

Bitter Harvest:

Foul Play and Poverty Wages for Idaho's Farm Workers

The Idaho Economy Series: No. 1

Idaho Community Action Network (ICAN)
Northwest Federation of Community Organizations (NWFCO)
February 2000

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The only commodity that a poor man is born with is his time.
-- Senator Whitworth, Idaho Legislator

I. Overview

Agriculture in Idaho is a 3.3 billion dollar industry.¹ Profits are up, and so is productivity.² Idaho farm workers are the engine at the center of this large and profitable industry. Why then are they denied the economic protections afforded other workers in Idaho and in other states?

Idaho law excludes farm workers from its state minimum wage law. This means employers can pay workers whatever they want. Idaho also fails to protect farm workers from dishonest farm labor contractors.³ This means that contractors can fail to pay farm workers their wages with impunity. It is little wonder then that -- in contrast to the statewide poverty rate of 13.7 percent⁴ -- as many as 60 percent of Idaho farm workers may be living in poverty.⁵

Poverty spawns a myriad of hardships, among them poor housing and poor health. Housing for farm workers is generally substandard and life expectancy is 49 years.⁶ Because approximately half of adult farm workers have children,⁷ large numbers of Idaho's children are growing up in conditions of hardship as well.

With \$600 million in annual profits,⁸ agriculture in Idaho is an industry well able to afford decent wages and decent treatment of its workers and their families.

Idaho prides itself on an ethos of hard work and fair play. Like the 500,000 other workers in Idaho, when farm workers put in a hard day's work, they deserve a fair day's pay.⁹

II. The Problem: Foul Play by Contractors & Sub-Minimum Wages

Problem #1: Foul Play by Contractors

At least 3,500 farms in Idaho -- about one in six¹⁰ -- use farm workers hired by farm labor contractors.¹¹ Farm workers hired by contractors are regularly cheated out of their wages by these contractors. Stan Casiano's story is typical:

A contractor hired Stan and his two teenage daughters to work a beet field in Burley. To complete work on the field, they worked six hours a day, five days a week, for nearly a month. When the field was completed, they went to the contractor's house to collect their wages and were told that the contractor was in Wyoming. Despite repeated attempts to find his erstwhile employer, Stan never saw the contractor again.

How MANY FARM WORKERS EARN LESS THAN MINIMUM WAGE?

Some sources have estimated that 17 percent of farm workers in the Northwest, including Idaho, earn less than minimum wage.* There are good reasons to believe however, that the figure is much higher for Idaho.

Among these reasons are:

(1) The 17 percent figure is derived from a regional average which includes numbers from states which, in all likelihood, have higher rates of pay for farm workers.

According to the Idaho Department of Labor, inclusion of Washington's numbers very likely lowers the overall, regional percentage of workers not receiving minimum wage, since Washington mandates the payment of minimum wage to all its farm workers.**

(2) The 17 percent figure is derived from a survey that does not measure real wages.

A worker's hourly rate may, officially, be \$5.15 an hour or more. In reality, however, an array of employer practices can effectively reduce the real wage to a much lower hourly wage. Take "Stop the clock" practices, for example. When, in the course of a work day, farm machinery breaks, some employers force workers to "punch out" for the time it takes to fix the machinery.

The survey instrument used to gauge wage rates does not include the measures necessary to capture real wages.

* The states surveyed for this number include Idaho, Oregon, Montana, Washington and Wyoming. Wage data is unavailable for Idaho only. Jack Runyan, "Number of Hired Farm Workers Earning Less Than the Minimum Wage," U.S. Department of Agriculture, Economic Research Service, Washington, D.C., December 1999.

This means between 2,720 and 5,610 farm workers in Idaho earn below the minimum wage, if one applies Department of Labor estimates of number of farm workers in the state (between 16,000 and 33,000 hired farm workers in Idaho, depending on the season). Idaho Department of Labor, "Economic Analysis of Removing the Agricultural Labor Exemption in the Idaho Minimum Wage Law," Boise, ID, January 2000, p. 2. This number, however, is more than likely a gross underestimate of the number of farm workers earning less than minimum wage.

** Allen French, Chief Economist, Economic Research Service, U.S. Department of Agriculture, Washington, D.C., Personal Communication, February 4, 2000.

When contractors fail to pay their workers, these workers have no effective way to recoup these lost wages. Because most farm workers live in poverty, missing even one paycheck can be devastating. It can mean children going hungry and whole families evicted from their homes. In other words, the actions of dishonest contractors thrust farm workers into even deeper poverty and the state of Idaho does nothing to protect these workers.

Problem #2: Sub-Minimum Wages by Employers

By law, the minimum wage in Idaho is \$5.15 an hour.¹² This law, however, does not cover farm workers.¹³

Some sources have estimated that 17 percent of farm workers in the Northwest -- nearly 1 in 5 -- earn less than minimum wage.¹⁴ There is good reason to believe, moreover, that this figure grossly underestimates the number of such workers (see box to left).

A single adult working full time at the minimum wage has an income barely above the federal poverty level. Sub-minimum wages put workers far below the poverty line (see Table 1). As many as three-fifths of farm workers have an average annual income of \$6,500.¹⁵

TABLE 1: Federal Poverty Level, 1999*

Number in Family	Gross Monthly Income	Gross Yearly Income
1	\$687	\$8,240
2	\$922	\$11,060
3	\$1,157	\$13,880
4	\$1,392	\$16,700

Source: U.S. Department of Health and Human Services,
<<http://aspe.hhs.gov/poverty/99poverty>>.

* Most recent year available.

Lydia Valdez
Burley, Idaho

On one job, Lydia spent eight to nine hours a day working alongside nine other farm workers hoeing beets. It took the workers fifteen days to complete the ten-acre job. They were hired on a piece rate basis and were told they would be paid \$150 for each acre hoed. This came out to \$1.39 an hour for each farm worker.

When it was time to receive payment from the farmer, the farm workers were told that they wouldn't get paid until the potato harvest was finished. The potato harvest was another three months away.

After the harvest, Lydia still had not received her wages. So she visited the farmer again and again. Eventually, the farmer paid, but he only paid \$80 per acre instead of \$150. When Lydia reached for the check, he threw it on the ground.

Alfredo Sanchez
Rupert, Idaho

Alfredo worked at a farm milking and feeding cows and moving irrigation lines for alfalfa and wheat fields. He worked 12- to 15-hour days, seven days a week.

When he was hired, he was told that he would earn above the minimum wage. When his first payday arrived, his check was considerably smaller than he expected. It worked out to \$2.86 an hour.

Alfredo worked for the farmer for over a year, unable to find a job that paid at least the minimum wage.

Emilio Lopez
Almo, Idaho

For three years, Emilio worked for a local rancher in Almo to support himself, his wife, his mother, and his two sisters. He put in 12- to 14-hour days, taking care of cattle as well as planting, harvesting, and bundling alfalfa and wheat. He also moved pipes for irrigation.

He worked seven days a week and was expected to be available at all times of the day. With no time off, Emilio rarely saw his family.

"I was pretty much a slave. I might as well have been one of the cows, that's how I was treated."

Emilio was paid \$2.81 an hour. "My employer basically told me to 'take it or leave it.'"

III. The Solution: Contractor Bonding and Inclusion of Farm Workers in Minimum Wage Laws

Solution #1: Pass Legislation Requiring the Bonding of Farm Labor Contractors

Currently, the Idaho legislature is considering legislation which would require farm labor contractors to:

- obtain a license;
- comply with requirements concerning the payment of wages;
- provide worker's compensation; and,
- file a surety bond with the Idaho Department of Labor.¹⁶

At the heart of the legislation is the requirement that contractors file a surety bond. The amount of the bond varies from \$10,000 to \$30,000, depending on the number of workers the contractor employs. If a contractor misrepresents the terms or conditions of wages or fails to pay wages to an employee, the employee (or the Department of Labor, acting on his or her behalf) can apply to be paid wages from this bond.

Contractor bonding, particularly in the building trades, has a long and successful history. In the past, workers employed in the building trades -- carpenters, plumbers, and electricians, for example -- faced problems with contractors similar to those of farm workers. Today, in these industries, contractor bonding is common practice and bonding laws are common place. Contractor bonding is a mechanism of worker protection with a proven track record of success.

Contractor bonding in agriculture, though of more recent vintage, has also been an effective tool of worker protection. In fact, two of Idaho's neighboring states, Washington and Oregon, have such statutes. The legislation currently before Idaho lawmakers is modeled on these statutes.

This legislation comes at little or no cost to the public. It authorizes the Department of Labor to charge a registration fee to cover the administrative costs.

Ester Ramirez Burley, Idaho

Ester is married with three children. She has spent many long hours hoeing beets in Burley, Idaho.

Recently, she was hired through an unlicensed contractor along with fifteen other people to hoe the fields of a local farm. Eleven of the people hired were children. Ester hoed 135 acres but was only paid for 110. The unpaid rows went to the contractor.

When workers complained, they were told to "keep their mouths shut" or someone would be fired.

Solution #2: Amend the State Minimum Wage Law to Include Farm Workers

Idaho needs high standards, not double standards. Farm workers are the only numerically significant group of workers excluded from Idaho's minimum wage law. By excluding farm workers from coverage, Idaho implies that such workers are second-class citizens. This gives a "black eye" to the whole agricultural industry.¹⁷

The Idaho legislature is currently considering HB 500, a bill which would amend the minimum wage law. Among other things, the legislation would:

- extend the \$5.15 minimum wage to cover farm workers; and,
- require that a person employed at a piece rate is able to earn the equivalent of the minimum wage.

The estimated cost to the state of enacting this legislation is a modest \$120,000.¹⁸ Should farmers pass the increased farm labor costs on to consumers, consumer spending on fresh fruits and vegetables by the typical household would increase by less than \$10 annually.¹⁹

Passage of this bill is a critical step in improving the lives of the state's farm workers.

Luis Garcia Rupert, Idaho

Luis is a single father, raising four children on his own. A few years ago, he was working fourteen hours a day, seven days a week, on a farm in Rupert. His workday began at 5:00 a.m. and sometimes lasted until 11:00 p.m.

When hired, Luis was told he would be paid \$5.50 an hour (i.e., above the minimum wage). When he received his first paycheck, however, he discovered that he had been paid only \$4.20 an hour.

When Luis demanded correct payment for his work, the farmer simply refused. Luis threatened to go to the Idaho Department of Labor, but the farmer knew this was an empty threat. An undocumented worker, Luis could not appeal to the Department without risking deportation.

Shortly thereafter, the farmer started adding more duties to Luis's already full schedule. When Luis objected, he was fired.

IV. Conclusion

The Idaho Community Action Network (ICAN) is calling on our state leaders to take action and extend badly needed economic protections to Idaho farm workers.

Agriculture is one of Idaho's most important industries.²⁰ Yet farm workers, who make a vital contribution to this industry, are some of lowest paid workers in the state. Farm workers need to earn at least the \$5.15 minimum wage in order to support their families, and contractors need to be held accountable when they fail to pay workers the wages that they have earned.

ICAN has placed this issue at the top of its legislative agenda. We will fight to ensure that the people who produce the food on our tables are treated with dignity and respect and that Idaho is a land of economic opportunity for all.

ENDNOTES

¹ Idaho Department of Labor, "Economic Analysis of Removing the Agricultural Labor Exemption in the Idaho Minimum Wage Law," Boise, ID, January 2000.

² The net cash return from agricultural sales was \$590 million in 1997, almost \$100 million more than in 1992 (the last year, prior to 1997, in which an agricultural census was done). U.S. Department of Agriculture, "1997 Census of Agriculture," National Agricultural Statistics Service, Washington, D.C., 1997, <<http://www.nass.usda.gov/census/census97>>. On productivity, see Idaho Department of Commerce, "Idaho: Since 1970," Boise, ID, <<http://www.idoc.state.id.us/data/since70f.html>>.

³ A farm labor contractor is someone who, for a fee, solicits, recruits, supplies, transports, or employs agricultural employees.

⁴ Center on Budget and Policy Priorities tabulation of Census Bureau March CPS data from 1996-1998. Center on Budget and Policy Priorities, "Poverty Despite Work," Washington, D.C., April 1999, p. 57.

⁵ No data are available on poverty rates among Idaho farm workers. If we assume, however, that poverty rates for farm workers in Idaho mirror those for farm workers throughout the U.S., then 60 percent of Idaho farm workers live in poverty. U.S. Department of Labor, "National Agricultural Workers Survey," Washington, D.C., n.d., <<http://www.dol.gov/dol/asp/public/programs/agworker/naws.htm>>.

⁶ Farm Labor Organizing Committee, "Farm Workers and Farm Labor Conditions," Toledo, OH, July 1999, <<http://www.iupui.edu/~floc/fws.htm>>.

⁷ "Children" are dependents aged 17 or younger. U.S. Department of Labor, "National Agricultural Workers Survey: A Profile of U.S. Farm Workers," Washington, D.C., n.d., <<http://www.dol.gov/dol/asp/public/programs/agworker/report/intro.htm>>.

⁸ U.S. Department of Agriculture, "1997 Census of Agriculture," National Agricultural Statistics Service, Washington, D.C., 1997, <<http://www.nass.usda.gov/census/census97>>.

⁹ "Bill Text, House Bill No. 500," Idaho State Legislature, <<http://www3.state.id.us/oasis/H0500.html>>.

¹⁰ U.S. Department of Agriculture, "1997 Census of Agriculture: County Data," National Agricultural Statistics Service, Washington, D.C., 1997, <<http://www.nass.usda.gov/census/census97>>.

¹¹ U.S. Department of Agriculture, "1997 Census of Agriculture: County Data," National Agricultural Statistics Service, Washington, D.C., 1997, p. 182, <<http://www.nass.usda.gov/census/census97>>. The number of contractors and contract workers are unavailable, since the Idaho Department of Labor fails to collect such data.

¹² Idaho Code § 44-1502.

¹³ Idaho Code § 44-1504. The federal government forbids states from excluding farm workers whose employers use more than five hundred man-days of agricultural labor per year. Hence, in Idaho, these farm workers do receive minimum wage. The Idaho Department of Labor does not collect the data necessary to determine how many workers fall into this category.

¹⁴ The states surveyed for this number include Idaho, Oregon, Montana, Washington and Wyoming. Wage data is unavailable for Idaho only. Jack Runyan, "Number of Hired Farm Workers Earning Less Than the Minimum Wage," U.S. Department of Agriculture, Economic Research Service, Washington, D.C., December 1999.

¹⁵ U.S. Department of Labor, "The National Agricultural Workers Survey," Washington, D.C., <<http://www.dol.gov/dol/asp/public/programs/agworker/naws.htm>>.

¹⁶ At the time of publication, the proposed legislation had not yet been assigned a bill number. Representatives Ken Robison (D-19) and David Bieter (D-19) are the main sponsors of the legislation.

¹⁷ Neil Meyer, Agricultural Economist, University of Idaho, cited in letter from Representative Tom Trail to Members of the House Committee on Agriculture, Boise, Idaho, February 21, 1999.

¹⁸ "Bill Text, House Bill No. 500," Idaho State Legislature, <<http://www3.state.id.us/oasis/H0500.html>>.

¹⁹ The Urban Institute, "Poverty Amid Prosperity," Washington, D.C., 1997, pp. 89-90, cited in California Rural Legal Assistance Foundation, Inc., "Payment of Good Wages and Benefits to Farm Workers Won't Hurt Growers or Raise Food Prices Much," San Francisco, CA, n.d., <<http://www.crlaf.org/wageinc.htm>>.

²⁰ Idaho Department of Labor, "Economic Analysis of Removing the Agricultural Labor Exemption in the Idaho Minimum Wage Law," Boise, ID, January 2000.

About The Organizations Releasing This Report

The Idaho Community Action Network (ICAN) serves as a powerful, consolidated voice for Idaho's poor, with chapters and membership clusters in six Idaho communities, including the state's three largest cities and numerous rural towns. Through ICAN, low-income Idaho families have a voice in the decisions that impact their lives. In addition to its direct action work, ICAN runs a statewide, volunteer-driven food program that helps low-income families supplement their monthly budgets. ICAN's community organizing model integrates the provision of food with training, leadership development and action on issues.

The Northwest Federation of Community Organizations (NWFCO) is a regional federation of five statewide, community-based social and economic justice organizations located in the states of Idaho, Montana, Oregon and Washington: Idaho Community Action Network (ICAN), Montana People's Action (MPA), Oregon Action (OA), Washington Citizen Action (WCA) and Coalition of Montanans Concerned with Disabilities (CMCD). Collectively, these organizations engage in community organizing and coalition building in fourteen rural and major metropolitan areas, including the Northwest's largest cities (Seattle and Portland) and the largest cities in Montana and Idaho.

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