



Hired Labor Use in the Texas Fresh Fruit and Vegetable Industry

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Shortages of hired labor have become more prevalent in Texas agriculture over the last several years, resulting in crop losses, lower returns to producers and economic losses across many regions of the state. Probably nowhere are labor losses more acute than in the Lower Rio Grande Valley and the Winter Garden regions. In March and April 2008, fresh fruit and vegetable producers and packers located within 100 miles of the Texas-Mexico border were surveyed regarding their perceptions, practices and experiences with hired labor. Surveys were mailed to 139 potential respondents, with 39 useable surveys returned, for a response rate of 28.1 percent. Follow up mailings, telephone calls and e-mails were conducted. Geographic coverage included the Lower Rio Grande Valley and Winter Garden regions of Texas. The reported results reflect only the responses of the firms surveyed and are not an extrapolation of the results to the population of fruit and vegetable operations.

Labor Shortages and Age of Workers

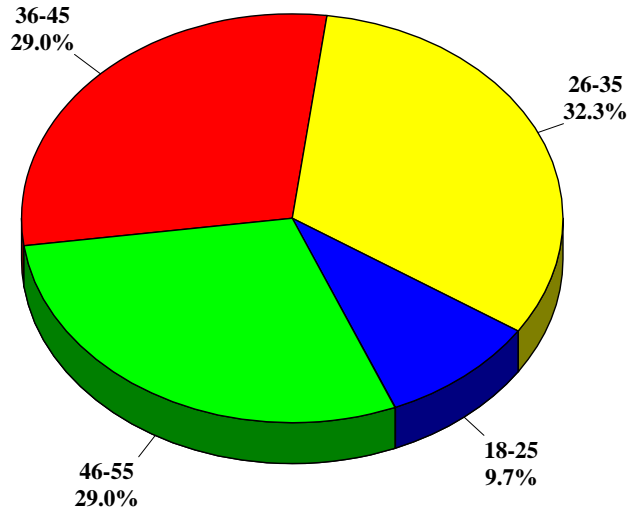
When asked if they had experienced labor shortages during the past two seasons, 65.7 percent of the firms surveyed reported that they had, while 34.3 percent had not experienced any labor shortages during that time. Firms with labor shortages in 2006 and 2007 indicated that the shortage were the most frequent in October-December and March-July. Among the firms surveyed, labor shortages ranged from a low of seven percent to a high of 17 percent for 2006 and 2007.

Firms were asked if they anticipated a labor shortage in 2008: 55.6 percent did, but 44.4 percent did not expect to experience a labor shortage during the current season. Of those who do expect a labor shortage in 2008, those shortages were anticipated to be most prevalent in May and June. Employers believed the labor shortage would range from 11 to 14 percent during peak labor demand months. Onions and melons were the crops most affected by labor shortages, whether previous or current.

When asked if labor shortages had affected their operations, 77 percent of the employers reported they had reduced the size and/or scope of their business due to lack of employees. About 27 percent indicated they had moved at least some of their operations to another country. Others (36 percent) were considering movement to another country. Going out of business was an option considered by 27 percent of the firms. Only nine percent indicated that they might consider moving to another region of Texas or the United States.

Employers reported that 32 percent of their labor force ranged from 26-35 years of age (Figure 1). Workers older than 36 accounted for 58 percent of the labor force, with those older than 46 evenly split with those aged 36-45. Workers aged 18-25 represented about 10 percent of the labor force. The reported average age reflects an aging workforce with 28 percent of labor concentrated among workers older than 46. As workers approach the age of 50, it is less likely they will continue in field operations, increasing the need for younger labor force.

Figure 1. Average Age Range of Employees of Texas Fresh Fruit and Vegetable Operations

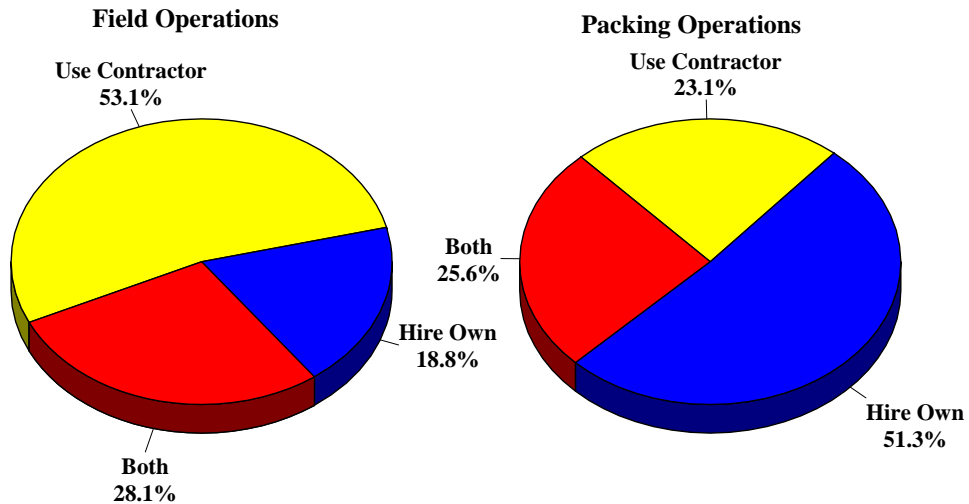


Source: Survey of Texas Fresh Fruit and Vegetable Producers during March/April 2008 by the Public Policy Research Institute, Texas A&M University

Labor Needs and Hiring Practices

Firms were asked about their primary sources of hired labor. For field operations, 53.1 percent of the survey respondents reported that they used a contractor to acquire their labor, while 18.8 percent hired their own labor. A minority amount (28.1 percent) used both practices (Figure 2).

Figure 2. Hiring Practices of Texas Fresh Fruit and Vegetable Producers



Source: Survey of Texas Fresh Fruit and Vegetable Producers during March/April 2008 by the Public Policy Research Institute, Texas A&M University

Table 1 indicates that total labor needs among firms surveyed are highest from November through July and that field operations have substantially higher labor needs than packing sheds. Field operations labor needs are highest from March through July, peaking in May. Packing shed labor needs are highest March through June, with April being the peak month.

Table 1 also shows that the peak months for onion labor demand are March (1,327), April (1,862), May (2,144), June (1,717) and July (960). Citrus labor demand averages 596 employees/month, with November (763), December (815), January (794), February (833), March (903), April (618) and May (420) being the peak months.

Labor demand for field operations in the survey area is fairly constant throughout the year, averaging 2,655 employees/month (Table 2). April, May and June, however, are the months with the highest reported labor requirements for field operations, averaging 4,192 employees per month. Overall, onions, citrus and melons employ the most people, with onions being the highest at 782 employees/month.

Table 1. Number of Fresh Fruit and Vegetable Operations Employees Required in the Lower Rio Grande Valley and the Winter Garden												
Field Operations	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Melons	19	27	27	147	1,091	1,018	1,002	652	427	507	297	77
Greens	260	60	60	132	82	3	2	2	2	102	260	260
Onions	140	235	1,327	1,862	2,144	1,717	960	315	115	200	200	165
Citrus	794	833	903	893	618	420	209	208	184	508	763	815
Cabbage	89	89	109	99	109	109	0	0	0	89	89	109
Other	724	721	764	738	768	625	586	564	564	597	611	660
Total Field	2,026	1,965	3,190	3,871	4,812	3,892	2,759	1,741	1,292	2,003	2,220	2,086
Packing Operations	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Melons	65	65	65	170	402	442	374	205	155	274	169	129
Greens	385	385	385	275	50	50	90	90	125	195	385	385
Onions	50	95	461	676	695	480	205	65	10	20	30	40
Citrus	389	389	384	336	71	11	11	11	71	323	394	404
Cabbage	73	83	103	83	83	60	0	0	0	70	83	103
Other	132	132	213	225	225	205	130	5	5	165	178	178
Total Packing	1,094	1,149	1,611	1,765	1,526	1,248	810	376	366	1,047	1,239	1,239
Grand Total	3,120	3,114	4,801	5,636	6,338	5,140	3,569	2,117	1,658	2,050	3,459	3,325

Source: Survey of Texas Fresh Fruit and Vegetable Producers during March/April 2008 by the Public Policy Research Institute, Texas A&M University. Note: Greens include spinach.

Table 2. Monthly Average of Number of Fresh Fruit and Vegetable Operations Employees Required in the Lower Rio Grande Valley and the Winter Garden			
Crop	Field Operations	Packing Operations	Total for Both
Melons	441	210	651
Greens	102	233	335
Onions	782	236	1,018
Citrus	596	233	829
Cabbage	74	62	136
Other Crops	660	149	809
Total All Crops	2,655	1,123	3,777

Source: Survey of Texas Fresh Fruit and Vegetable Producers during March/April 2008 by the Public Policy Research Institute, Texas A&M University. Note: Greens include spinach.

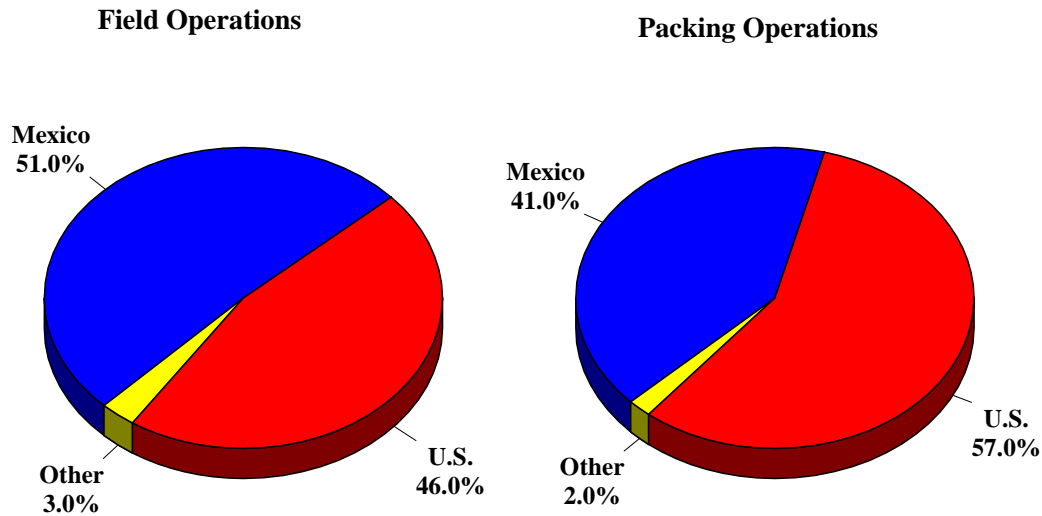
Hiring practices for packing operations were different than those of field operations in that slightly more than half hire their own packing house labor while only 23.1 percent use contract labor. The average monthly labor demand for packing operations is 1,123 employees, and is fairly constant from October through June ranging from 1,047 employees in October to 1,765 in April. Onions, greens including spinach, citrus and melons each average between 210 and 236 packing house employees needed per month. Onions have the highest average labor needs at 236 employees and peak during April (676) and May (695), while citrus peaks November through April (374 average). Greens peak from November through March (385) and melons from May through July (406).

Turnover and Immigration

Employers reported that their average turnover rate was 38 percent. Turnover, however, ranged from two percent to 120 percent. The U.S. average turnover for all industries in 2006 was 23 percent, while labor turnover in the South was 28 percent. The average rate in this survey exceeded those national and regional averages and indicates additional cost, uncertainty and reduced productivity for the Texas industries.

Respondents indicated that 51 percent of employees for field operations originated in Mexico, three percent from other countries, and 46 percent were local (Figure 3). Packing houses indicated that 57 percent of their employees were local, 41 percent were from Mexico and two percent were from other countries. Of those workers coming from Mexico, it was reported that 65 percent stayed more than several weeks or months and that 35 percent crossed the border daily to work.

Figure 3. Origin of Workers at Texas Fresh Fruit and Vegetable Operations



Source: Survey of Texas Fresh Fruit and Vegetable Producers during March/April 2008 by the Public Policy Research Institute, Texas A&M University

Employers were asked to rate the effectiveness of various labor recruitment methods. Word-of-mouth was rated as the most effective, followed by the Texas Workforce Commission. Local daily and weekly newspapers were third most effective. Radio and television were considered the least effective means of attracting employees to the industry.

Conclusions

Fresh fruit and vegetable producers and packers located within 100 miles of the Texas-Mexico border were surveyed regarding their perceptions, practices and experiences with hired labor. Results of the survey reflect only the responses of the firms participating in the survey and do not represent an extrapolation of the results to the entire population of the firms in the industry.

More than three-fourths of employers surveyed indicated that labor shortages had already forced them to reduce the size and/or scope of their operations. Others reported considering moving to another country or going out of business entirely. Labor shortages approaching 17 percent occurred among nearly two-thirds of the firms responding to this survey during 2006 and 2007. Labor shortages for 2008 were expected to range from 11-14 percent. Onion and melon crops were most affected by labor shortages and those shortages were expected to be most prevalent in May-June 2008. An aging workforce also affects the industry with employers reporting that 28 percent of their workers exceed 45 years of age, fairly old for field labor

employees. Employees 25 years of age and younger represented only 10 percent of the labor force.

Contractors were the most important source of field labor, while packing operations did most of their own hiring. Word-of-mouth was reported to be the most effective source of labor recruitment, followed by the Texas Workforce Commission. Firms reported that the industry has nearly year-round labor needs. Onions, melons and citrus were the most important crops in terms of labor demand, with November-July the months with the highest labor requirements.

Labor turnover in the industry is also relatively high at 38 percent. Slightly more than half of all field labor originates in Mexico, while only 41 percent of packing house labor originates there. Nearly two-thirds of Mexican workers remain in the United States for more than a few weeks to several months each year. Only about 35 percent of the employers reported that their workers crossed the border daily for employment.

Labor shortages, aging workers and high employee turnover are negatively impacting the Texas fresh fruit and vegetable industry. Onion and melon production are affected the most by labor shortages and, therefore, are the sectors of the industry most likely to experience economic decline leading to reduced production, relocation or failure.