

California Farm Labor Contractor Data Base

Final Report
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Don Villarejo, PhD
California Institute for Rural Studies, Inc.
P.O. Box 2143
Davis, CA 95617

The California Institute for Rural Studies, Inc., (CIRS) has created a comprehensive data base of farm labor contractors which operate in the State of California. Copies of this data base in electronic form (DOS operating system) have been provided to the Department of Employment Development, State of California, and to designated staff of the Labor Commissioner, Department of Industrial Relations, State of California.

CIRS received notification of approval of the project in mid-June 1995, and began work on July 1, 1995. Data from the various cooperating agencies (DIR, U.S. DoL, EDD, County Agricultural Commissioners) was requested in July 1995. As the lead agency for this project, DIR agreed to initiate the request to EDD on behalf of CIRS. The specific information requested consisted of all farm labor contractor records (license, registration, payroll tax reports, county registration) for all years 1990-95. However, EDD was only asked to provide data for 1991-95 since 1990 information had already been made available for the 1990-91 study of farm labor contractors carried out by UC Cooperative Extension and CIRS.

DIR promptly provided the requested data during July 1995. The major portion of the requested U.S. DoL data was received in September 1995, but another portion did not arrive until May 1996 and the final set was received in July 1996. County Agricultural Commissioner data, requested from each of fifty-eight counties, was received from individual counties during the period July-October 1995. The first set of EDD data was not received until February 1996, and it did not contain all of the material that had been requested by CIRS. A more complete set of data was received in March 1996, but it did not include all of the data that had been originally requested.

Three successive updates of the data base have been provided in a form suitable for installation by agency field staff on portable computers (DOS operating system) in the course of the project. The first version, provided in early 1996, included edited DIR farm labor contractor license information and U.S. DoL farm labor contractor and crew leader registration information, suitably cross-referenced. The second version, provided in June 1996, included the data previously provided plus county agricultural commissioner registration information, again suitably cross-referenced. The final version, provided in November 1996, added EDD payroll tax report information as well as records of all farm labor contractor citations from TIPP and Cal-OSHA files.

Procedures Utilized by CIRS in Data Processing

The records received by CIRS from the various agencies were processed following a protocol developed by us to standardize the format of data items, verify all addresses, and identify and correct obvious data item errors. Detailed written descriptions of these protocols were provided to Jose Millan (DIR) in late 1995.

Briefly, the protocol involves standardizing all records with a name format as follows:

LASTNAME(S), FIRSTNAME	Individuals
OFFICIAL BUSINESS NAME	Businesses (corporations, partnerships)

This means that each agency's records that do not follow the above protocol have to be reformatted by CIRS staff, business names have to be verified against various official sources, and the widespread of the use of dual Hispanic surnames (patriarchal and matriarchal) must to be reviewed with special care. For example, "Juan Diaz Garza" must be corrected to read "Diaz Garza, Juan," not "Garza, Juan Diaz" or "Garza, Juan D." An estimated three-quarters of all agency name records required some type of reformatting to meet this name standard. Some corrections involved identifying spelling errors, possibly not uncommon for agency staff who may be unfamiliar with the widespread use of dual Hispanic surnames.

Address records from each agency's files were also verified against a standard file of official U.S. Postal Service addresses (contained in a CD-ROM available from a commercial source under the product name Mailers+4). Large numbers of address errors were identified and corrected in this process, amounting to an average of 5% to 20% of each agency's records. Typically, these address errors were zip code errors in the address, incorrect spelling of place names (street or city), or illegal street addresses (outside of the range of actual street numbers).

Finally, various types of errors were spotted in a careful manual review and corrected. These were typically data entry errors in one or more data fields, as well as the less frequent incorrect assignment of identical registration or license numbers to two different farm labor contractors, or assignment of two different registration or license numbers to the same contractor in different years. Care was taken to attempt to verify with agency staff that the error as identified by CIRS staff was, in fact, a genuine error before undertaking corrections.

For each agency's files except EDD, after making format and data error corrections, all separate records for a specific farm labor contractor were merged. Table 1 summarizes the number of records before and after these mergers. Typically, this involved merging expired license or registration records into the current active record. For U.S. DoL files, this included merging farm labor contractor supervisory employee (crew leader) records into the record for the corresponding contractor. For EDD records, special considerations apply (more fully discussed below) which made merger of records for separate calendar quarters inappropriate or altogether unnecessary. For just the three agencies described in Table 1, some 14,000 individual records were reviewed.

Table 1

Number of Agency Farm Labor Contractor Records

Agency	Raw File	Final Records
DIR/FLSE (1990-95)	2,699	2,265
U.S. DoL/MSPA (1990-95)	10,075	7,042
County Ag Comm (1995)	1,450	1,044

EDD records were obtained for all four calendar quarters for 1992-94, and for SIC code 0761 (Farm Labor Contractors) as well as eighteen additional SIC codes within which licensed farm labor contractors have been found to be assigned. These included those SIC codes for agricultural services such as preparing, harvesting and packing crops, as well as a number of specific crop farm employer categories. The SIC code for new employers which are not yet assigned to a definite code (9999) was one of the codes selected for inclusion in this work since newly established labor contractors would likely be found in this category.

Each quarter's records included about 39,000 employer records. CIRS staff manually edited approximately 19,000 records for a selected base quarter (3rd Quarter, 1993) and for all selected SIC codes except 9999. By using EDD Account Numbers it was possible to link records for different calendar quarters for a given employer without much difficulty and avoid redoing name edits. However, some additional name edit work was required.

After completing name and address editing as well as data item error correction, CIRS staff sought to match corresponding records from different agency files. In this step it was found that while many names did correspond exactly or very closely, many names were processed differently by different agencies, possibly because the individual or business may have filled out the forms in a somewhat divergent manner.

Computerized name matching made it possible to link records for a specific farm labor contractor that were found to correspond exactly in the files of different agencies. About half of all final matches were accomplished by this procedure. However, manual review using computerized displays of pairs of records from two different agencies was also necessary. For example, the name "Castro, Guillermo" who operates under the business name "Castro Farm Labor Service, Guillermo" was found in the active DIR records. However, the matching name in the EDD records was "G Castro Farm Labor Service." Obviously, the computerized name match would not succeed in such a case, especially since the first name was abbreviated in the EDD file. Many more obscure cases were found to match in this manual procedure.

A second procedure followed was to sort different agency records in city and address order

and then compare the newly ordered sets of records. Many cases of matches of labor contractor records were found by this address-matching that probably would not have been found by any other method. For example, the name "Lopez Ayala, Piedad" was found in the active DIR records. The matching name at the exact same address in the EDD records was "Ayala Farm Labor Contractor." It is possible that permutations of name would have ultimately succeeded in yielding a match, but the process was made far more efficient using the address comparisons.

Results of File Linkage

A remarkably large share of DIR active license files were successfully matched and linked to records from other agencies. This is shown in Figure 1 (next page). Some 96% of active DIR farm labor contractor license records (as of 1995) were matched and linked to the corresponding contractor records in the U.S. DoL MSPA registration files (1,009 of 1,054 active DIR records). Just eight active DIR records could not be matched with the records of any other agency.

For the EDD payroll tax reporting records, 90% of active DIR farm labor contractor license records (1995) were matched and linked to the corresponding records in the EDD files. However, since 1995 EDD records were not available at the time this work was initiated, it is likely that more matches could be identified if these more current EDD records were examined. On the other hand, an aggregate of about two hundred EDD records for the SIC code 0761 (Farm Labor Contractor) for the years 1992-94 could not be found in DIR files for any year.

In the case of County Agricultural Commissioner records, about 59% of DIR active farm labor contractor license records (1995) were matched and linked to the corresponding records in the files of various counties. This registration requirement was newly introduced and implemented during 1990 and 1991, so some start-up delays are to be expected. However, roughly three hundred and fifty records found in county registration files for 1995 could not be matched with active DIR farm labor contractor license holders (1995).

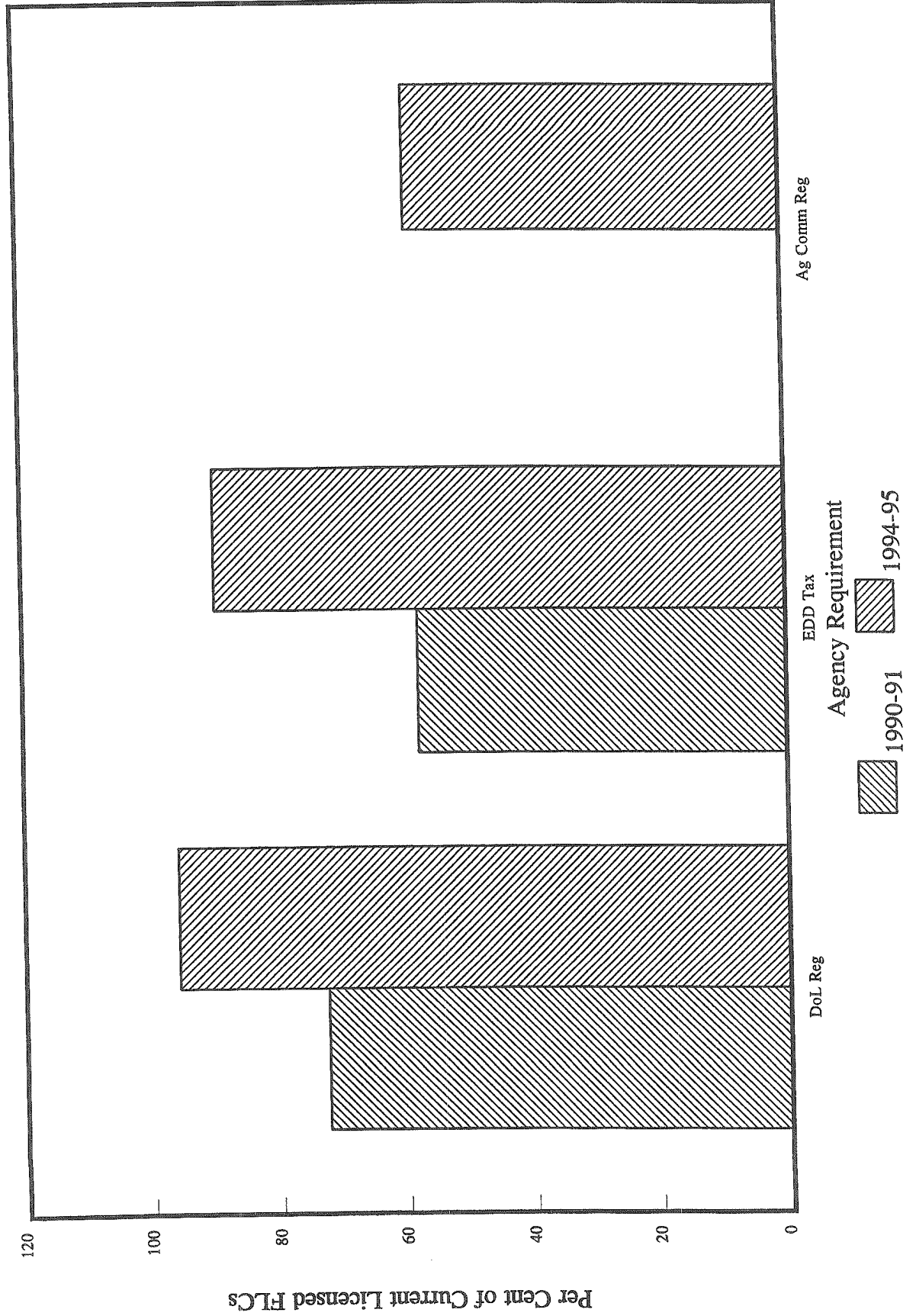
As is apparent from the discussion above and underscored in Figure 1, there has been a vast improvement in compliance with licensing, registration and payroll tax requirements by farm labor contractors in California in the past several years. In 1990-91, when CIRS initially developed these detailed comparisons of agency records, active DIR farm labor license holders were found to comply with corresponding registration requirements of DoL at a level of just 72%, as compared with 96% today.

In the case of EDD payroll tax requirements, in 1990-91 just 53% of active DIR farm labor contractor license holders were found in the records of SIC 0761 or 0762. Searches for EDD records in other SIC codes for an additional sixty active DIR license holders who were interviewed by CIRS staff turned up another fifty records, for a total match of 58%. This compares with 90% matches today, although the search of a larger number of SIC codes was especially important in locating otherwise unmatched records.

FIGURE 1

Licensed Farm Labor Contractor Compliance, 1990-95

Registration & Tax Reporting



This vast improvement in compliance is due to several factors: heightened educational outreach efforts by a variety of agencies, improved enforcement efforts as represented by TIPP and recognition by the agricultural industry itself that it needs to do a much better job of self-policing. Most notable of these factors is, without question, the efforts of the TIPP program. The repeated sweeps of important agricultural areas of the state results in a recognition that failure to comply with basic licensing and registration requirements has consequences.

EDD Farm Labor Contractor Payroll Tax Records

One of the most vexing problems faced by CIRS staff in the present work has been the difficulty of locating matching EDD records. This difficulty arises because such a large fraction of farm labor contractor records are found in SIC codes that do not correspond to farm labor contractor employers. In some cases this is because the contractor has another business as well. But in a large number of cases, the employer's only business is farm labor contracting. For example, Escamilla & Sons, the largest and most important contractor in Monterey County, is improperly classified as a vegetable farm (SIC 0161), even though the firm has never farmed and its owners do not farm. Even the Monterey County telephone directory has listed the firm as a Labor Contractor for many years. Altogether, some 176 of 944 matches of active DIR records with EDD records were in the crop farm employers SIC codes (19%). It is not known how many of these are contractors who also farm and how many, like Escamilla & Sons, are not engaged in farming at all.

Another classification difficulty is presented by the existing SIC code system itself. The codes 0721, 0722, 0723 correspond to Soil Preparation Services, Crop Harvesting Services and Crop Preparation for Market, respectively. More than one hundred active DIR license holders were found to be classified in these three categories in EDD files. Currently, many farm labor contractors describe themselves as doing harvesting or field packing. This is even reflected in their business names. However, even though they may be classified within one or another of these three codes, they are no different from other farm labor contractors who are classified as SIC 0761.

This classification problem also has compliance consequences. One contractor stated in private conversation with CIRS staff that he thought that companies that provided equipment were exempt from farm labor contractor licensing and registration since the labor was incidental. He stated that he did get a license and register because he wanted to be "safe" but he said he knew of others who did not because they provided equipment and the labor to operate it.

Recently, some farm labor contractors are describing themselves as Employment Agencies or Services, which is within the classification SIC 7361. But their activities are really only properly classified as SIC 0761 since they provide these services exclusively to farm operators.

To examine this question more closely we have reviewed how an independent expert, Dun & Bradstreet Credit Services, the nation's best-known credit record agency, classifies Monterey County agricultural firms according to SIC code. These classifications were compared with corresponding EDD ones. The results are shown in Table 2 (below).

Table 2

*Comparison of EDD and Dun & Bradstreet SIC Classifications
Monterey County Agricultural Businesses, Selected SICs*

EDD	0161	0721	0722	0723	0761	0762	Other	Total
0161	38		2	9	1		11	61
0721	1	2					3	6
0722			3	5	1		1	10
0723	7		5	18	1		8	39
0761				6	10		3	19
0762	1			1		0	3	5
Total	47	2	10	39	13	0	29	140

Listed SIC codes are:

- 0161 Vegetable & melon farm
- 0721 Crop planting & protection services
- 0722 Crop harvesting services
- 0723 Crop preparation services for market
- 0761 Farm labor contractors
- 0762 Farm management services

SIC codes represented in "Other" category (actual number)

- 4222 (2) Refrigerated warehouse & storage
- 4231 (3) Trucking terminal facilities
- 5148 (8) Wholesale trade, fresh fruit & vegetables
- 5431 (3) Food stores, fruit & vegetable markets
- 6211 (2) Security broker & dealer
- 7359 (3) Equipment rental & leasing
- 7361 (2) Employment agencies

What is amazing about this comparison is that just 38 of 61 vegetable farms, as classified by EDD, correspond to Dun & Bradstreet listings. Fully 23 are classified in other, non-farm employer categories by Dun & Bradstreet. The comparison is even more difficult among those that EDD classifies as SIC 0723: just 18 of 39 are so classified by Dun & Bradstreet.

We do not argue that Dun & Bradstreet classifications are correct and EDD is incorrect. Rather, it is obvious that the classification of farm labor contractor businesses is ambiguous, especially given the existence of the other categories, such as 0721, 0722, 0723, 7361, into which such a business might be classified. Instead, it seems appropriate to carefully review definitions, especially since they may lead a contractor to believe that, say, a custom packer that provides equipment might not be required to obtain a license or register with appropriate agencies.

Recommendations

- 1. Each agency should be encouraged to adopt a protocol for data entry (names and addresses) that is consistent with that adopted by other agencies.*** It would also be helpful for those responsible for record-keeping at each agency to meet and confer concerning protocols to assure compatibility.
- 2. Each agency should obtain both Federal Employer Tax ID Numbers, where used by the employer, as well as individual Social Security Numbers, from all applicants for licensing, registration or payroll tax reporting.*** At present, there is no consistent use of these by each agency, which makes comparison or linking of records much more difficult. Collecting both from applicants would greatly simplify internal record-keeping as well as cross-agency comparisons.
- 3. Initiatives to further promote inter-agency cooperation are needed.*** Some agencies were somewhat reluctant to share information with CIRS even though the TIPP program is a multi-agency effort. In part, the requests were out of the ordinary and required extra work, but it is also clear that inter-agency cooperation is not what it should be to maximize effectiveness and make efficient use of limited resources. CIRS staff found that DIR was timely in providing most of the information requested. At the same time, staff of each agency with whom CIRS staff interacted were courteous and sought to be helpful. Nevertheless, the lack of prompt attention to data requests unnecessarily delayed completion of this project.
- 4. The linked data sets developed by CIRS should be annually updated.*** The work that CIRS has completed comprises the lion's share of the effort to have current information about farm labor contractors readily accessible to all parties. However, regular updating of these files will be crucial if their use is to be effective.
- 5. TIPP enforcement staff should be trained in how to utilize and access these data in the field.*** During a TIPP field sweep in which CIRS staff were observers, it was found that staff from various agencies were frequently calling in central locations to verify information that could readily be accessed via portable computers and data bases while in the field.
- 6. A thorough review by EDD staff of the classification of farm labor contractors within SIC codes is needed.*** The findings in the present report of the large number of contractors who may be improperly classified warrants careful examination. Clearly, the total of wages and employment by contractors are presently understated and efforts to coordinate records of different agencies is made more difficult as a result of this misclassification.