

Agricultural Workforce Trends and Implications for Farm Managers

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General Outlook: Labor Supplies Down, Costs Up

- Competition between farms
- Competition in general economy
- Unemployment rate 2017 – 4.1%
2018 projection – 3.8%
- Individual States increasing minimum wages and requiring overtime pay
- Legal foreign-born workers are in high demand

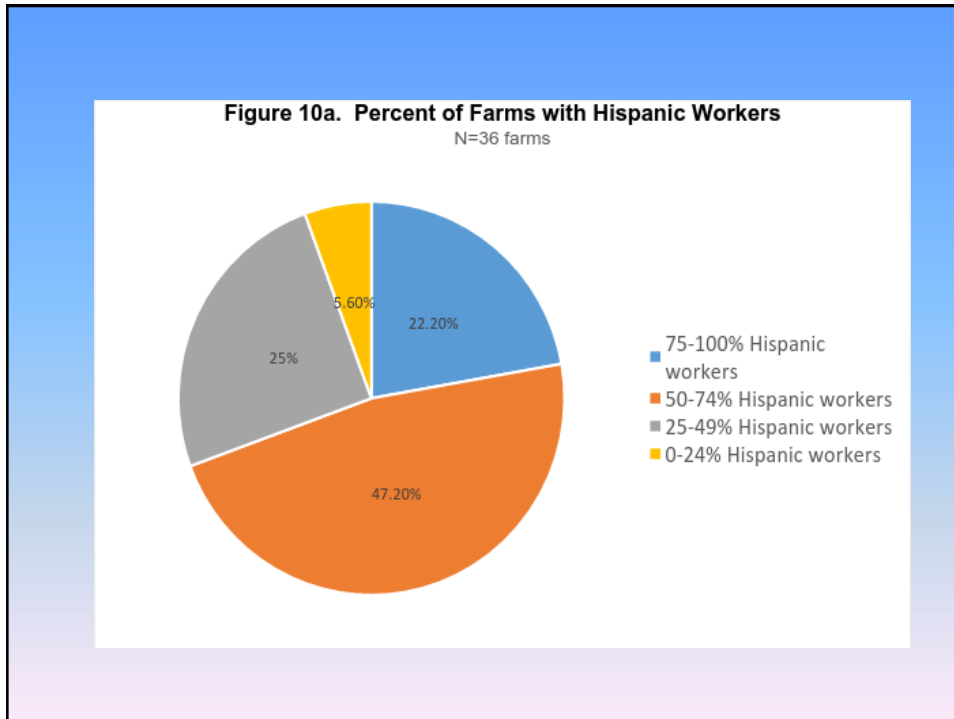
Trend #1

Continued Efforts to Reform U.S. Immigration Policy

Quote from Wisconsin Dairy Farmer

“I have not been able to hire an American citizen since 1997. I have tried! The way I see it, if we didn't have Hispanics to rely on for a workforce, I don't believe I could continue farming.”

Source: Harrison, Jill, Sarah Lloyd and Trish O'Kane, Briefing No. 1 Overview of Immigrant Workers on Wisconsin Dairy Farms, Program on Agricultural Technology, University of Wisconsin, Madison 2007



Immigration Reform

Agriculture Workforce Coalition Position

- A) Legalized status for undocumented workers
- B) A guestworker program that includes dairy

Immigration Reform

Current proposals voted out of the House Judiciary Committee

- 1) Ag Act (Rep. Robert Goodlatte)
 - Creates a new H-2C Visa category
- 2) Legal Workforce Act (Rep. Lamar Smith)
 - Makes E-Verify mandatory for all employers

Ag Act – H-2C Visa Program Provisions

- USDA Administers Program
- Capped at 500,000 Visas with possibility of increase
- Length of stay:
 - 18 months for temporary seasonal
 - 36 months for non-temporary work
- Must stay out of United States for 45 days before returning
- Wage rate is highest 115% of federal, state or local minimum wage

Ag Act – Options for Unauthorized Workers

- Workers who worked in agriculture may qualify to stay legally
- Workers may work under H-2A and must stay working in agriculture
- Ag employers can sponsor unauthorized workers under certain conditions
- Workers unlawfully present on day of enactment are eligible for H-2A

Legal Workforce Act

- Requires employers to use an E-Verify type system
- Employer and employee attest that the employee is authorized
- DHS will establish pilot verification programs
- Agricultural employers will vigorously oppose if no legalized status for current undocumented workers

Guestworker Program Implications

- Farm labor costs increase due to high required wage rates, and other costs
- Enrollment in program increases as other opportunities to hire foreign born workers dry up
- Increased pressure from farmers to streamline program and ensure workers arrive on time
- Dairy workers are likely to be included for the first time
- Dairy employers would face more regulatory oversight, including housing inspections

Trend #2

**Migrations from Mexico to the United States
are Changing**

Changes Related to Mexico

- Fewer Mexicans are coming to the United States
- Drug cartels have made border crossing far more dangerous and expensive
- Immigration enforcement has ramped up
- Mexican economy is doing well
- Mexican birth rates have declined

Trend #3

Increased Activity by Worker Advocacy Groups

Example: Migrant Justice, Vermont



Who are the Advocates?

Worker Advocacy Organizations in New York:

- Migrant Justice
- Worker Justice Center of Central New York
- Worker Center of CNY

Worker Advocacy Collaborations:

- Cornell Law School, Farm Worker Legal Assistance Program receiving referrals from advocacy groups

Advocacy Activities

- Protests at farms and agribusinesses
- Community meetings, marches & protests
- More demands for improved safety, better hours, housing, higher wages, etc.
- Presence at farmer meetings without notice
- Law suits on behalf of individual workers

New York: “Milked” Report

- Released in NY June 2017
- Calls for Collective Bargaining Rights
- Calls for Overtime Pay
- Calls for worker lead code of conduct
- Calls for consumers to hold Chobani and other dairy processors accountable



Trend #4

Consumer Influence

Consumers are now Taking an Interest in Farm Workers

“Consumers want to support companies that prioritize both treatment of workers and animals, even above low prices”

- From Dairy Marketing Inc. (DMI) research

LOTS of ISSUES!!!!

- Aging
- Obesity
- Gluten free
- Allergies
- Organic
- Biodynamic
- Veganic
- GMOs
- Hormones
- Pesticides
- Herbicides
- Natural
- Free From
- Clean
- Local
- Sustainable
- Labor practices
- Labor availability
- Slavery
- Food safety
- Food security "A"
- Food security "B"
- Animal rights
- Human rights
- Immigration
- Fair Trade
- Food Deserts
- Food Waste
- Microbeads
- Vegetarian
- Vegan
- "Ugly produce"
- Food prices

A partial list, in no particular order



Trend #5

Food Companies are Embracing Social Responsibility

Corporate Social Responsibility

- Many companies have Corporate Social Responsibility (CSR) as part of their mission
- Some take it very seriously
- In the world of farm labor advocacy, this is a game changer

Example #1
Fair Food Movement
Coalition of Immokalee Workers

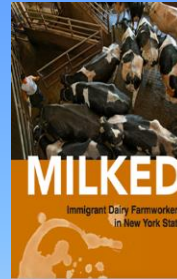
- Pressure on food companies to improve employment practices
i.e., McDonald's, Taco Bell, Walmart
- Were successful at gaining an extra worker bonus of 1¢ per pound for tomatoes picked
- The program is overseen by a worker committee and includes a mediation board

Example #2
Vermont "Milk with Dignity" Program

- Migrant Justice protests Ben & Jerry's
- Ben & Jerry's signs agreement on fair treatment of workers
- St. Albans Milk Cooperative supplies milk to Ben & Jerry's in Vermont

Example #3

New York: “Milked” Report



A) Political Agenda

- Collective Bargaining Rights
- Overtime Pay

B) Social Agenda

- Calls for consumers to hold Chobani and other dairy processors accountable
- Calls for worker lead code of conduct

Expectations of Advocacy Groups

- Higher wages in general
- Better housing
- Improved hours
- Bonus through the supply chain
- Mediation board (give workers a voice)

Table 3b: Quartiles of Highest Hourly Wage for Hispanic Employees			
N=36 farms			
		Hourly Wage	
	1 st Quartile	\$9.50-\$10.75	
	2 nd Quartile	\$10.76-\$12.14	
	3 rd Quartile	\$12.15-\$13.00	
	4 th Quartile	\$13.01-\$26.00	
	<i>Mean</i>	\$12.94	
	<i>Standard Deviation</i>	\$3.26	

Cornell Survey October 1, 2016

Trend #6

**Increasing Producer Interest
Mechanization and Robotics**

Implications of Mechanization

- Capital investments will increase
- Production efficiency increases
- Small farmers can expand with the same workforce
- The number of hired workers is reduced, but higher skilled workers are required
- Robotic rotary parlors could have a big impact on dairy labor efficiency

What Might the Future Look Like?

- Farm employers will spend more time telling their story to:
 - Policy makers
 - Consumers
 - Worker advocates
- Wages and labor costs will likely rise faster than the rate of inflation

What Might the Future Look Like? (cont'd)

- Farm employers will redouble efforts to comply with labor laws
- Pressure to improve worker housing will increase
- Internal training on human resource practices and supervisory skills will increase

What Might the Future Look Like? (cont'd)

- As labor costs go up, robotics will look more attractive and the pace of mechanization is likely to accelerate
- Foreign born workers are viewed as the farm workforce of the future
- A guestworker program is the most likely solution
- Efforts to make each employee more valuable to the business will increase

MILK SOLD PER WORKER AND NET FARM INCOME
173 New York Dairy Farms, 2014

Pounds of Milk Sold Per Worker	No. of Farms	No. of Cows	Pounds Milk Per Cow	Net Farm Income (without appreciation)	Labor & Management Income Per Operator
Under 500,000	18	64	16,481	\$49,535	\$-7,607
500,000 to 699,999	20	131	19,357	152,412	59,044
700,000 to 899,999	26	403	23,933	503,387	154,728
900,000 to 1,099,999	44	782	24,772	1,191,725	432,094
1,100,000 & over	65	1,100	25,977	2,029,545	788,245