THE EFFECT OF THE 1966 AMENDMENT OF THE FAIR LABOR STANDARDS ACT ON AGRICULTURAL EMPLOYMENT IN THE U. S. SOUTH

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Introduction

The Fair Labor Standards Act (FLSA) was amended in 1966 to extend coverage to agricultural workers. Under this amendment minimum wages are paid to farm workers that meet certain requirements. In states where the existing wage rate was already higher than the federal minimum wage, the 1966 amendment has virtually no effect. For the states where minimum wages were effective, we expect the effects of the federal minimum wage legislation to be felt mainly in the southern states, and it is the objective of this study to examine the effect of the 1966 amendment on farm employment in the U. S. South.

In the next section we present some background information to acquaint the reader with the pre-1966 farm labor legislation and the content of the 1966 extension of the Fair Labor Standards Act. Then we state briefly the hypothesis suggested by economic theory, and we present the models used to test this hypothesis. A discussion of the statistical data and the results of the empirical analysis follow. We close the paper with a summary statement and some notes on the policy implications of our findings.

Background Information

The "Fair Labor Standards Amendments of 1966" (amendments to the Fair Labor Standards Act of 1938) extended minimum wage coverage to approximately 390,000 farmworkers [12, p. 9] who were engaged in or were producing goods for interstate commerce [19, p. 2]. By 1968 the number of covered hired farmworkers may have been as high as 523,000 [20, p. 9] which was less than 45 percent of the total hired farm labor force in that year. The actual minimum wages for farmworkers specified by the "Fair Labor Standards Amendments of 1966" (FLSA, 1966), were $1.00 per hour as of February 1, 1967; $1.15 per hour as of February 1, 1968; and $1.30 per hour as of February 1, 1969.

Agricultural Coverage under the FLSA, 1966 takes the following form [12]: The minimum wage provisions are extended to workers only on farms that used
more than 500 man-days of agricultural labor during any calendar quarter of the preceding year. Farmworkers remain exempt from the overtime provisions of the law. "Man-day" refers to any day in which a worker performs at least one hour of agricultural labor. Five hundred man-days is approximately equal to seven workers performing full-time work in one calendar quarter.³

Agricultural workers are defined as those workers "who cultivate the soil or grow or harvest crops, or who raise livestock, bees, fur bearing animals, or poultry [19, p. 1]." Also included in the definition are those who perform work in greenhouses, nurseries, hatcheries, and workers doing work pertinent to their employer's own farming operations, including transportation of his farm products to market.

Certain workers are excluded from the man-day count and from coverage of the law. Excluded workers include:

1. Members of an agricultural employer's immediate family;
2. Hand harvest workers paid piece rates for work generally recognized as piece work in the region, if (a) they commute daily from their permanent residences to their place of work, and (b) they have been employed in agriculture less than 13 weeks in the preceding calendar year.
3. Migrant hand harvest workers 16 years of age or under and employed on the same farm as their parents, if (a) they are paid on a piece-rate basis for work generally recognized as piece work in the region, and (b) the piece rate is the same as paid workers over age 16 on the same farm. (Such workers are included in the 500 man-day test count.)
4. Workers principally engaged in the production of livestock.

Workers described in subparagraphs (1), (2), and (4) are not included in the man-day test count. None of the workers listed above are covered even though employed by an enterprise that meets the 500 man-day criteria.

Additional features of the law are:
1. Employment of children under age 16 in occupations deemed particularly hazardous by the Secretary of Labor (unless such children are employed by their parents on their parents' farm) is prohibited.
2. Retained from the existing FLSA are provisions prohibiting employment of children in agriculture during school hours for the school district where the children live.
3. For workers covered by FLSA, 1966 wage discrimination on the basis of sex is prohibited.

Coverage under FLSA, 1966 is obviously inadequate, covering only 45 percent of the hired farm labor force by 1968. In fact it has been estimated that the application of a 100-man-day test (instead of the current 500-man-day test) would only cover 60 percent of the nation's farmworkers and only 7 percent

³ Assuming six days worked per man per week.