

433 Russell Blvd., Davis, Ca., 95616 916-756-6555

Mailing address: P.O. Box 530, Davis, Ca., 95616

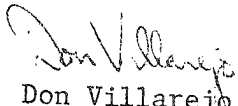
May 8, 1985

Janet Vining, Executive Secretary
California Agricultural Labor Relations Board
915 Capitol Mall
Sacramento, CA 95814

Dear Janet,

Enclosed please find my proposal "Structure of the California Citrus Industry: Identification of Labor Relations Bargaining Units." Persons considering this proposal could benefit from seeing the study on land ownership in the area that drains into Kesterson that I did for the Assembly Office of Research. A copy of the latter document was sent along with the proposal for ALRB staff training on investigative methods. If you have any questions about the enclosed proposal please give me a call.

With best regards,


Don Villarejo
Executive Director

STRUCTURE OF THE CALIFORNIA CITRUS INDUSTRY:
IDENTIFICATION OF LABOR RELATIONS BARGAINING UNITS

A Proposal Submitted to

California Agricultural Labor Relations Board

by

Don Villarejo
California Institute for Rural Studies
433 Russell Blvd.
Davis, CA 95616
(916) 756-6555

May 8, 1985

Structure of the California Citrus Industry:

Identification of Labor Relations Bargaining Units

This proposal describes a program to systematically examine the structure of the California citrus industry with a special emphasis on identifying documentation that would be of particular value to the California Agricultural Labor Relations Board. A central part of the proposal is a seminar presentation of the results of this investigation to designated ALRB staff in addition to the submission of a complete report of the findings.

Background

California is the dominant supplier of citrus crops for the domestic fresh market and has been so for one hundred years. In recent years there have been important changes in the structure of the industry as well as parallel changes in the employment of harvest workers to pick the crop.

Most significant of the structural changes is the decline of Sunkist Growers, Inc., from its dominance of 95% of the annual navel orange crop fifty years ago to its present position of commanding a little over 50% of the market. Independent packers have come to play a major role in the industry, especially in the last ten years. Nowhere is this challenge to Sunkist more clear than in the current aggressive effort by 16 leading independent packers to abolish the pro-rate system of limiting fresh fruit shipments in a manner intended to keep prices from sharply decreasing. Long opposed by consumer advocates this system is intended to prevent the development of an excess supply and operates under the authority of a Federal marketing order. Many independent packers believe that they can effectively compete in a free market.

Of particular interest to those with responsibility for maintaining orderly labor relations in the agricultural sector are recent developments in the pattern of employment of harvest workers in the citrus industry. These changes include a significant reduction in the use of grower co-operative associations as employers. Correspondingly, there has been a major increase in the use of labor contractors for the citrus harvest. The unusual structure of the citrus industry often makes it difficult to precisely specify the identity of the actual employer of harvest labor. New ALRB Regulations issued January 3, 1985 are a helpful step in making this type of specification possible.

Project Description

Under the Federal Market Orders for citrus crops that trace their origins to 1933 legislation initiating the program individual packing houses are allocated a specified maximum shipping volume for fresh market citrus. These "quotas" are set by the Lemon Administrative Committee, Navel Orange Administrative Committee and Valencia Orange Administrative Committee, respectively. Packing house managers may ship any amount up to their quota in response to market demand. In so doing the

packing house manager determines which groves are to be picked and the volume to be picked from each grove. Thus, the grower must have a packing house affiliation to obtain a share of fresh market shipments. In general, producers have no direct voice in the determination of when groves will be picked although there are several instances of packing house operations owned by a single citrus grower.

The harvest of the citrus crop may be organized in one of several different organizational forms. One format in current use involves the packing house employing a salaried foreman who recruits and supervises the harvest crew. A second form involves a labor contractor or custom harvester who hires and supervisors the crew. In this case the packing house pays the grower who in turn pays the contractor even though the actual arrangements may be entirely made by the packing house. A third system involves a non-profit harvesting association formed by growers that hires workers and supplies fruit to the packing house. The central role of the packing house manager is underscored in Chart 1 which illustrates the various types of relationships that may occur at each stage of the development of the crop. This is shown on the next page.

We propose to document the various types of grower-packer relationships with a special emphasis on locating materials that would be of value to the identification of labor relations bargaining units. Of special interest would be contracts that specify legal responsibility for harvest employment. Finally, we would document the relative importance of the various forms of harvest organization in each of the sectors of the citrus industry (both crop type and geographical sectors).

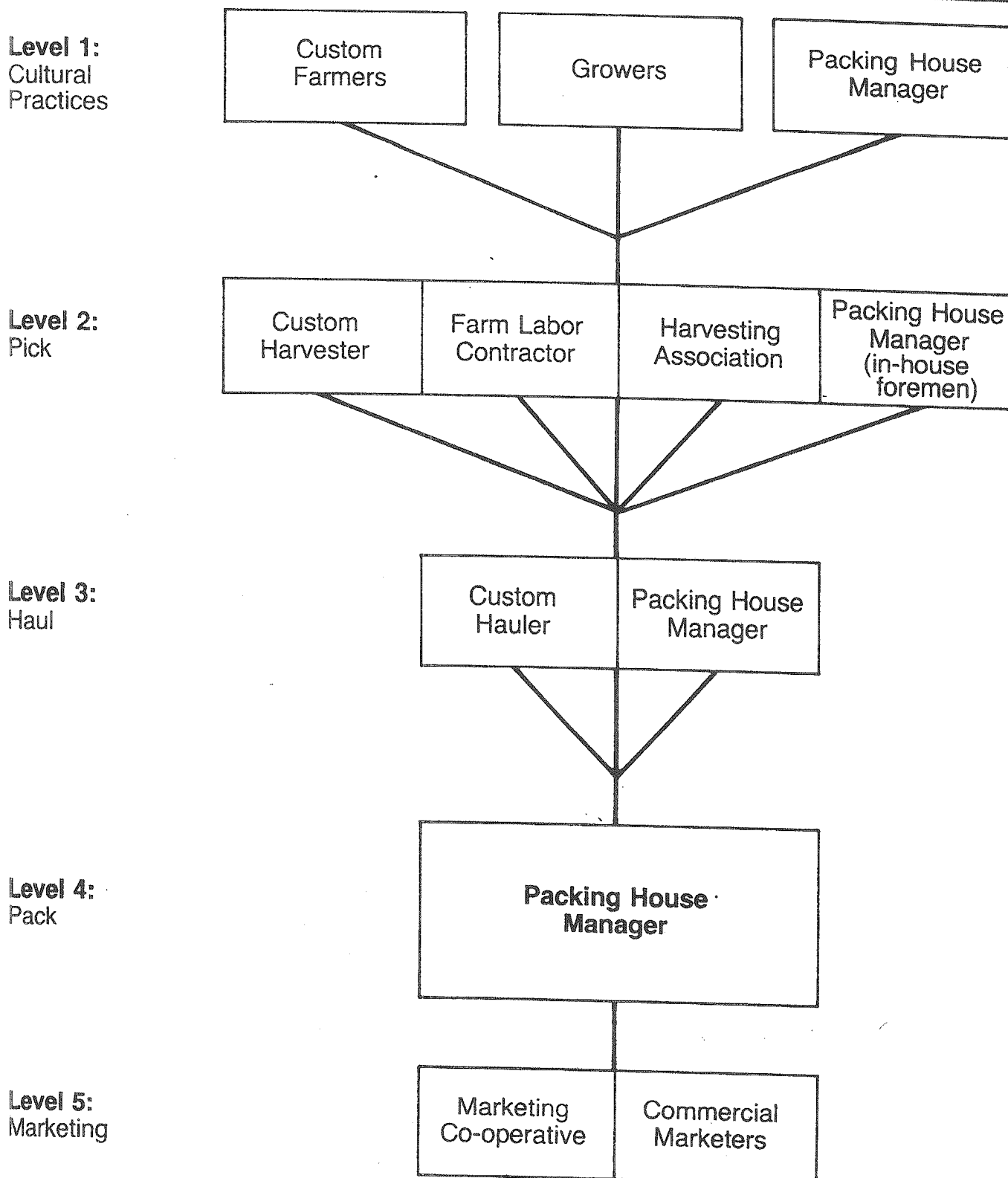
Documentation of grower-packer relationships would be accomplished through interviews with growers and packing house managers. A preliminary list of prospective interviewees is shown in Appendix I. Where possible, copies of contracts between producers and packing houses would be obtained. A copy of the standard Sunkist grower membership agreement will be obtained. This document specifies the acreage and location of groves of the member. In addition, documents that illuminate the types of relationships that can occur will be located, where possible, in a search of public records at County Recorder offices in the two leading citrus producing counties of the state (Tulare and Ventura Counties).

The current structure of the California citrus industry will be documented with special attention to the rise of the independent packing house operation and the corresponding decline of Sunkist Growers, Inc. Important geographical shifts, such as the growth of Kern County citrus plantings from 1,141 acres twenty-five years ago to 28,650 acres today, will be documented.

Documentation of the structure of the industry would be accomplished using both field interviews with key personnel and searches of trade literature. Interviews with staff of the Lemon Administrative Committee, Navel Orange Administrative Committee and Valencia Orange Administrative Committee would be conducted. Also, the staff of the USDA Fruit and Vegetable Division, Marketing Field Office would

CHART 1

PACKING HOUSE MANAGER: NERVE CENTER OF THE CITRUS INDUSTRY



be consulted. The California Institute for Rural Studies maintains an Associate Membership in the Western Growers Association and would utilize that relationship to interview the leaders of the WGA Citrus Committee as well. Trade publications to be examined would include Citrograph and Annual Reports of the various administrative committees.

Limitations and Conditions

Field interviews, telephone interviews and related research would require about 80 hours. Analysis and report preparation would require an estimated 40 hours. A finished report would be available for ALRB use four weeks from commencement of the project. A three to four hour seminar would be presented to designated ALRB personnel at a mutually agreed time subsequent to submission of the finished report.

Fee

The fee for this project is \$4,000 including all expenses. A breakdown of the fee is shown below.

Don Villarejo, 120 hours @ \$25 per hour	\$3,000.
Travel (in-person interviews and field research)	450
Telephone	250
Copies of key documents	200
Preparation of final report and seminar materials	<u>100</u>
Total budget	\$4,000

Appendix I

Prospective Interviewees

The following have been suggested in the course of preliminary discussions with knowledgeable industry sources as persons with a good understanding of the current structure of the California citrus industry.

Producers

Edwards Farming Group, Dr. S. Edwards, 124 N. Tenth St., Santa Paula, CA 93060
Leavens Ranches, Link Leavens, 5156 McGrath, Ventura, CA 93004
John R. Munn, 44801 Rd. 136, Orosi, CA 93647
Riverbend Farms, Inc., Perry Walker, 15749 E. Ventura Ave., Sanger, CA 93657
Don Roark, P.O. Box 31, Lindsay, CA 93247
Royal Citrus Co., Inc., Max Cardey, 3075 Tenth St., Riverside, CA 92502
Don A. Schroeder, 13614 Ave. 450, Orange Cove, CA 93646
Sequoia Orange Co., Carl A. Pescosolido, 150 Pine St., Exeter, CA 93221

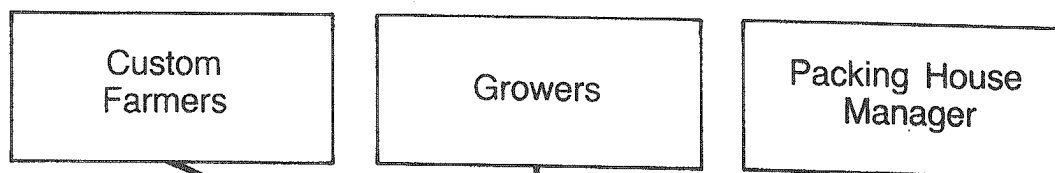
Packing Houses

Blue Goose Growers, Inc., Laird Roddick, 332 E. Commonwealth Ave., Fullerton, CA 92632
Cecelia Orchards Packing Corp., Chuck Olsen, 24628 E. Smith Ave., Orange Cove, CA 93646
J & J Citrus, Jack Reed, 701 Pepper Dr., Edison, CA 93220
Lo Bue Brothers, G.A. Wollenman, 201 S. Sweet Brier, Lindsay, CA 93247
Rayo Packing Corp., Dave Roth, 36445 Rd. 172, Visalia, CA 93277
Sunkist Growers, Inc., Russell Hanlin, 14130 Riverside Dr., Sherman Oaks, CA 91423
Ventura County Fruit Exchange (limoneira Co.), 1141 Cummings Rd., Santa Paula, CA 93060
E.T. Wall Co., Dean Beitler, 3230 Vine St., Riverside, CA 92502

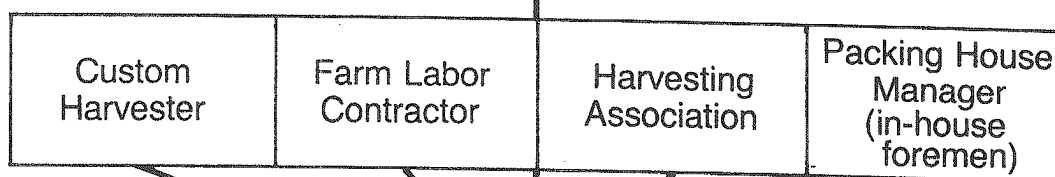
CHART 1

PACKING HOUSE MANAGER: NERVE CENTER OF THE CITRUS INDUSTRY

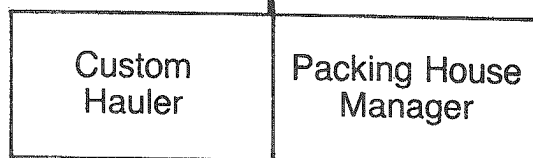
Level 1:
Cultural
Practices



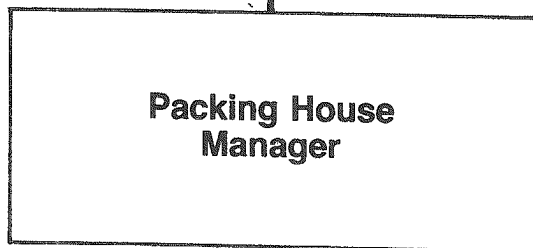
Level 2:
Pick



Level 3:
Haul



Level 4:
Pack



Level 5:
Marketing

