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**The Direct Economic Impact of  
Migrant Farmworkers on  
Southeastern Michigan**

*by Rene P. Rosenbaum  
Associate Professor Department of Resource Development*

**Working Paper No. 56**  
*December 2001*

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# The Direct Economic Impact of Migrant Farmworkers on Southeastern Michigan

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# The Direct Economic Impact of Migrant Farmworkers on Southeastern Michigan

## Introduction

Having Professor Emerson as a presenter at this conference reminds me of the national conference on farm labor he organized in 1980. Although I did not attend the Emerson conference, I have benefited from reading the conference papers he later published in the volume entitled, *Seasonal Agricultural Labor Markets in the United States* (1984). The context of the farm labor problem has changed since the Emerson conference 20 years ago, but many of the problems of the hired farm labor market discussed back then are being discussed here today. An adequate labor supply and the perennial low return to hired farmworkers, both national concerns of the hired farm labor market long before the 1980 conference, remain central issues. However, the approach taken at each conference is clearly distinct. Whereas this conference seems to focus on the dynamics of the farmworker labor market in context of community and regional studies and issues, the Emerson conference did not give consideration to the links between local community issues and the dynamics of the labor market. As Professor Emerson himself observed in his volume on the conference, “The focus... has been strictly on farm workers and their employers” (p.503, Emerson, R.D., 1984).

The views of farmworkers and their employers continue to dominate what constitutes the farm labor problem, but a community perspective is emerging that emphasizes the impact of agricultural labor on rural areas. Although studies linking the farm labor population to local communities are more common these days, few studies have described the role that migrant and seasonal farmworkers (MSFWs) play in the local economy of a receiving community. In the rural areas where they work, seldom has migrant and seasonal farm labor been treated as a community economic development event, a form of economic change that contributes to the local economy.

This paper makes a contribution to the emerging community view of the farm labor problem by examining the economic impact of the MSFW labor market on the rural area of Branch, Hillsdale, Jackson, Lenawee, Monroe and Washtenaw Counties in southeastern Michigan. The next section provides a synopsis of the three different perspectives of the farm labor problem. Section three develops a model of farm labor as an economic development event to measure the economic impacts on rural areas from the presence of MSFWs. MSFW-dependent agriculture and the MSFW population and labor market in southeastern Michigan are described in section four. Section five applies the seasonal farm labor economic impact model to measure the economic contributions of the farmworker population in Michigan’s southeastern region for 1997. The findings are used in section six to gauge the potential economic impact on the local economy of the H-2A national policy initiative, a guest worker program that would sharply increase the stag vs. family proportion of the migrant workforce. The chapter concludes with a summary of the research findings and a statement about the significance of viewing the farm labor problem as an economic development event.

## Perspectives of the Farm Labor Problem

Viewed politically, the traditional labor market approach to understanding the farm labor problem is not inconsistent with the politics in this country of the last century and a half. According to Robert Paehike (1999), U.S. politics has centered on the struggles between economic values such as capital accumulation, enhanced trade, efficiency and economic growth, and equity values such as wages, working conditions, social welfare, public health and public education. Analogously, the current dynamics of the hired farm labor market can be seen in terms of the political struggle between the economic

values of farmworker employers and agribusiness (and consumers), and the equity values of farmworkers and their advocates. In large measure it is the effective expression of the values of these two groups that has dominated the policy and politics of hired farm labor in this nation. Their voice remains at the center of many of the issues that contribute to the current dynamic of the hired farm labor market.

Even though the interests of farmers and farmworkers currently lay claim to what constitutes the farm labor problem, historically, it is the interests of the latter group that have dominated the politics and economics of the situation. The low farm income problem in various forms has always been the central preoccupation of agricultural economists. Historically, policies to improve the economic status of farmers have been based on the view that farmers are caught in the “farm problem” created by price and income-inelastic product demand in agriculture. Prior to the 1950’s, parity prices, production adjustments, and marketing efficiency were the acceptable ways to deal with the farm problem. Another line of thought, popular since WWII, was the view that farm prosperity depended on the elimination of “the redundant claimants against aggregate farm income.” D.G. Johnson (1959) wrote: “Stated simply, the farm problem is the result of the employment of more labor in agriculture than can earn as large a real income as the same labor could earn elsewhere in the economy” (p. 47). Hence, the link was made between farm prosperity and the need to accelerate technological advances and off-farm mobility (Fuller, 1984).

In the case of MSFW dependent agriculture, solutions to the farm problem have focused on securing an adequate supply of low-wage workers to care for and harvest fruits and vegetables. This approach remains central to the guest worker legislative policy currently being debated in Congress. Agricultural interests are calling for an alternative to the H-2A nonimmigrant guest worker program that allows the U.S. agricultural sector to bring seasonal foreign workers on a temporary basis when domestic workers are unavailable. The principle objective is to put in place a foreign worker program that does not require employers to

demonstrate to the Department of Labor that guest workers are needed before they are admitted. A recent legislative proposal aims at encouraging the guest workers to return to Mexico and other countries of origin by calling for a 25% deduction of the worker’s wages to be paid only in the country of origin if the worker appears in person (Martin and Taylor, 1998). The lobbying efforts by major agribusiness organizations for changes in agricultural guest workers policy to ease the importation of foreign workers have yet to succeed. Contrary to the growers claims of a labor shortage, recent reviews of the H-2A program conclude that there does not appear to be a national agricultural labor shortage, except in some specific crops or geographic areas (General Accounting Office, 1998).

Whereas the economics and prosperity of the farm is the central concern in the economic values perspective of the farmworker problem, in the equity values perspective the long standing concern remains improving the persistently relatively low returns for labor services in farming. The historical plight and position of the migrant worker near the bottom of the American labor market prompted farmworker equity concerns and a belated call for action in the 1960’s. As a result, the federal government began programs in the mid-1960’s to help migrant workers and their families. These federal programs multiplied during the 1970’s and 1980’s and by 1992, 12 different programs spend over \$600 million annually to assist migrant and seasonal farmworkers and their families (Martin and Martin, 1994).

In spite of all the federal efforts, MSFWs remain one of the most economically disadvantaged occupational groups in the country. In the 1980’s, Varden Fuller (1984) noted that many of the problems faced by migrant farmworkers in 1980 were the same ones they faced 30-40 years before. His key policy concern was “the long persisting adverse conditions experienced by the ‘forgotten people’ who harvest our crops...” And what Fuller said nearly 20 years ago still rings true; migrant workers remain one of the most economically disadvantaged and impoverished occupational groups in the United States (Oliveira, 1992; Griffith

and Kissam, 1995; Martin, 1988; and Martin and Martin, 1994).

The unsatisfactory conditions of American migrant farm labor for most of this century have failed to change the agricultural sector and its dependence on a migrant labor system that relies on cheap and ethnic minority labor. Although the federal assistance programs established to help migrant workers and their families have enabled many individuals and families to escape agriculture and the farm labor market, these programs do nothing to raise the income level of migrants still in the farm labor market (Martin and Martin, 1994). In other words, when these programs are successful and farmworkers are able to leave the migrant stream, other migrant workers simply replace them; the migrant labor system is not changed — only the faces of the workers who need help are different.<sup>1</sup> Existing legislative protection and the regulation of wages, hours, and working conditions do not seem to protect those remaining in agriculture.

The community perspective of the farmworker problem is emerging amid concerns over an increasingly global economy. There is a growing interest in locally based community economic development strategies that emphasize locally determined community objectives. Scholars and practitioners of community development are increasingly valuing locality based community development and citizen participation approaches over other approaches to address social problems (Aigner, et al., 1999). With their gain in relative prominence, these new and emerging values representing community interests complicate and challenge the old debate between economy and equity that has historically dominated the American politic.

The community view that is emerging does not discount the interest of farmers and farmworkers. The approach recognized these interests but expands the analysis of the labor market situation to include the interests of and impacts on a broader range of community stakeholders. One distinguishable line of thought within the community perspective is the emphases on community attitudes toward

farmworkers. The growing demand for predominantly immigrant agricultural labor across the United States has raised resident reactions and concerns in rural America. Farmworkers continue to face resentment from white residents, open acts of discrimination, and occasionally acts of violence. In the 1990's, communities witnessed an increasing number of conflicts between immigrants and natives. All kinds of social problems have been documented: police harassment, housing, increasing poverty, educational access to migrant children, health services, increasing needs for bilingual services in hospitals and courts, and concerns over the integration of farmworkers staying year-round (Hedges, S., Hawkins, D. 1996; Martin, P., Taylor, J.E., Fox, M., 1996). Community leaders remain ill equipped to address the resulting tensions.

Another line of thought in the community view of the farm labor problem considers the economic impacts of seasonal agricultural labor markets on rural areas. Some research out of California in the 1990's, for example, identified negative impacts of the workers on national and local economies. That labor market research argues that immigrant workers take over jobs from domestic workers and freeze low wages into place (Martin and Taylor, 1998). Other economic impact research however, suggest that the presence of a migrant and seasonal agricultural labor market has a positive impact on the local economy of receiving communities. (Adams, Jeffrey L. and S.A. Severson, 1986; Sills Erin, Jeffrey Alwang, and Paul Driscoll, 1993; and Trupo, Paul, Jeffrey Alwang, and R. David Lamie, 1998).

## **Farm Labor as an Economic Development Event**

### ***Specifying the Relationships***

The typical way to conduct an economic impact study is to focus on the contributions to the economy that result from an economic development event. An alternative way is to estimate the cost to the local economy from the elimination of such an event. Although this approach captures a worse case scenario, it has been selected because it is useful in highlighting the economic contributions of farmworkers. The approach permits analysis of the

different impacts associated with the different scenarios and changes that could occur in the absence of the event.

The economic impacts from the loss of a migrant and seasonal farm labor market in a local economy are felt throughout all its sectors. In the case of the private sector, the absence of the MSFW population directly influences the MSFW-dependent agricultural sector, the agricultural sector with links to food manufacturing industries, in addition to several other industries in the local economy. In Michigan agriculture, MSFWs perform a variety of tasks associated with at least 46 different fruits, vegetables, Christmas trees, and other floriculture crops grown across the state (Office of Migrant Services, 1998). One immediate short-term impact from the disappearance of farmworkers would be a farm labor market shortage. In such labor market conditions, the wages paid to farmworkers would have to increase to induce entry of new workers into the farm labor market. If high school students and other people not in the labor market are recruited into the farm labor market, it is unlikely that wages would increase enough to meet the demand for labor at current levels of agricultural production. Over the long-term, the increased claims against farm income and the resultant decrease in farm earning potential is a disincentive for growers to remain in labor intensive agriculture.

Rather than substitute migrant labor with local labor, an alternative option available to growers is to substitute migrant workers with mechanical harvesters. However, this option is not viable either. Not only is mechanization of agriculture less than complete, but also growers prefer workers to machinery because farm wages continue to fall relative to the price of machinery. If crops are harvested mechanically rather than by hand, the return would be lower because of the ability to hand harvest crops multiple times. In those cases where growers are able and willing to substitute machinery for labor, machine manufacturers and service providers would be substituted for labor as claimants against aggregate farm income. Even if economically feasible, growers may not be willing to substitute machines for migrant labor because the adaptation of machinery would lock growers into

particular crop production and marketing options over multiple growing seasons (Martin and Martin, 1994). The negative effects on the environment from the use of machinery would constitute a social cost to society.

In addition to the options of replacing migrant labor with local workers or machinery, farm operators have the option to switch to alternative agricultural production that is not labor-intensive. They also have the option to sell or lease their farmland and leave agriculture altogether. The option of switching to alternative agriculture could have serious consequences on the earning potential of individual farm operators as well as on the structure of agriculture. Under this scenario, the most significant impact to growers would be the lost revenue from producing less profitable crops. This decrease in earning potential could negatively impact the overall operation of farms because in many instances labor-intensive agriculture is the only profitable agriculture; it is used to subsidize the rest of the farming operations (Trupo, Paul, Jeffrey Alwang, and R. David Lamie, 1998). For agriculture, the loss of farmworkers would undoubtedly lead to some farmland use changes into pasture and mechanized field crop production. It would also mean less diverse farming operations and, hence, higher risks for farm operators. A related potential impact for farmers choosing to remain in agriculture despite the loss of MSFWs is the negative effect on land prices. In the absence of MSFWs, the earning potential of farm operators is assumed to decrease. As farm income decreases, the future value associated with the productivity of the farmland would also decrease. This decrease in land prices could also affect local tax revenues (Trupo, Paul, Jeffrey Alwang, and R. David Lamie, 1998).

Rather than remain in agriculture and produce less profitable crops, evidence suggests that farm operators are more likely to get out of agriculture and sell or lease their farmland. That is the case in Virginia, for example, where 80% of farmworker employers surveyed reported they would retire from farming and sell their farms rather than engage in alternative crop or livestock production (Trupo, Paul, Jeffrey Alwang, and R. David Lamie, 1998).

The decision by farm operators to leave farming impacts agriculture in a variety of ways, depending on whether the land is sold or leased to other farm operators or sold to developers. Assuming farmland is sold or leased to other farm operators, the impact would be fewer farmers, absentee farmland ownership or farmland ownership consolidation, larger farms, and a less diverse agricultural industry. If, on the other hand, growers sell their land to developers, less farmland and fewer farmers and farms would result. Thus the loss of the migrant and seasonal farm labor market could also potentially impact the availability and ownership of farmland in addition to the profitability, number, size, and diversity of farms in a local area.

But the economic impacts from the loss of the migrant and seasonal labor markets extend beyond the change in the economic performance of MSFW-dependent farm operators and the resultant changes in the structure of agriculture (e.g., the size of farms, number of farms, product diversity, rural land ownership, and land use changes), in a local area. For example, sectors with firms that sell inputs or value-added services to MSFW-dependent agricultural producers will also be impacted if these producers choose to sell their operations altogether or switch to less labor-intensive crops or livestock production. The loss of this market to the local economy is important in light of the fact that the costs of producing and marketing labor-intensive agriculture are greater than the costs of producing, harvesting, and selling traditional grain crops (Trupo, Paul, Jeffrey Alwang, and R. David Lamie, 1998). Irrigation and grading and packing equipment, as well as costs associated with migrant housing purchase, construction, maintenance, and utilities, directly impact the local economy. Although growers bear many of the higher costs associated with more profitable labor-intensive agriculture, from the community perspective, these costs represent an increased income flow to the local economy compared to income flows to the local economy from traditional grain crops or livestock production.

Another industry impacted by the loss of the MSFW labor market is food manufacturing. Food manufacturing is impacted in two ways because it relies on the output of migrant dependent agriculture as well hires migrant labor directly in its operations. Given some farmworkers are employed in the processing sector, their absence could present labor shortages in that sector and possibly higher wages for existing workers. Over the longer term, the loss of the farm labor market would likely mean a loss in the number of growers engaged in fruit and vegetable production as well as a reduction in fruits and vegetable acreage. This, in turn, can cause food processors difficulty in acquiring the necessary production volume to achieve economies of scale in processing operations. If an insufficient volume of local production is available, the processing sector may find it too costly to continue operations.

Thus, in addition to the primary and multiplier impacts to the local economy associated with the immediate loss of economic activity in the food processing sector, local economies could see a reduction in processing, canning, and freezing production altogether. The loss of the processing sector that could result has implications for many other business operators in a local economy, in addition to farm operators that rely on MSFWs. These include farm operators that do not rely on MSFWs, but sell to the processing sector, suppliers of other inputs to the food manufacturing industry, and the local public sector that would incur a reduction in tax revenue associated with the loss of economic activity in the food manufacturing sector.

The impacts on agriculture and the food manufacturing industries will vary depending on whether migrant dependent agricultural employers remain in agriculture and switch to other crops or livestock production, or they get out of agriculture all together and sell or lease their farmland. But the agriculture and food processing sectors are not the only private industry sectors impacted from the absence of MSFWs. Also impacted are the retail and service providing sectors directly utilized by the MSFW population. The benefits from farmworker expenditures extend to the grocery, consumer goods, clothing, gasoline retailers, and other service sectors

of the local community. These farmworker household expenditures also produce a fiscal impact associated with the tax revenue collected by the public sector. This injection of spending will have further expansion effects as local residents spend and respend their dollars. The loss of the MSFW population would cause the direct and indirect effects from the spending of farmworkers income in the local area to vanish.

The nonprofit and public sectors that service the migrant and seasonal population will also be impacted by the loss of the migrant and seasonal farm labor market. The general perception is that migrant farmworkers are “strangers in the fields” at their temporary workplaces. Their special needs and problems are not met by their employers or by local assistance programs in the areas where they temporarily reside. This explains why federal and state initiatives now exist to address the needs of migrants. Since the 1960’s, the Departments of Education, Health and Human Services, Labor, Agriculture, and other federal and state agencies have put in place various migrant labor programs to service their needs. The various child care, health benefits, food stamps, job training, legal assistance, elementary, high school and college assistance, and housing programs now available to migrants are typically operated by private nonprofit and public entities that receive transfer payments to provide these services. In the case of nonprofit corporations, these transfer payments help pay salaries, supplies, emergency assistance, medical care, and food stamps. They also provide a variety of program and services to benefit the migrant and seasonal farmworker community.

Reference has been made to the tax revenue reductions associated with the loss of economic activity in the local economy. The public sector also benefits from the direct administration of migrant farmworker programs available to the migrant and seasonal farmworker population. Salary payments and other expenditures associated with the administration of these programs represent a direct

infusion of funds to the various sectors of the local economy. As in the case of private and nonprofit sector expenditures, these transfer payments also will have a multiplier like impact on the local economy.

The faith-based organizations, in particular, provide a variety of program and services to benefit the migrant and seasonal farmworker community. Over the years these nonprofit sector entities have devoted a fraction of their budgets to providing services related to the presence of MSFWs. In the absence of farmworkers in the region, however, these expenditures would likely be diverted to other local needs.

### *Methods and Limitations*

There are many types of community impacts associated with an economic event, like the temporary use of migrant workers in agriculture. Demographic impacts, for example, reflect changes in the size, location, and composition of the population that can result from this development event. Fiscal impacts result from changes in local government revenues due to expenditures of the farmworkers and employers that impact the local tax base. Economic or monetary impacts are associated with the changes in the level and distribution of local employment, income, sales, and wealth. The presence of farmworkers also has longer-term impacts on land use and farm structure, including farm size, number of farms, and the diversity of agricultural production.

This study is largely limited to the economic or monetary impacts of the farmworker population on the local economy of a 6-county region in southeastern Michigan. Providing a detailed assessing of all the aforementioned effects on the rural area from the presence of the migrant and seasonal agricultural workers requires an extensive analysis of primary and secondary data and a serious time and financial resource commitment. Such an endeavor is beyond the scope of this paper.

Even when the multitude of potential changes in a community's social, demographic, environmental, land use, industrial diversity and concentration, and fiscal dimensions are excluded from the analysis, estimating the monetary impacts of the MSFW population in rural areas remains a challenging task. Chief among the reasons for the difficulty is the availability of even the most basic information necessary. This problem is made even more complicated when a county or regional focus, rather than a state focus, is adopted for analysis.

In estimating the economic loss to the local economy of southeastern Michigan from the absence of farmworker population, the following monetary losses will be analyzed: the loss in value of production from the forgone production of MSFW-dependent crops; the decline in community revenue from the loss of farmworker expenditures in the local economy; the loss in community income from the decline in transfer payments to MSFWs, and the loss of community income from the reduction in farmworker housing costs. The direct impact on the economy from the expenditures of faith-based organizations on the MSFW population was not factored into the analysis. Also not considered in the analysis was the value of the foregone factor input costs associated with labor-intensive agricultural production. The indirect forward linkages associated with food manufacturing were also not factored in. Although the impact of the absence of farmworkers in the area on the processing sector is deemed important, it was difficult to identify the relationships that exist between the agricultural production in a local area and its linkages to the local processing sector. Also, no attempt was made to measure the indirect and induced effects caused by additional rounds of spending by directly and indirectly impacted firms and sectors in the local economy. Although a variety of input-output programs are available to estimate these indirect and induced effects, it is believed that these models would only have a distorting effect on the calculations. The unique consuming patterns of the MSFW population and the exporting nature of agricultural production, which complicate its relationship with the processing sectors, makes the use of these models hazardous to estimate these effects. Given these complications, only the direct

impact estimates are provided. These are based on what is deemed reliable data based on surveys, interviews, and the Agricultural Census.

Table 1 is a simplified model for conceptualizing the net monetary gain to the community from the farm labor economic development event. The steps undertaken in this study to quantify the economic contributions of the MSFWs to the region, as well as the methods and data used in the analysis are described as follows:

1. Private Sector Monetary Changes:

- (a) Estimates were made of the total farm labor related expenditures by growers used to maintain the farm labor population during their working months. These expenditures mainly include direct housing and utilities costs.
- (b) farmworker earnings and the amount spent locally were estimated from a farmworker survey conducted in the summer of 1997.
- (c) Changes in cash receipts from high-value crop acreage were used to estimate the value of lost production from the disappearance of MSFWs. The dollar value of production from crops utilizing farm labor was compared to the dollar value of production from the next best alternative crop, assumed to be traditional grain crops. The crops utilizing MSFWs were estimated using a survey conducted by the Office of Migrant Affairs in cooperation with Michigan State University Extension. Estimates on the dollar value of production were obtained from the Michigan Agricultural Statistical Service.
- (d) The number of migrant and seasonal farmworkers in the six county region, their earnings, and how they spent their earnings were estimated. Data on the number of MSFW was obtained from an interview with an agricultural employment specialist from Michigan Works, a private placement company.

**Table 1. Simplified Model for Measuring Net Monetary Gain to the Community from Farm Labor Economic Development Event**

**Private Sector Monetary Changes:**

Net change in farm labor related expenses to the employer  
 Net change in business sales  
*Net changes in cash receipt from high-value crop acreage compared to the next best land use*  
 Net Private Sector Monetary Gain

**Nonprofit Sector Monetary Changes:**

Net change in Child care nonprofit sector revenue  
*Net change in health care nonprofit sector revenue*  
 Net Nonprofit Sector Monetary Gain

**Public Sector Monetary Changes**

Local school revenue net gain  
 Public services revenue net gain  
 Local government revenue net gain  
*Other public sector revenue net gain*  
 Net Public Sector Monetary Gain

**Community Net Monetary Gain**

Net private sector monetary gain  
 + Net nonprofit monetary gain  
 + Net public sector monetary gain  
 = Community Net Monetary Change

Source: Adopted from Table 10.1 Shaffer, *Community Economics*, pp. 242

***Nonprofit and Public Sector Monetary Changes***

Nonprofit organizations servicing the MSFW population were identified and transfer payments to this population were estimated. A survey of all the agencies providing farmworker services was conducted to get estimates on these expenditures. These were then divided between the public and nonprofit sectors.

Even though a comprehensive analysis of all the impacts associated with the presence of MSFWs in a receiving rural area is not provided, the monetary impact analysis conducted is still useful. Identifying the impacts on the private, public, and nonprofit sectors of the local economy will enable community stakeholders and farmworker advocates and employers to point to the contributions of the MSFW population. The findings represent one type of

information to help communities better understand the links between migrant labor and the local economy. It will help dispel community concerns that the MSFW population is a drain on the local economy. With an improved understanding of the contribution so of the migrant population, the community will be better poised to take steps to maximize the benefits to the local economy from the presence of this population.

**MSFW-Dependent Agriculture and MSFWs in Southeastern Michigan**

Nineteen twenty marks the arrival to southeastern Michigan of the first Mexicans from south Texas to migrate to work in agriculture. The need for Mexican labor is inextricably linked to the sugar beet companies that started operations in the region at the turn of the century. Local workers could not be relied upon to do backbreaking fieldwork, and farmers would not even agree to plant sugar beets unless the refining mills could guarantee an adequate supply of labor. Before 1920, sugar beet companies recruited large numbers of Belgians, Hungarians, Moravians, and Bohemians from nearby cities to work in beet fields. After 1920, the sugar beet companies found it necessary to recruit from outside the immediate area of southeastern Michigan and northern Ohio. They began recruiting “Mexicans” from the Laredo area of south Texas, which they transported up by train at the start of the season and returned at the end of the season by the same means. By the 30’s some workers began coming in their own vehicles. After the 1935 farm labor strikes in the region, “Texas Migrants” became the main source of labor. Blissfield, in Lenawee County became the main dumping point for Mexicans seeking agricultural work throughout Michigan (Rosenbaum, 1996).

Today, MSFW-dependent agriculture in southeastern Michigan is no longer just sugar-beet production; it’s quite diverse and demand for MSFWs cuts across a large variety of field operations. Thirty-nine of the 46 labor-intensive crops grown in the state are grown in Michigan’s southeastern region. As Table 2 below shows,

MSFWs are rarely hired specifically for field crops like sugar beets anymore. Workers predominate in the planting and harvesting of fruits and vegetables; field crop employment still exists, but serves to fill

unemployment gaps as employers attempt to retain workers until fruits and vegetables are ready for harvest. Increasingly, MSFWs are being hired to work on floricultural and Christmas tree operations.

**Table 2. Labor Intensive Crops Grown and Not Grown in Southeastern Michigan, 1997**

AGRICULTURAL COMMODITY	BRANCH	COUNTY					TOTAL GROWN IN REGION
		HILLSDALE	JACKSON	LENAWEE	MONROE	WASHTENAW	
<b>VEGETABLES</b>							
1 ASPARAGUS		•		•	•	•	4
2 BEANS (SNAP, POLE, GREEN)	•				•	•	3
3 BROCCOLI					•	•	2
4 CABBAGE				•	•		2
5 CANTALOUPE				•	•		2
6 CARROTS				•		•	2
7 CAULIFLOWER					•		1
8 CELERY							0
9 CUCUMBERS	•			•	•	•	4
10 GREENS (MUSTARD, TURNIP)					•	•	2
11 LETTUCE							0
12 ONIONS	•			•		•	3
13 PEPPERS, BELL (SWEET)				•	•	•	3
14 PUMPKINS	•	•		•	•	•	5
15 RADISHES						•	1
16 SWEET CORN	•	•		•	•	•	5
17 SUGAR SNAP PEAS							0
18 SUGAR BEETS				•	•		2
19 TOMATOES	•			•	•	•	4
20 MUSHROOMS						•	1
21 POTATOES	•		•	•	•	•	5
22 SQUASH, SUMMER, WINTER				•	•	•	3
23 ZUCCHINI					•	•	2
<b>FRUITS AND NUTS</b>							
24 APPLES	•	•		•	•	•	5
25 CHERRY, SWEET							0
26 CHERRY, TART						•	1
27 GRAPES							0
28 PEACHES				•	•	•	3
29 PEARS				•	•		2
30 PLUMS				•	•		2
<b>BERRIES</b>							
31 BLACKBERRIES				•			1
32 BLUEBERRIES				•	•	•	3
33 RASPBERRIES	•			•	•	•	4
34 STRAWBERRIES	•	•		•	•	•	5
<b>OTHER CROPS</b>							
35 CORN, SEED							0
36 HAY HARVEST	•	•	•	•	•	•	6
37 SOD					•	•	2
38 BEANS, DRY EDIBLE	•				•		2
39 SOYBEANS	•	•	•	•	•		5
40 CHRISTMAS TREES		•		•	•	•	4
<b>PLANTS</b>							
41 BULBS	•	•			•		3
42 NURSERY PLANTS	•	•		•	•	•	5
43 BEDDING PLANS	•	•		•	•	•	5
44 FLOWERS	•						1
45 APRICOTS/HERBS							0
46 BARLEY/CORN, FIELD							0
<b>46 TOTAL</b>	<b>17</b>	<b>11</b>	<b>3</b>	<b>26</b>	<b>31</b>	<b>27</b>	<b>115</b>

Source: "Labor Intensive Crops by County Where Grown," Office of Migrant Services, State of Michigan, 1998.

Table 2 provides the various field crop, vegetables, fruit, berry, and floricultural MSFW-dependent commodities produced in each county in the region. Monroe, with 32 different labor-intensive crops, registered the most diverse labor-intensive production in the region. Washtenaw and Lenawee followed with 28 and 26 labor-intensive crops, respectively. Jackson registered only three labor-

intensive commodities. All six counties relied on MSFWs in some aspect of the hay harvest operation. Five of the counties were MSFW-dependent in pumpkins, potatoes, apples, strawberries, soybeans, nursery, and bedding plants. The number of labor-intensive commodities averaged over 19 per county in the region.

**Table 3. MSFW-Dependent Agricultural Commodities and Type of Work Done by MSFWs**

<i>COMMODITY</i>	<i>TYPE OF WORK</i>
APPLES	PROCESSING, TRAINING, THINNING, HARVESTING, PACKAGING, LOADING, PRUNING
ASPARAGUS	HARVESTING
BEANS, DRY EDIBLE	HOEING/WEEDING
BEANS (SNAP, POLE, AND GREEN)	WEEDING, HARVESTING, GRADING, PACKING
BEDDING PLANTS	POTTING, PLANTING, SHIPPING
BLACKBERRIES	CLEANING, HOEING, HARVESTING, PACKAGING, SHIPPING
BLUEBERRIES	HARVESTING, PACKAGING, SHIPPING
BROCCOLI	TRANSPLANTING, WEEDING, HARVESTING, PACKAGING
BULBS	PLANTING, WEEDING, HARVESTING, SHIPPING
CABBAGE	TRANSPLANTING, WEEDING, HARVESTING, PACKAGING, SHIPPING
CANTALOUPE	TRANSPLANTING, WEEDING, HARVESTING, SHIPPING
CARROTS	THINNING, HOEING, WEEDING, SORTING, PACKAGING, SHIPPING
CAULIFLOWER	TRANSPLANTING, HOEING, WEEDING, HARVESTING
CHERRIES, TART	HARVESTING, PROCESS LINE, PRUNING
CORN, SWEET	WEEDING, HARVESTING, GRADING, PACKING
CUCUMBERS	HOEING, WEEDING, THINNING, TRAINING VINES, HARVESTING
FLOWERS	NOT AVAILABLE
GREENS	HARVESTING, PACKAGING
HAY HARVEST	BALING, MOVING HAY
MUSHROOMS	PLANTING, HARVESTING, PACKAGING
NURSERY PLANTS	POTTING, PLANTING, TRANSPORTING, SHIPPING
ONIONS	TRANSPLANTING, WEEDING, HARVESTING, SORTING, BAGGING
PEACHES	PRUNING, THINNING, HARVESTING
PEARS	PRUNING, HARVESTING
PEPPERS, BELL	TRANSPLANTING, HOEING, WEEDING, HARVESTING, SORTING, PACKAGING
PLUMS	PRUNING, HARVESTING
POTATOES	WEEDING, GRADING, PACKING
PUMPKINS	WEEDING, HARVESTING, LOADING
RADISHES	WEEDING, HARVESTING, LOADING
RASPBERRIES	CLEANING, HOEING, HARVESTING, PACKAGING, SHIPPING
SOD	TRACTOR CUT/ROLL, HAND LOAD/UNLOAD, DELIVER, UNROLL
SOYBEANS	WEEDING, HOEING
SQUASH, SUMMER	WEEDING, HARVESTING, PACKING
SQUASH, WINTER	WEEDING, HARVESTING, PACKING
STRAWBERRIES	PLANTING, CLEANING, HOEING
SUGAR BEETS	THINNING, HOEING, WEEDING
TOMATOES	TRANSPLANTING, WEEDING, HOEING, HARVESTING, PACKAGING, SHIPPING
X-MAS TREES	PLANTING, SHEARING, PRUNING, PAINTING, HARVESTING
ZUCCHINI	HARVESTING, PACKAGING

Source: "List of Crops on Which Migrants Work in Michigan," Office of Migrant Services, State of Michigan, 1998.

As Table 2 shows, it is a mistake to think of MSFWs as only employed in fruits and vegetables. Field crops, floriculture and nursery also are migrant labor dependent. It is also a mistake to think that MSFWs are only used in harvesting operations. Although the harvesting task is performed in most crops, the majority of the crops rely on migrant labor for multiple tasks. Asparagus was the only commodity where MSFWs were used solely in harvesting operations. The large number of crops dependent on migrant labor also contributed to the diverse number of tasks performed by migrant labor in the region. Table 3 identifies the types of work performed by MSFWs on a crop by crop basis for the agricultural commodities grown in the region.

Not much information is available on MSFW-dependent agriculture in southeastern Michigan beyond the information in Tables 2 and 3 from the Office of Migrant Services for the State. To get a better picture of MSFW-dependent agriculture in the region, Table 4 combines several data sources to estimate the number of acres of MSFW-dependent agriculture and the value of production for each county. Keep in mind that information was not available on all the MSFW-dependent crops. In some instances data was withheld for some counties to avoid disclosing data for individual farms. Nor was comparable data on floriculture crops and Christmas tree production available. Because of these limitations, information is recorded in Table 4

**Table 4. Acreage and Value of Production for Labor-intensive Agriculture in Southeastern Michigan, 1997**

CROPS BY COUNTY	ACRES <sup>2</sup>	STATE AVERAGE VALUE PER ACRE <sup>3</sup>	TOTAL VALUE OF PRODUCTION	CROPS BY COUNTY	ACRES <sup>2</sup>	STATE AVERAGE VALUE PER ACRE <sup>3</sup>	TOTAL VALUE OF PRODUCTION
<b>BRANCH</b>				<b>MONROE</b>			
BEANS (SNAP)	422	1,262	532,564	ASPARAGUS	7	988	6,916
PUMPKINS	51	1,200	61,200	BEANS (SNAP)	96	1,262	121,152
SWEET CORN	81	1,393	112,833	SUGAR BEETS	278	718	199,604
TOMATOES	516	2,667	1,376,172	CABBAGE	173	2,028	350,844
APPLES	164	1,819	298,316	CANTALOUPE	119	2,831	336,889
RASPBERRIES	2	3,400	6,800	CUCUMBERS	193	1,152	222,336
STRAWBERRIES	16	4,632	74,112	PEPPERS, BELL	148	4,343	642,764
<b>TOTAL</b>	<b>1,252</b>		<b>2,461,997</b>	PUMPKINS	280	1,200	336,000
<b>HILLSDALE</b>				SWEET CORN	490	1,393	682,570
PUMPKINS	21	1,200	25,200	TOMATOES	1,228	2,667	3,275,076
SWEET CORN	34	1,393	47,362	POTATOES	1,579	1,915	3,023,785
APPLES	200	1,819	363,800	SQUASH	36	1,700	61,200
<b>TOTAL</b>	<b>255</b>		<b>436,362</b>	APPLES	284	1,819	516,596
<b>LENAWEE</b>				PEACHES	16	2,890	46,240
ASPARAGUS	10	988	9,880	PEARS	1	1,111	1,111
CABBAGE	{(25)} <sup>5</sup>	2,028	50,700	RASPBERRIES	10	3,400	34,000
CANTALOUPE	{20}	2,831	56,620	STRAWBERRIES	28	4,632	129,696
CARROTS	245	3,011	737,695	<b>TOTAL</b>	<b>4,966</b>		<b>9,986,779</b>
CUCUMBERS	714	1,152	822,528	<b>WASHTENAW</b>			
PEPPERS, BELL	120	4,343	521,160	ASPARAGUS	46	988	45,448
PUMPKINS	131	1,200	157,200	BEANS (SNAP)	23	1,262	29,026
SWEET CORN	97	1,393	135,121	CUCUMBERS	13	1,152	14,976
TOMATOES	2,731	2,667	7,283,577	PUMPKINS	205	1,200	246,000
SQUASH	2	1,700	3,400	SWEET CORN	485	1,393	675,605
POTATOES	97	1,915	185,755	TOMATOES	33	2,667	88,011
SUGAR BEETS	1,833	718	1,316,094	SQUASH	19	1,700	32,300
APPLES	683	1,819	1,242,377	APPLES	291	1,819	529,329
PEACHES	45	2,890	130,050	RASPBERRIES	24	3,400	81,600
PEARS	2	1,111	2,222	STRAWBERRIES	48	4,632	222,336
PLUMS	7	1,209	8,463	<b>TOTAL</b>	<b>1,187</b>		<b>1,964,631</b>
BLUEBERRIES	3	3,033	9,099	<b>GRAND TOTAL 14,454 27,649,878</b>			
RASPBERRIES	5	3,400	17,000				
STRAWBERRIES	24	4,632	111,168				
<b>TOTAL</b>	<b>6,794</b>		<b>12,800,109</b>				

1 Source: 1997 Census of Agriculture (AC97-A-22), 1999.

2 Source: 1997 Census of Agriculture (AC97-A-22), 1999.

3 Source: Michigan Agricultural Statistics, 1998-99, Michigan Department of Agriculture 1998 Annual Report.

4 Source: Calculated by Bob Gardner from 1997 Census of Agriculture & state enterprise budgets.

5 Determined by the average size farm for the crop in the county.

for only seven of 17, three of 11, 19 of 26, 17 of 32, and 10 of the 28 labor-intensive crops grown in Branch, Hillsdale, Lenawee, and Monroe counties respectively. Note that Jackson County was excluded from Table 4 despite the presence of a migrant labor camp housing 25 farmworkers and 10 seasonal workers residing elsewhere (see Table 5). The Census data show that Jackson County produced such labor dependent crops as asparagus, cantaloupes, squash, pumpkins, tomatoes, sweet corn, apples, watermelon, and blueberries. It was excluded from this section of the analysis because the Office of Migrant Services survey used to identify the labor-dependent crops did not register any of the fruit and vegetable crops grown in the county as dependent on MSFWs. Presumably the 35 workers registered for Jackson County worked in hay, potatoes, or soybeans (Table 2). In the case of potatoes, the Census withheld the data to avoid disclosure. Soybeans and hay were excluded from the analysis in Table 4 because they were included in the category of field crops that were not considered MSFW dependent for purposes of this study.<sup>2</sup>

It was also assumed that all the farms growing the crops in Table 4 relied on migrant and seasonal labor, which may not be the case if self-pick or family only operations exist. Because the value of production figures on a county by county basis were not available, state average value of production figures for labor-intensive crops were multiplied by the crop acreage in each county to estimate the total value of production for the crops in each county in

southeastern Michigan. All things considered, given that all the labor-intensive crops in the floriculture sector and most crops in field crop sector are excluded, it is believed that the estimated total value of production for labor-intensive crops in southeastern Michigan represents a lower limit of the total value of production involved.

The limitations of the information in Table 4 notwithstanding, a number of salient features about MSFW-dependent agriculture in the region are nevertheless discernable. The data suggest a wide range in the significance of MSFW dependent agriculture across the counties in the region. The counties can be organized into three tiers in terms of labor-intensive agricultural activity and its dependence on MSFWs. Lenawee and Monroe are at the high end of MSFW dependence, followed by Washtenaw and Branch Counties in the middle, and Hillsdale and Jackson at the low end. Lenawee County ranked first in acreage and total value of production from labor-intensive crops. It accounted for 47% and 46% of the total acreage and value of production, respectively. Monroe County ranked second with 26% and 36% of the total acreage and value of production, respectively. These counties combined for a total of 73% and 82% of the total acreage and value of production in the region, respectively. Branch and Washtenaw County combined for 13% and 16% of the total average and value of production in the region respectively. Hillsdale contributed around 1% of the acreage and 1% of the region's total value of production from

**Table 5. Migrant and Seasonal Farmworker Workforce and Employers by County, 1997**

COUNTY	MIGRANT WORKFORCE	SEASONAL WORKFORCE	TOTAL WORKFORCE	# OF FARMWORKER EMPLOYERS
Monroe	300	80	380	16
Jackson	30	5	35	2
Hillsdale	12	3	15	2
Washtenaw	181	12	189	3
Branch	168	5	173	3
Lenawee	432	33	465	12
<b>TOTAL</b>	<b>1123</b>	<b>138</b>	<b>1257</b>	<b>38</b>

Source: Michigan Jobs Commission, Adrian Office, Summer, 1997

labor-intensive agriculture. Jackson County relied on MSFWs for only three crops and data was not available on these crops to measure its contribution to total acreage and value of production from labor-intensive agriculture in the region.

<b>Table 6. Migrant and Seasonal Farmworker Workforce by Housing Arrangement by County, 1997</b>		
<b>COUNTY</b>	<b>WORKFORCE IN LABOR CAMPS</b>	<b>WORKFORCE NOT IN LABOR CAMPS</b>
Monroe	274	106
Jackson	25	10
Hillsdale	12	3
Washtenaw	181	8
Branch	168	5
Lenawee	388	77
<b>TOTAL</b>	<b>1048</b>	<b>209</b>

*Source: Michigan Jobs Commission, Adrian Office, Summer, 1997*

The 3-tier classification of counties identified on the basis of their contribution to acreage and value of production is supported by information in Table 5 on where workers reside and where employers are located. The migrant and seasonal farm workforce in southeastern Michigan in 1997 is estimated at 1,257. Lenawee and Monroe Counties accounted for 67% and 74% of the workforce and farmworker employers, respectively. Branch and Washtenaw Counties combined for nearly 29% and 16% of the workforce and farmworker employers, respectfully. Jackson and Hillsdale accounted for less than 4% of the workforce and 11% of the farmworker employers, respectively.

<b>Table 7. Labor Camps, Length of Occupancy and Number of Units by County, 1997</b>				
<b>COUNTY</b>	<b>LICENSED LABOR CAMPS</b>	<b>AVE. LENGTH OF OCCUPANCY (MONTHS)</b>	<b>NUMBER OF LIVING UNITS</b>	<b>EST. HOUSING COSTS PER CAMP, PER SEASON</b>
Branch	9	6.5	28	13,650
Hillsdale	1	5	1	375
Jackson	2	5	14	5,250
Lenawee	9	5.1	67	25,628
Monroe	13	6.4	50	24,000
Washtenaw	4	5.25	27	10,631
<b>TOTAL</b>	<b>38</b>		<b>187</b>	<b>79,534</b>

*Source: 1997 Licensed Agricultural Camp List, Michigan Department of Agriculture*

Table 5 also shows that the majority of the workers are in the migrant stream; only 10% were considered seasonal workers. Given the predominantly migrant character of the workforce, the overwhelming majority (83%) resided in labor camps, most of which were located in these two counties (Table 6). The number of living units in each of the camps in the region also supports the three county tier categorization of where labor-intensive agricultural production is concentrated in the region (Table 7).

The migrant population is usually housed in labor camps although about 17% of the workers do not avail themselves of labor camp housing provided by their employer and instead rent their own housing in the towns and villages nearby the place of work (Table 6). Although growers are not obligated by law to provide migrant housing, housing is an essential element in securing an adequate supply of seasonal agricultural workers. Sometimes there is a rental fee, but usually the employer absorbs the housing expense. It is suspected that employers without labor camps relied on growers with labor camps to house their workers, but the extent of this practice is not known. Seasonal workers usually commute from their residence to the place of work.

State and federal regulations ensure that migrant labor camps meet certain minimum standards. When five or more migrant workers occupy a site, it is required that the labor camp be inspected and licensed by the Michigan Department of Agriculture. According to the Department, there were 38 licensed labor camps in the region. The number of labor camps housing less than five workers is not known.

The licensed camps met minimal standards such as roofs free from leakage and structurally sound, screened doors and windows, structurally sound floors, electricity, water, etc. If a camp is found to have serious deficiencies, the issuance of a license is not recommended. Marvin G. Johansen, Environmental Manager for the Department in charge of inspections, estimates that growers spend approximately \$75 monthly in utilities and labor camp maintenance per living unit during the period of occupancy (May, 2000), which averaged 5.5 months over the 6-county region. It is estimated that total housing and utility expenditures in the region for the seasonal are at about \$79,534 (Table 7).

The migrant and seasonal workforce in southeastern Michigan consists of both workers in family units and stag workers (solo men). The 156 family units accounted for 733 workers, or nearly 54% of the total workforce. About 11% of these family-working units were seasonal; the rest were migrant. Owing to the fact that an overwhelming number of families were in the migrant stream, most (81%) lived in labor camps. As in the case of migrant families, the overwhelming proportion (83%) of migrant stag workers resided in labor camps.

all the family members are farmworkers. In an average size family unit of 6.04 persons, only 47% worked. Another 38% the family members are of non-workers below the age of 12 and the remaining 15% consists of non-working adult members. When the non-working family members are added to the 446 stag workers and 811 family workers in the region, it is estimated that the migrant and seasonal population in the region consists of 2,168 people (Lenawee County Farmworker Survey, 1997).

Survey data for 1996 from Lenawee County farmworkers show differences in income depending on whether the worker is a member of a migrant family, a resident seasonal family, or if the migrant worker is stag. While migrant workers earned an average income of \$2,228, seasonal workers earned an average of \$5,057, and stag workers earned an average income of \$2,000. If these estimates are extended across the region, the 733 migrant family workers earned a gross income of \$1,633,124, the 134 resident seasonal workers earned a total of \$677,638 and the 390 solo migrant workers earned an a combined income of \$780,000. The combined total in income earned from these three groups is estimated at \$3,090,762 (Lenawee County Farmworker Survey, 1997).

**Table 8. Families, Family Workers, and Stag Workers In and Not In Labor Camps, by Migrant and Seasonal Categories, 1997**

SELECTED CHARACTERISTIC	MIGRANT WORKFORCE	SEASONAL WORKFORCE	MIGRANT/SEASONAL WORKFORCE
Families	139	17	156
Families in Labor Camps	127	0	127
Families Not in Labor Camps	12	17	29
Family Workers in Labor Camps	678	0	678
Family Workers Not in Labor Camps	55	78	133
Stag Workers in Labor Camps	370	0	370
Stag Workers Not in Labor Camps	20	56	76

*Source: Michigan Jobs Commission, Adrian Office, Summer, 1997*

The family unit composition of the workforce accounts for the difference that exists between the size of the farmworker population and the farmworker workforce in the area. The migrant and season population in southeastern Michigan is larger than the migrant and seasonal workforce because not

The survey data also show that not all farmworkers had the same propensity to consume in Michigan and locally. Different expenditure patterns were observed for each of the three groups of farmworkers. Migrant seasonal farmworkers spent 47% of their income earned in the region in

Michigan. Eighty percent of that was spent locally. Resident seasonal farmworkers, on the other hand, spent most of their earned (86%) in Michigan. Sixty-eight percent of the income spent in Michigan was spent locally. By contrast, stag workers spent just 30% of their income in Michigan. Most of those expenditures (86%) were made locally. When the expenditures of the three groups are aggregated at the state level they amount to \$1,584,337, or 51% of earned wages. When aggregated at the local level, these expenditures amount to \$1,211,578, or 39% of total income earned.

Seven public and non-profit organizations were identified as providing services to migrant and seasonal farmworkers in the region in 1997 (Table 6). These agencies administered at least \$1,238,391 in revenue to service the farm labor population. Over 72% of the funds were administered through state departments although the funds represent federal as well as state funds. These state agencies administered the Migrant Education, Food Stamps, Day Care, Aid to Dependent Children, Family Medicaid, Migrant Hospitalization programs, and other medical and emergency service programs. The remaining nonprofit agencies administered approximately 28% of the revenue. These agencies administered health, child care, and employment program services. As can be seen, the variety of sectors impacted by the presence of farmworkers is significant. In the case of the public sector operated programs, the figures show only the cost of services provided. The figure would be larger if administrative costs were factored into the analysis.

The proportional representation of family units and/or stag workers in the farmworker workforce makes a significant difference in the amount of income from transfer payments that flows into the region from federal and state sources. Children specific programs, like the Migrant Education Program, Telamon's Migrant Head Start program or FIA's Day Care or Aid to Dependent Children, would be eliminated if the workforce consisted of only stag workers. When these programs are

**Table 9. Migrant and Seasonal Farmworker Service Network Expenditures, Southeastern Michigan, 1997**

AGENCY NAME	AGENCY \$ TOTAL
Community Action Agency	20,501
Migrant Education Program	
Jackson	114,578
Washtenaw	79,680
Lenawee	122,957
<b>Total</b>	<b>317,215</b>
The Family Medical Center	19,000
HDI Washtenaw Mobile Unit	49,000
Family Independence Agency	
Monroe	276,979
Washtenaw	3,000
Lenawee	293,019
Jackson	6,000
<b>Total</b>	<b>578,998</b>
Telamon	
MHS	161,171
402	55,006
<b>Total</b>	<b>216,177</b>
Jobs Commission	37,500
<b>GRAND TOTAL</b>	<b>1,238,391</b>

*Source:*

- 1 Interviews with agency administrators, November 1998.
- 2 1997 Program Year, Family Independence Agency Migrant Expenditures Report, Office of Migrant Services, State of Michigan.

eliminated, the transfer payment flow into the region is reduced by at over 66%.<sup>3</sup> The reduction in the transfer payments flow is actually greater since children also benefit from the other FIA programs that are not specific to children. In addition, stag workers are less likely to use migrant services compared to family workers for a variety of reasons. For one, fewer may qualify since some of these programs require that the beneficiary to be a legal resident and there is also a higher likelihood that the proportion of undocumented workers is greater for stag workers than for family workers. In addition, stag workers are younger on average, so they are less likely to utilize health services.

## Contributions of MSFWs in Southeastern Michigan

Measuring the economic contributions of the MSFW population to the local economy of southeastern Michigan relies on the information from the previous two sections. The straightforward discussion follows the model presented in Table 1. The findings are then used to gauge the potential economic impact on the local economy of the H-2A national policy initiative currently being debated in congress.

It was indicated in Table 4 that MSFW-dependent agriculture in the 6-county area of southeastern Michigan generated a production value of \$27,649,878 from the use of 14,454 acres. This represents an average of \$1,912.95 an acre. Assuming MSFWs are not available and growers remain in agriculture and switch to growing traditional field crops, which earned an average value of production in Michigan of \$281 per acre, the production value from this acreage would have been \$4,061,574. Thus the use of farm labor would have contributed an extra \$23,588,304 (Table 10). Lenawee and Monroe accounted for over 82% of the increased value of production.

The proportion of wages earned over the season that are spent locally can be used to estimate changes in business sales in the region. In the previous section it was demonstrated that farmworker expenditures contributed \$1,211,577 to the local business community. But employment compensation needs to first be subtracted from value added to

avoid double counting the income contributions to the local economy. This is because almost all farmworkers are employed rather than contracted.<sup>4</sup> When the earned income (\$3,090,762) is subtracted from the added value of production from MSFW-dependent agriculture in the region, value added is \$20,497,542. With this adjustment the contribution to the private sector from increases in value added and farmworker expenditures amounts to \$21,709,119.

Housing maintenance and utilities are expenses associated with MSFW-dependent agriculture that are factored in when estimating value added. Because these expenses are deducted from cash receipts to estimate value added, and since these costs are not expenses associated with traditional field crop production, they represent an addition contribution to the local economy despite being an expense to agricultural employers. In 1997, these expenditures amounted to \$79,534.

When these expenditures are combined with the income to the growers and the business community, the total private sector impact from MSFW dependent agriculture is estimated at \$21,788,653. It is worth pointing out that 94% of the contribution is accrues to agricultural employers. An additional 5.5% is accrued by the business community, primarily the retail sector. Although relatively speaking, business expenses are a small amount, for particular individual firms near the labor camps and the surrounding area, the amount of business income generated from farmworker customers can be substantial.

**Table 10. Added Value of Production of Major Crops Harvested by Farm Labor in Six County Area Above that of Field Crops, 1997**

COUNTY	ACREAGE	VALUE OF PRODUCTION FROM TRADITIONAL GRAIN CROPS	VALUE OF PRODUCTION FROM MSFW-DEPENDENT AGRICULTURE	ADDED VALUE OF PRODUCTION FROM MSFW-DEPENDENT AGRICULTURE
Branch	1,252	351,812	2,461,997	2,110,185 (8.95%)
Hillsdale	255	71,655	436,362	364,707 (1.55%)
Lenawee	6,794	1,909,114	12,800,109	10,890,995 (46.17%)
Monroe	4,966	1,395,446	9,986,779	8,591,333 (36.42%)
Washtenaw	1,187	333,547	1,964,631	1,631,084 (6.91%)
<b>TOTAL</b>	<b>14,454</b>	<b>4,061,574</b>	<b>27,649,878</b>	<b>23,588,304</b>

Source: Michigan Agricultural Statistics, 2000

An additional source of income, to the private sector actually comes from state and federal transfer payments that are administered through the public and non-profit sectors in the region. The service sector, especially the health, education, and child care industries are major beneficiaries of the estimated \$1,238,391 in transfer payments that annual flow into the region. It was not possible to estimate for this study how this revenue was divided between employee compensation expenses that accrued to the public and private sectors, and service expenses that accrued to the private sector.

Based on our calculations of direct effects, the farmworker population contributed to a net monetary gain of \$23,399,804 to the state economy, of which \$23,027,044 was spent on the regional economy of southeastern Michigan (Table 11). These estimates are considered conservative because they exclude the majority of the field crops that rely on MSFW for hoeing and weeding, and all the floriculture and nursery commodities. Even so, given 1,257 farmworkers were employed in the region, the contribution per farmworker to the local economy is estimated at over \$18,000.

The state’s agricultural employers have a long tradition of relying on domestic family units to meet their labor needs. Another deterrent is that the cost of using H-2A rather than domestic labor is considered more costly because of the transportation and income and employment guarantees employers have to provide to these workers. But the interest in foreign workers is growing and the H-2A program is slowly beginning to take hold in Michigan. Although data is not available to make quantitative estimates of their impact, it is reasonable to conclude that their net positive impact on the local economy would be less than that of domestic workers. In addition to injecting less money into the local economy because of their lower propensity to consume locally and their lower need for services, they would also constitute a larger leakage because of the higher costs agricultural employers would have to incur for their services.

### Conclusion

This chapter has demonstrated that the farmworker population represents a significant economic development event to the region and the state. Labor-intensive agriculture represents a net benefit to both the producers and the community. The monetary impact of the farmworker population would be greater if the current migrant stag workers were replaced with migrant and seasonal family working units. The use of legal foreign workers through the H-2A program or some other program would reduce the positive impact of this event to the community.

Communities should consider taking positive steps to maximize the benefits to the local economy from the presence of the MSFW population. A diverse and large number of community interests seem to benefit from the presence of the farmworker population. These stakeholders should be made aware of the impact the farm labor population on their industries. Issues related to the farmworkers should not be left to just economic or equity value advocates. Consideration should be given to regional and community income as well as farm income when making arguments on behalf of the farmworkers. Improving community attitudes towards the MSFW population should also be an integral part of any strategy to maximize the positive economic impact that the farmworker population has on the local economy.

**Table 11. Direct Economic Impact of the Migrant and Seasonal Farmworker Population, 1997**

TYPE OF MONETARY CHANGE	REGION	STATE
Value Added	\$20,497,542	\$20,497,542
Housing Maintenance and Utilities Costs	79,534	79,534
Farmworker Expenditures	1,211,577	1,584,337
Public and Nonprofit Sector Expenditures	1,238,391	1,238,391
<b>Total Direct Impact from MSFWs</b>	<b>23,027,044</b>	<b>23,399,804</b>

As was anticipated, the injection of income into the local economy from stag labor is less than that of family workers. They not only spend less of their earning, but they also receive less income from federal and state income. Agricultural employers could potentially pay less in housing because less housing would be needed for the same amount of workers.

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## Endnotes

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- 1 Although a broad array of policy proposal were offered and reviewed at the 1980 national conference on seasonal agricultural labor markets in the United States, Emerson emphasized the importance of considering farmworker policy within the broader spectrum of poverty, regardless of the occupation. This view of the farm labor problem recognized the dynamic nature of the labor markets. According to Emerson, viewing farmworker policy within this border spectrum of poverty was important because, "a focus solely in the context of the existing farm labor market tends to point one in the direction of maintaining current participants within the market rather than considering the overall welfare within the economy.... " (p.504). Within this broader perspective, income maintenance programs were thought to offer considerable appeal over various programs that targeted specific occupational groups (Emerson, Robert D., "Summary" in *Seasonal Agricultural Labor Markets in the United States*, (1984) Emerson, Robert D., editor, pp.482-523). Clearly, the sentiment at the time was to give attention to moving workers out of farm labor. Aiding the transition of displaced and current farmworkers out of the unskilled labor pool into more remunerative and stable employment remains a preferred policy approach. It can be contrasted with the approach to protecting and aiding those remaining in agriculture through legislation, regulation, and direct services.
- 2 The large acreage associated with these crops would have distorted the acreage figures for the more labor-dependent crops in the table. The weeding and hoeing and the baling and moving hay tasks performed by MSFWs on these crops respectively, although sequentially essential to the production process of these commodities, represent a relatively minor addition to the value of production of these crops.
- 3 FIA's expenditure on its Day Care program in Lenawee and Monroe County alone totaled \$283,700. Figures for its Aid to Dependent Children program were not available.
- 4 In estimating value added to the U.S. economy the Economic Research Service subtracts contract labor but not hired labor expenses from farm cash receipts. (Michigan Department of Agriculture, p.8).