

## The 2006 Swift Raids Assessing the Impact of Immigration Enforcement Actions at Six Facilities

By Jerry Kammer

**O**n December 12, 2006, about 1,300 illegal immigrants working at six meat processing plants owned by Swift & Co. were arrested in the largest immigration enforcement action in U.S. history. Other illegal workers, fearful of future raids, stopped reporting to work. Additionally, in the months prior to the raids, new employee screening by Swift led to the loss of about 400 illegal workers. The plants are located in Iowa, Minnesota, Nebraska, Texas, Colorado, and Utah. This report examines the raids and their aftermath.

Among the report's findings:

- As is the case in the entire industry, work at the six Swift plants is characterized by difficult and dangerous conditions.
- Like the rest of the industry, workers at these facilities have seen a steady decline in their standard of living. Government data show that the average wages of meatpackers in 2007 were 45 percent lower than in 1980, adjusted for inflation.
- We estimate that 23 percent of Swift's production workers were illegal immigrants.
- All facilities resumed production on the same day as the raids. All returned to full production within five months. This is an indication that the plants could operate at full capacity without the presence of illegal workers.
- There is good evidence that after the raids the number of native-born workers increased significantly. But Swift would not provide information on how its workforce has changed. Swift also has recruited a large number of refugees who are legal immigrants.
- At the four facilities for which we were able to obtain information, wages and bonuses rose on average 8 percent with the departure of illegal immigrants.
- There is a widespread perception among union officials, workers, and others in these communities that if pay and working conditions were improved, it would be dramatically easier to recruit legal workers (immigrant and native).
- Worker pay has a small impact on consumer prices. Research by the USDA and others indicates that wages and benefits for production workers account for only 7 to 9 percent of retail meat prices. This means that if wages and benefits were increased by one-third, consumer prices would rise by 3 percent at most.
- Research by the United Food and Commercial Workers union indicates that pay to production workers accounts for only about 4 percent of consumer costs. If that is correct, a 50 percent increase in wages would cause only a 2 percent increase in consumer prices.

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- Turnover is high at all Swift plants, ranging from 40 to 70 percent per year. Swift accepts high turnover as a cost of pursuing a business model that emphasizes high-volume production. It spends heavily to replace workers rather than seeking to retain workers by slowing production.
- High turnover imposes severe stress on local communities and social service agencies. It makes transience and upheaval a constant problem for the communities. Many residents resent the price their community pays to have the Swift plant as a large part of their local economy.
- Swift has tried to reduce the employment of illegal immigrants with more rigorous checks of documents presented by new workers. Several months before the raids, the company contracted with the Tucson-based Border Management Strategies for advice on hiring practices.
- In addition to pay increases, Swift introduced a number of methods to attract workers after the raids. The company paid bonuses to new employees, and to current employees who recruited others. It also advertised heavily, paid relocation expenses, and provided daily transportation from distant population centers.
- Reaction to the raids varied widely within these communities. Many members of the communities were enthusiastically supportive of the enforcement action, while others were sharply critical.
- The Swift plants in Marshalltown, Iowa, and Hyrum, Utah, illustrate the immigration connections that were established during the 1942-1964 era of the braceros and extended through the 1986 amnesty. Many relatives and neighbors of former braceros now work at Swift plants.

## Introduction

On December 12, 2006, U.S. immigration officials conducted raids at six meat processing plants operated by Swift & Co., in six states: Iowa, Minnesota, Nebraska, Texas, Colorado, and Utah. Immigration officials dubbed the raids, the largest single worksite enforcement action in U.S. history, Operation Wagon Train.

The raids resulted in 1,297 arrests, a number equal to about 10 percent of Swift's workforce at the plants.<sup>1</sup> But because the raids were confined to the first

shift, the actual share of the workforce that was illegal was much higher. While all those arrested faced illegal immigration charges, several hundred were also charged with illegally assuming the identity of U.S. citizens by using fraudulently acquired Social Security numbers.

Concern about identity theft had sparked the 10-month investigation that culminated in the raids. In a court document preceding the raids, an Immigration and Customs Enforcement official wrote that investigators had found evidence that "company wide, a substantial number of Swift employees were illegal aliens and had engaged in identity theft to obtain employment with the company."<sup>2</sup> This assertion was part of the government's successful effort to defeat the Swift request for an injunction against the raids. ICE investigators, having subpoenaed Swift records, had notified the company of their intention to conduct the raids.

Federal investigators continued the probe after the raids. As a result, a Swift human resources manager in Marshalltown, Iowa, pled guilty on a charge that he had counseled an illegal immigrant on how to be hired at the Marshalltown plant. A Marshalltown official of the United Food and Commercial Workers union, which represented workers at five of the six plants, was convicted on a similar charge.

From corporate headquarters in Greeley, Colo., Swift officials denied wrongdoing. They noted that they had voluntarily participated in the federal "Basic Pilot" program that checked the validity of workers' Social Security numbers.

Federal authorities brought no charges against corporate officials. But Homeland Security Secretary Michael Chertoff, observing that the pilot program could not detect identity theft, cautioned at a press conference that employers could not count on the program as a "magic bullet" to satisfy the requirements of federal law if they encountered signs of fraud.<sup>3</sup>

The raids brought upheaval to an industry with a history of conflict over wages, working conditions and employment practices. In 1960, meatpacking workers, heavily urbanized and unionized, earned 15 percent more than the average manufacturing wage in the United States.<sup>4</sup>

During the next decade, however, corporate leaders launched a series of revolutionary changes that transformed the industry. They relocated processing plants to rural areas—closer to livestock supplies and farther from organized labor's urban strongholds. They replaced skilled butchers with less-skilled workers who made the same repetitive cuts thousands of times a day on the "disassembly line." They slashed wages, so that

by 2002 workers were earning 25 percent less than the average manufacturing wage.<sup>5</sup>

The industry operated on low profit margins that put a premium on increased production. This system created incentives for managers to increase the speed of the line, aggravating the physical and emotional stress of the job and making the industry one of the most dangerous in the U.S. economy. In transforming itself to achieve greater production at lower costs, the industry accepted the tradeoff of turnover rates that often reached annual rates of 100 percent.

As pay declined, the industry turned increasingly to refugees who fled to the United States from conflict and misery in their homelands. During the 1970s, meat-processing plants began drawing refugees from Vietnam and Laos. They also drew increasing numbers of Latin Americans.

In the late 1980s, as several million illegal immigrants received amnesty in the United States, many gravitated to the plants. There they found year-round work that was preferable to seasonal, poorly paid work in farm fields. Migration networks expanded into Mexico, drawing friends and relatives and establishing close links between U.S. towns with meat processing plants and Mexican towns that supplied much of the workforce.

These networks illustrate how immigration multiplies. Many of those who received amnesty were relatives of the braceros, Mexican workers who began coming to the United States during World War II under a program that was terminated in 1964, in response to complaints that it was undermining the wages of U.S. workers. One of the principal sources of braceros was the Mexican state of Michoacan, the location of two small communities now tied to Swift plants. One, Villachuato, has sent many immigrants—both legal and illegal—to Marshalltown. The other, La Huacana, is the birthplace of many Swift workers in Hyrum, Utah.

In the past decade, such networks have been augmented by rapidly expanding immigration from El Salvador, Guatemala, and Honduras. Beginning around 2001, Guatemalans became especially prevalent at the Swift plant in Cactus, Texas, 60 miles north of Amarillo. Many of them spoke Quiche, a Mayan dialect. Eleven months before the 2006 raids, the Cactus police chief told CNN that at least half the town's population was in the country illegally and that many residents spoke frankly about their status. "We ask them their name, and a large percentage of them will tell us, my work name is this, my real name is this," he said.<sup>6</sup>

## Illegals as a Share of Swift Workers

In 2006, Swift suffered workforce losses beyond the raids. Before the raids, as ICE agents pursued their investigation and communicated their concerns to Swift officials, the company established more rigorous procedures to review workers' documents. As a result, about 400 illegal workers were fired or left on their own. At the time of raids some 1,300 illegal immigrants were detained. Our investigation showed that a large share of the second shift, which is usually the same size as the first shift, did not show up for work. Assuming that there were another 1,300 illegal immigrants employed in the second shift, some 3,000 workers at the these plants were illegal immigrants ( $400 + 1,300 + 1,300$ ). This is equal to 23 percent of workers at these six facilities or about one in four workers.<sup>7</sup>

After the raids Swift had to curtail production for a time. A company official said that it took four months to resume full production at the two pork plants, and five months at the four beef plants.<sup>8</sup>

## Swift's Efforts to Replace Illegals

To replenish its depleted ranks, Swift implemented a multi-pronged strategy to recruit workers. The company increased wages and offered bonuses both to workers who recruited others and to newcomers who stayed on the job for specified periods of time. It opened recruiting offices in the Texas border towns of El Paso and McAllen and sent recruiting teams across the Plains States. It bought newspaper, radio, and television advertising, particularly in Spanish-language media. It briefly contracted with Manpower, Inc. Along the highway to Cactus, a Swift billboard flattered potential recruits with the declaration that "The quality of our meat is surpassed only by the quality of our people."

Swift also launched a major transportation initiative. The Cactus plant, which had the greatest difficulty in rebuilding its workforce, dispatched buses to bring workers from Amarillo, 60 miles south. Swift also dispatched buses from its Worthington, Minn., plant to shuttle workers the 55 miles from Sioux Falls, S.D.

All the Swift plants began drawing more refugees — especially from Burma and several African countries — who had been living elsewhere in the United States. These most recent refugees have allowed Swift and other meat processors to sustain working conditions not tolerable to many U.S.-born workers.

As the Congressional Research Service noted in a 2006 report, "new arrivals may have low expectations

and be willing to endure conditions, both at work and of home life, that American workers would not willingly tolerate.”<sup>9</sup>

## Dangerous Work, Dubious Injury Reports

The Bureau of Labor Statistics (BLS) reports that despite industry efforts to improve safety, “workers in the occupation still face the serious threat of disabling injuries.”<sup>10</sup>

Nevertheless, as representatives of the American Meat Institute stressed in a meeting, BLS also reported a sharp decline in the rate of injuries and illness among meatpacking workers — from 29.5 per 100 full-time workers in 1992, to 14.7 in 2001.<sup>11</sup>

But the Government Accountability Office saw no reason to celebrate the BLS report. The GAO noted that injuries and illness in the industry “remain high in relation to those of other industries.” Moreover, the agency cited reasons to “question...the validity of the data on which these rates are based.”<sup>12</sup>

The GAO also sharply disapproved of the decision by the Occupational Safety and Health Administration, which gathers the data that support BLS reports, to exclude injuries suffered by cleaning crews from the data for the meatpacking industry. The GAO noted that because these workers are generally employed by outside companies that have contracts to clean the plants, the injuries suffered by cleaning crews “are recorded in the general industry category of ‘Services,’ which includes maids, janitors, and other workers employed in cleaning services.” The GAO criticized this classification system,

calling it “a significant oversight because...these workers incur high rates of injury and illness and often sustain more serious injuries than production workers.”<sup>13</sup>

## Questioning an Old Claim

Conditions at the Swift plant offer an opportunity to question the assertion, frequently heard in the immigration policy debate, that immigrants do jobs that Americans simply don’t want. In a 2006 report, the Congressional Research Service quoted Al Zapanta, head of the U.S.-Mexico Chamber of Commerce, as saying, “We’re [Americans] not willing to do these jobs anymore, but immigrants, like always, are willing to do it to provide for their families.”<sup>14</sup>

The CRS report offered a provocative retort: “The reality may be more complex. Some have argued that work involving “blood, unpleasant odors and repetitive tasks, is not attractive” to U.S. workers. But other factors including low wages, high line speeds, little job security, rural-sited facilities, and diminished union protection may also make domestic recruitment difficult.”<sup>15</sup>

Beyond its difficulties in attracting homegrown workers, the meat processing industry also struggles to retain immigrant workers. In 1995, one industry expert reported that “turnover at some large plants has been documented at better than 100 percent per year.”<sup>16</sup> Although Swift would not discuss turnover for this report, Grand Island, Neb., city councilman Larry Carney said a Swift manager told him in late 2008 that the 3,000-employee plant there had a turnover rate of 70 percent. That means that on average, Swift loses 40 workers a week. It also means a constant churn in the communities and institutions of Grand Island.

Michael Potter, leader of the local United Food and Commercial Worker union that represents Swift workers in Worthington, Minn., said in an interview that Swift would not have to spend heavily to recruit, house, and transport new workers if it increased wages and reduced the speed of the disassembly line

University of Kansas professor Donald D. Stull said in 2007 that the American public could also have a role in making the meat processing workplace more hospitable. “The American public is used to cheap food, including meat,” Stull said in an interview with an Internet site that covers the livestock industry. “And until the public demands better working conditions for those who produce and process its food — and is willing to pay for it — I fear that little real progress will be made.”<sup>17</sup> As will be discussed later, wages and benefits

**Table 1. Average Hourly Wages Have Declined Dramatically in Meatpacking**

Year	Nominal Wages	Inflation Adjusted (2009 Dollars)
1980	\$8.49	\$21.75
1990	\$8.74	\$14.12
2000	\$10.94	\$13.41
2007	\$11.81	\$12.03

Figures are for those involved in meat slaughtering and are from the Bureau of Labor Statistics. They can be found at [http://www.reapinc.org/ProfileIntro\\_Meat.html](http://www.reapinc.org/ProfileIntro_Meat.html).

of meat packers have only a small impact on consumer prices.

## Historic Wage Patterns

There is great deal of evidence that the meat packing industry paid its workers much more a generation ago. An official of the UFCW, which represents about 40 percent of the workforce in the meatpacking and meat processing industries, said the union is striving “to go back to when a meatpacking job was one of the most prized jobs in industry and when a meat plant was a prized employer in the community.”<sup>18</sup> For wages to get back to where they used to be it would require a very significant increase. Table 1 shows average wages have declined dramatically in meatpacking over the last three decades. Expressed in 2009 dollars the average hourly wage for a worker in this industry was \$21.75 in 1980 compared to \$12.03 in 2007. This represents a 45 percent decline in real wages. This decline in wages can only be described as enormous, and devastating to the standard of living for workers in an industry that once sustained a blue-collar middle class.

The desirability of any job is at least partly dependent on compensation. As already mentioned, some in the industry argue that Americans simply find this work too difficult and unpleasant. This line of argument asserts that foreign workers are the only ones willing to do this kind of work. First, it should be pointed out that the majority of workers in this industry were born in the United States based on 2007 Census Bureau data.<sup>19</sup> And while it is certainly correct that the jobs are difficult and unpleasant, Americans’ willingness to do this kind of work is heavily dependent on compensation. At the same time as compensation deteriorated dramatically, the share of meatpackers who are immigrants has increased enormously. This does not prove that immigration caused the decline in wages. What it does mean is that the evidence is consistent with that possibility. It also means that any suggestion that native-born Americans are not interested in this type of work cannot be taken seriously given the huge decline in average hourly wages for these jobs.

One of the most famous, but by no means unusual, examples of how the industry has changed is the strike at Hormel, Inc., in Austin, Minn. In 1985, before a wage cut sparked one of the most bitter strikes in recent labor history, workers earned \$10.69 an hour; adjusted for inflation, this would be \$20.98 today. That failed strike was a pivotal event in the industry-wide effort to drive down wages, which continued to slide. Labor historian Roger Horowitz has noted that as unions lost

power, wages fell, and working conditions deteriorated, the industry “drew on workers with limited job options, especially immigrants and those without the resources or skills to find more desirable employment.”<sup>20</sup>

## Labor’s Share of Consumer Prices

An examination of the meat industry’s cost structure suggests that worker pay could be raised significantly without a significant increase in retail prices. The most authoritative study, a 1999 paper by economists at the U.S. Department of Agriculture, showed that labor represented 8.3 percent of the production cost of beef. This figure does not include markup at the retail level. The USDA study showed that the largest cost by far, representing about 83 percent of production costs, was for the purchase of the livestock.<sup>21</sup> In pork production, labor represented about 11 percent of total production costs. One of the authors of the USDA report, Michael Ollinger, was contacted for this study. He stated in a telephone interview that he believes the industry’s price structure has not changed significantly since the report.

In general, retail outlets mark up meat and pork about 20 percent. This means that, on average, 6.9 percent of the retail cost of beef and 9.2 percent of the retail cost of pork are the result of wages and benefits paid to production workers. To place these figures in context, if wages were increased for production workers by one-third the average rise in retail prices for meat would be 2.3 and 3 percent, respectively. This assumes that all of the increase in compensation was passed on to consumers. A separate analysis by the UFCW concluded that labor represented only 4 percent of the retail cost of meat. If the union is correct, then the effect on retail prices would be even smaller.

But in a highly competitive industry with notoriously small profit margins, Swift managers keep their eye, literally, on every nickel of their wages. “In fact, one of the first things we do is we calculate what a nickel costs,” senior vice president of human resources Douglas Schult said in a deposition. “We’re selling a commodity,” Schult said. “So it comes down to price: What can you sell it to me for?”<sup>22</sup>

In such a hard-nosed environment, with so much emphasis on squeezing costs, meat companies are reluctant to embrace even small increases in operating costs, even if they might stabilize their workforce, cut recruitment costs, and improve the lives of their workers and their communities.

Swift, which became known as JBS Swift after a Brazilian company bought it in 2007 from the Dallas-based private equity company that had owned it,

declined to cooperate with the preparation of this report. Corporate officials did not respond to a series of queries and requests for cooperation. Such resistance to outside attention has long been characteristic of the industry. In 1995, the authors of *Any Way You Cut It: Meat Processing and Small Town America* concluded that the industry "has become entrenched in rural secrecy and adopted a hard line against any public scrutiny."<sup>23</sup> One of the authors said "a siege mentality" prevails and that "to a large degree the industry leadership is inbred and loyal only to the nearest enterprise at hand—the company."<sup>24</sup>

## Impact of Enforcement on Wages

Table 2 shows how wages/bonuses changed after the removal of illegals due to the new screening practices, and after the raids at the six Swift plants. Again, because Swift declined to answer questions for this report, we could not obtain information directly from the company. As a result we could obtain information for only four of the facilities, mostly from newspaper ads placed just prior and shortly after the raids and also from court records. It is also important to note that Swift was aware of the ICE investigation months before the raids took place.

As the table shows, the departure of illegal immigrants — beginning before the raids as the company strengthened worker screening and as a direct result of the raids — exerted upward pressure on wages. Swift also offered sizable bonuses in an effort to attract workers. We

calculated the value of these bonuses as a share of annual pay, assuming full-time, year-round work. In some instances, the bonuses equaled 9 percent of a workers annual starting wages. Overall, wages increased between 6.1 and 9.4 percent as a results of enforcement or 7.7 percent on average. Of course, we cannot say for certain whether any illegal workers remain at these facilities, but it is clear that the raids and new screening implemented by Swift dramatically reduced the number of illegals employed at these facilities and that wages increased as a result.

## Greeley, Colorado

On the first anniversary of the Swift raids, an editorial in the *Greeley Tribune* observed that the raid there had intensified the debate over illegal immigration in the northern Colorado city.

"It's true, for example, that illegal immigrants have an impact on the crime rate in Greeley," the paper observed.<sup>25</sup> "They also present difficult challenges for our school district as it tries to meet state standards. And uninsured illegal immigrants also affect the cost of our health care....But it's also true that illegal immigrants provide benefits in Greeley and Weld County. They fill jobs that provide the economic foundation of our county."

Two hundred and fifty-two workers, out of a workforce of about 2,200 at the Greeley plant, were

**Table 2. Impact of Enforcement on Wages at Swift Plants**

	Workers Arrested <sup>1</sup>	Wage Increase Before Raid <sup>2</sup>	Wage Increase After Raid <sup>3</sup>	Signing Bonus	Bonus as Share of Annual Starting Pay <sup>4</sup>	Total Increase
Greeley, Colo.	252	none	none	\$1,500	none	6.1 %
Cactus, Texas	297	none	3.0%	\$1,000	3.0 %	7.2 %
Grand Island, Neb.	252	3.6 %	2.2%	\$500	2.2 %	7.9 %
Hyrum, Utah	158	none	none	\$2,000	none	9.4 %
Marshalltown, Iowa	99	not available	not available	not available	not available	not available
Worthington, Minn.	239	not available	not available	not available	not available	not available

Wages estimates reflect starting pay for production workers. We only list those wage increases and bonuses that could be verified. Swift did not cooperate with this analysis.

<sup>1</sup> The number of workers arrested reflect ICE data. In each case a significant number of other illegal workers simply did not show up for later shifts after the raids.

<sup>2</sup> Swift knew its workers were under investigation several months before the actual raids. As a result, they had already begun to reduce illegal employees and increase recruitment before the raids. The increases reported here took place in October and November of 2006 and are calculated as a percentage of starting wage.

<sup>3</sup> Includes wage increases that took place three months after the raids.

<sup>4</sup> Signing bonuses are calculated relative to annual wages prior to Swift efforts to increase recruitment in anticipation of the raids.

arrested in the raid. Weld County District Attorney Ken Buck was upset that Swift officials were not added to the list. Buck, whose office cooperated with ICE investigators and pursued state charges of identity theft against some of those arrested in the Greeley raid, said there was enough evidence to press charges against corporate officials. “It was a great injustice that higher-up people at Swift were not prosecuted,” Buck told the *Tribune*.<sup>26</sup>

Although the legal consequences of the raid may have been muted, the political consequences shook the mayoral election the following year, as incumbent Tom Selders lost his reelection bid. Selders later said he had lost because he criticized the raid and called for legalization of illegal immigrants.<sup>27</sup> He was defeated by a former police officer who tied the city’s crime rate to illegal immigration.

Calling the election a cautionary tale about the politics of illegal immigration, the *Los Angeles Times* noted, “To some, it shows how a good man trying to do the right thing was taken down by the forces of intolerance. To others, it shows what can happen to elitist politicians who dismiss voters’ frustrations over unchecked illegal immigration.”<sup>28</sup>

Even before the raids, Swift hired a former federal immigration official to help strengthen procedures for checking the validity of documents employees had presented to show they were eligible to work in the United States. In Greeley, the Swift ad campaign in late 2006 to replace departed workers offered a \$1,500 bonus to new employees.<sup>29</sup>

In the aftermath of the raids, intense news coverage produced a pleasant surprise for Swift recruiters. A week later, they reported a boost in job applications in Greeley.

Ernie Duran, president of the United Food and Commercial Workers local union, which represented Swift workers in Greeley said about 75 workers had been hired, including about 30 Caucasians, 15 Somali refugees, seven Hispanic immigrants, and about two dozen U.S.-born Hispanics.<sup>30</sup>

UFCW spokeswoman Jill Cashen tied the new hires to Swift’s new financial incentives. “To me, it’s an example that when you make the job more attractive, you get a different kind of applicant,” she said.<sup>31</sup> For Cashen, the brief surge in applications was a reminder of a better time. “Our packing jobs used to be very sought-after jobs in the Midwest,” she said. “People stood in line and hoped to get a job at the plant.”<sup>32</sup>

The Swift plant in Greeley had a workforce advantage not shared by the other five plants raided that day. Greeley had a much larger population base, having

grown from 53,000 in 1980 to about 90,000. Its Latino population had grown even faster, from 15 percent of the population in 1980 to about 30 percent in 2006.

Many Latino residents were former California and Texas field hands who received amnesty in 1986 and came to work in the Swift plant. Some were Salvadorans who received Temporary Protected Status as they fled upheaval in their home country. Others came illegally, drawn by word of work in Weld County, which depended heavily on corn farming, feedlot, and transportation jobs tied to Swift.

Press Montoya, who had lived in Greeley for 53 years, talked about the job-spawning influence of Swift. “We have created a low-income economy based on agricultural jobs that don’t pay well,” he told the *Tribune*. “A lot of Latinos, unfortunately, have such high dropout rates that we pick up many of these jobs.”<sup>33</sup>

A year after the raids, Swift reported a slight change in the plant’s demographics. Latinos, who had been 90 percent of the plant’s workforce, had decreased to 80 percent.<sup>34</sup> Among the newcomers to Swift were Somali refugees. Some were also native-born Caucasians. The Greeley plant’s workforce grew dramatically the year after the raid, as the company added a second shift, staffed by 1,300 new workers.

Current and former Swift employees interviewed for this report confirmed that the company is far more careful about checking the validity of documents. “Before, all you needed was a Social Security number and an ID. Now they have become very strict,” said Rufino Casas, a native of Mexico who received amnesty in the late 1980s after working on Arizona vegetable farms. Casas quit the Swift plant several years ago to open his own grocery store.

Swift is continuing to follow procedures recommended by the Tucson-based consulting firm Border Management Strategies, which was retained after federal officials began the investigation preceding the 2006 raids. A year after the raids, a Swift spokesman offered one example of the new procedures. “If a person has a California drivers license and a Texas Social Security number, we need an explanation of why,” he said.<sup>35</sup>

On the first anniversary of the raid, the *Greeley Tribune* asked readers to phone in opinions as to how Greeley had changed since the raid. Of the 557 who responded, 48 percent said the change was “for the better.” One called on ICE to “come back on a regular basis.” Fifteen percent said the community had changed “for the worse,” including one who said, “There is way too much racial tension now after the raids.” Thirty percent said there had been no change.<sup>36</sup>

## Cactus, Texas

The massive Swift plant in the tiny, remote Texas Panhandle settlement of Cactus struggled mightily in the aftermath of the ICE raid. Not only were 297 arrested during the first shift, but many second-shift workers quit out of fear that immigration authorities would return. This pattern of second-shift desertions was reported by workers and former workers in all six communities.

In the fall of 2006, Swift scrambled to recruit workers in anticipation of the December raids. In October, it boosted the hourly starting rate from \$11.50 to \$11.85 an hour. After the raid it offered a \$1,000 bonus for new employees who signed on and stayed for few months.<sup>37</sup> Swift also sought to divert applicants from its Greeley plant, hired an employment agency, and launched an intensive advertising campaign that continues to this day. A company official said in 2007 that turnover in Cactus was 42 percent. That meant the company needs more than 100 replacement workers every month.<sup>38</sup>

Many of the newcomers live in Amarillo, an hour to the south. In late 2008, Swift regularly bought time on a popular Spanish-language radio station in Amarillo. The ads' big selling point — proclaimed three times in 60 seconds — was that the starting rate was now \$12.15. No experience was necessary, it said. So, according to the ad: "While others are struggling, people of all social classes and all sizes and shapes are striving for success at JBS Swift."<sup>39</sup>

The ICE raids led to a new chapter in the history of a plant that had depended heavily on foreign-born workers since it opened in the 1970s and drew Vietnamese and Laotian refugees. This contrasts with the other five facilities in this study, which once overwhelming employed native-born Americans.

In the 1980s, networks of Mexicans from the border state of Chihuahua became well established. By the turn of the century, some of the newcomers were Mayan Indians from Guatemala. What began as a trickle of Guatemalans soon became a steady stream, say former Swift workers in a lawsuit based on the claim that Swift brought in the newcomers in a scheme to keep wages down. The plaintiffs said Swift facilitated the identity ruse. "There were persons with American names that were not American," one former employee claimed in a deposition. "There was one named 'Jeff' or 'Jeffrey Smith,' but he was from Guatemala and did not speak Spanish very well and did not speak English."<sup>40</sup>

One of the former workers, Margie Salazar, described the taunts of Swift supervisors pleased that the Guatemalans were afraid to complain about working

conditions. "The foremens (sic) would talk about it and say, sooner or later we're going to have people that run... the lines that will work without complaining about nothing," Salazar said in a deposition.<sup>41</sup>

With the sudden loss of so many workers in the ICE raid, the company looked to new groups of foreign-born. Some were Somali refugees. Others were Sudanese, including a small group that had originally worked at a North Carolina furniture factory that had closed.

In early 2008, Burmese began to arrive in large numbers. Their network grew rapidly as Swift paid recruitment bonuses of \$1,500 per worker. Stan Corbin, a volunteer from the First Baptist Church of Dumas, 12 miles south of Cactus, remembers the frigid Sunday when 64 Burmese arrived at the bus station. "Some of them were wearing shorts," he said.

Motel owner Polo Carbajal, a former illegal immigrant who worked on nearby ranches before receiving amnesty in the late 1980s, said Swift paid for newcomers to stay at his Chuck Wagon Motel for two weeks as they got themselves established. Meanwhile, church groups scrambled to find them clothing and mattresses to take to the apartments where they clustered. Swift still sends buses to Dumas to pick them up.

In recent months, Swift has benefited from the arrival of Latino workers from Nevada, where the housing and gaming industries have recently shed thousands of jobs. They are part of a continuing churn of immigrant families seeking opportunities in a turbulent economy.

The big draw for the new workers is a starting wage that unskilled workers who speak no English find attractive. Interviews with current and former Swift workers also make clear that the medical insurance, available after six months on the job, is an attractive benefit. Several said the insurance is especially important to single mothers, many of them Hispanic immigrants, working at the plant.

But turnover remains high, not only because jobs on the processing line are dangerous and tedious, but also because of a work pace that interviewees repeatedly described as intensely stressful. The grinding difficulty of making the same hurried cut thousands of times a day is compounded by absenteeism that is particularly severe on Mondays and Fridays. "We have to get the production no matter what," said a Swift employee who asked not to be identified. She explained that when work crews are short, supervisors demand faster work to make up for those who are absent.

A manager at a Dumas Motel talked of receiving frequent applications from Swift workers who are so determined to escape the plant that they seek jobs that pay far less. Swift workers have applied for housekeeping

jobs that pay \$7 an hour and maintenance jobs that pay \$7.50. One of the motel's housekeepers, herself a Mexican immigrant, said simply, "People don't want to work at Swift because it's so hard."

There is a similar pay differential between Swift workers and workers for the independent company that contracts to clean the plant every night. The all-night hours and stressful circumstances of that job — which involves exposure to strong chemicals and working with high pressure hoses under slippery conditions — make many local people wonder who would take cleaning jobs that pay \$7 an hour. Some speculate about the workers' legal status.

Young adults in the area sometimes see Swift as a short-term workplace. Dumas High School Senior Michael Kiskaden, whose father is a Swift supervisor, said he would work there for a short time in order to pay off his truck. Then he wants to go to college.

Adrian Acosta, 36, who owns La Casita, a small Mexican restaurant, said the conditions at the plant are too difficult to attract young workers who have other choices. "The work is all blood and sweat," he said. Acosta was one of several interviewees who agree with a central allegation of the former Swift workers who are suing the company: that the illegal status of the Guatemalans had made them too fearful to complain about conditions at the plant.

These conditions suggest important questions: If Swift did not have access to a large number of immigrants, many of whom are illegal, would the jobs pay more? Does the presence of immigrants significantly increase the supply of workers and keep wages down?

The stress and danger of working at Swift mean that the recent arrival of hundreds of Burmese, whose special needs have strained the schools and medical facilities, is likely to be only a short-term fix for the company.

"Our people are not factory workers," said Saw Brindley, a leader of the Burmese community. "They want to get land so they can keep goats and pigs and chickens and so they can farm rice. They want to do work they have done before. They want a different life."

## Grand Island, Nebraska

The federal investigation that culminated in the December 2006 raids at six Swift plants began putting upward pressure on salaries at the Grand Island, Neb., a month before the raid. Swift boosted the starting wage 40 cents, to \$11.50 an hour. It also offered bonuses with ads that declared "Be one of the next 250 people to join the Swift & Company team, and receive up to \$1,500!!"

Two months after the raid, the starting wage rose to \$11.75.<sup>42</sup>

The raids, which led to the arrests of 252 Swift workers in Grand Island, sparked as much controversy and debate there as they did in the other five communities. "Let's be honest, the only growth in this stagnant town is in the Hispanic community," one resident wrote to *The Grand Island Independent*, criticizing the raid as "out of touch" with reality.<sup>43</sup> Another countered, "The law has been ignored for so long that people are starting to believe it is their right to come here to live, however they can."<sup>44</sup>

A week after the raid, the president of the local UFCW union reported that "the lion's share" of the 40 to 50 workers hired since the raid were Caucasians.<sup>45</sup> But Nebraska State Senator Ray Aguilar, whose Mexican-American family had come to the area decades before to work the sugar beet harvest, cautioned that the new hires might not last.

"Historically that's what happened," Aguilar said. "They get some people to come in thinking it's a good deal. Then they end up just hating the work and they don't want to stay."<sup>46</sup> Of course, the question of wages again looms large. If the jobs paid as well as they did three decades ago, it seems likely that retention would be much easier, whether the workers were immigrant or native-born.

Swift offered a series of recruitment incentives well into 2007. By June, it was running ads that asked in bold type, "Why is Swift a Great Place to Work?"<sup>47</sup> The ads listed incentives that included relocation assistance, transportation help for anyone who traveled more than 75 miles to work at the plant, and a bonus of up to \$3,000 to skilled workers who stayed at the plant for three months.<sup>48</sup>

Like other Swift plants, the one in Grand Island had steadily increased its dependence on foreign-born workers over the years. First came the Vietnamese. Then came Laotians, including Prayoune Khammalay, who worked at Swift for 11 years, hoping all the while to find other work. He stayed, he said, to provide for his two children, who also worked there briefly to help pay for college. Khammalay finally left the plant to open the Oriental Market, a small grocery he still runs in downtown Grand Island.

In the 1990s, Bosnian refugees recruited from Phoenix and Sudanese refugees drawn from Omaha added to the mix in Grand Island. But the vast majority of the workers were from Latin America, mostly Mexico. While many had become permanent residents or citizens, their presence became a magnet for many who came illegally.

The rise in illegal immigration got occasional attention from the federal government. In 1992, when the Grand Island plant was owned by another company, federal agents arrested 307 illegal immigrants there. The owner, Monfort Inc., was fined \$103,000 on 25 counts of knowingly hiring illegal aliens.<sup>49</sup> In 1999, the plant suffered a loss of personnel that foreshadowed the drain it faced in late 2006. In both instances, workers resigned after questions were raised about the validity of the papers they had presented to show eligibility to work in the United States.

Recently, Swift has drawn several hundred Somali refugees to Grand Island. In the fall of 2008, Somali employees sought time to pray during the Muslim feast of Ramadan. When Swift accommodated their request, other employees reacted angrily, saying that the effort was cutting into their work time and reducing their pay. When the company rescinded the earlier agreement, many of the Somalis quit or were fired. Some of them moved 85 miles west, to Lexington, Neb., where another meatpacking plant agreed to accommodate their religious practices.

Shortly after the Somalis' departure, the *Independent* reported that the company had found replacements in Florida and had notified the public school system that it would soon receive an influx of children of Cuban refugees.<sup>50</sup> The exit of the Somalis and influx of Cubans is part of the churn that results from Swift's 70 percent turnover rate, according to City Council member Larry Carney.

Carney, who tutors Mexican immigrants in English, wants to involve newcomers in the life of the community. But he said the constant influx of newcomers, many of them poor and semi-literate, has led to widespread resentment in Grand Island.

"A lot of people don't like the impact on the schools and the health care," he said. "They think we're paying a lot of taxes to make things viable for these people," said Carney. He conducted an informal survey of about a dozen Grand Island residents, on the street and in coffee shops, in late 2008: "I said, 'Knowing what you know now, would you be in favor of a Swift packing plant in GI,'" Carney recalled. "Not one person said yes."

But Carney said his interviewees frequently added a cautionary note. "They would say, 'Are you familiar with the purchasing power of the people who work at Swift?'"

Such ambivalence is common in Swift communities, where residents often talk of a love-hate relationship with the company. This attitude raises important questions: Would the turmoil of the

constant turnover ease, could the communities live more peacefully, and could Swift operate more efficiently and profitably, if it responded to its chronic labor crisis by investing as much in improving wages and working conditions at the plant as it does in recruiting new workers? Work at a meat processing plant will never be like office work or even like cutting grass. But does it have to be as unpleasant as it has become?

## Marshalltown, Iowa

As they did in all six of the raids at the end of 2006, federal agents arrived at the Marshalltown plant during the morning shift. From 6:00 am to 2:30 pm, about 1,000 workers run 9,000 hogs through the intense, tightly organized "disassembly" line, processing the squealing, corn-fed animals into truckloads of neatly wrapped cuts.

The agents arrested 99 workers, charging most of them with violations of immigration law. Some, including Nunez Galeana from Mexico, also faced charges of identity theft. "To get honest work, you need good documents," said Nunez, a single mother of three.<sup>51</sup>

The people of central Iowa reacted to the raids with mixed feelings. A local television station in Ames reported that it had received "dozens of e-mails and phone calls from viewers who said the raids at the Swift & Co. plant were long overdue and have little sympathy for those workers here illegally."<sup>52</sup>

But Mayor Gene Beach told NBC's Tom Brokaw, "We need people who are willing to come and work." Beach added that, "without our immigrants moving here and opening the businesses and all, our population would be on a decline."<sup>53</sup>

The charges of identity theft were the principal difference between the 2006 raid and another INS raid at the Marshalltown plant 10 years earlier that resulted in the arrest of 148 illegal immigrants.

After that raid, part of an enforcement effort dubbed Operation Vanguard, Swift and federal authorities announced they were implementing a plan to ensure that the plant's employees were authorized to work. Swift would use the Basic Pilot program, which checked workers' documents against government databases. The INS, meanwhile, would visit the plant and interview workers suspected of using documents that belonged to other people.

Despite those ambitious intentions, Marshalltown continued to experience rapid demographic change. Of its 25,178 inhabitants in 1990, less than one percent — 248 — were Hispanic. By 2000,

when its population reached 26,009, nearly 13 percent — 3,265 — were Hispanic.”<sup>54</sup> Many were U.S. citizens or permanent residents. Many were not.

Mike Graves, a leader of the local United Food and Commercial Workers Union, recalled that when he began working at the plant in 1986, the workforce was “mostly Caucasian, with a few African-Americans.” But as wages dropped, the workforce was transformed, he said.

Much of the change came with men like Vicente Vargas, a former California field hand who received amnesty in 1986 and moved to Marshalltown. Vargas had learned about the Iowa city from relatives who had come around 1990 to detassel corn for the production of hybrid corn seed. When they heard about work at the hog processing plant, they stayed. They were all from the small Mexican town of Villachuato, which became the source of much of the immigration to Marshalltown.

Of those arrested and deported in 1996, most were back in the United States within weeks, if not days, reported University of Northern Iowa professor Mark Grey. By 1996 the migratory stream between Villachuato and Marshalltown was well-established, and many legal immigrant workers and their families remained in town after the INS action.

Vargas, 59, said wages went up after the 1996 raid. But after 12 years with Swift, his wage has risen only to \$13.35 per hour.

The Vargas family is representative of the majority of immigrant workers, legal and hardworking, whom mayor Beach and others welcome to the community. But they feel the taint and stereotyping of the drug trafficking that made Marshalltown the subject of a 1998 cover story in *U.S. News and World Report*. The magazine reported that “a direct pipeline of methamphetamine ran from Mexico to Marshalltown. The article quoted an immigrant saying, “You quickly learn that it is easier to sell meth than to cut up hogs for \$7 an hour.”<sup>55</sup>

With ambivalence about the strains it brings to the community, Marshalltown clings to the Swift plant on Tenth Street as the largest source of jobs and payroll in town. The plant’s importance is highlighted by the loss of jobs at the Lennox air conditioning factory as the company has sent some of its work to Mexico. Down the road 30 miles in Newton, the Maytag plant was closed after it was bought by Whirlpool, which also sent work to Mexico.

Vargas said the biggest change since the 2006 raids is that there are “mas morenos” — more blacks — working at the plant. Most of the newcomers are African refugees. But according to union leader Mark

Graves, Swift recruiting has also led to an increase in African-Americans who have moved there from other U.S. cities.

Graves estimates that the plant’s workforce is now 45 percent Hispanic, 20 percent Caucasian, 20 percent African, 10 percent African-American, 5 percent from Laos and other countries like the tiny Pacific Island outpost of Palau, whose citizens have the right to live and work in the United States.

## Worthington, Minnesota

Like many small towns in the rural Midwest, Worthington, Minn., was drained by the farm crisis of the 1980s. Its population declined by 8 percent during the decade, to fewer than 10,000. As a professor Joseph A. Amato wrote, the town’s “single card for economic growth lay with the expansion of its local pork processing plant,” owned by Swift.

Between 1990 and 1995, as Swift doubled its workforce to 1,650, the city experienced an acceleration of the demographic change that began in the 1970s with the arrival of a small number of Vietnamese refugees. Others were Cambodian and Laotian.

Few of the Southeast Asian immigrants remain at Swift. But in recent years, many refugees from troubled northeast African countries have come, especially from Eritrea, Ethiopia, and the Darfur region of Sudan. Meanwhile, Swift’s Hispanic workforce grew rapidly in the 1990s as Swift dispatched recruiters to Texas and word spread among immigrant communities in California.

By 2000, according to a report by a researcher at Southwest Minnesota State University, only 2.5 percent of the foreign-born residents in Nobles County, where Worthington is located, were from Europe.<sup>56</sup> By 2001, according to another report, 45 percent of Swift’s workforce of 1,840 was Hispanic.<sup>57</sup>

While many newcomers seeking a foothold were initially attracted by Swift wages, the extreme working conditions and severe winters proved daunting. Rapid turnover was a fact of life at Swift. And for Worthington, the plant’s multi-million-dollar payroll was a mixed blessing because of the strain it imposed on the area’s schools and social services. The population churn was constant and disruptive. In 1999, the police chief estimated that Swift’s turnover was responsible for the annual arrival of between 1,600 and 2,400 newcomers to the town.<sup>58</sup>

In the raid at Worthington, 239 Swift workers were arrested. As at the other Swift plants, the loss was compounded by the departure of other workers,

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especially on the second shift, who avoided arrest but did not return to the plant because they were in the country illegally.

In late 2007, well after Swift had announced a return to full production at all six of the raided plants, the company was advertising for production workers in the *Worthington Daily Globe*. “You’ll be hog wild about starting pay at \$11.50 per hour!” the ad declared. Swift placed another exclamation point behind the figure that wage represented in annual income — “\$26,000!”<sup>59</sup>

The starting wage was indeed attractive to some unskilled workers in rural Minnesota. But while Swift’s wage structure is effective in getting workers through the plant door, it is surprisingly ungenerous to employees who stick around. After 23 years at the plant, Ronnie Noerenberg earns \$13 per hour for a job in which he uses a steel blade to shave hair from the hams of hogs that flow by, hanging from a chain, at the rate of 20 per minute. When orders are strong, and shifts are stretched to ten hours, Noerenberg said, one shift can process 10,000 hogs.

Noerenberg said it would make good business sense for Swift to raise its wages about two dollars per hour and slow the line down. If the company took those two steps, he said, “They wouldn’t have near the turnover they have now.”

Mike Potter, a leader of the local union that represents Swift workers, agreed. “Now they might hire 40 (workers), and then another 40 are out the door,” said Potter, who recalled that the plant’s workforce was mostly Caucasian when he began working there in 1989.

Noerenberg’s critique was echoed by John Terhark, a 25-year Swift veteran whose production job pays \$13.25 an hour. “They bring people in from corporate, and they bring in people from the line, and they say, ‘What do you think we can do to keep people here?’” Terhark said. “They know what it takes. They’re willing to do anything but raise the wages and slow down the line.”

After the ICE raids, Swift began busing in workers from Sioux Falls, S.D., an hour away when Interstate 90 is drivable during winter months. Some of those workers are African refugees who have been settled there with the assistance of Lutheran Social Services. “The ICE raids have made employers look more to refugees because refugees are work-authorized from date of arrival,” said Donna Magnuson of Lutheran Social Services.

Another Swift recruitment strategy has been to seek workers living in homeless shelters in Minneapolis-St. Paul, said Nicole Paladie of Catholic Social Services in Worthington. Paladie said her agency has scrambled

to meet the needs of single mothers recruited by Swift who arrive with their children, without a place to stay and without money for food.

The huge Swift plant, which in early December flew a Japanese flag to honor visiting customers from that country, sits at the edge of town, on Armour Road. That name is a remnant of a distant era in meat processing, which Worthington resident Dan Anderson recalled in a letter to the *Worthington Daily Globe* after the ICE raids.

“A worker at Armour in the early 1970s made \$10 an hour, enabling their families to enjoy a very good, middle-class lifestyle,” he wrote.<sup>60</sup> Adjusted for inflation, a \$10 wage in 1979 would equal a wage of \$29.08 today.

Even into the 1980s, the plant was considered a great place to work, said union leader Potter, “People were standing in line to get jobs because they could make \$12 an hour,” he said. “That was real good money.” A wage of \$12 an hour in 1985 would equal \$23.55 today.

## Hyrum, Utah

The commercial center of Utah’s magnificent Cache Valley is the city of Logan. It lies eight miles north of Hyrum, the small town that is home to a Swift beef-processing plant. In the weeks following the immigration raid there in 2006, the editorial pages of the *Logan Herald* reflected the valley’s sharp divisions over the raid and illegal immigration.

Wrote one columnist: “Everybody seems to have an opinion, from ‘How could they do this to those poor families right at Christmastime?’ to ‘They’re illegal! Shoot them if they try to run!’”<sup>61</sup>

A *Herald* editorial offered this view: “Nothing said here is likely to change anyone’s mind about the polarizing subject of illegal immigration....(But) no matter how one feels about Latin Americans crossing the U.S. border illegally, the almost gleeful way in which some locals are celebrating the police action is shameful.”<sup>62</sup>

Even before ICE officials arrested 158 of the approximately 1,100 plant workers, company officials had begun scrambling to attract new ones. In November, they offered \$1,500 bonuses for new workers who stayed on the job for three months. After the raid they mounted an ad campaign to promote not only the bonus, but also the starting wage, which Swift had boosted 50 cents to \$10.50 per hour. The company also highlighted its “incredibly low-cost health insurance.”<sup>63</sup>

The raid had intensified a chronic workforce

problem in the Cache Valley, where Lazyboy furniture, ICON exercise equipment, dairy farms and other businesses competed for workers. The demand for labor kept the area's unemployment rate in late 2006 well below the national average.

The Cache Valley was a challenging environment for Swift, which in early 2007 acknowledged that the Hyrum plant's turnover rate was 40 percent.<sup>64</sup> That meant that every year, the company needed to hire 440 new workers.

Like much of Utah, the Cache Valley has experienced an influx of both legal and illegal immigrants. The continuous arrival of low-wage workers can be gauged by the Spanish-language call-in program on a Salt Lake City radio station that takes calls from young men looking for work or rooms to rent. The station broadcasts another program that offers legal advice to callers who acknowledge their illegal status.

In the spring of 2008, Utah legislators passed a bill to crack down on illegal immigration. Among other steps, it would require employers to verify workers' legal status by using the same Social Security number-based system that Swift used before the 2006 raids. The measure is scheduled to go into effect in mid-2009.

Some of Cache Valley's newcomers, like a Salvadoran who identified himself as "Freddy," received Temporary Protected Status because of hurricanes in their home countries. Freddy had previously lived in the suburbs of Washington, but wanted to flee the rising gang violence there.

Others, like Swift worker Antonio Razo, received amnesty in 1986. Razo said he brought his family to Utah to escape the crime and crowding of Stockton, Calif. "This place is better for the kids," he said during a visit to La Huacana market in downtown Logan.

The market is named after the town in the Mexican state of Michoacan, that is the birthplace of many of the Cache Valley immigrants. A year after the raid, owner Jaime Mendoza said business had plummeted, in part because of the national economic downturn, but mostly because of the raid.

Many other Latino residents, like Ana Lopez, are U.S. citizens. Lopez grew up in Idaho, where her Mexican parents were farm workers. When she and her husband arrived in 1988, drawn by work at the plant that would be bought by Swift, she said there were only three or four Latino families living in the large trailer court at the edge of town.

She described how quickly the situation changed. "People kept showing up. Every week new ones would come. At first it was ourselves. Then my husband's brother came, and then his brother's friends. It was word

of mouth." Now, she said, there are only three or four non-Latino families in the 100 or so trailers.

Lopez said conditions at the plant help explain its chronic turnover problems. Workers, whose heavy protective equipment has to be removed for a bathroom break, are pressured to return quickly to the "disassembly line," she said. They constantly complain about the speed of the line, she said. And while the company boasts about its competitive starting wage, its most loyal workers earn surprisingly little. Lopez said her husband, Isais, who has learned many jobs on the production floor during his 20 years at the plant, earns just \$14 an hour.

In late 2008 Isais joined the majority of Swift workers who voted for representation by the United Food and Commercial Workers. With that vote, which culminated a campaign in which pro-union workers repeatedly said they wanted greater respect from the company, all six Swift plants raided in 2006 will have UFCW representation.

One of the area's strongest defenders of illegal immigrants is Logan insurance agent Rolando Murillo, who told *The Salt Lake Tribune* in early 2008 that he had received irate telephone calls from residents angry at his support for illegal immigrants. Murillo said Swift's struggles to fill the spaces on its disassembly line demonstrated that American workers had not been displaced. State Sen. Lyle Hillyard, a Republican from Logan, agreed, saying that immigrants "are not taking jobs Americans want."<sup>65</sup>

Two years after the ICE raid, there is ample reason to question that assertion. The workforce at the Hyrum plant remains predominately Latino, though it has been joined by a steadily rising number of Burmese and Somali refugees. Still, it is clear that Swift could do a great deal more to retain workers and lessen disruptions from turnover prompted by working conditions that, to say the least, are dangerous and hard to endure.

## Conclusion

One of the most important findings of this analysis is that these six Swift plants could operate without the presence of illegal workers. New employment screening adopted by the company, the raids themselves, and continuing efforts by Swift to employ legal workers, dramatically reduced the illegal share of workers at all of these facilities. Yet, all the facilities continued to operate and all returned to full production within a few months. Moreover, this recovery was accomplished during the first half of 2007 when national unemployment figures were still low and the current recession had not begun.

A significant question raised by this analysis

concerns the impact of continuing high levels of immigration on the business model pursued by Swift and the meat packing industry in general. Does allowing in large numbers of immigrants, legal and illegal, increase the supply of labor, permitting the industry to employ a business model in which wages are relatively low and the production line moves very quickly, creating significant stress for workers? Would this be the case if immigration levels were much lower? At the very least, the evidence from this analysis indicates that the presence of illegal immigrants did lower wages for workers in the four faculties for which we have data.

Of course, meatpacking is intrinsically unpleasant and difficult and this has always has been the case. But there is no question that the jobs paid a great deal more a generation ago when the vast majority of workers were native-born. There is also no question that as the foreign born share of this workforce has increased, wages have fallen significantly. The desirability of any job is heavily dependent on compensation. If the United States adopted a different immigration policy, one

that reduced the number of less-educated immigrants entering the country, then it is very possible that wages and benefits would increase and line speeds might slow as Swift and other companies adapted to a change in the supply of labor.

As already discussed, if wages did increase it would not result in significantly higher consumer prices. Worker compensation (wages and benefits) only accounts for 7 to 9 percent of consumer prices. Even if wages and benefits were to rise by one-third in meatpacking, and all the costs passed on to consumers, it would only result in a 3 percent increase in consumer prices.

The raids at the six Swift plants provide a good case study of what happens when illegal immigrant labor is removed from the workplace. Wages rose and the employment of legal workers increased significantly. If illegal immigrants were removed from other industries would the same thing happen? We cannot say for certain. However, it seems likely that employers would respond in a manner similar to Swift.

## End Notes

<sup>1</sup> News accounts differ as to the number of arrests. The 1,297 figure was reported by U.S. Immigration and Customs Enforcement. See, for example: <http://www.ice.gov/pi/news/newsreleases/articles/070711washingtondc.htm?searchstring=1,297>.

Note about sources: Unless otherwise indicated, quotations in this report derive from interviews conducted by the author in November and December of 2008 and January of 2009. The author visited all six Swift communities.

<sup>2</sup> Statement of Matthew C. Allen, Acting Deputy Assistant Director, Smuggling and Public Safety Division, Office of Investigations, U.S. Immigration and Customs Enforcement; December 4, 2006. Filed as Document 15 in Case: 2-06CV-314-J; U.S. District Court. Northern District of Texas.

<sup>3</sup> Secretary Chertoff statements at press conference, December 13, 2006,

[http://www.dhs.gov/xnews/releases/pr\\_1166047951514.shtml](http://www.dhs.gov/xnews/releases/pr_1166047951514.shtml).

<sup>4</sup> Michael J. Broadway, "From City to Countryside," p. 24 in *Any Way You Cut It: Meat Processing and Small-Town America*, Edited by Donald D. Stull, Michael J. Broadway, and David Griffith. Lawrence, Kan.: University of Kansas Press, 1995.

<sup>5</sup> <http://meatindustry.blogspot.com/2007/04/five-minutes-with-don-stull.html>

See also January 8, 2007 report by Jennifer Ludden for NPR, *All Things Considered*,

<http://www.npr.org/templates/story/story.php?storyId=6749042>.

<sup>6</sup> CNN, *Lou Dobbs Tonight*, January 1, 2006, report by Bill Tucker.

<sup>7</sup> On the one hand, this estimate could be too high because perhaps there were not as many illegal immigrants working in the second shift. On the other hand, this estimate could

be too low because it assumes that Immigration and Customs Enforcement were about to identify every single illegal immigrant in the factories. In our view 23 percent represents a reasonable middle range estimate. However, Swift would not provide specific figures so this is only an estimate.

<sup>8</sup> "Swift replaces workers arrested in immigration raids," Associated Press, May 11, 2007.

<sup>9</sup> William G. Whitaker, Congressional Research Service, p. 43, *Labor Practices in the Meat Packing and Poultry Processing Industry: An Overview*,

<http://www.nationalaglawcenter.org/assets/crs/RL33002.pdf>

<sup>10</sup> Bureau of Labor Statistics, *Occupational Outlook Handbook, 2008-2009*,

<http://www.bls.gov/oco/ocos219.htm>.

<sup>11</sup> BLS statistics are noted in GAO Report, *Workplace Safety and Health, Safety in the Meat and Poultry Industry, while Improving Could Be Further Strengthened*. GAO-05-96, January 2005, p. 3.

<sup>12</sup> *Ibid.* p. 4.

<sup>13</sup> *Ibid.* p. 42.

<sup>14</sup> Zapanta quoted by: Whitaker, *Labor Practices in the Meat Packing and Poultry Processing Industry: An Overview*, op. cit, p. 44.

<sup>15</sup> *Ibid.*

<sup>16</sup> *Any Way You Cut It*, p. 48.

<sup>17</sup> Food Industry Network, April 28, 2007, "Five Minutes with Don Stull,"

<http://meatindustry.blogspot.com/2007/04/five-minutes-with-don-stull.html>.

<sup>18</sup> United Food and Commercial Workers Vice President Mark Lauritsen, quoted by Steve Bjerklie. See

[http://www.fairnessforfoodworkers.org/news\\_112608\\_jbsswift.shtml](http://www.fairnessforfoodworkers.org/news_112608_jbsswift.shtml).

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<sup>19</sup> The March 2007 Current Population Survey shows that about two-thirds of meat, poultry, and fish processing workers are U.S.-born. See Table 8 in *Immigrants in the United States, 2007: A Profile of America's Foreign-Born Population*, at [www.cis.org/immigrants\\_profile\\_2007](http://www.cis.org/immigrants_profile_2007).

<sup>20</sup> *Studies in Working-Class History of the Americas*, 2008. Vol 5. Issue 2.

<sup>21</sup> James M. MacDonald, Michael E. Ollinger, Kenneth E. Nelson, and Charles R. Handy, "Consolidation in U.S. Meatpacking," Agricultural Economics Report No. (AER785), March 1999. <http://www.ers.usda.gov/Publications/AER785/>.

<sup>22</sup> Deposition of Douglas W. Schult, April 8, 2008; document 85-13, in Civil Action No. 3-06CV2322-N, Valenzuela et al. v. Swift. U.S. District Court, Dallas.

<sup>23</sup> *Any Way You Cut It*, Op. Cit.; Introduction, p. 10, citing work of Steve Bjerkle.

<sup>24</sup> Steve Bjerkle, "On the Horns of a Dilemma," p. 56, *Any Way You Cut It*, Op. Cit. p. 56.

<sup>25</sup> "Immigration Raid Changed Us", *Greeley Tribune*, December 9, 2007.

<sup>26</sup> Ken Buck quoted in *Greeley Tribune*, Decembr 9, 2007, "A look at the ICE raids one year later," by Mike Peters.

<sup>27</sup> December 13, 2007, Selders interview with KCFR radio's "Colorado Matters" program: [http://www.kcfr.org/index.php?option=com\\_content&task=view&id=94&Itemid=234&target\\_pg=com\\_day](http://www.kcfr.org/index.php?option=com_content&task=view&id=94&Itemid=234&target_pg=com_day)

<sup>28</sup> Nicholas Riccardi, "What cost a mayor his job," *Los Angeles Times*, November 27, 2007.

<sup>29</sup> Display advertisement, classified section of the *Greeley Tribune*, November 1, 2006.

<sup>30</sup> Duran, quoted by Oskar Garcia, December 20, 2006, Associated Press Financial Wire.

<sup>31</sup> Cashen quoted by Oskar Garcia, *ibid.*

<sup>32</sup> Telephone interview, December 3, 2009.

<sup>33</sup> Montoya quoted in "Latinos move to Greeley at high rate" by Vanessa Delgado, the *Greeley Tribune*, July 8, 2007.

<sup>34</sup> "New owners take on old problems at Swift," by Bill Jackson, the *Greeley Tribune*, December 11, 2007.

<sup>35</sup> *Ibid.*

<sup>36</sup> *Greeley Tribune* poll, December 6, 2007.

<sup>37</sup> See Declaration of James Hamilton, Director of Corporate Compliance, filed October 6, 2008, as Document 89-5, in Civil Action No. 3-06CV2322-N, Valenzuela et al. v. Swift. U.S. District Court, Dallas. See also, for example: Classified Ads, *Moore County News Press*, November 30, 2006, December 28, 2006, March 11, 2007.

<sup>38</sup> Shaela Francis, "Expected surge in new residents could put strain on housing," *Moore County News Press*, March 29, 2007.

<sup>39</sup> Radio advertisement: Lo Mejor 103.4 FM in Amarillo, recorded by author, November 11, 2008.

<sup>40</sup> Plaintiff Clara Tovar's first supplemental objections and responses to defendants Swift Beef Company, August 7, 2008, document 89-5 in Civil Action No. 3-06CV2322-N, Valenzuela et al. v. Swift.

<sup>41</sup> Deposition of Margie Salazar; August 7, 2008, document 89-2 in Civil Action No. 3-06CV2322-N, Valenzuela et al. v. Swift.

<sup>42</sup> The progression of the starting wage can be traced through a series of classified ads in *The Grand Island Independent*. See ads on October 8, 2006; November 3, 2006; February 10, 2007; June 24, 2007.

<sup>43</sup> Letter to the editor, *The Grand Island Independent*, December 19, 2006.

<sup>44</sup> Letter to the editor, *The Grand Island Independent*, December 22, 2006.

<sup>45</sup> Oskar Garcia, "Unions: Fewer Hispanic immigrants hired since Swift & Co. raids," Associated Press, in *The Grand Island Independent*, December 20, 2006.

<sup>46</sup> *Ibid.*

<sup>47</sup> Display classified ad in *The Grand Island Independent*, June 16, 2007.

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<sup>49</sup> Pat Dinslage, "Employees' reactions mixed," *The Grand Island Independent*, September 4, 1993.

<sup>50</sup> Tracy Overstreet and Harold Reutter, "150 Muslims lose meatpacking jobs: Reports differ on whether they were fired or quit at the Grand Island plant," *The Grand Island Independent*; published September 20, 2008, in the *Omaha World-Herald*.

<sup>51</sup> Julia Preston, "Illegal Worker, Troubled Citizen and Stolen Name," *The New York Times*, March 22, 2007.

<sup>52</sup> <http://www.kcci.com/news/10577946/detail.html>.

<sup>53</sup> NBC Nightly News, December 21, 2007.

<sup>54</sup> Julia Preston, Associated Press State and local wire story, July 12, 2001.

<sup>55</sup> "The Iowa Connection," *U.S. News & World Report*, March 2, 1998.

<sup>56</sup> Paul Neufeld Weaver, "A Community of Immigrants," April, 2003, The Center for Rural and Regional Studies, Southwest Minnesota State University, [http://www.southwest.msus.edu/regional/News/news03\\_04\\_12.htm](http://www.southwest.msus.edu/regional/News/news03_04_12.htm).

<sup>57</sup> Warren Wolfe, "Small city is growing up; Influx of immigrants brings pride, challenge to Worthington," *Minneapolis Star Tribune*, August 5, 2001.

<sup>58</sup> Joseph A. Amato, "New Peoples and New Orders: The Metamorphosis of Contemporary Rural Minnesota," The Farm Foundation, fall 1999, <http://www.farmfoundation.org/news/articlefiles/126-amato.pdf>.

<sup>59</sup> Classified ad, *Worthington Daily Globe*, December 5, 2007.

<sup>60</sup> Letter to the editor, *Worthington Daily Globe*, December 16, 2006.

<sup>61</sup> Kathy Archer, "The Hyrum raid and beyond," *Logan Herald*, December 14, 2006.

<sup>62</sup> "Human misfortune nothing to cheer," *Logan Herald* editorial, December 7, 2006.

<sup>63</sup> Starting wage of \$10 per hour was advertised in the *Logan Herald* on March 3, 2006. A December 24, 2006, ad promoted "a new starting wage of \$10.50." A September 1, 2007, ad promoted "incredibly low-cost health coverage." Health insurance is a consistent feature of Swift advertising campaigns.

<sup>64</sup> Jennifer W. Sanchez , "Swift Raid: Many hires quit because they can't cut it," *The Salt Lake Tribune*, March 12, 2007.

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## The 2006 Swift Raids

### Assessing the Impact of Immigration Enforcement Actions at Six Facilities

Jerry Kammer

On December 12, 2006, about 1,300 illegal immigrants working at six meat processing plants owned by Swift & Co. were arrested in the largest immigration enforcement action in U.S. history. Other illegal workers, fearful of future raids, stopped reporting to work. Additionally, in the months prior to the raids, new employee screening by Swift led to the loss of about 400 illegal workers. The plants are located in Iowa, Minnesota, Nebraska, Texas, Colorado, and Utah. This report examines the raids and their aftermath.

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