FUTURE TRENDS IN SOUTHEAST VEGETABLE MARKETS

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The future of the vegetable industry and market is precarious for the following reasons: (1) Immigration labor reforms; (2) International competitiveness; (3) Debate on diet and health issues; and (4) Other trade related reforms/policies.

Out of the problems enumerated the new immigration reform or regulations concerning migrant labor is the most burning issues on the agenda of most politicians. This regulation has created two schools of thought, those for it and those against it. Both schools have plausible reasons for their support or rejection of the policy. The policy impacts heavily on some sectors of the U.S. economy, especially agriculture which is more highly dependent on migrant labor than others. The objective of this article is to shed some light on the effect of the new immigration regulations and how it would impact this industry if policy makers fail to implement regulations that would strike a balance in the migrant labor equation (AFBF, 2006).

The United States vegetable and fruit industry is one of the most dynamic in terms of growth and diversity. This industry generates 29% of total U.S. crop cash receipts and it is ranked 5th in terms of U.S. agricultural exports (figure 1). Other major economic crops that have an impact on the U.S. farm cash receipts are feed crops, 24%, oil crops, 16% food grains, 7% and cotton and tobacco, 6% (figure 1). The size and diversity of the industry can be determined by the number of commodities involved such as broccoli, cabbage, tomatoes, onion, cucumbers, lettuce, snap beans, sweet corn, pepper, pumpkin, eggplant, and fruits like oranges, apples, peaches, citrus, blueberries, strawberries. This list includes tree nuts such as pecans, macadamia, walnuts and pistachio; pulse crops such as field peas, lentils, field beans, and melons (watermelon, cantaloupes, honeydews, etc.), produced in the United States (Lucier et al.; 2006).

Fig. 1: U.S. farm cash receipts for crops, average 2002-2004.
Although labor has always been an important issue in the U.S. agricultural sector for more than half a century, the recent broad-based guest worker program aimed at increasing the agricultural sector labor supply has raised controversial views amongst government legislators in the senate and the congress. Of the 10 million all farm labor recorded in 1950, only about 3 million exist as of 2005. Out of that amount, 0.50 million are hired workers (figure 2).

Recent studies show that although food preparation pays less, $6.64/hr than farm labor, $9.50, it has been an uphill battle to convince the food preparation labor force to switch to farm labor even for higher wage. The reasons forwarded were that it is less strenuous and more comfortable to be engaged in the food preparation industry than farm work. As a result, Americans preferred the later to the former (AFBFR, 2005; Fonsah, 2006).

If farm labor is less attractive to Americans, our dependence on migrant labor will increase. If this hypothesis is correct, then the vegetable and fruit industry that depends on migrant labor will be heavily affected. A study by the American Farm Federation depicts that the state of Georgia will lose $101-$181 million in production and $30 - $101 million in income in the short-run. In the long-run, the loss to the state of Georgia will increase to $131-$241 million in production and $50-$161 million in income respectively (AFBFR, 2006; Fonsah, 2006).

The recent crack down of illegal immigrants in some states such as Georgia will definitely have an adverse effect on the vegetable industry especially for crops that are hand picked, e.g. pepper, fresh tomatoes, squash etc. Hopefully, policy makers will derive a workable solution that would strike the balance between the two schools of thought so as to minimize the loss in both production and income.
Conclusion

Farm labor force is the backbone of the U.S. Agriculture especially in the vegetable and fruit industries. Although those for and against migrant labor have plausible reasons for their argument, the earlier politicians resolve the problem the better as the impact in both production and income loss is substantial. Furthermore, prices will increase because of the natural scarcity caused and we might eventually become net importers of vegetables and fruits.

References


