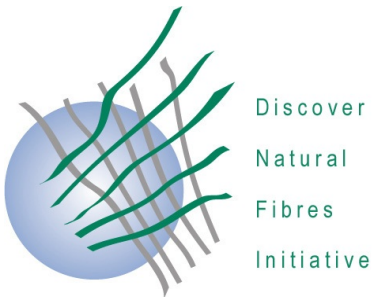




SURVEY OF COTTON LABOR COST COMPONENTS IN MAJOR PRODUCING COUNTRIES

**Conducted by the ICAC Secretariat
on behalf of the Expert Panel on
Social, Environmental and
Economic Performance of Cotton
Production (SEEP)**

**INTERNATIONAL COTTON
ADVISORY COMMITTEE**



April 2012

Introduction

The ICAC Secretariat completed this report over a three year period between 2009 and 2011 on behalf of the Expert Panel on Social, Environmental and Economic Performance of Cotton Production (SEEP). The report is a response to questions from Member Governments of the ICAC regarding the social consequences of cotton production practices and labor requirements in different countries.

The objective of the report is not to quantify labor costs per kilogram or hectare of cotton production; this is not a report on the cost of cotton production. Rather, the purpose of the report is to identify the different cost components associated with labor in cotton production.

The ICAC Secretariat developed a template for information about labor practices in the cotton industry and asked researchers in 18 major cotton producing countries to provide information. As of November 2011, responses had been received from researchers or government agencies in eleven countries. The information for Brazil and India were obtained through interviews with cotton producers or government officials. Researchers knowledgeable about cotton production practices provided information for Australia, Colombia, Egypt, Greece, Pakistan, South Africa, Sudan and the USA. The response from Burkina Faso was provided by a government agency.

Cotton is one of many crop and livestock products produced by farmers, and few households anywhere in the world grow exclusively cotton. The major competing crops planted by farmers around the world include wheat, maize, rice, and soybean. However, in some countries crops as diverse as onions, other vegetables, other grains, clover and other cover crops and citrus, are either rotated with cotton or grown in competition with cotton depending on relative prices. Cotton accounts for about 2.5% of world arable land. Because one hectare of cotton is generally worth more than one hectare of grain or oilseeds, cotton's share of world crop production is probably higher than its share of arable land.

An estimated 110 million households produce cotton in more than 80 countries. When family labor, hired labor and employment in ancillary industries such as transportation, ginning and warehousing are included, total employment in the cotton industry reaches more than 200 million each season. Cotton industry employment in the eleven countries represented in this report totals about 45 million, with India alone accounting for 35 million. Estimates of total employment are difficult because of differences in definitions (some countries count households, some count only paid labor, some include all family members regardless of age or gender), the prevalence of family labor in the cotton sector, the use of crop rotations and changes in crops from season to season, and general difficulties obtaining statistics in any country. Nevertheless, the information in this report gives a good indication of the types of expenses incurred by employers in the cotton production sector of major countries.

AUSTRALIA

Guy Roth, National Program for Sustainable Irrigation

Employment Levels

The number of people employed by the cotton industry in a non-drought year is estimated at 10,000 (Cotton Australia 2008). Total agricultural employment in the Australia is estimated at 3.6% of the total labor force (The World Fact Book), or approximately 430,000. Accordingly, cotton industry employment in Australia represents about 2% of agricultural employment and less than 0.1% of total employment.

Cotton production is concentrated in specific regions and is one of the leading employers in most of the places where cotton is grown. Cotton is a high input annual crop for products and services and therefore generates many permanent and casual jobs and has traditionally provided some of the best salary packages in agriculture. Cotton is also a knowledge intensive industry so there are a high number of service businesses in cotton regions. Employment includes on-farm jobs such as irrigation and machinery operation, fertilizer and chemical sales, aerial and ground spraying services, machinery and spare-part sales and service, engineering services, transport companies, oil seed crushers, cotton gins, agronomists and scientists.

In the 2005-06 grower survey, under full water conditions, WRI (2007a) found the number of employees per farm was 8.4, of which 4.8 were full time, 1.0 part time and 3.2 were casual. Newnham (2006) reports that for the ten years between 1997 and 2006 the number of hectares per permanent employees has ranged from 132.82 ha to 185.44 ha with no obvious trend.

The drought has reduced employment in the cotton industry. For example, permanent staff working in businesses in Wee Waa fell 31% between 2001 and 2004 (Roth and Drew 2004) and 60% between 2004 and 2007 (Jones *et al* 2007). The mining and energy boom is also attracting people away from agricultural employment due to higher salaries, greater security, or just the opportunity of employment as the drought continues. There are a number of farmers from South Africa and Zimbabwe who have moved to Australia to work on farms.

Changes in technology have also influenced employment levels. For example, Bollgard® transgenic cotton requires less spraying and crop checking compared to conventional varieties. The other major trend as a result of Roundup Ready® transgenic cotton has been the decrease in the amount of cotton chipping for weed control. This has resulted in less casual employment for itinerant, student and indigenous workers. Another technology impact on employment is the change in irrigation systems from surface irrigation to drip or overhead systems, which usually require less labor. The next technology that may significantly impact employment levels on cotton farms will be the new cotton pickers that produce their own cotton modules.

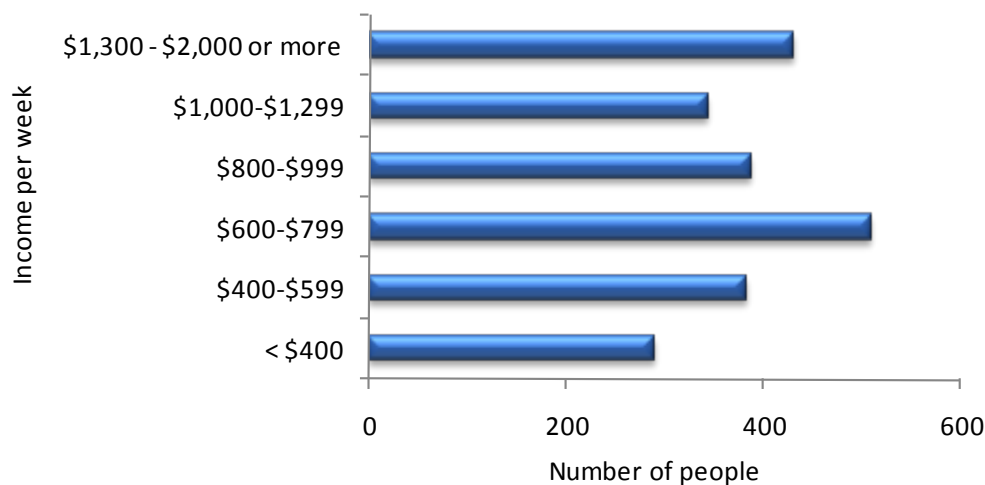


Figure 56: Average weekly earnings for cotton growers (\$ per week).

(Source: data compiled from 2006 ABS Census).

Income Per Week

Data on income per week from the 2006 ABS Census are shown in Figure 56 for cotton growers, and Figure 57 for other farmers not growing cotton. The data show that 33% of cotton growers, and only 15% of other farmers earned over \$1000 per week. The proportion of cotton growers in lower income brackets is also less, with 32% of cotton growers earning less than \$600/week, whilst 60% of other farmers are earning less than \$600/week.

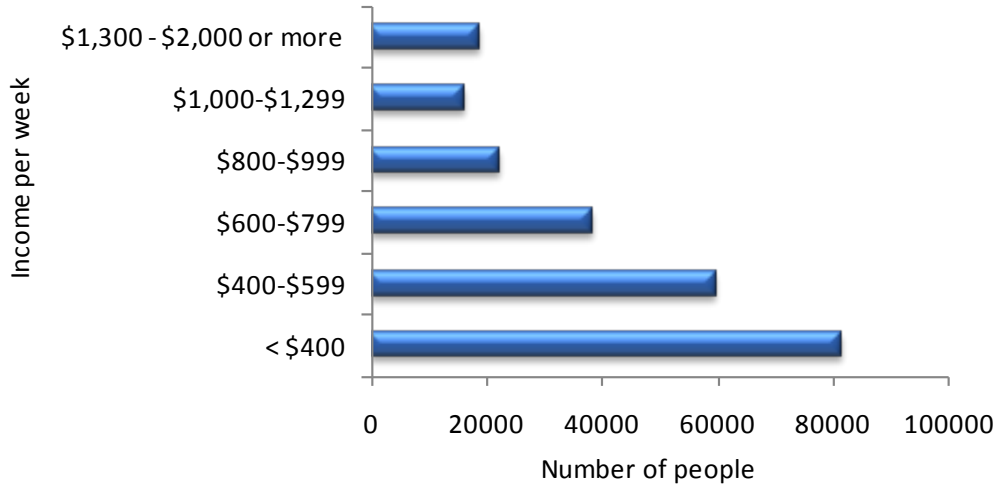


Figure 57: Average weekly earnings for other farmers (excluding cotton growers) (\$ per week).

(Source: data compiled from 2006 ABS Census).

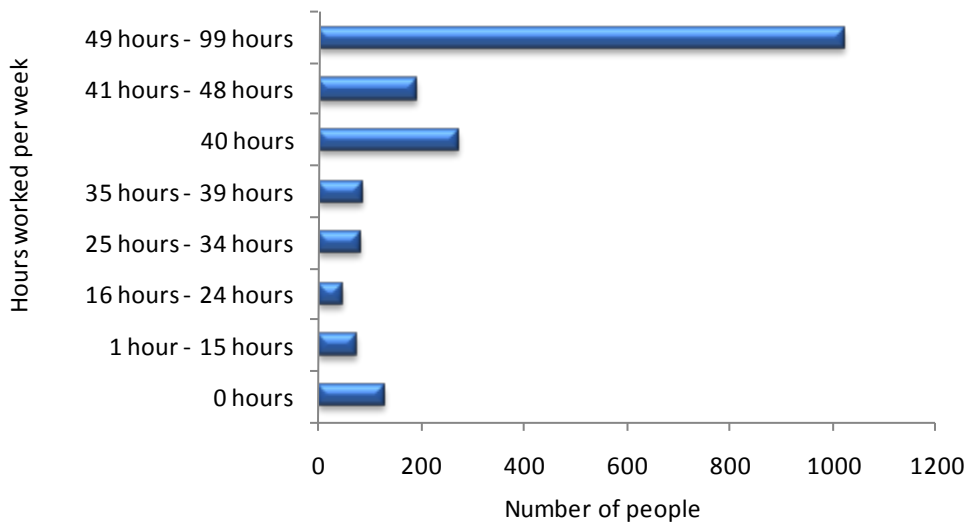


Figure 58: Hours worked per week by cotton growers.

(Source: data compiled from 2006 ABS Census).

Hours Worked Per Week

Data on hours worked per week from the 2006 ABS Census are shown in Figure 58 for cotton growers and Figure 59 for other farmers. Usually, farmers work long hours with most of them working more than 49 hours/week. The data show that 54% of cotton growers and 43% of other farmers were working more than 49 hours per week. The data show that 78% of cotton growers, and 67% of other farmers were working more than 40 hours per week.

This difference between cotton growers working slightly more than other farmers per week may be due to the nature of irrigation farming and the need to irrigate at night, as well as completing spray applications at night.

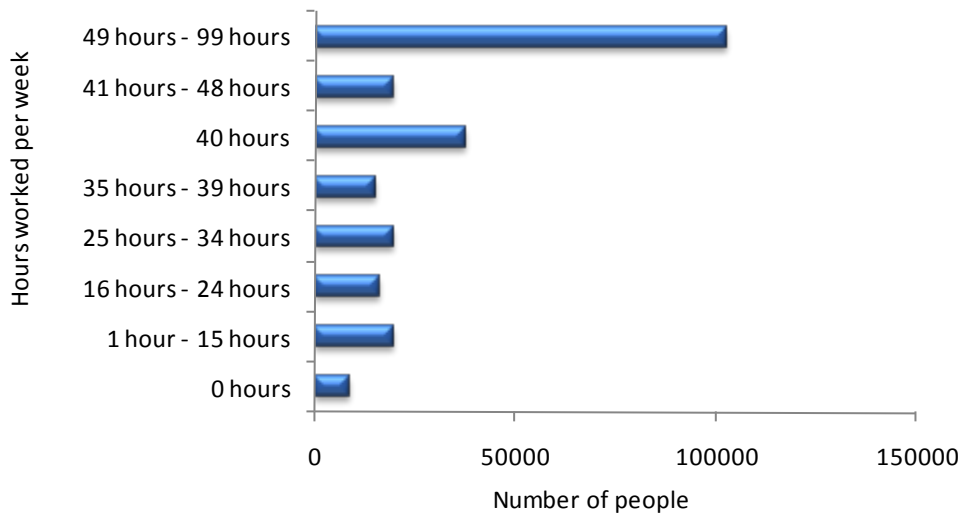


Figure 59: Hours worked per week by farmers excluding cotton growers.
(Source: data compiled from 2006 ABS Census).

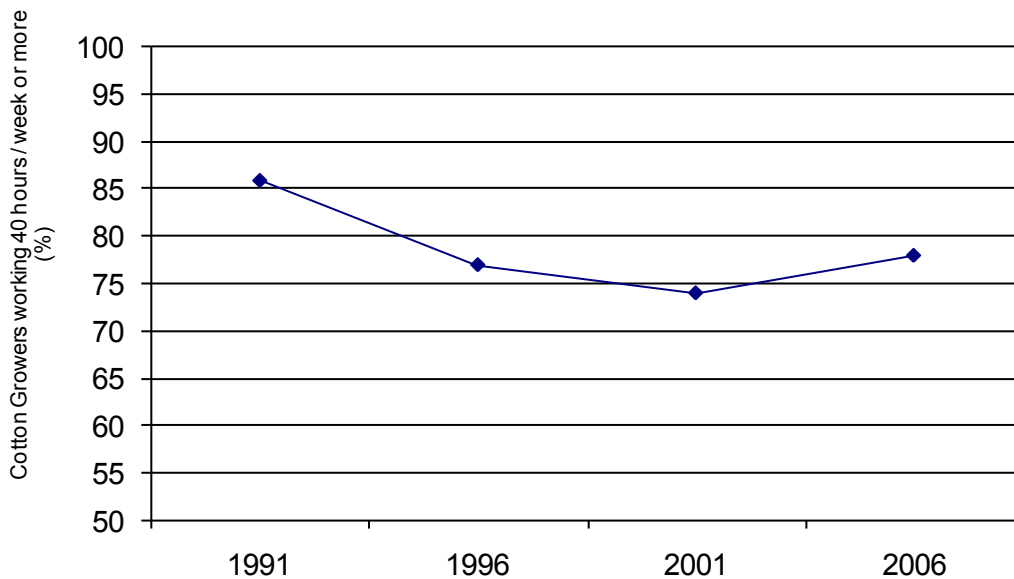


Figure 60: Cotton growers working 40 hours/ week between 1991 – 2006.
(Source: data compiled from 1991, 1996, 2001, 2006 ABS Census).

Figure 60 shows the percentage of cotton growers working more than 40 hours per week between 1991 and 2006. It is clear that over 75% of cotton growers have been working more than 40 hours per week. It is difficult to know if there has been a decline in the proportion of cotton farmers working more than 40 hours/week between 1991 to 1996 or if this is just survey variation. This could be possible as a result of greater mechanization, automation, less spraying, drought, transgenic varieties and general change in work/lifestyle balance by the next generation of younger farmers.

Age of People in the Cotton Industry

The ABS 2001 Census data indicate the age of people in the cotton industry. Figure 63 shows fourteen percent (14%) of cotton growers are aged 15-24 years old, 26% are aged 25-34 years old, 27% are aged 35-44 years old, 20% are aged 45-54 years old, 10% are aged 55-64 years old, while 3% are 65 years old or older. WRI (2008) reported that most (65%) of the cotton agronomy consultants were aged between 35 and 49, whilst 14% were younger than 35, and 21% were aged between 50 and 64 years old. In general, cotton farmers in Australia are younger than those of other farm industries.

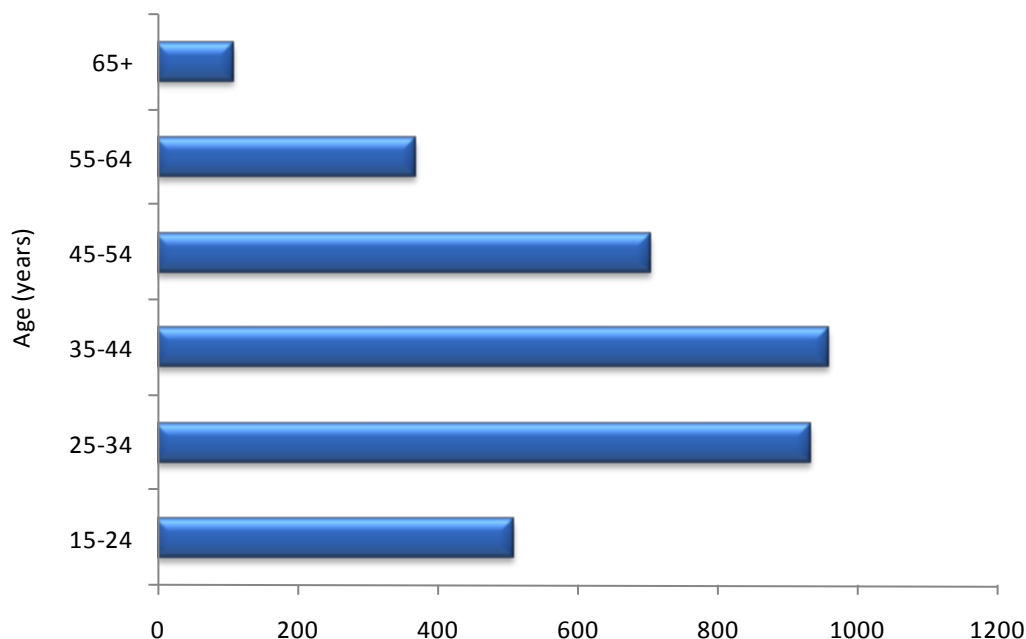


Figure 63: The age of cotton growers in 2001 (ABS classification 0162).

(Source: data compiled from 2001 ABS Census).

Labor Costs

Figure 16 shows some trends in some specific operating expenses between 1989 and 2006. Insecticides costs (chemicals and/or biotechnology crop costs) increased rapidly between 1989 and 1996. 1999 was a high pest pressure year, which is the reason for the high costs that season. With the introduction of insect tolerant transgenic cotton varieties and the Cotton BMP program—a concerted integrated pest management initiative since 1998—insecticide costs have fluctuated, but they have not continued to rise as in previous years.

Total fertilizer costs have risen from \$145 to \$270/ha (86%), which could be due to higher yielding crops needing more fertilizer, increased cost of fertilizer, or cotton fields that are being farmed longer and generally require more fertilizer. Fuel costs were flat in the 1990s but, since then, they have risen due to increasing oil prices and increased pumping of water by growers to cope with the drought. Wages have risen, but not as

steeply as one might expect, as better technology such as wider equipment and biotechnology enables a more efficient use of labor. Insurance costs have also risen. There has been a dramatic increase in water costs since 2000, reflecting growers' need to purchase water and higher cost of water.

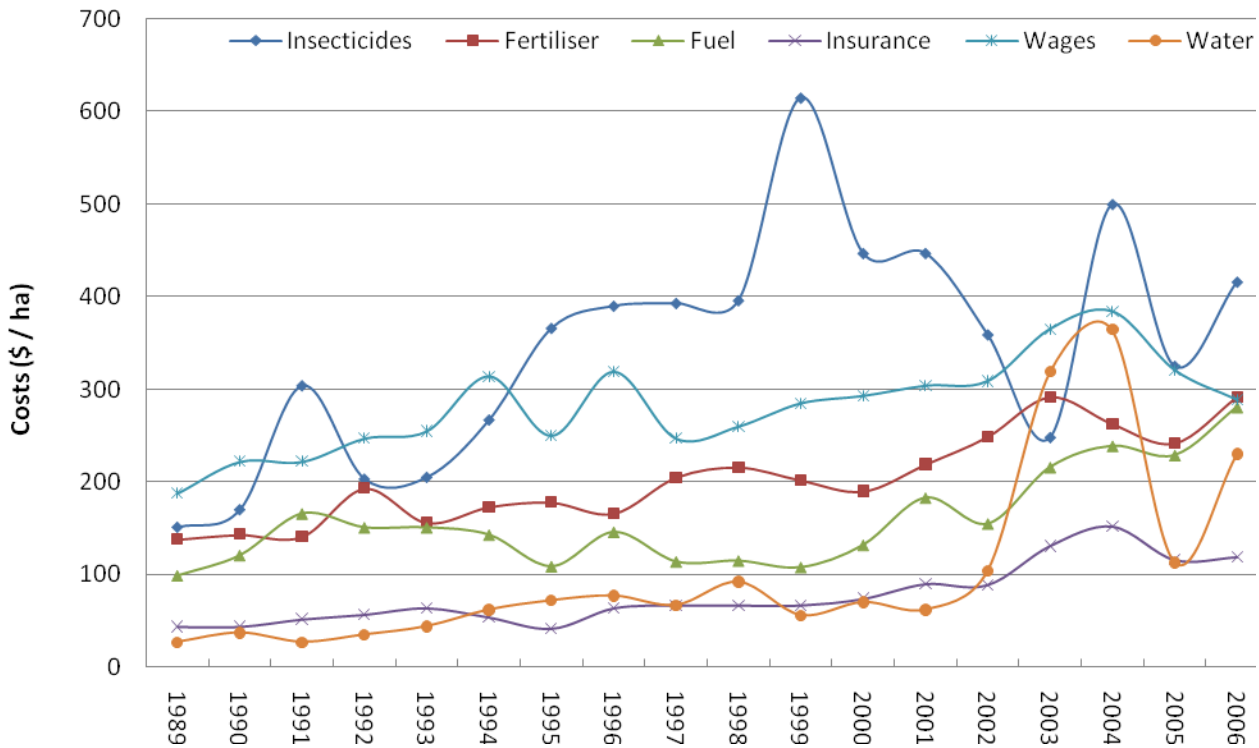


Figure 16: Selected operating costs for cotton production. Boyce cotton benchmarking reports 1989-2006.

(Source: data modified from Newnham 2006).

Wages (in Australian dollars):

Wages have risen, but not as steeply as one might expect, as better technology enables the more efficient use of labor.

Minimum wage for a general farm hand is AUD\$562/week.

Minimum wage Au\$614.90/week for a mechanical equipment operator.

Most farm workers are on higher wages between Au\$45,000 and Au\$60,000/year.

Farm managers receive about Au\$80,000-\$120,000 per year and often have performance incentives related to crop yield and other key metrics.

Workers and managers may have some additional benefits such as accommodation, travel allowance, etc.

Work-week

The normal work-week is 38 hours. A maximum work-week is calculated within a basis of 152 hours per month to provide greater flexibility during busy work periods. Reasonable additional hours are allowed, but the safety and social impact law requires that workers do not work additional hours that may detrimentally impact safety and/or family responsibilities.

Overtime is 1.5 times for the first two hours and double time after that. Saturday overtime is 1.5 times, and Sunday and public holidays are paid double time. Sunday is normally a day off. Saturdays are often work days during the cotton season and days off at other times.

On farms where family members are the main labor source, people work more than 49 hours per week.

Each employee receives 4 weeks annual leave per year, and is paid an additional 17.5% of their salary.

Employers contribute a minimum of 9% of gross wage to a superannuation (retirement) fund.

Taxes

All working Australians pay income tax, on a sliding scale, to the Australian government. For the first Au\$35,000 earned, the tax is 15%; between Au\$35,000 and Au\$80,000, it is 30%, and between Au\$80,000 and Au\$180,000, the income tax is 38%.

Benefits

Employees are entitled to 12 months leave without pay as paternity/maternity leave. The Australian government is considering giving 16 weeks paid maternity leave at the award wage starting in 2011. Some employers may pay 4-6 weeks maternity leave, but this is not common for farm workers.

Sick leave paid by the employer is an entitlement and ranges from 38 hours/year in year 1 of employment, to 60.8 hours/year for those with 2 or more years of employment. Medical certificates from a doctor are usually required for extended absences (more than two days).

Other entitlements include a few days/year paid leave for care-takers (e.g., looking after a sick parent), parental, and bereavement leave. Long service leave after 7.5 – 10 years of employment is an additional entitlement for many Australian workers.

Health Costs:

Many employees receive a physical examination at the start of employment. This is not a compulsory requirement.

Australia has strict occupational health and safety standards for workers. All accidents require reporting. Employers pay for leave of absence as a result of injury.

All farms are required to have a work and safety risk program. First aid kits, protective clothing, ear muffs, etc., all form part of a safety risk program. The Australian cotton industry has a Farm Safety Program to help employers provide a safe workplace.

The Cotton Research and Development Corporation Strategic Plan 2003-2008 includes a strategy to promote safe, healthy workplaces through the adoption of appropriate occupational health and safety work practices (CRDC 2003).

Also, the cotton industry collaborates with FarmSafe Australia in order to facilitate a reduction in deaths and injuries. The Farm Safety Program includes manuals, workshops and videos that provide a systematic approach to safe work practices.

The cotton industry has tried a Sustainable Farm Families Program that addresses personal health and safety issues important to farming families. Workshops held in cotton areas have received very positive evaluation from participants (CRDC 2007). Average baseline characteristics of participants were collected. Thus, when the cotton project is completed, comparisons may be monitored into the future.

Severance Benefits:

In farms with more than 15 employees, if employment is terminated the employee receives 2-4 weeks pay, plus and generally two weeks pay for each year of service up to a maximum of 16–20 weeks depending on the age of the person. This does not apply to employees terminated for reasons such as misconduct, alcohol use, or failure to abide by safety rules after warnings.

Transportation, Housing and Education

Workers either live on the farm or in town. Costs of accommodation/travel maybe part of an employee's salary package.

The State Government provides school bus transport.

Workers provide their own meals. An eating place must be provided.

Toilet facilities must be provided.

Note: These are indicative figures only. There is considerable variation due to State and Commonwealth laws as well as individual negotiations. There are many more specific details associated with the fine print of awards and individual contracts.

BRAZIL

Brazilian Cotton Producers

Employment Levels

Average employment among commercial producers is one worker per 28 hectares. In 2011, Brazilian cotton area is estimated at 1.4 million hectares, suggesting that on-farm employment is approximately 50,000. An estimated 21 million, or 20% of Brazilian labor, is employed in agriculture (The World Fact Book). Accordingly, cotton industry employment represents just 0.2% of Brazilian agricultural employment and just 0.05% of total employment.

Income Per Week

The minimum wage in Brazil is R\$545/month for agricultural workers (US\$340/month). Actual wages in some states are higher, depending on local wage conditions.

Skilled labor, such as machinery operators, chemical applicators, or managers, receive between R\$1,500 and R\$5,000 per month (\$940 and \$3125 per month.)

In some states, agricultural-worker unions negotiate higher wages or additional fringe benefits.

Hours Worked Per Week

The maximum work-week is 44 hours.

Overtime must be paid for hours more than 8 hours/day or more than 44 hours/week at a premium of 50%.

Overtime on public holidays, Sundays and night work must be paid a premium of 100%.

If an employee is on a night shift, exceeds 6 hours, or after 22:00, an additional premium of 20% must be paid.

The maximum hours worked for any 24 hour period is 10 hours including overtime.

Each employee must receive one day off per week minimum, and at least one Sunday each month.

A farm employee who does not have access to shops, banks, etc. is entitled to one working day per month (paid), to do personal shopping etc. Public or private transport must be provided, free of charge.

Each employee receives one month of paid holiday per year at 133% of average paid wages.

Each employee receives a 13th month salary, half of it by the 20th of November and half of by the 20th of December each year; this is based also on average paid wages.

The employer must contribute 8% of gross wages, as well as 13th salary, and holiday pay, to a severance (retirement) fund for each employee every month.

When the work contract is terminated, out of the trial period, up to 90 days, for contracts with no expiration date, a 50% fine is applied to the current balance of this severance fund. This fine is paid 80% to the employee and 20% to the government.

For work contracts with a fixed expiry date, the fine is 50%. In addition, the employee is entitled to 50% of the expected wage on the unexpired time.

Example: minimum wage of R\$ 545/mo. x 1.08 = R\$588.60/mo.
 R\$588.60 x 13 mo. = R\$7,651/yr.
 Holiday pay premium R\$ 588.60 x 33.3% = R\$ 196.00
 44 hrs. /wk. x 52 wks. x 11 mo./yr. = 2,097 hrs./yr.
 (R\$7,651/yr. + R\$ 196.11) divided by 2,097 hrs. = R\$3,74/hr.

Taxes

A farmer-employer pays 5.2% of gross wages to Brazilian social security.

A farmer-employer pays 2.3% of gross farm revenue to Brazilian social security.

A corporation-employer pays 5.2% of gross wages to Brazilian social security.

A corporation-employer pays 2.5% of gross farm revenue to Brazilian social security, plus 1.0% of gross revenue to a social insurance fund, plus 0.3% to another social fund. Total is 3.8% of gross revenue.

Benefits

Employees (female) receive 5 months of maternity leave, paid by the government.

Employees receive 5 days of paternity leave, paid by the employer.

If an employee is injured on the job, the employer must provide employment security for 12 months after his disability.

All work accidents require the employer to pay the first fifteen days of absence, provided the employee presents a doctor's certificate or a CAT (an on line communication to the social security dept).

It is mandatory for all accidents to be reported within 48 hours of the event, and employers can be held responsible for personal damages if this does not happen.

Severance Benefits:

If the employer terminates employment, the employee receives 30 days of pay, (average) plus a fine of 40% of the amount invested in the severance (retirement) fund on the employee's behalf. These costs can be avoided only if the employment was terminated for a just cause, and this is rare. As a practical matter, courts rule in favor of the employer, only in cases of alcohol use while operating machinery, with witnesses, or failure to wear personal protective gear after repeated warnings. (Written with witnesses)

Upon severance from employment, by the employer, the government pays unemployment benefits equal to 70% of the current salary for five months. (If employee has at least 24 months employment in work book, 4 months if 1 year, and 3 months if 6 months.) The criteria for these benefits are related to the time an employee has registered in his pay-book. (Potential employees often try and hide this payment from a new employer if employment is found within this period. It is a crime for both parties if caught, the labor department uses social security number as a check in the system.)

Health Costs:

Every employee receives a physical examination at the start and end of employment.

If an employer has 20 or more employees, there must be a written work safety and risk program.

If an employer has 50 or more employees, one employee must be trained in health and labor laws, i.e., an employee with a technical diploma or university degree, and be able to provide accident prevention training.

If there are 150 or more employees, a nurse must be available at the work site.

Each employer must have a written accident prevention program, including an audit of potential health and safety hazards. A first-aid kit and transportation to a hospital must be available at all times.

Employers usually have agreements with hospitals, doctors and dentists in town to provide care to employees.

Accident insurance is optional; the cost is R\$23/month/employee.

Transportation, Housing and Education

If 20 or more workers are employed, the employer must provide transportation to and from town or decent lodging, meals and entertainment, such as TV. Decent lodging includes a mattress, pillow, sheets and pillowcase, blankets, towels, bathrooms, as well as separate amenities to wash clothing and personal safety equipment in contact with pesticides.

Employee must receive one paid personal day per month in town, transportation provided.

Employers must provide transportation or access to a local government school for children of employees, or under local government supervision, establish a school of their own on the farm.

Field workers must receive hot food prepared in a licensed kitchen. This can be in a farm canteen, or in the field where the eating and resting area, must be covered, with amenities to wash, toilets, and if necessary in the case of personal safety equipment a place to change out of work clothes.

The estimated cost of a driver, bus, insurance, three cooks, the canteen and cost of food is approximately R\$170/month/employee, for each group of 50 employees.

Burkina Faso

Ministère du Commerce, de La Promotion de L'entreprise et de L'artisanat

Employment Levels

Burkina Faso has an estimated 300,000 family-run cotton farms, providing work for about one million people, and supporting the incomes of about one-fourth of the total population. Out of a total labor force of 6.7 million (The World Fact Book), agriculture accounts for 34.2% or 2.3 million. Thus cotton industry employment in Burkina Faso represents nearly half of total agricultural employment and about 15% of total employment.

Farms can be classified into the following four types in terms of how well-equipped they are:

- 1) Unequipped farms (growing cotton manually): 31%.
- 2) Poorly equipped farms (with a pair of oxen or a donkey and plow): 44%
- 3) Farms fully equipped with draft animals (at least 2 pairs of oxen with all the following tools: plow, weeder and or ridger, cart, etc): 24%
- 4) Farms that are fully equipped and have access to at least one tractor: less than 1%.

Average areas and population per type of farm are as follows:

- 1) Unequipped farms: 3.5 ha, of which 37% are taken up by cotton, and a population of 6 people.
- 2) Poorly equipped farms: 5.5ha, of which 45% are taken up by cotton with a population of 10 people
- 3) Fully equipped farms: 10 ha, of which 45% in cotton, a population of 18 people;
- 4) Fully equipped farms with tractor: 27 to 62 ha, of which 55% in cotton, an average population of 32 people.

Income

There are two types of labor: wage labor and family labor.

In Burkina Faso, farm labor mostly means family labor. Wage labor is rarely used and only in a very small number of cases (less than 10% of farms, principally in the western zone).

Wage labors are either hired on a contract or casual basis. A farm worker may have an informal contract up to 10 months (April to January). The contract amount is from 80,000 to 100,000 CFA (\$175 to \$215). They are paid after the crop is sold (January-February).

For casual wage labors, they work for specific agricultural operations, such as hoeing and hilling (manual or animal-drawn), pulling up grass, following hilling and other outdoors labor work during harvest season. The average daily rate is 750 CFA (\$1.60) for a 6-hour average work time. Mostly payment occurs after the crop has been sold out. However, due to labor scarcity during crop establishment and harvesting, casual labor are increasingly being paid before the services are performed.

During the winter season, family labor work seven days per week except the farm operator, who arranges time off every three to five days. Sundays are off if the family is Christian. Farm operators also take market days off. Female farmers are also allowed to take time off every three to five days in order to work on their own small fields and to go shopping.

Taxes

There is no tax scheme specifically formulated for farming activities

Benefits

Farm operators provide contracted wage labors with meals and accommodation. Farm workers are usually lodged in houses built in the field.

The cost of meals for contract wage labors (in many cases include his or her small family) is estimated to be 150,000 to 200,000 CFA (\$325 to \$435) for a period of 10 months.

There is no leave for either family labor or wage labor.

Once the rainy season is over, producers will take a rest when they are not busy with out-of-season crops in developed irrigated areas near their dwellings. The rest period runs from January to April.

There is no mandatory pension fund. It is up to each producer to organize his or her retirement during the course of his or her working life.

The Farm operator is not responsible for wage labors' health and educational expenses. Family labor's health and educational expenses are taken care of by the farm operator.

There are no severance benefits.

COLOMBIA

Conalgodón

Employment Levels

Cotton industry employment in Colombia is estimated at 12,000. In Colombia, agriculture accounts for 9.2% of total employment (The World Fact Book), or about two million people. Accordingly, cotton accounts for 0.6% of total agricultural employment in Colombia and 0.06% of total employment.

Income

The minimum wage in Colombia is USD229/month.

Wages in some departments are lower, depending on local wage conditions. (4,8 US\$/day)

Skilled labor, such as machinery operators, chemical applicators, receive the same wage (USD229/month), managers receive between Usd1.675 and Usd3.400 per month.

Managers' wages may be higher or lower depending on the size of the cooperative, and have additional fringe benefits.

Hours Worked

Maximum work-week is 48 hours.

There is no difference between the work done during the week or on weekends

The maximum hours worked during any 24 hour period is 10 hours, including overtime.

Sunday is normally a day off. Saturdays are often work days during the cotton season, and days off are provided at other times.

Taxes

Benefits

Employees receive 3 months of maternity leave, paid by the health company.

Employees receive 8 days of paternity leave, paid by the employer.

Health Costs

Employers contribute a minimum of 8,5% of gross wage to health coverage and 12% to superannuation (retirement) fund. Employees contribute 4% to health coverage and 4% to superannuation (retirement) fund.

Colombia has strict occupational health and safety standards for workers. All accidents require reporting. Employers pay for leave of absence as a result of injury.

All farms are required to have a work and safety risk program. First aid kits, protective clothing, ear muffs, etc., all form part of a safety risk program.

Each employer must have a written accident prevention program, including an audit of potential health and safety hazards.

Transportation/Housing

Workers either live on the farm or in town. The costs of accommodation/travel maybe part of an employee's salary package.

Workers provide their own meals.

EGYPT

Nabil El Marsafawy, Government of Egypt

Employment Levels

Cotton industry employment in Egypt is estimated by the Secretariat at 500,000, or about 5 persons per hectare. In Egypt, agriculture accounts for 32% of total employment (The World Fact Book), or 8.4 million people. Thus cotton industry employment represents about 6% of agricultural employment in Egypt, or 2% of total employment.

Income

The minimum wage per month is 500 Egyptian pounds (\$83). Some workers are paid several thousands according to experience and responsibility.

Workers have a monthly incentive of between one to three months' wages.

Actual wages in some governorates are higher, depending on local wage conditions.

There are annual premiums between 7-15 percent of the principle wage according to inflation and economic growth. If the firm has a profit at the end of a fiscal year, 10 percent will be allocated to workers.

Egyptian Labor Costs at Large Agriculture Companies

Labor Costs in the Delta and Nile Valley

Generally, more than 90% of farmers own less than 5 feddans (2.1 hectares) of agricultural land. An owner has several options for using his land:

- Cultivating by himself, relying on daily workers or family workers.
- Leasing his land per agriculture year. Leasing rates fluctuate between 3,000 to 6,000 EP per feddan (\$1,200 to \$2,400 per hectare), depending on soil quality, situation and supply and demand in the district. Sometimes there is crop leasing.
- **Partnership:** There are several kinds:
 1. **Half partnership:** The owner provides the land and half of inputs. The farmer provides the other half of inputs and the workers for all treatments. The two parties divide the crop. In the case of cotton, the owner helps the farmer with cotton picking by paying 250 EP per feddan (\$100 per hectare), as picking is very expensive.
 2. **Quarter partnership:** In this case the owner provides land and all inputs. The counterpart farmer provides workers. The owner collects 3/4 of the crop and the balance goes to the farmer. In the case of cotton, in addition to providing all inputs, the owner finances the farmer with 250 EP per feddan (\$100 per hectare) to aid in picking operations but collects 2/3 of the cotton crop; the balance goes to the farmer.
 3. **Other partnership:** Sometimes there are agreements whereby the owner collects a fixed amount of the crop and the balance is allocated to the farmer to encourage the farmer to increase yields to have more profit. Cotton workers are not permanent and they work on a daily part-time basis in neighboring cotton fields. Some small farmers who own small agriculture projects or lease small land parcels work for others in their spare-time to increase their income.

Hours Worked Per Week

For permanent workers, the maximum work-week is 42 hours. Overtime must be paid for more than 7 hours/day, or more than 42 hours/week at a premium of 25%.

Usually, cotton workers work a shift of 4 hours at 25-30 EP (4.20 to \$5). Sometimes they work two shifts per day.

Work Needed for One Feddan (0.42 ha.) of Cotton (Cost value by Egyptian Pound)

		Number of Workers			Cost
Pre- Sowing	Land preparation	2	25	=	50
Sowing & Growing	Drilling	4	25	=	100
	Irrigation	4	30	=	120
	Thinning	5	25	=	125
	Hoeing	19	30	=	570
	Fertilizer	4	30	=	120
	Herbicide & insecticide	4	25	=	100
Harvesting	Hand picking	60	25	=	1500
	Stick removing	4	30	=	120
					<hr/> 2805

Taxes

No information collected.

Benefits

Workers have between 15-30 days of annual holidays per year according to working years, plus 6 emergency days. At the same time they have about 13 national holidays. Workers have insurance against work accidents.

Women employees receive 3 months of maternity leave (twice in employee's life).

Workers have permanent pensions by paying 7% of their wages; employers pay 14 percent. The pension is about 90% of the last two years average income.

Workers establish their syndicate to protect their rights when their number reaches 50.

Workers have medical insurance by paying 1% of the principle wage and employers pay 4%. In some cases, employers have agreements with hospitals, doctors and dentists in town to provide care to employees.

Other Information

Egypt has a total area of about 1,002,000 km² of which 55,367 km² (5.5%) are populated.

Regarding physical features, Egypt is divided into the Nile valley and the Delta, with a combined area of less than 4% of total Egyptian area. In Egypt, a total of 8.5 million feddans (one hectare = 2.38 fed.) are cultivated (about 6.5 million feddans that have been cultivated for centuries and 2 million feddans of reclaimed in desert). The remaining area of Egypt, or 96% (238 million feddan), is desert.

For potable water, agriculture, and other industries, Egypt depends on four sources: surface water supplied from the Nile, which is fixed and limited; from subterranean water, which is limited and not suitable for agriculture due to high mineral content; from water recycled from agricultural drainage, which is also limited and which needs good treatment to be suitable for agriculture; and from rain, which is rare. Egypt has dry weather with average annual rainfall of 24mm.

In Egypt, there is a special bank for agriculture called the Bank of Development and Agricultural Credit that finances producers at a low interest rate (2% less than the current commercial rate) for their variable costs and other agriculture and livestock projects. The Bank has about 980 branches, as well as about 22,000 agriculture cooperatives spread all over the country, providing its members with some inputs like fertilizers and pesticides, and other services like marketing and preparation of land of some crops. In addition, there are cotton cooperatives in each cotton governorate to help cotton producers in marketing and extension.

The large agriculture companies in the new desert land function by owning and managing hundreds and thousands of agriculture feddans. They use modern irrigation, and by law they have to rationalize water and

fertilizer consumption, and practice weed management in addition to all other machine procedures starting from soil preparation till recolting. Up to now, cotton production in the new area is not as promising as cotton cultivation in the Delta and Nile valley.

The Egyptian government started gradually to change the system of irrigation in the old agricultural land (Delta and Nile Valley), from surface irrigation to modern irrigation. To do so, the government has had to deal with millions of owners, as more than 90% of them own less than five feddans (2.1 ha.) each and cannot afford to change from surface irrigation at no cost, to modern irrigation at a cost from 3,000 to 4,000 EP per feddan (\$1,200 to \$2,400 per hectare), plus cost of infrastructure of covered canals, station pumps, etc. Therefore, the government has started bearing infrastructure costs and building internal irrigation nets to each farm in limited districts in some governorates, subject to owners payment in installments.

The Egyptian government helps rural society by improving infrastructure and providing each village with rural health units, primary and secondary schools at nominal tuition fees (by law every child has to finish at least primary education), and youth centers.

GREECE

Cotton & Industrial Plants Institute, Thessaloniki

Employment Levels

Cotton industry employment in Greece is estimated at 50,000 (various country statements at ICAC meetings, and reports by the European Union). Field workers in Greece are mainly economic immigrants from the neighboring Balkan states (mainly from Albania and Bulgaria). Agriculture represents 3.3% of total employment in Greece (The World Fact Book), or about 165,000. Thus cotton employment represents nearly one-third of agricultural employment in Greece, and about 1% of total employment in the country.

Income

Wages for field workers for 8 hours of work ranges between 25 and 35 €/day (US\$35 to \$50) depending on the region.

For industrial workers, the minimum wage as of January 2009 is 33,04 €/day (\$46) with increases of 3.5% for every 3 years work.

Skilled labor, such as machinery operators, chemical applicators, or managers receive between 1,000 and 2,000 € per month (\$1,400 and \$2,800).

Hours Worked per Week

The maximum work-week for industrial workers in Greece is 40 hrs. Overtime between the 41st and 45th hr/wk is paid at a premium of 25%. Overtime for more than 45 hr/wk and up to 120 hrs/year is paid at a premium of 50% while for more than 120 hrs/yr; the daily payment is paid at a premium of 75%.

The maximum hours worked any 24 hr period is 10hrs, including overtime.

Each employee must receive a minimum of one day off per week, and at least one Sunday.

Each employee receives one month of paid holiday per year.

Each employee receives a 13th month of salary before Christmas, half a month of salary before Easter and half a month of salary before the summer holidays.

Taxes

Employers' contributions to IKA, the social security organization, total 24.58% of wages. Details of the contribution percentages are given in the table under benefits.

Benefits

Severance Benefits: If employment is terminated without the responsibility of employee, the employee receives an unemployment benefit of 454.25€/month from the Working Force Employment Organization. The duration of the benefit depends on the insured working days of the last 14 months and ranges between 5 and 12 months. There is an increase of 10% of the benefit for each family member.

Health and Security: If an employer has 20 or more employees, there must be a doctor and security technician at the work site. Employers usually have agreements with hospitals and doctors to provide extra care to employees.

Accident insurance is optional.

IKA is the largest social security organisation in Greece. It covers 5,530,000 workers and employees and provides 830,000 pensioners with retirement pension. IKA covers those in dependent employment in Greece or

abroad for an employer who is based in Greece, as well as those who offer full-time or part-time personal labour on commissioned work agreements and are not insured with any other main insurance agency.

IKA Contribution Rate Percentages as of 1 January 94

Insurance Branch	Insured	Employer	Total
Medical care in services and payments	2.55	5.10	7.65
Pension	6.67	13.33	20
Heavy & health-hazardous occupations	2.20	1.40	3.60
Occupational hazard	-	1	1
Total	11.42	20.83	32.25
IKA - Team	3	3	6
Total	14.42	23.83	38.25
Heavy - Team	1.25	0.75	2
Total	15.67	24.58	40.25

Through IKA, covered employees receive medical care, maternity aid, pregnancy allowance, sickness-accident allowance, funeral expenses, pensions, disability, and life insurance.

(Note to members of SEEP: I recommend that the rest of the section on Greece be eliminated. It does not pertain to cotton but describes the social insurance programs of Greece.)

Medical Care

Medical care beneficiaries are those directly insured and the members of their families, provided the insured have completed at least 50 working days reflected in their insurance in the last year or within the preceding 15 months - the last three months not counting.

Maternity Aid

This is a sum paid when a woman gives birth to a full term or premature baby or even if the baby is stillborn following six months of gestation. Beneficiaries are directly insured women, those who are receiving a pension, or wives of directly insured husbands or pensioners, as long as they have been recognised as family-members and are entitled to sickness benefits from IKA.

Pregnancy - Confinement Allowances

These are paid for 56 days prior to labour and 63 days following labour, provided the directly insured woman has completed 200 insurable working days in the last two years before the expected or real delivery date and does not work during the pregnancy or post-natal period.

Sickness - Accident Allowance

Directly insured working pensioners are entitled to sickness allowance when ill with an ordinary disease and the IKA Health Authorities find them to be temporarily unfit for work.

Funeral Expenses

These are paid in case of death of a directly insured person or of a pensioner due to old age, disability or death. The directly insured must have completed 100 working days in the year preceding their death.

Pensions

The basic prerequisite conditions for entitlement to a pension are as follows:

Full old age pension
Ordinary cases

Insurable Days	Age for Men	Age for Women
4,500 (15 years)	65	60

10,000 (33.3 years)	62	57
10,500 (35 years)	58	58

Note:

They do not receive old age pension or disability pension from the state or other insurance fund (with the exemption of OGA, the farmers' insurance agency).

Heavy and health-hazardous occupations

Prerequisite conditions:

Men: at least 60 years of age, women: 55 years of age.

At least 4,500 working days, of which 3,600 at heavy occupation, of which 1,000 have been completed in the last 10 years before the application submission or before they reached the prerequisite age.

They should not be receiving old age pension or disability pension from the state or other insurance fund (with the exemption of OGA, the farmer's insurance agency).

Old age pension (after 35 years of work)

Men	Women	Days of work
58	58	full pension at 10,500 days of work
55	55	full pension at 10,500 days, 7,500 of which at heavy and health-hazardous occupations
53	53	reduced pension at 10,500 days, 7,500 of which at heavy and health-hazardous occupations

Disability pension

Prerequisite conditions:

They do not receive an old age pension or disability pension from the state or a legal entity of public law or other insurance fund besides their main one (with the exemption of OGA, the farmers' insurance fund). The Health Committees of IKA consider them as disabled with a pensionable disability (50% or above).

They have IKA insurance

Disability pension due to an ordinary disease:

- 4,500 working days or 10,000 working days or
- 300 working days and they should not have completed their 21st year of age. These days progressively increase in number to 4,200 with an additional 120 working days per year until they become 21 years old. Of these days, 300 must have been completed within the 5 years preceding the disablement, or
- 1,500 days, at least 600 of which were completed in the 5 years preceding the disablement.

Disability pension due to accident at work or occupational disease:

- Even one IKA insurable working day of the insured is enough.

Disability Pension due to accident outside working hours:

- 1/2 of the working days of what is required for disability pension due to ordinary illness.

Disability	% of Disability	Pension Sum	Observations
Heavy	80% and over	full	
Ordinary	67-79.9%	3/4 of full	If the insured person has completed 6,000 working days and the disability is due to psychiatric problems, mainly, then the person is entitled to the full sum

Partial	50%-66,9%	1/2 of full	If the disability is mainly due to psychiatric problems, they are entitled to ___ of the full pension sum
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Death pension – beneficiaries

In case of death of a pensioner or an insured person after 1.1.1993, only the surviving spouse and children are considered as beneficiaries.

The above mentioned family members of the insured deceased person receive a death pension provided the deceased had completed:

1. 4,500 insurable days
2. 300 insurable days and had not completed the 21st year of age. These days are increased by 120 on average for every year following the 21st until the number of 4,500 has been completed.
3. 1,500 insurable days

Note: In cases 2 and 3, there is an additional prerequisite condition: at least 300 working days should have been completed in the preceding five years before death occurred.

- If the death of the insured was due to an accident at work or occupational disease, the family members are entitled to a pension if the insured had completed even one working day of IKA insurance.
- If the death of the insured was due to an accident outside working hours, the members of the family are entitled to death pension provided the deceased had completed 1/2 of the required working days of those mentioned above.

PAKISTAN

Tazeem-ur-Rehman, Pakistan Central Cotton Committee

Employment Levels

Cotton industry employment in Pakistan is estimated at approximately 2 million (ICAC Secretariat estimate based on country statements and surveys of production practices). Agriculture accounts for 21.8% of total employment in Pakistan (The World Fact Book), or about 12 million people. Thus cotton industry employment represents 17% of total agricultural employment or about 3.5% of national employment in Pakistan.

Income

Managers are paid Rs 10,000 per month (US\$115) during the 8-month agricultural season, or Rs 80,000/year (\$930/year) per 100-acre (40 ha) farm unit.

Skilled labors (tractor driver) are paid Rs 6,000 (\$70) per month, or Rs 48,000/year (\$560).

Unskilled labor is paid Rs 5,000 per month (\$60) or Rs 60,000 per full calendar year (\$700 per year).

Contractual labor for thinning, weeding, etc., is paid Rs 200 per acre (\$2.30 per acre) or Rs 20,000/year (\$230).

Hand picking by female labor is paid Rs 3.50 per kg. of seed cotton (4 cents per kilogram). Assuming an average yield of 800 kilograms of seed cotton per acre (2,000 kilograms of seed cotton per hectare), the cost of harvesting per 40 hectares will be (Rs3.50 x 800 kgs x 100 acres) = Rs 280,000/100 acres/year (\$3,250 per 40 hectares per year).

Total labor charges, including management, labor and harvesting costs per 40 hectares equal Rs 80,000 + Rs 668,000 + Rs 280,000 = Rs 1,028,000 per year (Approximately \$12,000)

Labor cost per kg. of seedcotton (1,028,000/80,000) are Rs 12.85 or US\$ 0.16.

Hours Worked per Week

No information given.

Taxes

No information given.

Benefits

No information given.

SOUTH AFRICA

Agri SA (also applicable to the SA Cotton Farming Industry)

Employment Levels

According to Statistic SA, for the period April to June 2009: 710,000 were employed in the cotton industry. However, Agri SA does not agree with this estimate. The ICAC Secretariat estimates employment in the South African cotton industry at 48,000. Agriculture accounts for 2.5% of total employment in South Africa, or 435,000. Thus cotton industry employment represents about 10% of agricultural employment and about 0.3% of national employment in South Africa.

Income

The monthly minimum wage is R1,231 as of March 2009 (\$122).

Hours Worked per Week

The maximum hours to be worked in any 24-hour period are 12.

If a worker is working for 1 to 5 days a week, the ordinary hours per day will be 9 to a total of 12 hours per day (including overtime), 45 hours per week with a total of 15 hours overtime per week. If it is a 6-7 day week, the ordinary hours per day will be 8, and 45 per week, with a maximum of 15 hours overtime per week.

Days off per week/month

Workers must have a rest period of

- 12 hours each day; and
- 36 consecutive hours each week (must include Sunday, unless otherwise agreed)

However, an agreement may provide for a rest period of 60 consecutive hours every second week.

A worker's daily rest period may be reduced to 10 hours if the worker

- Lives on the property
- Meal interval lasts up to 3 hours

Taxes

Paid by the worker

- The statutory requirement for income tax, unless a worker earns less than R60,000 per year (\$5,900), then no tax deduction.
- UIF (Unemployment Insurance Fund) deductions

Paid By the farmer (when applicable/if qualifying)

Contribution towards:

- UIF
- Occupational Injuries and Diseases Fund
- Skills Development Levy

Benefits

Paid holidays per year:

Workers must get annual leave of at least

- 21 consecutive days, or
- 1 day for every 17 days worked, or
- 1 hour for every 17 hours worked.

Employers may reduce annual leave for paid days granted off.

Retirement fund benefits

Optional

Maternity leave

Pregnant workers are entitled to at least 4 consecutive months of maternity leave.

A worker who has a miscarriage during the 3rd trimester or gives birth to a stillborn is entitled to 6 weeks leave.

Workers must notify employers of the dates concerning their maternity leave. Notification of maternity leave must be given at least 4 weeks before the worker intends to leave.

Workers may take maternity leave 1 month before their due date, or earlier or later as agreed or required for health reasons.

Paternal leave:

Legislation does not prescribe paternity leave *per se*, however the family responsibility leave makes provision for leave at the birth of a child.

Full-time workers may take 3 days of paid family responsibility leave during each annual leave cycle (12 month periods from date of employment). Family responsibility leave expires at the end of the annual cycle.

A worker may take family responsibility leave

- when his/her child is born,
- when his/her child is sick,
- in the event of the death of his/her
 - spouse or life partner,
 - parent or adoptive parent,
 - grandparent,
 - child or adopted child,
 - grandchild, or
 - sibling.

Work accidents/injuries on the job/disability

The "Compensation for Occupational Injuries and Diseases Act No. 130 of 1993" applies in the case of a work accident/injury/disability.

Severance benefits

An employer must pay a farm worker who is dismissed for reasons based on the employer's operational requirements, severance pay equal to at least one week's remuneration for each completed year of continuous service with that employer.

Health benefits

Optional

Compulsory accident prevention program/health and safety hazard requirements

Occupational Health and Safety Act No. 85 of 1993 applies.

Transportation, housing, food and education benefits/requirements

A value to a maximum of 10% of wages can be deducted respectively for housing and food provided to the farm worker. No regulations exist about transportation and education benefits and can be negotiated by the parties, where applicable.

SUDAN

Sudan Cotton Company Limited and the Gezira Scheme

Employment Levels

Cotton industry employment in Sudan (In this section, Sudan refers to the united nation of Sudan prior to the independence referendum by South Sudan.) is estimated at 300,000. About 2.8 million people live in the Gezira Scheme and depend on it for their livelihood as farmers, sharecroppers, agricultural laborers, traders or providers of various services. The core of this population is made up of about 129,000 farmers with an associated population of about 903,000 (assuming average family size of 7 persons). The other main group is migrant labor, some of whom are not Sudanese. They live in about 1,000 camps with a population thought to be about 850,000. Agriculture represents 30.5% of total employment in Sudan, or 3.6 million. Thus, cotton industry employment is about 8% of agricultural employment or 2.5% of national employment in Sudan.

Farm size is designed to be an area served by the farmer and his family members. Less than 10% of farmers rely on family labor in agriculture, and hired labor is the dominant factor of production. There is no shortage of agricultural laborer in the Gezira Scheme, but employment depends on the financial ability of the farmer.

Income

Data are given as labor costs, not workers' incomes. The main agricultural operations that need hired labor are:

Labor Cost /Feddan (1 Feddan = 1.038 acres)

Varity	Acala		Barakat	
	SD*	US \$	SD*	US \$
Raising field channels	2	0.9	2	0.9
Weeding	45	19.3	49.25	21.1
Thinning + Re-sowing	3.75	1.6	4.55	2.0
Cleaning field channels	0	0.0	0	0.0
Irrigation	13.5	5.8	15.1	6.5
Fertilizer Broadcast.	0.21	0.1	0.21	0.1
Picking	106.2	45.6	106.2	45.6
Sacking	9.3	4.0	7.08	3.0
Stalks Pulling & Burning	15	6.4	15	6.4
Total	195.0	83.7	199.4	85.6

* Sudanese pound

Services like extension and field supervision are done by permanent staff (field inspectors and field guards). The cost is only 5.7 Sudanese pound per feddan (6 US\$/hectare).

Hours Worked per Week

No information given.

Taxes

No information given.

Benefits

No information given.

UNITED STATES

National Cotton Council of America

Employment Levels

Employment in the U.S. cotton industry is estimated at about 100,000. Agriculture represents just 1.1% of U.S. employment, or 1.7 million. Thus, cotton industry employment represents 6% of agricultural employment but just 0.07% of total employment in the United States.

Income

Wages¹:

Wage Rate for All Hired Workers \$10.84 per hour.

Wage Rate for Field & Livestock Worker Combined \$10.07 per hour.

Wage Rate for Field Worker \$9.99 per hour.

Wage Rate for Livestock Worker \$10.25.

Wage Rate for Agricultural Service Worker CA \$10.85 per hour.

Wage Rate for Agricultural Service Worker FL \$10.30 per hour.

Minimum Wage² \$7.25 per hour (as of July 24, 2009)

Hired farmworkers make up a third of the total agricultural labor force and are critical to U.S. agricultural production, particularly for labor-intensive sectors such as fruits and vegetables. In 2006, 1.01 million hired farmworkers made up a third of the estimated 3.0 million people employed in agriculture. The other 2.05 million included self-employed farmers and their unpaid family members³.

Workers employed on small farms (i.e., those that used less than 500 "man-days" of farm labor in any calendar quarter of the preceding calendar year) are exempt from both the minimum wage and overtime pay requirements².

The Fair Labor Standards Act (FLSA) exempts agricultural workers from overtime premium pay, but requires the payment of the minimum wage to workers employed on larger farms (farms employing more than approximately seven full-time workers). The Act has special child-labor regulations that apply to agricultural employment; children under 16 are forbidden to work during school hours and in certain jobs deemed too dangerous. Children employed on their families' farms are exempt from these regulations. Employment Standards Administration's Wage and Hour Division administers this law⁴.

Hours Worked per Week

Average employment in 2010 was 40.1 hours.

Hours Worked per Week Agricultural Service Workers, California, 37.0 hours

Hours Worked per Week Agricultural Service Workers, Florida, 33.0 hours

It is customary for employees to receive time off for certain holidays (federal/religious) throughout the year. Time off is worked out between the employee and employer.

In the case of Temporary Agricultural Workers (H-2A Visas), the employer must provide every worker a copy of the worker contract or, as a substitute for the worker contract, a copy of the clearance order. If worker contracts are provided, they must specify at least those benefits required by the regulations. The job clearance order is the "official" document, since it is the one the employer submits and the Department of Labor approves. The job clearance order/contract must include any and all significant conditions of employment, such as specific days workers are not required to work (i.e., Sabbath, federal holidays)⁵.

The Employee Retirement Income Security Act (ERISA) regulates employers who offer pension or welfare benefit plans for their employees. Title I of ERISA is administered by the **EMPLOYEE BENEFITS SECURITY ADMINISTRATION (EBSA)** (formerly the Pension and Welfare Benefits Administration) and imposes a wide range of fiduciary, disclosure and reporting requirements on fiduciaries of pension and welfare benefit plans and on others having dealings with these plans. These provisions preempt many similar state laws. Under Title IV,

certain employers and plan administrators must fund an insurance system to protect certain kinds of retirement benefits, with premiums paid to the federal government's **PENSION BENEFIT GUARANTY CORPORATION (PBGC)**. EBSA also administers reporting requirements for continuation of health-care provisions, required under the Comprehensive Omnibus Budget Reconciliation Act of 1985 (COBRA) and the health care portability requirements on group plans under the Health Insurance Portability and Accountability Act (HIPAA)⁴.

Farm and other employers are required to report worker Social Security numbers and earnings and withhold income taxes on the worker's earnings.

Taxes

The following tables define the tax rate schedules⁶:

Single

If taxable income is over:	But not over:	The tax is:
\$0	\$7,825	10% of the amount over \$0
\$7,825	\$31,850	\$782.50 plus 15% of the amount over 7,825
\$31,850	\$77,100	\$4,386.25 plus 25% of the amount over 31,850
\$77,100	\$160,850	\$15,698.75 plus 28% of the amount over 77,100
\$160,850	\$349,700	\$39,148.75 plus 33% of the amount over 160,850
\$349,700	no limit	\$101,469.25 plus 35% of the amount over 349,700

Married Filing Jointly or Qualifying Widow(er)

If taxable income is over:	But not over:	The tax is:
\$0	\$15,650	10% of the amount over \$0
\$15,650	\$63,700	\$1,565.00 plus 15% of the amount over 15,650
\$63,700	\$128,500	\$8,772.50 plus 25% of the amount over 63,700
\$128,500	\$195,850	\$24,972.50 plus 28% of the amount over 128,500
\$195,850	\$349,700	\$43,830.50 plus 33% of the amount over 195,850
\$349,700	no limit	\$94,601.00 plus 35% of the amount over 349,700

Married Filing Separately

If taxable income is over:	But not over:	The tax is:
\$0	\$7,825	10% of the amount over \$0
\$7,825	\$31,850	\$782.50 plus 15% of the amount over 7,825
\$31,850	\$64,250	\$4,386.25 plus 25% of the amount over 31,850
\$64,250	\$97,925	\$12,486.25 plus 28% of the amount over 64,250
\$97,925	\$174,850	\$21,915.25 plus 33% of the amount over 97,925
\$174,850	no limit	\$47,300.50 plus 35% of the amount over 174,850

Schedule Z — Head of Household

If taxable income is over:	But not over:	The tax is:
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If taxable income is over:	But not over:	The tax is:
\$0	\$11,200	10% of the amount over \$0
\$11,200	\$42,650	\$1,120.00 plus 15% of the amount over 11,200
\$42,650	\$110,100	\$5,837.50 plus 25% of the amount over 42,650
\$110,100	\$178,350	\$22,700.00 plus 28% of the amount over 110,100
\$178,350	\$349,700	\$41,810.00 plus 33% of the amount over 178,350
\$349,700	no limit	\$98,355.50 plus 35% of the amount over

Also, some states have individual income taxes. The tax rates can be found on the following web page: http://www.taxadmin.org/fta/rate/ind_inc.pdf.

Income and FICA taxes⁷:

Income tax does not have to be withheld on noncash wages paid to agricultural workers, like room and board. Also, no withholding is required on cash wages unless the wages are subject to FICA tax. While there are some exceptions, generally FICA applies to all wages paid:

- At least \$150 or more in cash wages during the calendar year for farm work, or
- Less than \$150 in cash wages, but total expenses (that is, cash and noncash wages, such as room and board) for a worker are \$2,500 or more in a year.

Benefits:

Self-employed farmers must procure their own health and life insurance. As members of farm organizations, they may receive group discounts on health and life insurance premiums. Farmworkers tend to receive fewer benefits than those in many other occupations. Some employers supply seasonal workers with room and board.

Some benefits include:

The Family and Medical Leave Act:

The Family and Medical Leave Act⁸ ("FMLA") provides certain employees with up to 12 workweeks of unpaid, job-protected leave a year, and requires group health benefits to be maintained during the leave as if employees continued to work instead of taking leave.

Summary

The FMLA became effective August 5, 1993, for most employers and employees. (For those covered by a collective bargaining agreement (CBA) in effect on that date, the FMLA became effective on the expiration of the CBA or February 5, 1994, whichever was earlier.) The regulations implementing the act were most recently revised and became effective January 16, 2009⁸.

This law covers only certain employers; affects only those employees eligible for the protections of the law; involves entitlement to leave, maintenance of health benefits during leave, and job restoration after leave; sets requirements for notice and certification of the need for FMLA leave; and protects employees who request or take FMLA leave.

Worker's Compensation:

Workers' compensation is an important part of American social insurance. As a source of support for disabled workers, it is surpassed in size only by Social Security disability insurance and Medicare. Workers' compensation programs in the fifty states, the District of Columbia, and federal programs paid \$55.3 billion in benefits in 2005. Of the total, \$26.2 billion was for medical care and \$29.1 billion was for cash benefits. Workers' compensation differs from Social Security disability insurance and Medicare in important ways. Workers' compensation pays for medical care for work-related injuries beginning immediately after the injury occurs; it pays temporary disability benefits after a waiting period of three to seven days; it pays permanent partial and permanent total disability benefits to workers who have lasting consequences of disabilities caused on the job; it pays rehabilitation and training benefits for those unable to return to pre-injury careers; and it pays benefits to survivors of workers who die of work-related causes⁹.

Social Security and Medicare, in contrast to Worker's Compensation, pay benefits to workers with long-term disabilities of any cause, but only when the disabilities preclude work. Social Security begins after a five-month waiting period and Medicare begins twenty-nine months after the onset of medically verified inability to work. In 2005, Social Security paid \$85.4 billion in cash benefits to disabled workers and their dependents, while Medicare paid \$48.8 billion for health care for disabled persons under age 65⁹.

Medicaid:

Medicaid¹⁰ is available only to certain low-income individuals and families who fit into an eligibility group that is recognized by federal and state law. Medicaid does not pay money to the individual; instead, it sends payments directly to the individual's health care providers. Depending on the individual's state's rules, an individual may also be asked to pay a small part of the cost (co-payment) for some medical services. Medicaid is a state administered program and each state sets its own guidelines regarding eligibility and services. Medicaid covers many groups of people. Even within these groups, though, certain requirements must be met. These may include age, if pregnant, disabled, blind, or aged; income and resources (like bank accounts, real property, or other items that can be sold for cash); and citizenship status or immigrant status. The rules for counting income and resources vary from state to state and from group to group. There are special rules for those who live in nursing homes and for disabled children living at home.

A child may be eligible for coverage if he or she is a U.S. citizen or a lawfully admitted immigrant, even if the parent is not (however, there is a 5-year limit that applies to lawful permanent residents). Eligibility for children is based on the child's status, not the parent's or guardian's.

The Migrant and Seasonal Agricultural Worker Protection Act (MSPA)¹¹ regulates the hiring and employment activities of agricultural employers, farm labor contractors, and associations using migrant and seasonal agricultural workers. The Act prescribes wage protections, housing and transportation safety standards, farm labor contractor registration requirements, and disclosure requirements. Employment Standards Administration's WAGE AND HOUR DIVISION administers this law.

The Occupational Safety and Health Administration (OSHA) has special safety and health standards that apply to agricultural operations.

OSHA

Section 5(a)(1) of the OSH Act, often referred to as the General Duty Clause, requires employers to "furnish to each of his employees employment and a place of employment which are free from recognized hazards that are causing or are likely to cause death or serious physical harm to his employees". Section 5(a)(2) requires employers to "comply with occupational safety and health standards promulgated under this Act"¹².

Health and safety standards for agriculture fall under Part 1928 of the OSH Act. Farming operations that do not maintain a temporary labor camp and that employ 10 or fewer employees are exempt from OSHA inspections. In addition, family members of farm employees are not regarded as employees when making the determination as to number.

Self-employed farmers must procure their own health and life insurance. As members of farm organizations, they may receive group discounts on health and life insurance premiums. Farmworkers tend to receive fewer benefits than those in many other occupations. Some employers supply seasonal workers with room and board.

EDUCATION

Education in the United States is mainly provided by the public sector, with control and funding coming from three levels: federal, state, and local. School attendance is mandatory and nearly universal at the primary and secondary levels (known inside the United States as the elementary and high school levels). At these levels, school curricula, funding, teaching, and other policies are set through locally elected school boards with jurisdiction over school districts. School districts are usually separate from other local jurisdictions, with independent officials and budgets. Educational standards and standardized testing decisions are usually made by state governments.

The ages for compulsory education vary by state, beginning at ages five to eight and ending at the ages of fourteen to eighteen. A growing number of states are now requiring school attendance until the age of 18.

USDA COSTS OF PRODUCTION

According to the United States Department of Agriculture, hired labor costs cotton producers \$16.42 per planted acre in 2007 and \$16.33 per planted acre in 2008. Opportunity cost of unpaid labor for those years was \$37.10 per planted acre in 2007 and \$39.05 per planted acre in 2007¹³.

¹ *Farm Labor Report*, May 2009, Agricultural Statistics Board, NASS, USDA

² United States Department of Labor, <http://www.dol.gov/compliance/guide/minwage.htm>

³ *Amber Waves*, April 2008, ERS, USDA, <http://www.ers.usda.gov/AmberWaves/April08/Features/HiredFarm.htm>

⁴ United States Department of Labor, <http://www.dol.gov/opa/aboutdol/lawsprog.htm>

⁵ United States Department of Labor, <http://www.dol.gov/compliance/guide/taw.htm>

⁶ Internal Revenue Service, United States Department of the Treasury

<http://www.irs.gov/formspubs/article/0,,id=164272,00.html>

⁷ <http://taxation.lawyers.com/Employment-Taxes-for-Farm-or-Agricultural-Workers.html>

⁸ Wage and Hour Division, United States Department of Labor, <http://www.dol.gov/whd/fmla/finalrule.htm>

⁹ *Worker's Compensation: Benefits, Coverage, and Costs, 2005 August 2007*, National Academy of Social Insurance, Washington DC

¹⁰ United States Department of Health and Human Services, <http://www.cms.hhs.gov/MedicaidGenInfo/>

¹¹ Migrant and Season Worker Protection Act (MSWPA, 29 U.S.C. 1801, et seq.) and implementing regulations (29 CFR Part 500)

¹² United States Department of Labor, <http://www.osha.gov/SLTC/agriculturaloperations/standards.html>

¹³ USDA, ERS <http://www.ers.usda.gov/Data/CostsAndReturns/TestPick.htm>