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AJR-34 Agricultural workers: labor shortages. (2017-2018)

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Assembly Joint Resolution No. 34

CHAPTER 172

Relative to agricultural labor shortages.

[Filed with Secretary of State August 28, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 34, Eduardo Garcia. Agricultural workers: labor shortages.

This measure would urge the Congress of the United States to acknowledge the problem of a labor shortage in the agricultural industry in California and to work together with California to solve the issue.

Fiscal Committee: no

WHEREAS, With a population of 39 million people, California represents one-eighth of the population of the United States and one-seventh of the nation's gross domestic product; and

WHEREAS, In 2016, the Bureau of Economic Analysis placed California as the sixth largest economy in the world, rivaling the United Kingdom as number five, with the state's economic output for 2015 estimated at \$2.46 trillion; and

WHEREAS, The \$2.46 trillion number puts California's output above that of France, which generated an estimated \$2.422 trillion. Only the United States as a whole, China, Japan, Germany, and the United Kingdom have a higher gross domestic product than California; and

WHEREAS, On a global scale, California's economy ranks between fifth and ninth in the world, ahead of such countries as Canada, Mexico, Germany, and Spain. According to a study by University of California, Davis, every dollar of value added—labor and property income and indirect business taxes—in farming and agricultural related industries generates an additional \$1.27 in the state economy. For every 100 jobs in agriculture, there are 94 additional jobs created throughout the state; and

WHEREAS, Fourteen percent of the United States' economy is generated and originates in California, while the Golden State also accounts for 15 percent of the nation's total agricultural exports and has been named the nation's top agricultural producing state for the last five decades; and

WHEREAS, California agriculture produces 12.5 percent of the total agricultural production for all 50 states, which was \$19 billion greater than the second largest state, Iowa, and more than twice the amount of the state with the third largest production, Texas; and

WHEREAS, California's agricultural industry contributed \$47.1 billion to the state's economy in 2015, and \$100 billion when the economic impact in shipping and warehousing sectors are included; and

WHEREAS, More than 77,000 farms and ranches in California produce more than 400 animal and plant commodities annually, significantly more than any other state in the nation, with the top 10 commodities being milk and cream, grapes, cattle and calves, lettuce, strawberries, pistachios, tomatoes, walnuts, and broilers; and

WHEREAS, In the past decade farming costs have increased an estimated 88 percent, due in part to new and expanding state and federal laws and regulations. Meanwhile, food produced by foreign nations is being imported at an accelerated pace, and at far lower costs. In today's global market, California farmers cannot simply pass on their costs to consumers. The high costs of doing business in the state has resulted in consolidation of land and a reduction in total farmed acreage, which is detrimental to the state's economy; and

WHEREAS, California agricultural provides two-thirds of the nation's nuts and fruits and over a third of its vegetables. In 2016, California recorded 2.18 million tons of oranges, an increase of 12 percent from 2015, and 2.05 billion pounds of almonds, an increase of 8 percent from 2015; and

WHEREAS, In 2016, the agricultural industry in California employed an annual average of 421,100 people, with the agricultural value chain accounting for more than three million jobs in California; and

WHEREAS, California is in the top 10 of the world's most productive agricultural producing countries, ahead of Canada, Mexico, Germany, and Spain; and

WHEREAS, The top 10 international destinations for California agricultural exports are the European Union, Canada, China and Hong Kong, Japan, Mexico, Korea, India, the United Arab Emirates, Turkey, and Vietnam. This reflects the range of the worldwide importance of California agriculture; and

WHEREAS, In 2015, University of California, Davis academics estimated that the lack of water availability had caused California agriculture to experience approximately \$1.84 billion in economic losses and 10,000 seasonal jobs, even though the agriculture sector added jobs in 2015; and

WHEREAS, Due to water shortages and drought conditions, California farmers have had to demonstrate resiliency by moving crops within the state where water is more accessible and have depended on groundwater supplies; and

WHEREAS, In 2015, 77,500 farms operated in California on approximately 25.5 million acres; and

WHEREAS, Nearly 27 percent of California farms generated commodity sales of over \$100,000, which was 20 percent greater than the national average; and

WHEREAS, The top agriculture producing counties in California are Tulare (\$6.9 billion), Kern (\$6.8 billion), Fresno (\$6.6 billion), Monterey (\$4.8 billion), Stanislaus (\$3.8 billion), San Joaquin (\$2.7 billion), Ventura (\$2.1 billion), Kings (\$2.0 billion), and Madera (\$2.0 billion); and

WHEREAS, California has some of the most productive farm land in the world and has historically led the nation in crop receipts. In 2015, United States crop receipts were \$379.1 billion, with California accounting for \$47 billion of that total; and

WHEREAS, In 2014, the total number of farmworkers employed in agriculture in California was 839,300; and

WHEREAS, The production of many fruits and vegetables is relatively labor intensive, with labor costs representing 20 to 40 percent of production costs; and

WHEREAS, Most California farmworkers were born in Mexico and 60 percent of crop workers employed on the state's farms are undocumented; and

WHEREAS, Several factors, including a tightening of border controls, has slowed arrivals of new farmworkers, resulting in labor shortages and higher production costs for farmers; and

WHEREAS, The number of farmworkers employed on California farms is of great interest because fears of farm labor shortages could reduce the production of labor-intensive crops and reduce the overall production of California's crop receipts; and

WHEREAS, California agriculture has also been hit hard by the labor shortage. California farmers have also had to address the reality that the workers born in the United States will not comprise the workforce that the agricultural industry requires for the present and future. California farmers are working to retain their current workforce, allow the use of mechanical aids to increase productivity, substitute machines for workers where possible, and supplement current workers with H-2A workers. Many in agriculture recognize that this path is precarious and carries high risks and costs; and

WHEREAS, California agriculture is indispensable to California's economy and to the state's and nation's food security. It is a vital supplier of food to many parts of the world and fills many voids for the world's populations. The challenges of having sufficient

water supplies and a competent and sufficient labor force require immediate attention. State and federal legislators must work with all elements in the agriculture industry in California to find sound policy solutions; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature urges the Congress of the United States to acknowledge that the problem of labor shortages in the California agricultural industry is a structural economic problem and that after many years of recruiting and increasing wages American-born workers have not demonstrated the desire to fill the growing void and are not a viable replacement for the current workforce that includes unauthorized workers who have worked in agriculture over the last 40 years; and be it further

Resolved, That states should have the role of declaring a labor shortage crisis, have processes in place to address the shortage, and request assistance from the federal government to bring about corrective and responsive action and policies. This follows the example of how states declare disaster areas which trigger emergency federal relief assistance; and be it further

Resolved, That these labor shortages in California's agricultural industry pose a danger to the security of the nation's food supply; and be it further

Resolved, That the Legislature urges the Congress of the United States to work together with California to solve this issue before it becomes a crisis; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.