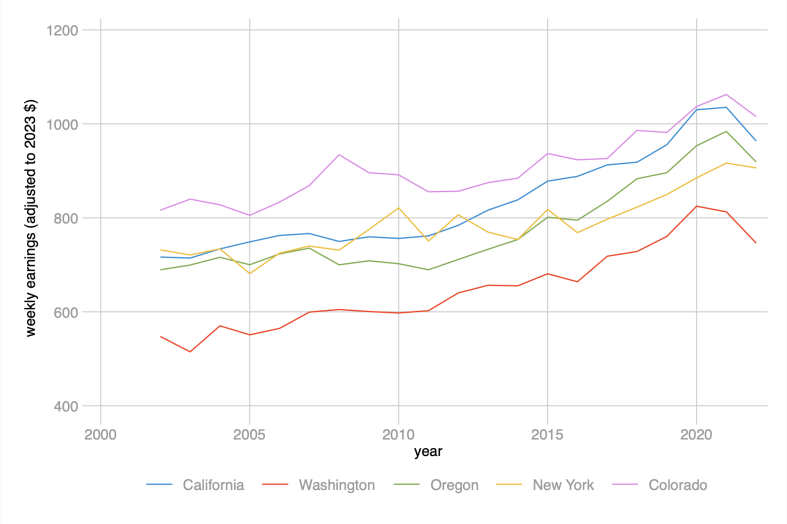
While Wages Head Up, Weekly Earnings Trend Down?



Wage Gap is Less Pronounced After Removing H-2A Workers



Similar Trends in Other States

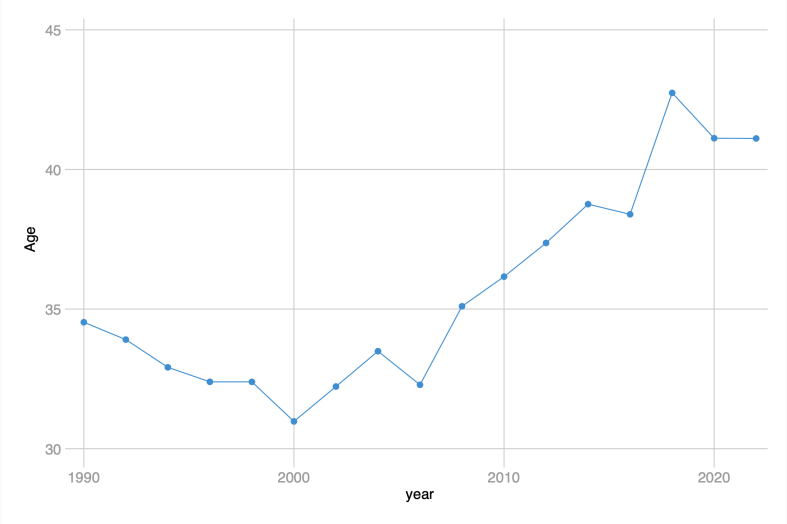


Trends in California Crop Wages and Earnings:

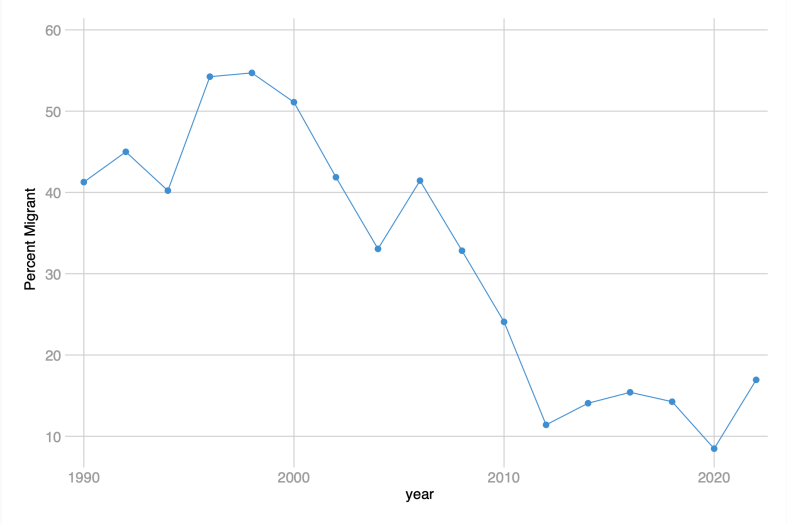
Hourly Wages ↑

Hourly Earnings ?

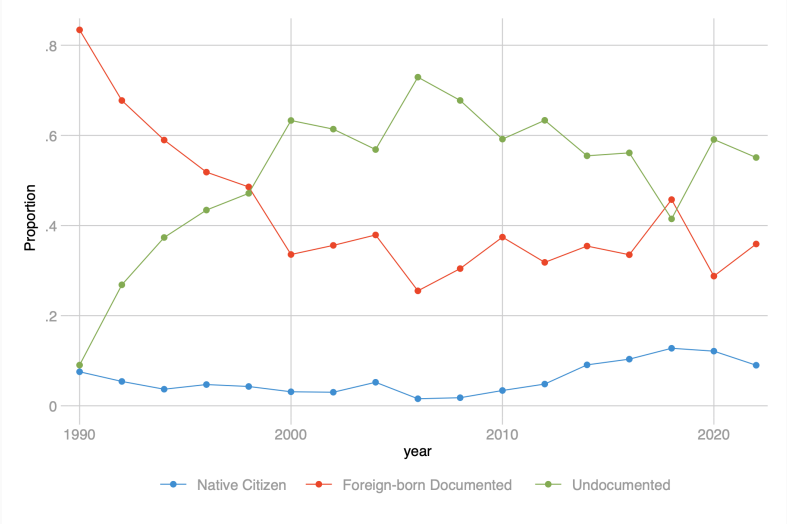
California's Crop Workforce is Aging



Fewer Workers Migrate



Fairly Stable Composition by Documentation Status



Fewer Have Off-farm Jobs, but Non-Farm Wages Increasing



Trends in California Crop Employees:

Age ↑

Migrate ↑

Non-Farm Employment ↓

Non-Farm Wage ↑

What Will 2024 Bring?

Overtime laws continue phase-in for small growers

Background: California's Assembly Bill 1066 Overtime Phase-in

Effective Date for Employers With		Overtime Pay Required After
$\geq$ 26 Employees	$\leq$ 25 Employees	(Hours per Day/Hours per Week)
Pre 2019	Pre 2022	10/60
Jan. 1 2019	Jan. 1 2022	9.5/55
Jan. 1 2020	Jan. 1 2023	9/50
Jan. 1 2021	Jan. 1 2024	8.5/45
Jan. 1 2022	Jan. 1 2025	8/40

Notes: Table adapted from the California Labor Commissioner's Office FAQs on Minimum Wage `https://www.dir.ca.gov/dlse/faq_minimumwage.htm` and Overtime for Agricultural Workers `https://www.dir.ca.gov/dlse/Overtime-for-Agricultural-Workers.html`.

Agricultural and Resource Economics
ARE UPDATE

Giannini Foundation of Agricultural Economics, University of California Vol. 27, No. 1 Sep/Oct 2023

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California's Overtime Law for Agricultural Workers: What Happened to Worker Hours and Pay?

Alexandra E. Hill

California's new overtime law for agricultural workers went into effect in 2019. In the two years following this, I find that the law led to decreases in weekly working hours and earnings for California crop workers. These losses are consistent with employers restrict-

employment, unionization, minimum wages, and overtime standards. In 2016, California passed legislation to remove overtime exemptions for farmworkers. The law (Assembly Bill 1066) mandates a gradual phase-in of overtime standards that began in 2019. It involves annual reductions in

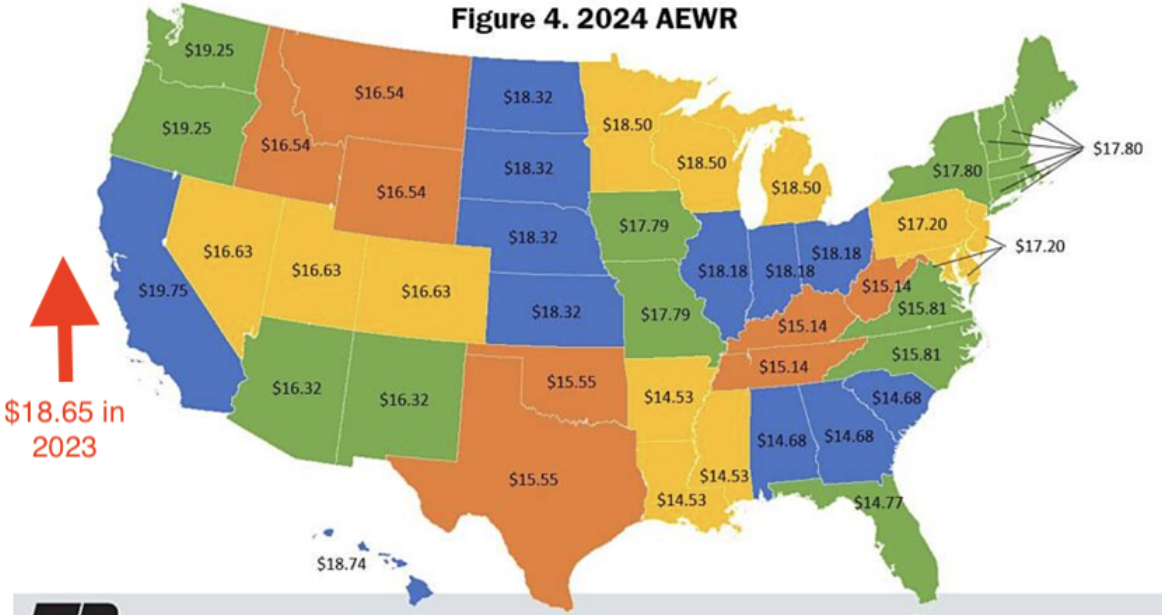
incomes could fall, making workers who value the extra income more than additional leisure time worse off. In this case, employers would also need to hire additional workers, invest in labor-saving or labor-augmenting technology, or make larger business changes like switching to less labor-in-

What Will 2024 Bring?

Overtime laws continue phase-in for small growers

Increases in the AEWR for H-2A Employees

Figure 4. 2024 AEWR



Source: USDA NASS

What Will 2024 Bring?

Overtime laws continue phase-in for small growers

Increases in the AEWR for H-2A Employees

Increases in the state minimum wage ($15.50 ↑ $16.00)

Rulings on: US DOL's Proposed "Improving Protections for Workers in Temporary Agricultural Employment in the United States" & US CIS's Proposed "Modernizing H–2 Program Requirements, Oversight, and Worker Protections"

Thank you!

Alexandra (Ali) Hill
Assistant Professor of Cooperative Extension
Department of Agricultural and Resource Economics
University of California, Berkeley

alihill@berkeley.edu
www.alexandraehill.com

Berkeley
UNIVERSITY OF CALIFORNIA

References