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Dawn D. Thilmany
Utah State University

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**IMMIGRATION TO UTAH COMMUNITIES: THE ROLE
OF AGRICULTURE AND RURAL DEVELOPMENT**

by

DAWN D. THILMANY

**Department of Economics
Utah State University
3530 University Boulevard
Logan, UT 84322-3530**

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OF AGRICULTURE AND RURAL DEVELOPMENT**

Dawn D. Thilmany, Assistant Professor

**Department of Economics
Utah State University
3530 University Boulevard
Logan, UT 84322-3530**

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OF AGRICULTURE AND RURAL DEVELOPMENT**

Dawn D. Thilmany

ABSTRACT

The relatively small agricultural sector in Utah has meant there were relatively few migrant farmworkers and, thus, Hispanics in the state. Given the notable economic growth in recent years, the tight labor market, and the demographic and employment trends in Utah, the significant increase in Hispanic settlement in Utah may not be surprising. This study analyzes population and employment growth in rural Utah among Hispanics and presents two brief case studies of specific communities and industries. The results clearly illustrate the emerging issues associated with the changing face of rural America in the Intermountain West.

IMMIGRATION TO UTAH COMMUNITIES: THE ROLE OF AGRICULTURE AND RURAL DEVELOPMENT¹

The Clinton administration has included rural revitalization and the alleviation of rural poverty as one of its priorities (U.S. President Clinton). Utah Governor Leavitt, as well as officials from many states with relatively undeveloped rural economies, also emphasize such issues. Various rural development strategies have been implemented in areas once dominated by agriculture, mining, or other natural resource extraction. This study focuses on strategies for rural development in Utah, including the implications for rural labor markets and the potential growth in the Hispanic population.

Among rural households, the incidence of poverty is highest among small farmers and migrant farmworkers (Allen and Thompson) and, thus, immigration, farm, and labor policy may have significant effects on economic progress in rural areas. The role of migrant workers has long been important in states with notable seasonal agricultural production such as California, Texas, and Florida. However, the presence of migrant farmworkers is becoming more apparent in the Intermountain West. This study analyzes the role of Hispanics in Utah's rural labor market.

Many former workers now seek to settle in communities to find more stable employment, a trend which coincides with efforts to attract new industries noticing Utah's lower labor costs. This strategy led to record low unemployment and high wages throughout the state in the early and mid-1990s. Thus, former migrant workers are the sole remaining, low-cost labor supply for

¹The author is Assistant Professor in the Department of Economics, Utah State University, 3530 University Boulevard, Logan UT 84322-3530. This work was supported by the Utah Agricultural Experiment Station as journal paper # 4961 and the USU Women and Gender Research Institute.

some industries and regions. Moreover, the recent passage of Proposition 187 in California² and low unemployment rates in neighboring states should increase the number of recent immigrant workers moving into other western states, including Utah. Policies must be developed to effectively integrate a more diverse population into communities and social service programs.

The first sections of this paper focuses on the farm sector's role in attracting Hispanics to rural Utah. A basic demographic analysis of Hispanic settlement rates will be conducted to test what factors have contributed to increased Hispanic settlement across Utah counties. A qualitative analysis examines the implications of Utah's value-added strategy for rural development. Included are case studies of two Utah agribusinesses that employ, or may employ, a large share of Hispanic workers. Unique aspects of Hispanic employee recruitment and hiring, as well as the implications of Utah's current labor market are addressed, and the potential impacts to the surrounding rural communities are reviewed. This study should prompt future research on Hispanic assimilation and settlement issues in Utah.

Rural Population and Employment Trends in the West

In recent years, U.S. nonmetro population growth has been closer to metro growth (Figure 1, Table 1). However, the growth among rural areas is not uniform. Agriculture-dependent areas continue to decline while growth in manufacturing-dependent counties is slower than average nonmetro growth (ERS). The most rapid growth in rural areas during the early 1990s occurred in counties that derive over half of their income from services, most of them

²California's Proposition 187 denies many social services (including education and health care) to illegal immigrants. Thus, there has been widespread speculation in various western media outlets that more immigrants have made or considered a move to nearby states.

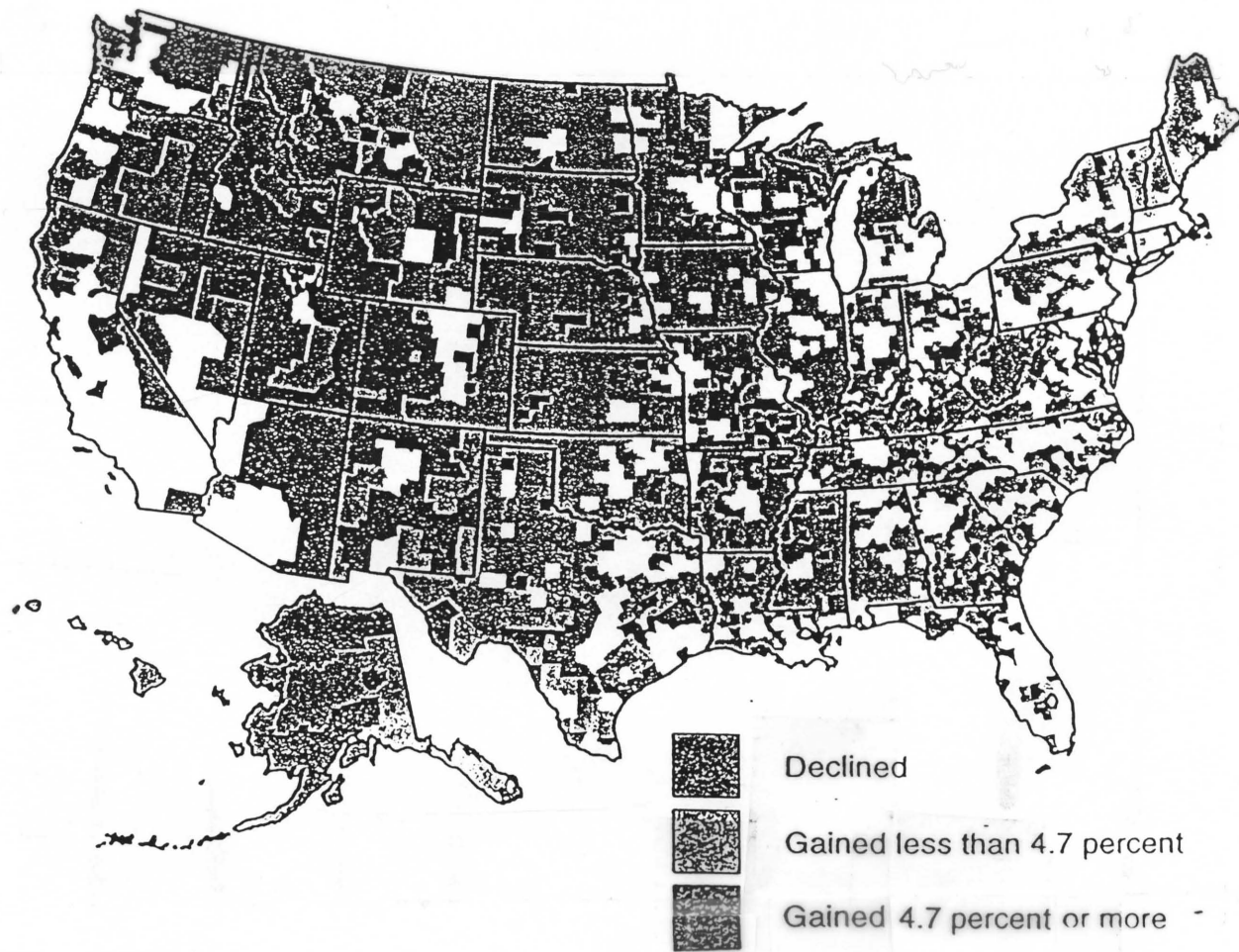


Figure 1. Nonmetro population change, 1990-94.

(Many western counties grew faster than the national average, while many central counties declined.)

Table 1. Regional Population Change, 1980-94 (*Nonmetro population growth was higher than metro growth in the West and North.*)

Region	Population			Change	
	1994	1990	1980	1990-94	1980-90
	----- Millions -----			----- Percentage -----	
United States:					
Metro	207.5	197.8	177.0	4.9	11.8
Nonmetro	52.9	50.9	49.6	3.9	2.7
North:					
Metro	76.2	75.0	72.7	1.7	3.0
Nonmetro	12.9	12.5	12.1	3.0	3.2
Central:					
Metro	22.6	21.7	20.7	3.8	5.0
Nonmetro	10.6	10.5	10.9	1.4	-4.0
South:					
Metro	59.7	55.6	46.9	7.4	18.7
Nonmetro	21.4	20.6	20.0	3.9	2.9
West:					
Metro	48.9	45.5	36.7	7.5	24.1
Nonmetro	8.0	7.3	6.5	9.4	12.0

in the West where the growth rate between 1990 and 1994 was 9.4%. Migration to rural areas is primarily being fueled by the rapid development of retirement and recreation areas. The “brain drain” from rural areas also appears to be slowing, especially in the rural West.

Studies have shown that for outmigrants from California tend to settle into nearby western states (Ellis, Barff, and Renard). Laborers, such as migrant farmworkers, are more likely to migrate within a state (especially in such a geographically and seasonally diverse state as California), but their interstate migration is also within the West. Given this finding, it is not surprising that the West continues to see an increasing concentration of Hispanic settlement (Figure 2), including states not historically associated with immigration or seasonal farmwork.

Rural poverty increased in the early 1990s, and, although poverty among nonmetro Hispanics (33.1%) is well above the average poverty rate (17.3%), it is the only segment of the rural population in which poverty levels decreased between 1989 and 1993. The high poverty

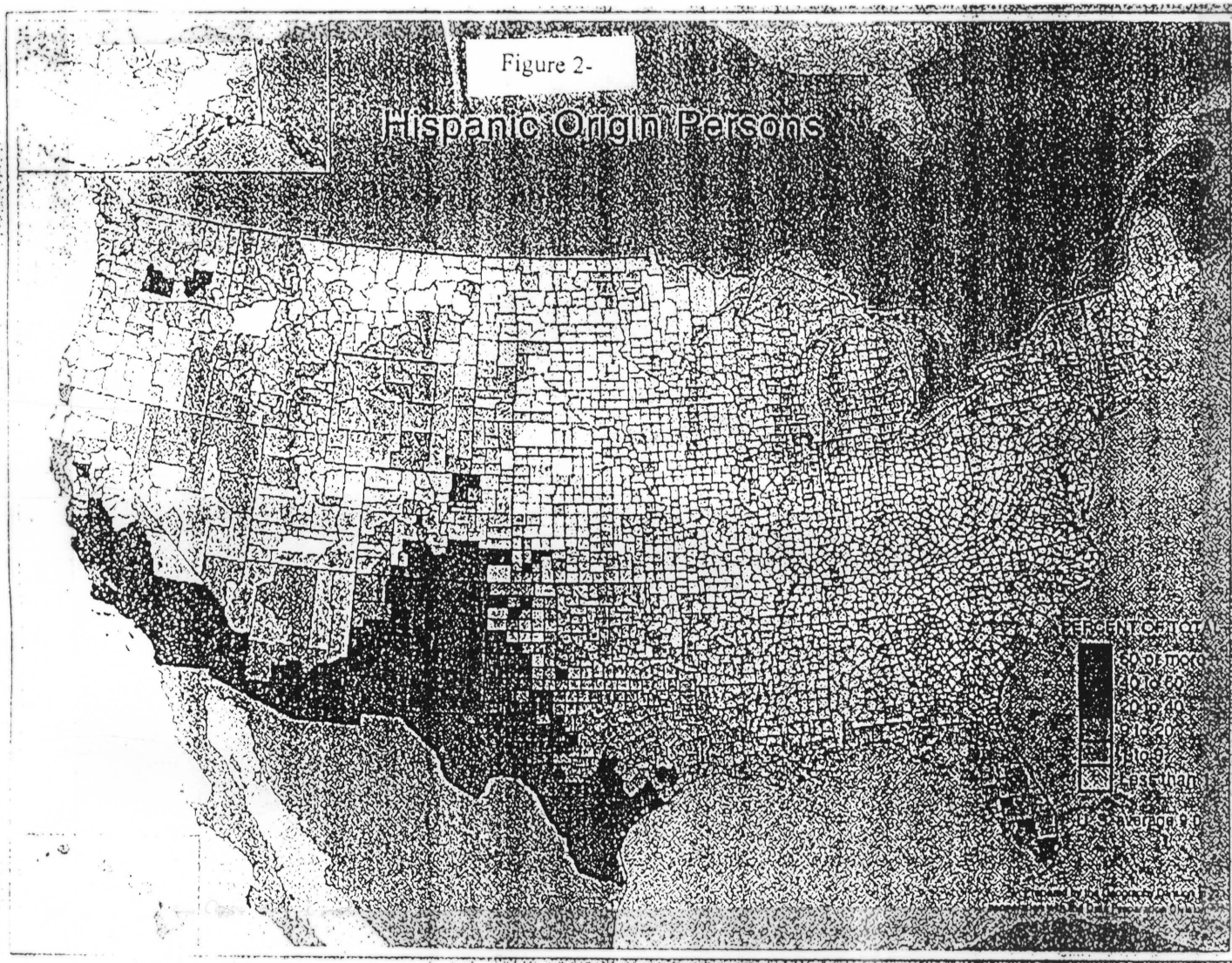


Figure 2. Hispanic origin persons.

levels among Hispanics appear linked with employment as hired farmworkers, which is one of the lowest paid occupations. Utah and Washington (important links in the western migrant stream that runs through Utah) are among the 12 states with increased labor expenditures between 1987 and 1992, a period in which average expenditures across the U.S. declined by 3%. Moreover, the apparent growth in the agricultural processing sectors in many of these states influences migration and rural development in the West.

Utah's Hispanic population is the largest ethnic minority group in the state and it increased from 4.3% in 1980 to 6.5% in 1994 (Figure 3). They are expected to comprise 8% of the state's population by the turn of the century. The Hispanic populations of almost every county (except Carbon County, where the Hispanic population decreased by 14%) experienced rapid-to-moderate growth from 1980 to 1994 (Figure 4). Millard County's Hispanic population, for example, has grown by approximately 326% over this period, from 157 to 669 in 1994. These counties are shown in Figure 5.

The Governor's Office of Hispanic Affairs cites Utah's strong economy, the L.D.S. Church's affiliation with many Hispanics and Latinos, higher education opportunities, the economic recession in California in the late 1980s and early 1990s, and high birth rates among Utah's Hispanic community as forces in Utah's growing Hispanic population. This study tests the influence of Utah's economy, specifically with the agricultural production and processing sectors on Hispanic settlement in rural areas.

Figure 3- Hispanic Population Share, 1980 and 1994

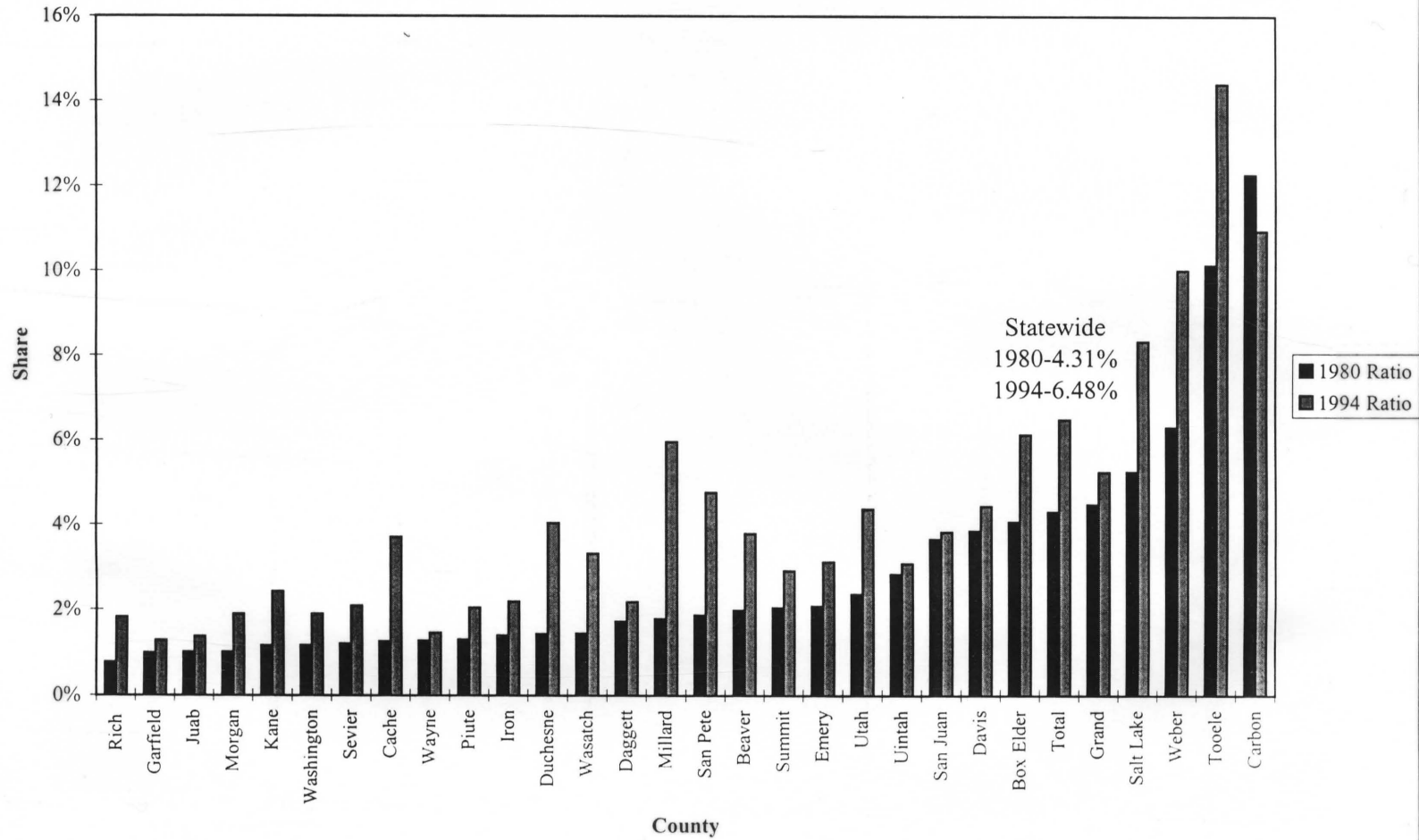


Figure 3. Hispanic population share, 1980 and 1994.

Figure 4- Utah Population Growth, 1980-94

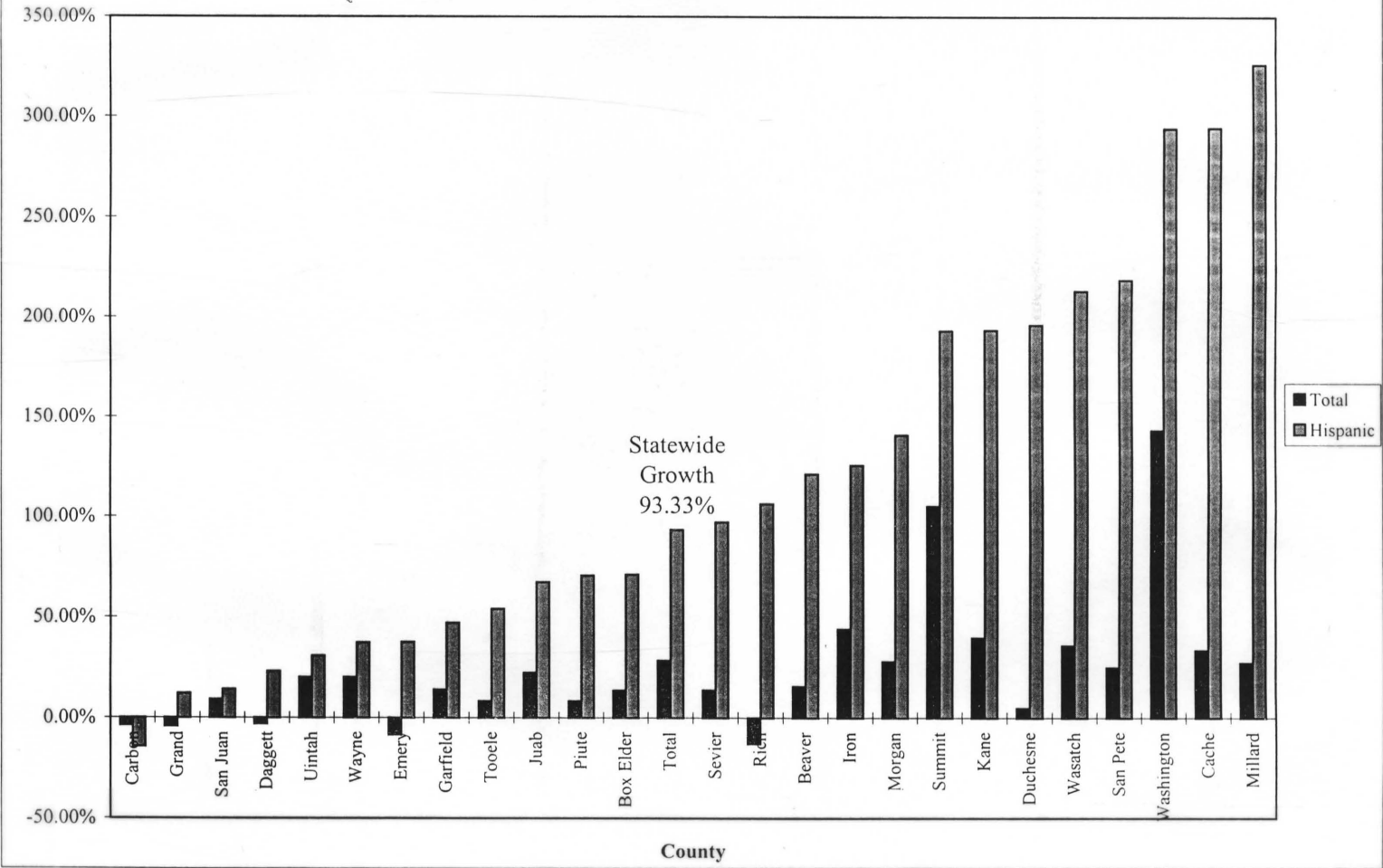


Figure 4. Utah population growth, 1980-94.

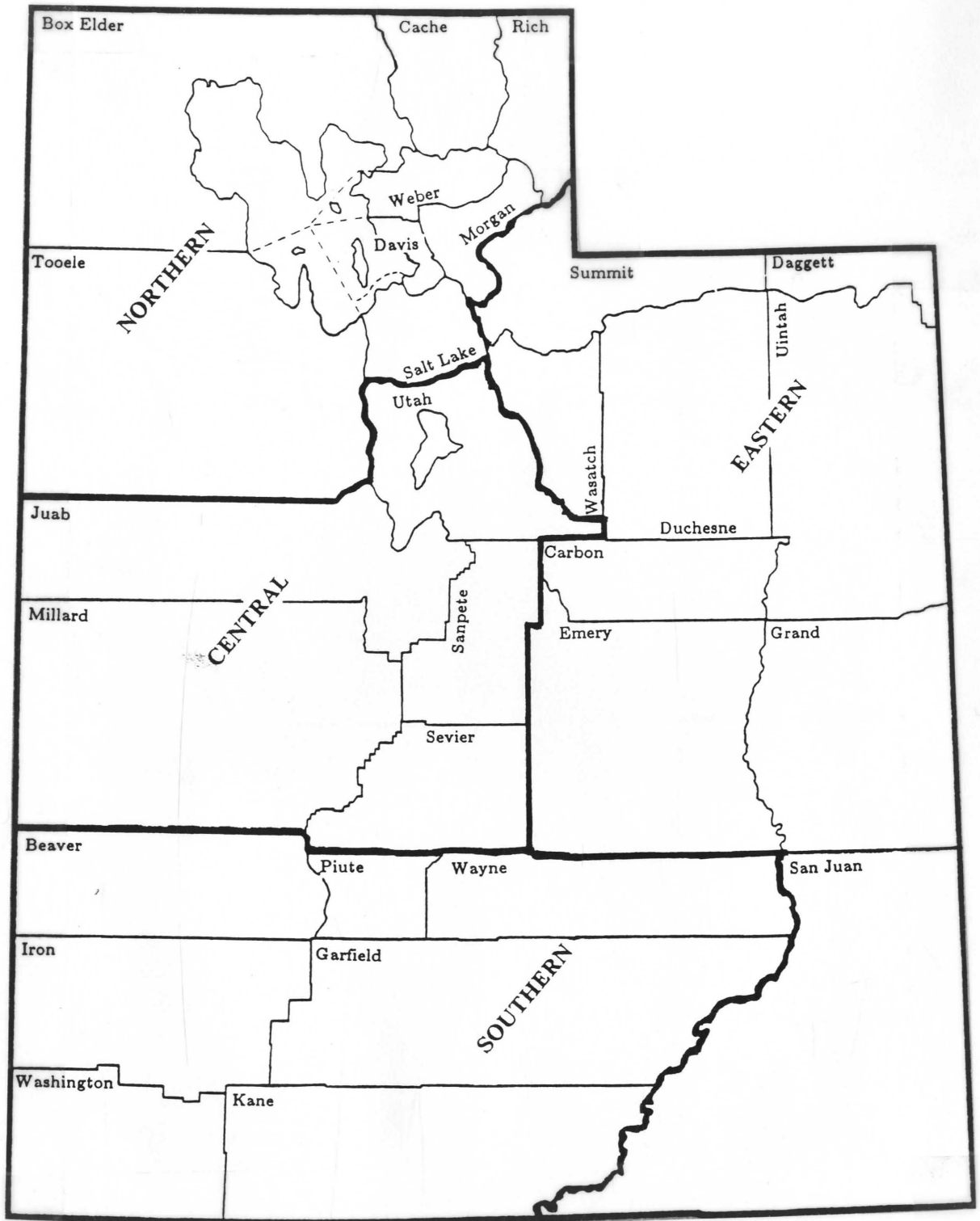


Figure 5. Utah counties and districts.

Utah Agriculture: A Magnet for Hispanic Settlement

Utah ranks 38th among states on value of agricultural production with approximately 14,000 production agriculture operations. Cattle, dairy, hay, turkeys, and nursery products are major commodities, but agriculture is more diverse than one might expect. Farm labor is a factor in a couple of sectors. In Utah, 31.2% of farms utilized paid employees. More than 50% of the fruit and vegetable growers, dairies, chicken, and turkey farms and about 40% of fruit and vegetable farms hire workers (LMID). Self-employed contractors constitute about 40% of employment nationally, compared to 66% in Utah.

With the passage of the *Immigration Reform and Control Act of 1986* (IRCA), renewed interest was taken in the farm labor market, especially since farm interests lobbied for special conditions to allow for a more gradual adjustment to the shrinking supply of farm labor that was expected. However, the effect of IRCA on states that do not attract large volumes of new immigrant workers, but benefit from migrant worker streams based in larger agricultural states, is not well studied. This study focuses on the role of traditional agriculture and other industries in the food system to illustrate their role in Hispanic settlement trends. Previous studies of labor market conditions in Utah, migrant worker patterns, and the recent labor market supply conditions provide a basic foundation from which this project will draw.

There is a clear interdependence of Utah's farm labor market with the economic conditions of more dominant agricultural states. Utah is geographically sandwiched between the agricultural centers of the Midwest and the West Coast, and its size limits Utah's impact upon agricultural markets. Utah's farms have depended on the migrant stream of illegal and quasi-legal immigrants following the harvest cycles from state to state. Within the United States,

two major foreign labor pools have developed since the Great Depression in South Texas and East Los Angeles. These workers come in waves in a South-North flow to work on farms and ranches in virtually every state in the union. Although Utah is geographically nearer East L.A., the majority of foreign labor has historically come from South Texas, circulating up through New Mexico and Colorado to Utah. Those workers coming across the border into California, migrate along the West Coast between California and the Northwest. It is also argued that Utah and Texas share a common ideological trait: both are right-to-work states.

The long-term effects of immigration reform in Utah are not well understood. In California, stabilization of the farm labor market did not occur (Taylor and Thilmany), although it has had significant effects on the structure of the California farm labor market. As early as the 1989 growing season, a rupture in the traditional migrant stream appeared. The natural migrant stream, an informal system that, in the past, contained a sizeable component of illegal workers has been disrupted by the legal framework of employer sanctions, the amnesty program, and stepped-up INS enforcement.

Employers in Utah harbor a certain amount of "fear and loathing" about the labor market climate. In Utah, labor shortages, as well as farm and general wage increases experienced in the late 1980s and early 1990s, were blamed on IRCA. Although undocumented worker absences might have bid up wages in crop activities where they are most often employed, wage inflation also occurred in more stable sectors as a result of general labor market conditions.

The 1995 Utah agricultural wage survey found persistent concern over several issues among agricultural employers (Utah Governor's Office of Planning and Budget 1996b). Growers confided in the fact that, due to the increase in construction activity statewide, they were

obligated to raise wages in order to obtain a sufficient supply of workers. The biggest increase was in the dairy worker category, where there was an average increase of \$2 per hour in wages. This could be due to the relatively competitive conditions between these types of work, which offer more year-round employment opportunities than most farm work. In 1994, there was also evidence of increasing wages, but employers' reasons included not only competition, but also the disruption in the migrant stream due to poor crops in Washington state. For the very best seasonal workers, more year-round employment opportunities were offered, including housing and insurance benefits as inducements to retain such workers. However, some employers believe that these regularized workers are more at risk to be recruited for higher paying jobs in the construction industry.

Although no formal questions about turnover and migration sources were asked on the 1995 wage survey, employers were asked to share their perceptions on such issues at the conclusion of the survey. More regularized workforces, such as those found in the dairy industry, ranch hands, hay workers, sheep herding and turkey processing, were believed to have 80-90% retention or return of workers season to season. However, survey respondents estimated that only 20-30% of fruit crop workers return each year to former employers. Yet, as was found in the Washington survey, only 10-20% of these workers need to be recruited each year, since many returning workers bring along friends or family in subsequent years.

Employers were also asked to share their perceptions of what percentage of their workers were interstate workers, and of those that did migrate, what were the primary source states. Those workers in year-round positions were not migrants from neighboring states. The two exceptions were turkey processors and shepherders, where 50-60% of the workers were from

other states, but there was little turnover among workers. In the pruning, harvesting, and processing of fruit and vegetable crops, 10-50% of the workers were from other states including Colorado, Texas, Arizona, and California. Pruners were the least likely of these workers to be interstate migrants as would be expected given that pruning occurs during a time when the migrant stream from South to North is not yet active. It is not clear that traditional agriculture serves as anything more than a temporary draw for Hispanics to Utah. However, Utah's current value-added focus has led to a growing food sector which may lead one-time migrants to settle within the state.

Hispanic Workers and Rural Economic Development

Free trade is currently one of the driving forces in the agricultural sector. Export increases to Mexico would favor Utah producers, especially the livestock, food processing, fruit, poultry, and dairy industries. This is due, in part, to the regional proximity and already well-developed transportation system between Utah and Mexico. These favorable market conditions have lent to the recent success Utah has demonstrated in attracting agribusinesses to its rural areas. It is argued here that the demand for unskilled, low-wage labor may provide a "pull" among legalized immigrants from California to Utah and a "push" for workers out of the agricultural production sector. However, the competitiveness of these industries is dependent on a continuing supply of low-cost labor. An essential comparative advantage of businesses located in rural areas is the low cost of doing business in these areas, including relatively inexpensive labor. Yet, these rural areas have experienced very low unemployment levels since low-wage

jobs are not a strong incentive for workers to migrate to these areas, especially in states with strong economies such as Utah in the 1990s.

The amnesty program incorporated in IRCA may partially explain the increased settlement rates of Hispanics in many rural communities. It has been argued that legalization has given considerable numbers of immigrants the confidence to migrate out of farming into the service and manufacturing sectors. Dwight Norris, from the Utah Labor Market Information Division, posited the theory that, "The service sectors in Park City has become the employer of many previously migrant workers." This same argument may apply to other Utah rural areas as the tourism economy continues to grow.

One issue surrounding the Hispanic workforce in the age of IRCA is the unintended discriminatory hiring practices expected under a regime of employer sanctions. Lowell et al. found that more employers were informed about IRCA among larger firms, firms with high hiring rates and in areas with higher mean Hispanic employment. Although there is more discrimination within heterogeneous labor markets, they find that Hispanic employment in such labor markets is also relatively high. Hispanic workers also appeared to fair better in strong economies, obtaining 3 of every 10 new jobs. Given the growth of Utah's economy, it follows that increased Hispanic employment should be expected, but discrimination is still an issue.

Any significant change in employment opportunities or wage levels has significant implications for migration and settlement activity, labor shortages/surpluses, and the demand for public services. If former migrant farmworkers are choosing to establish their permanent households in rural areas, it may have significant, positive effects on the rural economic development goals of Utah. Public financing issues have become very important to communities

with rapidly growing and diversifying populations. Huffman found that recent immigrants to the U.S. have caused modest increases in the aggregate demand for U.S. privately produced goods but a more rapid increase in the demand for publicly provided goods. Consequently, any discussion comparing economic benefits with potential public finance issues requires an understanding of the economic role and social concerns of the Hispanic population.

Utah's Hispanic Population

As discussed and illustrated previously (Figures 3 and 4), Utah's Hispanic population is growing disproportionately in one of the fastest growing areas in the United States. Unlike many western states, Utah's agriculture was not a magnet for eventual settlement of farmworker populations. However, it could be that the food processors attracted to the state are fast becoming the draw for such populations. The data on Hispanic settlement in Utah is fairly limited, but given county estimates, it is possible to analyze the prime determinants of Hispanic concentration across Utah counties. The ratio of Hispanics to all other Utah citizens is the dependent variable of a pooled time-series, cross-section model. Table 2 lists and briefly describes the explanatory variables included in the estimation.

The demand for detailed race and ethnic data is going in one direction, and the quality and consistency in counting is going the other way. The need to improve the quality of the census for racial and ethnic data is driven by the many important uses of the data, such as redrawing political boundaries, implementing legislation and programs, and funding governmental programs. The primary source of race and ethnicity data is the Bureau of the Census. While census data is the most comprehensive population data produced, they are collected only every

Table 2. Utah Hispanic Population, 1980-94

Variable	Definition	Coefficient	Standard Error
Employment	Total county employment	0.108E-6*	0.390E-7
1990	Dummy equal to 1 in 1990	0.005*	0.0008
1994	Dummy equal to 1 in 1994	0.012*	0.001
Rural	Dummy equal to 1 if rural*	0.010*	0.004
Farm	Farm-based economy	-0.007*	0.003
Man	Manufacturing economy	0.027*	0.010
Serv	Services economy	0.001	0.005
Gov	Government economy	-0.003	0.004
Poor	Poverty/transfer economy	-0.007	0.005
Constant		0.027*	0.008
Significance Tests:			
Buse R-square	0.6594	*Significant at the 5% level.	

Note: Following USDA county designations.

ten years. For this reason, the Utah Department of Employment Security, with review and comments from UGOPB and others, has prepared estimates of the population by race and Hispanic origin at the county level in Utah.

The race and ethnicity analysis was based on Utah public school enrollment data by race from 1970 to 1994, and on estimates tabulated from the Utah county population data of the 1980 and 1990 censuses. Using these two sets of data, four simple algorithms to estimate the 1994 population by ethnic group for each county were derived. These methods gave estimates consistent with expectations in most cases, but it is still recognized that many of the estimates may be inaccurate. For this reason, Job Service employees in several counties were contacted in order to discuss the estimates for their respective counties. This effort was worthwhile for many

of the smaller counties because the Job Service representatives had insights into ethnic minority population trends. Given these limitations, the estimates presented and analyzed from this point forward should be interpreted with some caution.

The time series represented here captures three points in time (1980, 1990, and 1994) with observations for each of the twenty-nine counties. The model was estimated using commonly accepted pooled cross-section, time-series methodology in order to use the covariance matrix to obtain more efficient estimates.

The results presented in Table 2 demonstrate the importance of a strong economy to the growth in Hispanic settlement, consistent with Lowell et al.'s theory. Those counties with the most employment opportunities are the most likely to see higher concentrations of Hispanics. It is not surprising that there were significant increases in the share of Hispanics in the last two time periods, given the trends that were illustrated previously.

It is interesting to note that counties with a farm-based economy were less likely to draw high concentrations of Hispanics given the trend found in other states. Rural counties, in general, had a higher propensity to attract Hispanic settlement. Finally, the manufacturing sector appears to provide the greatest economic draw to Hispanic households. This sector would include the food processing employers discussed in subsequent sections of this paper. It is also interesting to note that, contrary to expectations, there was a negative and insignificant relationship between Hispanic concentration and counties with persistent poverty.

The preceding empirical results could be interpreted one of two ways. First, it could be argued that Hispanic in-migrants to Utah are helping to meet the growing labor demand in the state, particularly in rural areas and the manufacturing sector. The net economic benefit of this

population to Utah is also supported by the finding that Hispanics are not likely to settle in areas of persistent poverty which are very reliant on government transfers. Alternatively, it could be argued that Hispanic workers represent competition to native workers, allow companies to maintain low wage rates, and may deter any true economic development among rural counties.

Walker et al. developed a mobility model linking immigration and internal migration flows on the basis of occupational status of worker, production, and institutional relations in the economy, as well as economic restructuring. Their finding that blue-collar workers have been displaced by immigrants during a period of economic restructuring leads them to conclude that estimates of immigrant impacts on local labor markets are underestimated. This is based on the finding that those workers traditionally in competition with immigrants are the most likely to move from centers of heavy immigration, thereby transmitting the effects away from the immigrant destination. While internal migration incentives may arise from evolving expectations or availability of new information, they may also stem from deteriorating conditions in the home labor market. Data are not available for rigorous analysis of whether this argument is relevant to the rural Utah situation. However, these issues should be considered in interpreting the empirical results and following case studies.

E.A. Miller: The Hispanic Draw for Cache Valley

E.A. Miller Inc., an independent operating company of ConAgra, is situated in Cache Valley in the northeastern corner of Utah. For fiscal year 1996, the company had \$500 million in sales and slaughtered 500,000 beef of which 525,000 were processed. It is one of the region's biggest employers, with 1,350 people on the payroll during 1996—a 29% increase from 1988.

This growth has occurred at a time of economic boom for Utah and Cache Valley, which is also home to Utah State University where student enrollment has doubled over the past ten years. Miller's viewed the college student population as a potential workforce, but found the turnover rate (over 75%) among students to be prohibitively high given the per worker training costs of \$2,000 to \$3,000. Thus, the share of Hispanic workers employed at Miller has increased from less than 10% in 1984 to over 25% in 1988 to over 50% in 1996. This trend is evidence of the economic magnet E.A. Miller has represented in Cache County.

Unlike some areas of the country, this demographic change has not accompanied a decline in real wages: the average wage paid by Miller has increased from \$5.85 to \$7.31, a nominal increase of 25%, since 1988 (in addition to real increases in spending on the benefit package which includes free life insurance and heavily subsidized family medical and dental coverage). Historically, the state of Utah has always been significantly below the wage levels offered in many industries as evidenced by the \$5.85 paid by Miller's during 1988. However, Utah employers have met the tight labor market conditions with real increases in wages over the past years, as did Miller, in order to secure an adequate supply of labor.

Eric Falk, director of Human Resources for E.A. Miller, believes that several personnel policy and procedure changes allowed E.A. Miller to smoothly and gradually adapt to changes in their workforce. Miller never set out to specifically recruit Hispanic workers, but as is the case with many employers, recognized continuous growth in the share of Hispanic workers since the year they first hired a member of that community, 1983. Since that time, a once monocultural company began conducting all communications bilingually, and, due to hiring up from the floor, now employs a management team consisting of 20% bilingual Hispanics. The most surprising

human resource policy, which has only unofficially been adopted by the company, is a voluntary lay-off program. Over the past ten years, the company regularly lost employee numbers from early October through February, with the most pronounced loss in December and January. At first, the company resisted such employee turnover by not allowing workers to come back once they had left, but, given the high costs of training and the ironic fact that beef demand declines during the same period, the current policy is to openly accept return workers. The company has also established a strong working relationship with the INS in order to avoid the troubles that another, now defunct, meat processor in the Valley had with undocumented workers.

The majority of Hispanics who did work at Miller in the beginning commuted from Ogden, an hour south, where there was an established Hispanic community. Once a critical mass of Hispanics were employed by a wider range of companies in Cache Valley, Falk noticed that these commuters began to settle within the Valley. This has led to some concerns about community assimilation, an issue which Falk notes is of concern to the company as well.

Cache Valley has experienced one of the highest growth rates in the state with respect to the Hispanic population (see Figure 4), and it is argued here that the E.A. Miller plant has played a major role in this in-migration. In 1980, only 708 Hispanics lived in Cache County, and today there are that number of Hispanics employed at E.A. Miller alone. Leo Bravo organized and now directs the Cache Hispanic Affairs Office in Logan, Utah. This office was organized in 1994 based on Bravo's assessment that there existed a growing need for assistance within the Hispanic community. Bravo estimates that, initially, approximately 50 people used the services provided by his office each month. This number has grown to 200 people per month in less than two

years. He attributes the growth to increased word-of-mouth about the assistance offered, as well as continued Hispanic migration and settlement in Cache Valley.

A handful of public schools in Hyrum, the community where E.A. Miller is located, and other enclaves of Hispanics were also significantly impacted by the sudden demographic change. E.A. Miller provided the financial resources for the most directly impacted school, Lincoln Elementary, where about 15% of all students are Hispanic, to begin a bilingual education program. Jack Robinson, the former principal of that school, now at Mountain Crest, a high school with the same challenges, was specifically brought to Cache Valley from California to provide leadership for the diversifying school district. He brought a bilingual training program proposal to Falk in the early 1990s to determine whether Miller would underwrite the program, given that 80% of Hispanic children come from Miller's employee's families. The proposal was fully funded by the company and now provides English as a Second Language resources as well as training for teachers to adapt their classroom activities.

The Social Service programs of the county were also greatly affected by the new diversity of the region's population. John Bailey, the Director of the Bear River Health Department, contrasts the current situation with the past, when special services were only offered for a couple months out of the year to migrant seasonal farmworkers—a task directed by the state's Migrant Health Council rather than the more localized Health Department. His organization is adapting by redirecting its current resources, including the recruitment of bilingual staff and public nurses, since no new resources have been targeted at the Hispanic community. Although he realizes that the general Hispanic population has experienced significant growth, he perceives a disproportionate increase in the use of his agency's services by that community. Unlike many states, the

Health Department in Utah does not run a public hospital or clinic system, but their immunization and INS health certification programs are popular services among Hispanics. An interesting anecdote is Bailey's theory that the Hispanic children seen by his department are better immunized than the general population because they rarely keep health records, and entry into each new school requires proof of immunization. Finally, Bailey expressed concern about the local government agency's ability to fully address the diversifying population, and would see value in the formation of either an Intra-agency or Association of Counties Committee to coordinate activities across public services and state regions.

The meat industry is very capital-intensive and has great economies of scale—creating an economic challenge to Miller which is smaller than average. To remain competitive, the E.A. Miller plant is expanding to accommodate kill and process capacity of up to 3,000 head per day. This significant increase in production volume will necessarily increase the demand for workers, a fact which does not seem to concern Falk. Although a continued increase in employment will likely maintain or increase the 50% Hispanic workforce, the increased absolute numbers of Hispanic workers do not appear to raise any concern. It is likely that the training and cultural adjustments made by the firm in the past may have sufficiently adapted the firm, no matter how diverse the workforce becomes in the future. This may certainly be true for the internal organization, but the assimilation of such populations into their external community is sure to be an on-going challenge to Cache Valley.

Circle Four Farms

Circle Four Farms currently operates hog production facilities in Beaver County, Utah, and is one of the most closely watched firms in the state at present. Although most hog production facilities are in place, there are four somewhat complementary and cumulative scenarios for further growth related to Circle Four Farms, all of which would reach full capacity by 2001. These scenarios all include full farm and feed mill development, but differ with respect to the degree of processing that would happen on-site. Thus, if only the first scenario is pursued, only hog production would occur in Beaver, whereas full implementation through scenario four would result in a high degree of value-added processing on-site.

This development differs from E.A. Miller in several ways. Given the low base level of employment and services in this region of Utah, the potential impacts are expected to be significant. E.A. Miller was established and grew in a county with a relatively substantial population base and infrastructure, as well as a more diversified economy. Circle Four Farms will likely double the population and employment base of its immediate area within the next 20 years, thereby requiring a great deal of in-migration. The assimilation of new populations is always a challenge, an even more tenable situation when new arrivals outnumber native citizens.

The counties that would be impacted include the Southwest corner of Utah, including Beaver, Iron, Millard, and Washington Counties. As Figure 4 shows, the Hispanic population in these counties has been increasing at a rate equal to or greater than the state as a whole. It is not clear whether these growth rates are related to any specific employer or sector at this point, but it is expected that a large processing facility would be a draw to the Hispanic population as evidenced by the E.A. Miller case discussed within this study. The Utah Process Economic and

Demographic Model (UPED), developed by the Utah Governor's Office of Planning and Budget (1996a), has been used to make some estimates of future population and employment impacts.

By the year 2001, each of the four scenarios will result in substantial population increases, ranging from 1,685 to 3,204 additional persons, thereby incurring a cumulative population impact of 9,047 for the entire development if all four phases are eventually implemented. Of these persons, up to 1,727 are expected to be of school age from a possible 3,109 additional households. Each phase of development would add between 904 and 1,562 jobs, with a potential cumulative addition of 4,690 jobs in the area. These rough estimates include, but do not precisely measure, the forward and backward linkages, commuting patterns, and additional construction that will accompany such a large development. It is not certain what share of these new citizens, employees, or children will be Hispanic, but, given the trends in other communities, it is expected to be significant and increasing over time.

Rob Adams, the General Manager of Circle Four Farms, has an interesting perspective on the potential for Hispanic assimilation in rural Utah. Adams was raised on a ranch in San Pete County, which has employed large numbers of Hispanics in the sheepherding industry for many years. In fact, San Pete is one of the few Utah counties with a significant Hispanic population prior to the 1980s and, thus, is delineated as such in Figure 2. Given his background, Adams was surprised at the relative homogeneity of Beaver County, and expresses some concern over the ability of Hispanics to readily assimilate into the local culture. Due to this concern, he has already met with the Utah Office of Hispanic Affairs and the Catholic Archdiocese of Utah to discuss potential impacts of increased Hispanic settlement if the plant's expansion plans result in such a trend. He believes much of Utah's recent rural economic development, especially in the

agribusiness sector, is dependent on willingness of Hispanic workers to accept the types of employment and wages unacceptable to many natives. However, this positive economic contribution to rural economies comes with some challenges to public services and other institutions which directly affect the assimilation of such populations into communities.

Conclusions

Historically, Utah has been home to an unusually homogeneous population. This demographic uniformity is quickly being transformed by in-migrants from all walks of life, including well-educated, younger families looking for a better quality of life to a growing minority community offering their relatively unskilled labor to an extremely tight employment sector. The growth in Hispanic employment and settlement numbers is quite interesting in that their presence is being greatly felt in the sparsely populated, rural areas of the state which have attracted new economic development based on the low costs of doing business and locality to major domestic and foreign markets. Like many of the communities being studied within the Changing Face of Rural America Project, Utah did not have established Hispanic networks prior to the past decade, clearly demonstrating the importance of economic factors in understanding Hispanic settlement trends.

In short, there are three major points which can be drawn from this study:

1. Utah is a historically homogeneous state, with few established links to the Hispanic population beyond those migrant farmworkers who have passed through the state in transit to the larger Hispanic employment and settlement states of California, Texas, and Washington.

2. Given the small concentrations of Hispanics in 1980, there has been phenomenal growth among this population. The primary determinant of increased Hispanic settlement in the past 15 years appear to be job growth, especially within the manufacturing sector and among rural counties. Contrary to expectations, there was not a significant relationship between a county's Hispanic concentration and reliance on government transfer programs.
3. Utah agribusinesses view Hispanic in-migration as an opportunity to meet the rising labor demand conditions throughout the state and, especially, among the relatively thin rural labor market. Although these firms realize the challenges faced by the public sector given such trends, it appears that the same firms could play a leadership role in developing programs to assist in the assimilation of such populations. This is not surprising given the potential economic benefit of a stable, low-cost workforce to these agribusinesses.

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Figure 4- Utah Population Growth, 1980-94

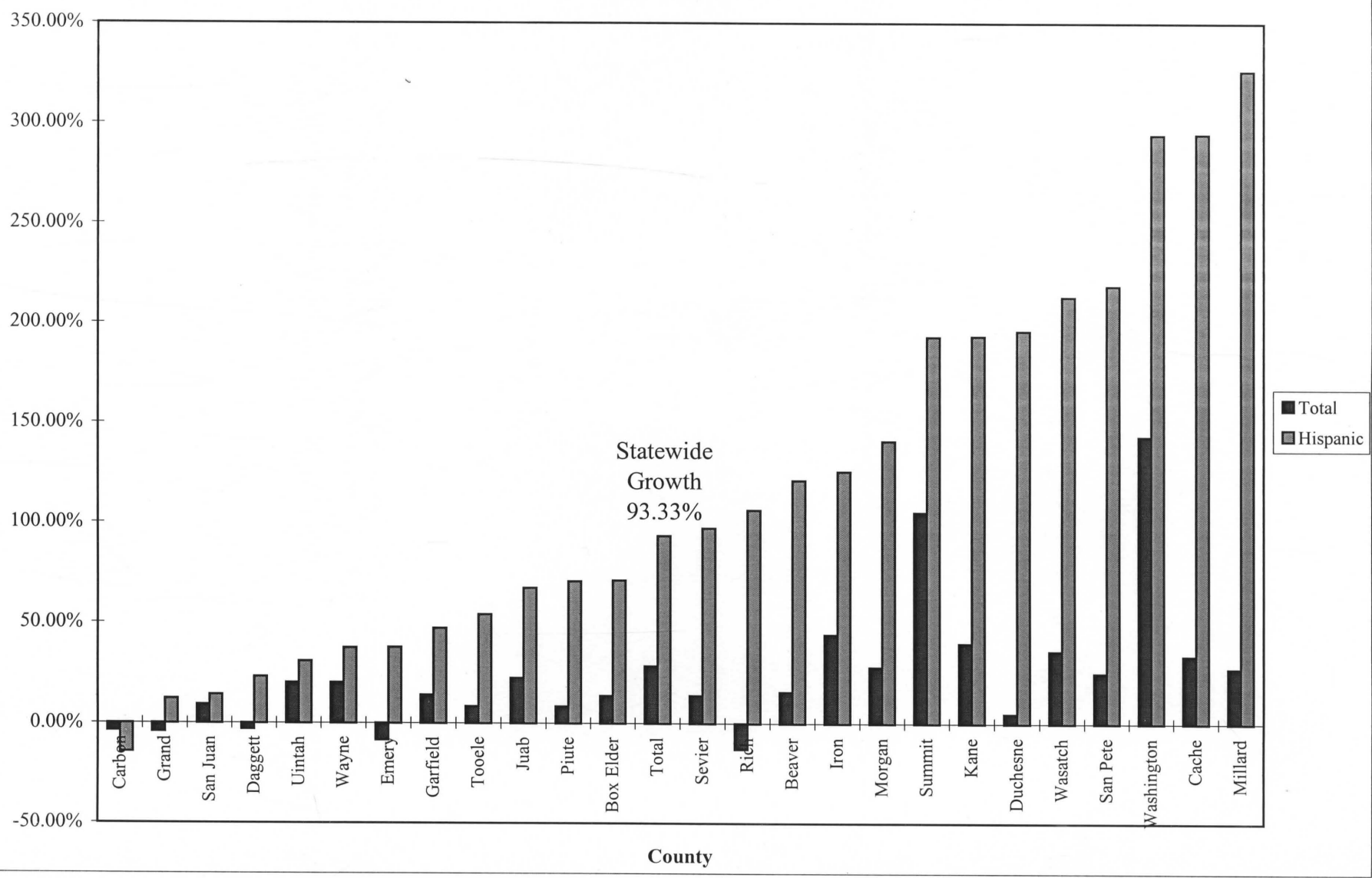


Figure 3- Hispanic Population Share, 1980 and 1994

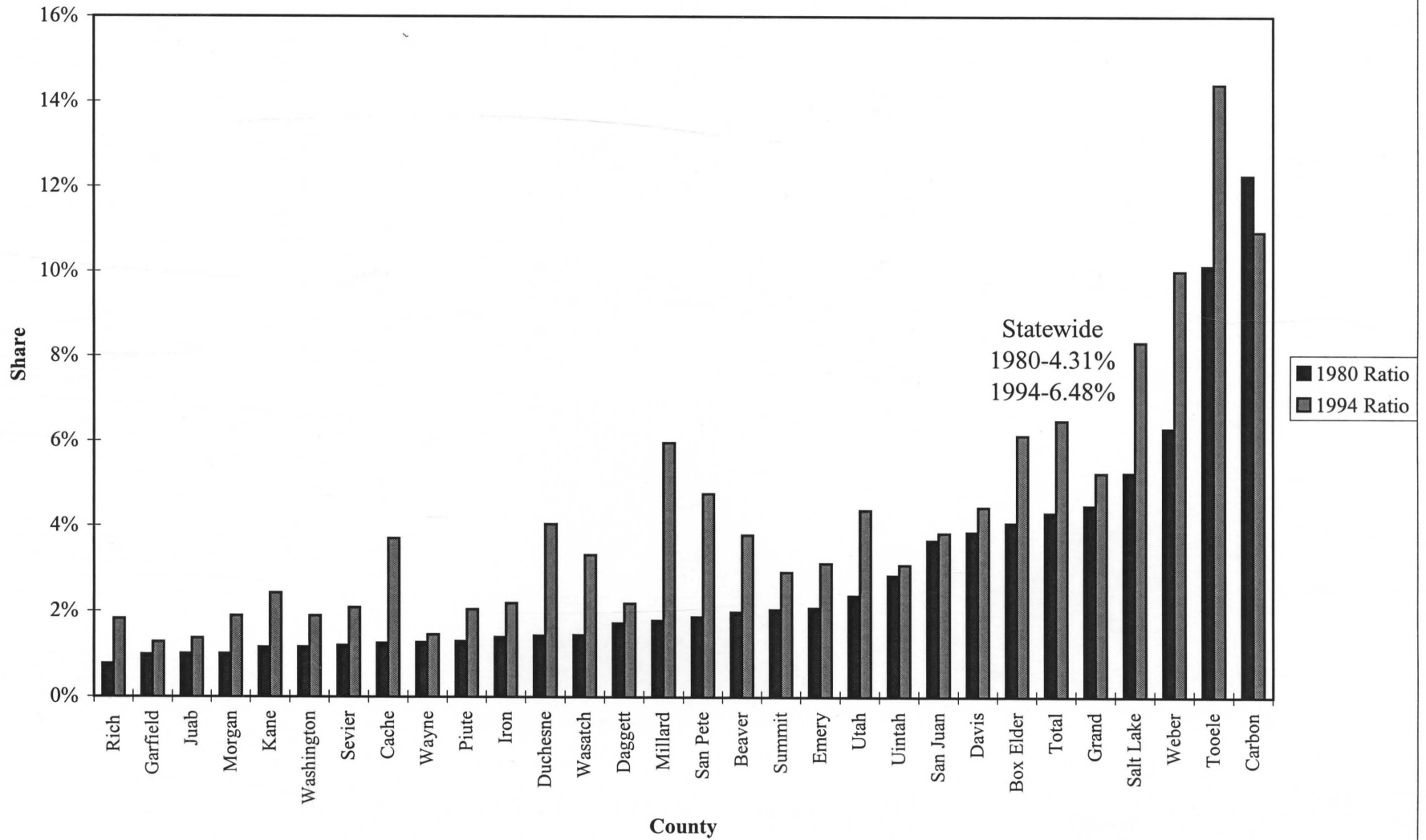


Table 1- Regional population change, 1980-94
Nonmetro population growth higher than metro growth in the West and North

Region	Population			Change	
	1994	1990	1980	1990-94	1980-90
	Millions			Percent	
United States:					
Metro	207.5	197.8	177.0	4.9	11.8
Nonmetro	52.9	50.9	49.6	3.9	2.7
North:					
Metro	76.2	75.0	72.7	1.7	3.0
Nonmetro	12.9	12.5	12.1	3.0	3.2
Central:					
Metro	22.6	21.7	20.7	3.8	5.0
Nonmetro	10.6	10.5	10.9	1.4	-4.0
South:					
Metro	59.7	55.6	46.9	7.4	18.7
Nonmetro	21.4	20.6	20.0	3.9	2.9
West:					
Metro	48.9	45.5	36.7	7.5	24.1
Nonmetro	8.0	7.3	6.5	9.4	12.0

Figure 1- Nonmetro population change, 1990-94
Many western counties grew faster than the national average, while many central counties declined

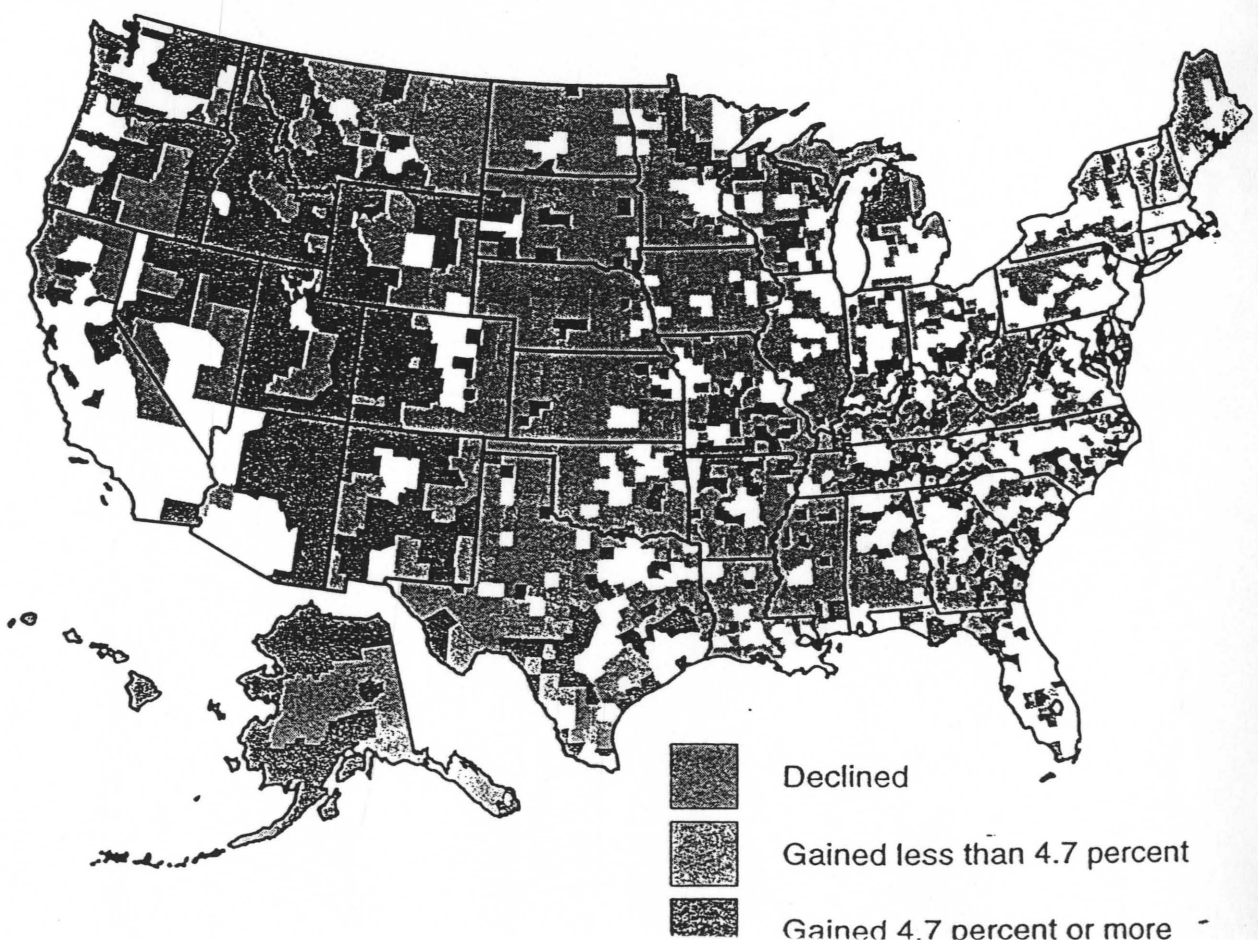


Figure 2-

Hispanic Origin Persons

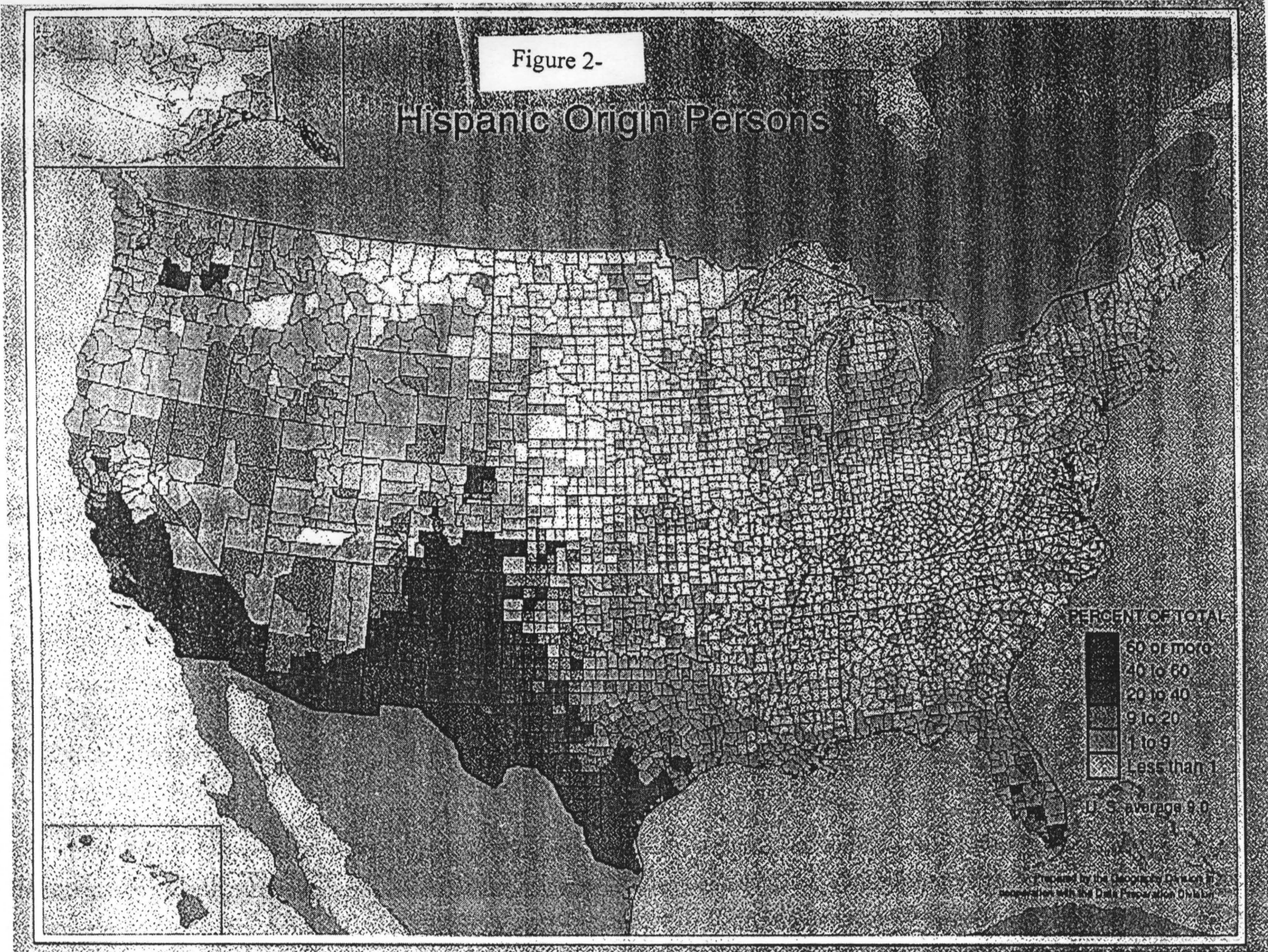


Figure 3- Hispanic Population Share, 1980 and 1994

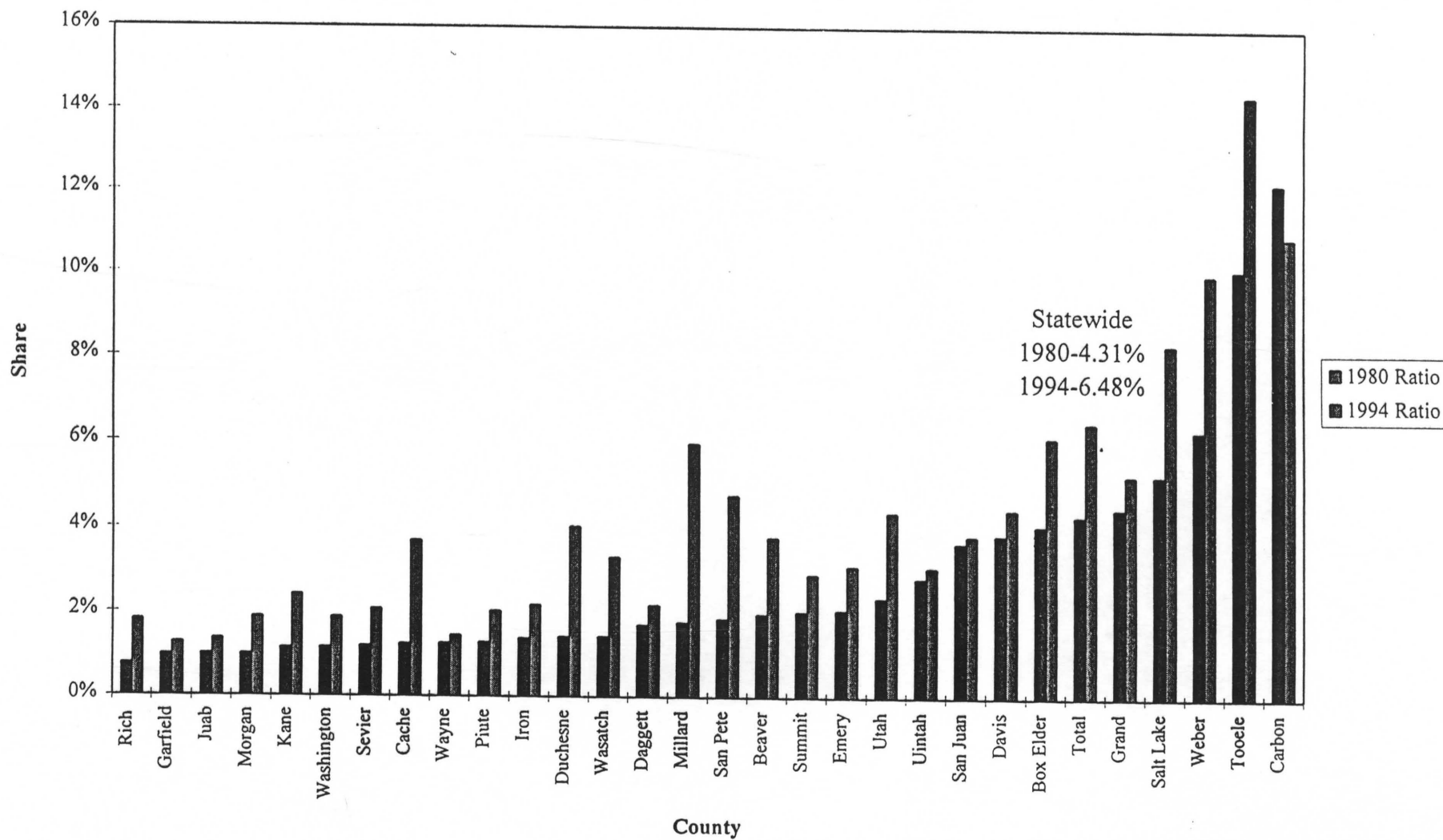


Figure 4- Utah Population Growth, 1980-94

