President's Newsletter

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Office of the President
United Farm Workers of America, AFL-CIO
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PRESIDENT'S OFFICE

Farm Workers Seek to Share in Growers' Profits with Largest Farm Strike since Law Enacted

Angered by the growers' refusal to deal seriously with the real economic problems they face, thousands of farm workers in the California-Arizona vegetable industry walked off their jobs in the largest farm strike since the Agricultural Labor Relations Act was passed nearly four years ago.

The strike is centered in Southern California's Imperial Valley where 150 farm workers at California Coastal Farms walked out of the fields January 19. Within one week workers at seven additional ranches—over 3,100 farm workers—had joined the strike in the Imperial Valley, Salinas Valley, Oxnard, Huron, Phoenix, and San Luis, Arizona.

The workers' contracts expired on January 1. The employers were granted a 15 day extension while talks continued, but the agreements finally ended at midnight on January 15.

The eight companies affected by the strike as of January 28 included California Coastal Farms, Vessey & Company, SunHarvest, Inc., Mario Saikhon, Joe Maggio, Lu-Ette Farms, Growers Exchange and Colace Brothers.

Although there were scattered attempts to break the strike, mainly by farm labor contractors, most strikebreakers left their jobs when they were appraised of the walkouts. More than a week after it began, the strike remained the longest unbroken farm workers' walkout in memory.

(This issue of the President's Newsletter will focus chiefly on the farm workers' economic plight, the impact on inflation, and the employer's demand that farm workers keep their wage and benefit increases within President Carter's *seven per cent wage guidelines. Because events in the strike move quickly, this Newsletter will not attempt to report in detail on the strike itself.)*

One group of 28 companies are involved in negotiations with the union that began on November 27, 1978. Several other growers are not included in the group at the bargaining table, but either held contracts which expired the first of the new year or have an obligation to negotiate with the union after workers at the companies voted for the UFW in elections conducted by the Agricultural Labor Relations Board.

Farm Workers Years Behind

The economic situation of the UFW membership is years behind other workers; while other workers had unions years ago, the farm workers have been struggling for over eight years in the vegetable industry for the right to have a union.

All the time economic progress was being made by other workers through their unions, our union's struggle was simply to survive as an organization. The disputes with the Teamsters' Union, and the strikes and boycotts occupied the workers and the union during these times. Finally, in 1975, the farm labor law was passed and workers won the right to vote in free election for the union of their choice.

The issue in the current negotiations is to put this union that has been built to do the work a union should do—improving the living standard of its members.

Consequently, the UFW has a great deal of catching up to do if farm workers are going to bring themselves into the 20th Century with the same relative kinds of wages and economic benefits other people who do similar work earn.

For example, vegetable workers' wages have increased from $2 per hour in 1970, to $3.70 per hour in 1978 (and continuing into 1979 under the old contract rate)—an 85 per cent increase. But during the same period of time, consumer prices shot up 71 per cent. So farm workers are earning about 13 cents more an hour in real wages, adjusted for inflation, than they earned eight or nine years ago:

	1970	1978	+/-
Paper Wages:	$2.00	$3.70	+$1.70
Real Wages*	1.71	1.84	+ .13

*Adjusted for inflation based on Cost of Living Index.

In terms of the workers' ability to provide an increased standard of living for their families, they are about 13¢ ahead of where they were in 1970. The rate of wage increases have been far behind that of workers who are part of the vegetable industry but are represented by the Meatcutters' Union or the Teamsters' Union:

	1970	1978
Packing shed workers (AMBWNA):	$2.88	$4.46
Truck drivers (IBT):	3.535	7.10
Farm workers (UFW):	2.00	3.70

Workers who work by the piece—like lettuce harvesters—have seen their earnings go from 40¢ per box in 1970 to 57¢ per box in 1978. But in real wages, they are taking in more than 6¢ *less* per box today than they were eight years ago. In other words, they do the same amount of work but, in terms of their purchasing power, they are behind where they were when the UFW started organizing in the industry in 1970:

	1970	1978	+/-
Paper Rate:	40.5¢	57¢	+16.5¢
Real Rate:	34.5¢	50.6¢	-6.4¢

So while inflation has been a problem in general, and it has been very difficult for workers to keep up, farm workers have stayed in exactly the same place for eight years, and in some cases have even gone down.

Growers Hide Behind 7 Per Cent

As the strike entered its fourth day, the growers held a news conference to restate their positions that they will observe President *Carter's* anti-inflation wage guidelines and "sign something within 7 per cent". The President's wage and price guidelines, announced last year, seek to hold workers' wages and employers' profits to within 7 per cent anually. Producers of unprocessed foods—including all the growers—are exempt from the price guidelines. Workers who earn less than $4 per hour are also excluded from the program.

Most of the work force in the Imperial Valley vegetable industry—55 to 60 per cent of the workers—earn less than $4 per hour and are therefore exempt from the *Carter* plan. So when the growers cite their 7 per cent proposal, they are not even talking about the *Carter* program; they are seeking to apply 7 per cent to workers who are so poorly paid that even the President's wage guidelines exclude them.

If 7 per cent is applied to $3.70 per hour—current wage rate for most workers—they would get a grand wage of $3.96 per hour—still below the President's $4 per hour exemption. A $3.96 per hour wage would put the farm workers, in terms of real earning power, where they were in July of last year.

Medical Plan Contribution

Under the farm worker's Robert F. Kennedy Medical Plan, employers contribute 16 1/2¢ per hour for each worker. Computed on a monthly basis, that comes to $22 per month per farm worker—*if* the workers work the hours and *if* they work the entire month, which very often they do not.

The average contribution to medical plans for individual workers in California two years ago (our latest figures) was $103 per month, five times the rate the farm workers receive:

	1976	1978
Packing shed workers:		$ 55.50
Coolers:		125.60
California average:	$103.00	
Farm workers:		22.00

If we apply the growers' proposed 7 per cent increase to 16 1/2¢ per hour the farm workers will receive a little over 17¢ per hour. (Adjusted for inflation, 16 1/2¢ per hour is worth only 8.2¢ per hour.)

Under the Juan de la Cruz Pension Plan, employers contribute 15 ¢ per hour for every farm worker. The average pension plan contribution for individual workers in California two years ago (the most recent figures we have) was 81¢ per hour:

	1976	1978
California average:	81.2¢	
Coolers:		84¢
Packing shed workers:		40¢
Farm workers:		15¢

If the growers' proposed 7 per cent increase is applied to 15¢ per hour, farm workers will receive only 16¢ per hour in pension contributions.

Growers Raise Prices 110 Per Cent

At the same time the employers proposed farm workers keep their increases to within 7 per cent, the growers have raised lettuce prices dramatically. The prices producers are charging per box for lettuce from the Imperial Valley this season have averaged 110% above last year's prices; Salinas Valley growers' prices went up an average of 65 per cent over the previous season:

	1977-1978	1978-1979	per cent increase
Imperial Valley:	$3.82	$8.00	110%
Salinas Valley:	3.85	4.70	65%

Growers can charge 110% more for lettuce but they don't want to pay workers wage and benefit increases of over 7 per cent.

The employers have not argued with *Carter's* exclusion of agricultural products from the price restriction. But they are arguing that 7 per cent should apply to farm workers, even when the majority of the workers are excluded from the *Carter* plan that recognizes an exemption for workers making under $4 an hour. We wonder whether the growers are saying that they want wage *and* price guidelines to apply *equally* to both us and them—to both the price of lettuce and farm worker wages.

The farm workers are saying that it is finally time for them to catch up with everybody else. It is time to stop subsidizing the vegetable industry with their low wages and benefits. But it is not as if farm workers are asking to catch up in a marginal industry.

The value of the Salinas and Imperial Valley lettuce crop over the past eight years—the same period when farm worker wages went up only 13¢ in real earnings—increased from $112 million in 1970 to $286 million in 1978. In the last eight years, the growers have made $195 million in profit *after costs.* Last year in the Salinas Valley alone, the employers cleared $71 million in profits on sales of $201 million with an average price of $4.70 per box. The average price per box this season in Imperial has been $8 per box and it has gone as high as $15 per carton.

What do these profits mean for the consumer and the farm worker?

Out of a head of lettuce sold in the supermarket for 89¢ an individual lettuce worker receives .08¢. (With the 57¢ per box piece rate, the harvesting crews' share of an individual head of lettuce—24 heads in a box—is 2.4¢. But the 2.4¢ must be divided among all the members of the crew, which averages about 34 workers. Thus the .08¢ figure.)

Even if the growers accepted the farm workers' economic proposal, the individual worker's share of an 89¢ head of lettuce would jump to .12¢. Thus farm worker pay could be tripled and it would have little affect.

When questioned by reporters, I said that we would not abide by President *Carter's* wage guidelines. It is utterly hypocritical for the growers to propose that farm workers keep their economic increases within the President's 7 per cent guidelines when they engineer 110% increases in the price of lettuce.

Growers' PR Campaign

The growers have used every trick in the book to avoid doing what they ought to do—deal seriously with the workers' real economic problems.

They proposed, in negotiations and with the public, that representatives from the President's Wage and Price Council sit in during the talks. We said we did not need them in the negotiations and that it was none of their business.

Then the employers called on the Federal Mediation and Conciliation Service to enter the negotiations. We thanked the Service for its courtesy in offering to help but noted that the talks were not stalled and that it was too early to have mediation when the growers have not even responded seriously to our initial economic proposal—except to say they needed to sign contracts with farm worker economic increases of 7 per cent or below; and that is not a serious response.

(More news on the strike will be featured in future editions of the President's Newsletter.)

RFK MEDICAL PLAN

What benefits are included under the Medicine Category?

The RFK Medical Plan will cover the costs of any prescription drug. Items such as stockings, bandages, or such nonprescription medicine as aspirin are not covered under the Medicine benefit.

RFK QUESTIONS

If you have any questions about the Robert F. Kennedy Medical Plan, please mail them to The President's Newsletter, La Paz, Keene, California 93531.

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