Calculating the Costs and Benefits

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Americans spend relatively little on food, and relatively little of what they spend represents the cost of farm workers.

If farm wages rose 40 percent, each household would spend about $15 more a year, and each seasonal farm worker would be lifted above the federal poverty line.

In 2009, the total food budget for the average household was $6,400, according to the Bureau of Labor Statistics' Consumer Expenditure Survey. About 60 percent of food spending was for food eaten at home. Of that, the largest expenditures were for meat and poultry, an average of $841 a year. Spending on fresh fruits ($220) and fresh vegetables ($209) totaled $429; the average household spent more on alcoholic beverages, $435.

Even when packing costs for fresh produce are negligible — strawberries are packed directly into the containers in which they are sold, and iceberg lettuce gets its film wrapper in the field — farmers and farm workers receive only a small share of the grocery store sticker price. In 2006, farmers received an average of 30 percent of the retail price of fresh fruits and 25 percent of the retail price of fresh vegetables, so consumer expenditures on fresh produce meant $118 to the farmer. Farm labor costs are typically less than a third of farm revenue for fresh fruits and vegetables, meaning that farm worker wages and benefits for fresh fruits and vegetables cost the average household $38 a year.

Consumers who pay $1 for a pound of apples are giving 30 cents to the farmer and 10 cents to the farm worker; those spending $2 for a head of lettuce are giving 50 cents to the farmer and 16 cents to the farm worker.

If the influx of immigrant workers were slowed or stopped and farm wages rose, what would happen to expenditures on fresh fruits and vegetables? A case study from 1966 could give us some idea.

That year, the United Farm Workers union won a 40 percent wage increase for some table grape harvesters, largely because the end of the Bracero program had cut off a supply of Mexican workers. The average earnings of U.S. field workers were $10.07 an hour in 2009, according to a U.S.D.A. survey of farm employers. If pressure to verify employees' legal status resulted in a labor crisis similar to the one in 1966 and a similar 40 percent wage increase, average hourly earnings would rise to $14.10. If this were passed on to consumers, the 10 cent farm labor cost of a pound of apples would rise to 14 cents, and the $1 retail price would rise to $1.04.

For a typical household, a 40 percent increase in farm labor costs translates into a 3.6 percent increase in retail prices. If farm wages rose 40 percent, and this wage increase were passed on to consumers, average spending on fresh fruits and vegetables would rise about $15 a year, the cost of two movie tickets. However, for a typical seasonal farm worker, a 40 percent wage increase could raise earnings from $10,000 for 1,000 hours of work to $14,000 — lifting the wage above the federal poverty line.

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