

## **Mexican Labor Pool Draining Away**

A new study from economists at the University of California Davis, Dr J. Edward Taylor and PhD candidate Diane Charlton, makes estimates of the potential pool of farm labor from Mexico. The study, "A Declining Farm Workforce: Analysis of Panel Data from Rural Mexico," just published in the American Journal of Agricultural Economics, documents the strength of the decline in the Mexican farm labor pool.

Among the factors reducing the total pool of Mexican farm labor are the declining size of rural Mexican families, the increased years of schooling now available to rural children, increased employment in Mexico's non-farm sector in rural areas, and the aging of the workforce in rural Mexico. With smaller families and more schooling, fewer rural youth are entering the Mexican agricultural labor force. That labor force has served farmers in both Mexico and the United States.

### **Negative Indicators for Farm Labor Pool**

The authors used data from the Mexican National Rural Household Survey between 1980 and 2010 to assemble work histories for individuals in the 15-65 age group in the five major regions of Mexico. The results showed steady declines in the share of workers entering agriculture and in the number of consecutive years worked in agriculture. That latter figure had fallen from 14.7 years for those born 1960 or earlier to only 3.3 years for those born 1981-1995.

One of the authors' conclusions is that given rural Mexico's working-age population in 2010 of about 16 million people, the farm labor supply is declining by over 150,000 persons per year. The decline was found across all five Mexican regions.

### **Flow into U.S. Agriculture**

While the flow of Mexican farm workers into the U.S. is affected by the total size of the labor pool, it can be negatively affected by U.S. border enforcement actions and positively affected by the wages offered in U.S. agriculture. However, increasingly U.S. agriculture will be competing for workers against the Mexican non-farm sector.

### **Implications for Agriculture**

Both Mexican and U.S. agriculture will face an increasing shortage of potential workers if these trends continue as expected. Tweaking immigration laws will do little to alleviate the problem if the number of willing immigrants continues to fall. In the near term, as the total Mexican farm labor pool decreases, the pool of workers that can be recruited under programs like H-2A will also diminish.

The authors also point out that moving further south into Guatemala, Honduras or El Salvador will not solve the labor problem for U.S. agriculture. These countries have much smaller rural labor pools, and are experiencing similar shifts away from agricultural work as those noted in Mexico. The total rural labor pool is draining rapidly.

Producers of intensive crops that require substantial farm labor will be forced to become increasingly mechanized, or to switch to crops that require less farm labor.

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