

## Structural Change in Mexican Agriculture and the Farm Labor Supply

The structure of Mexican agriculture and agricultural employment has changed over the past 20 years, and this has far reaching implications for fruit, vegetable, and horticultural production in the United States.

Recent work using dynamic panel-econometric methods confirms that there has been a significant decline in the supply of farm labor from rural Mexico (Taylor, Charlton, and Yunez-Naude, 2012; Charlton and Taylor, 2013), and it appears to be related to the growth of the nonfarm economy, expansion of rural schools, and fertility decline in Mexico (Charlton, 2014). At the same time, Mexico's decennial censuses of population found that the economically active population (EAP) engaged in agriculture, livestock, forestry, fishing, or hunting has remained in the range of 5 to 6 million people over the past 45 years. Together, this information suggests that a smaller share of the agricultural EAP is offering their services off-farm as farmworkers.

Still, much remains to be learned about how the decline in farm labor supply is related to broader structural changes in Mexican agriculture, or what these developments mean for US farms, which will have to compete with Mexican farms for a diminishing supply of hired farm workers in the future. Understanding what is driving changes in Mexican agriculture is critical if we wish to make future projections that will enable policy makers to adjust to a new environment that is likely to include a less abundant farm labor supply.

The goal is to understand how long-term trends in agricultural employment in Mexico and the farm labor supply relate to structural change in Mexican agriculture, and what these trends portend for the future supply of labor to US farms and for rural communities. The project will have two main components. First, panel data from the Mexico National Rural Household Survey (Spanish acronym: EHRUM) and other sources will be used together with panel econometric methods to document and model changes in the structure of Mexican agriculture, agricultural employment from 1980 through 2010, and the EAP in rural areas.

Second, we will expand this analysis to focus specifically on labor migration from rural Mexico to US and Mexican farms. This component will estimate the relative impacts of

developments in Mexico, including the expansion of rural education and nonfarm economic growth, US border enforcement, drug-related violence along the US-Mexico border, and other factors that affect the availability of hired farm workers for US farms. An important consideration in this work involves the role of sector- and location-specific migration networks in shaping long-term migration trends. If, as we suspect, rural Mexicans' likelihood of migrating to US farm jobs is decreasing, networks to farm jobs may weaken and reinforce a negative trend in the farm labor supply over time.