

As Farmworkers Flock North, Will Jobs Move South?

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Take Home Messages: US Workforce Outlook

Domestic farm employees will continue to be...

- Harder to find
- More and more expensive to employ

The H-2A program... A solution?

- Offers a temporary solution for worker shortages
 - The high wages are attracting large numbers of Mexican farmworkers
- But high costs might reduce US agricultural competitiveness
 - Will this drive US production to places with lower input costs?

US farm employers will need to...

- Find ways to reduce labor and other costs or **increase revenues**

Why are farm employees harder to find?

#1 workers are more settled

2000  2022

Fewer migrant workers:

49% **15%**

More have US-born kids:

29% **44%**

More time living in the US:

8yrs **21yrs**

#2 fewer new immigrant workers

2000  2022

Fewer foreign-born:

83% **68%**

Workers are **aging**:

31yrs **40yrs**

More farm experience:

9yrs **16yrs**

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NOT because farmworkers want to leave ag
Similar share intend to work in ag “as long as able”

70%

74%

Why are farm employees more expensive?

Worker Shortages, Minimum Wages, H-2A, Other Policies

Domestic worker shortages will also drive-up wages

- To recruit enough workers and compete with other industries, employers will continue offering wages well beyond legal minimums

State minimum wages are rising

H-2A wages are rising and reliance on H-2A is growing

Other policies:

- Overtime (AB 1066)
- Union laws (AB 2183 & AB 113)
- Immigration and visa policy
- Frequently changing and complex legal employment environment leading many to rely on farm labor contractors (20-40% overhead)

What trends in MX have implications for US?

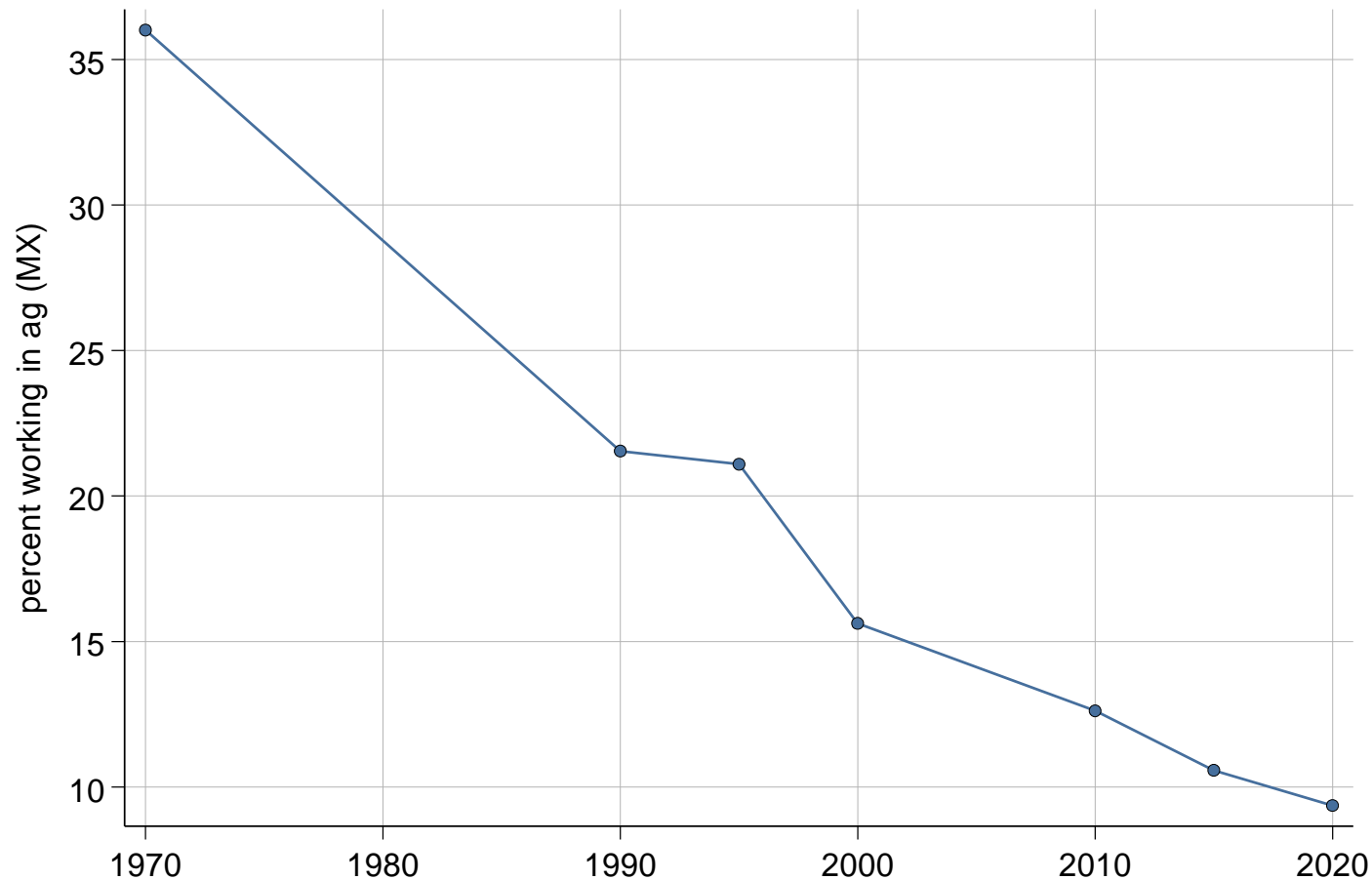
Why focus on Mexico?

In 2022, 90% of foreign-born
farmworkers were born in **Mexico**
(97% in 2000)

What trends in MX have implications for US?

Two negative trends...

Fewer working in agriculture

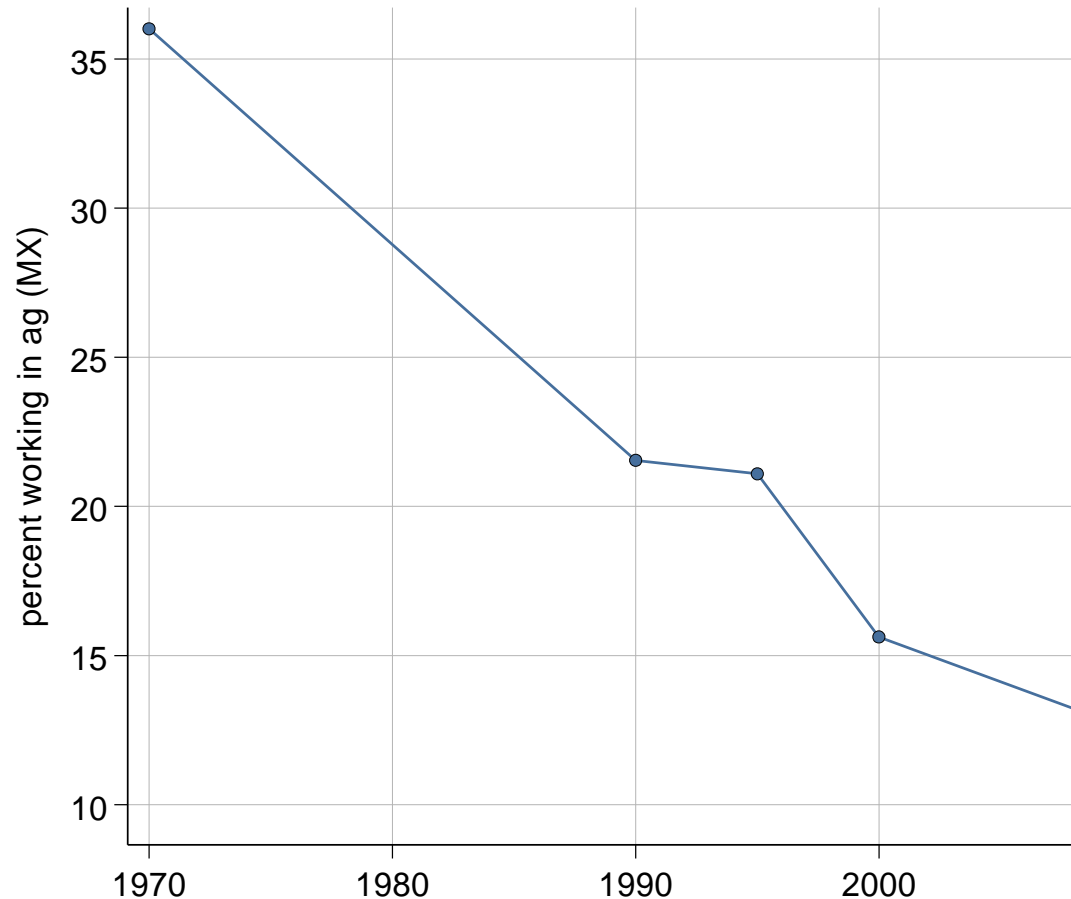


Data from MX Population Census and Intercensus Surveys

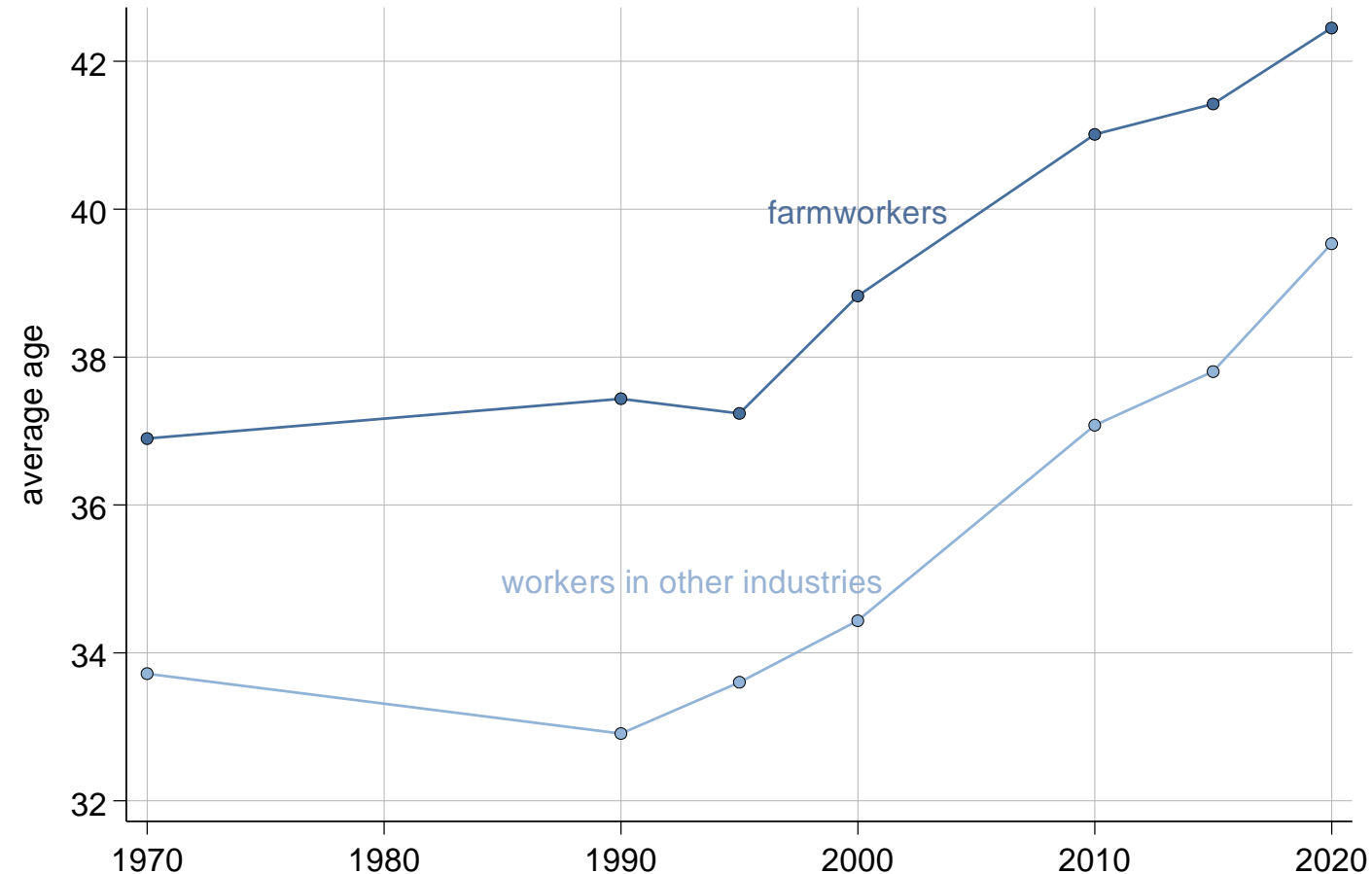
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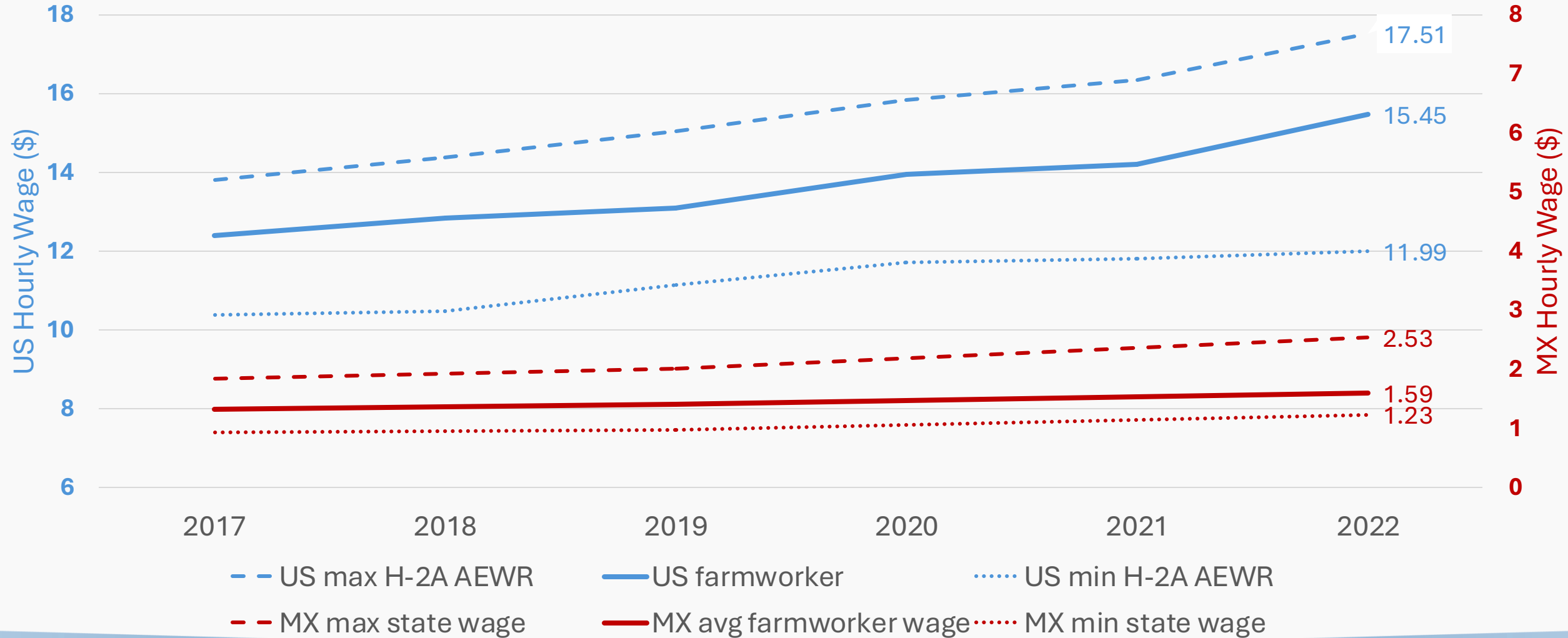


Farmworkers are aging



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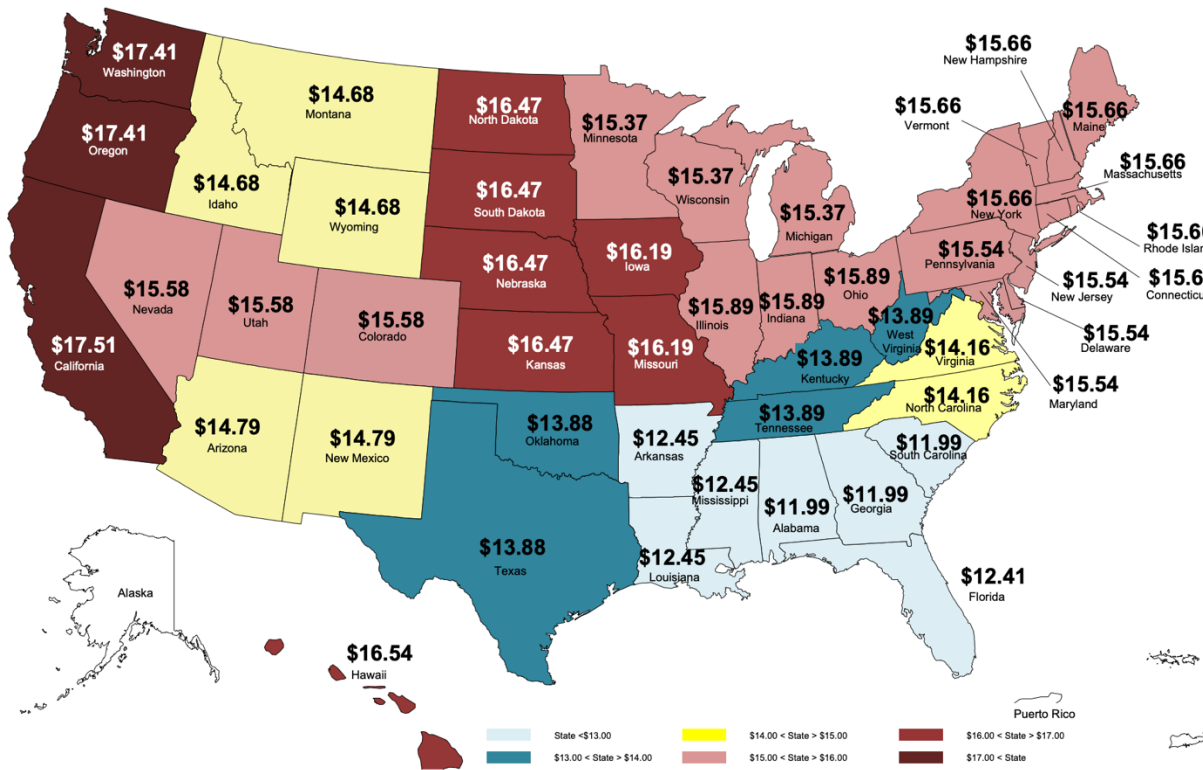
And one upside: Workers can earn more in the US



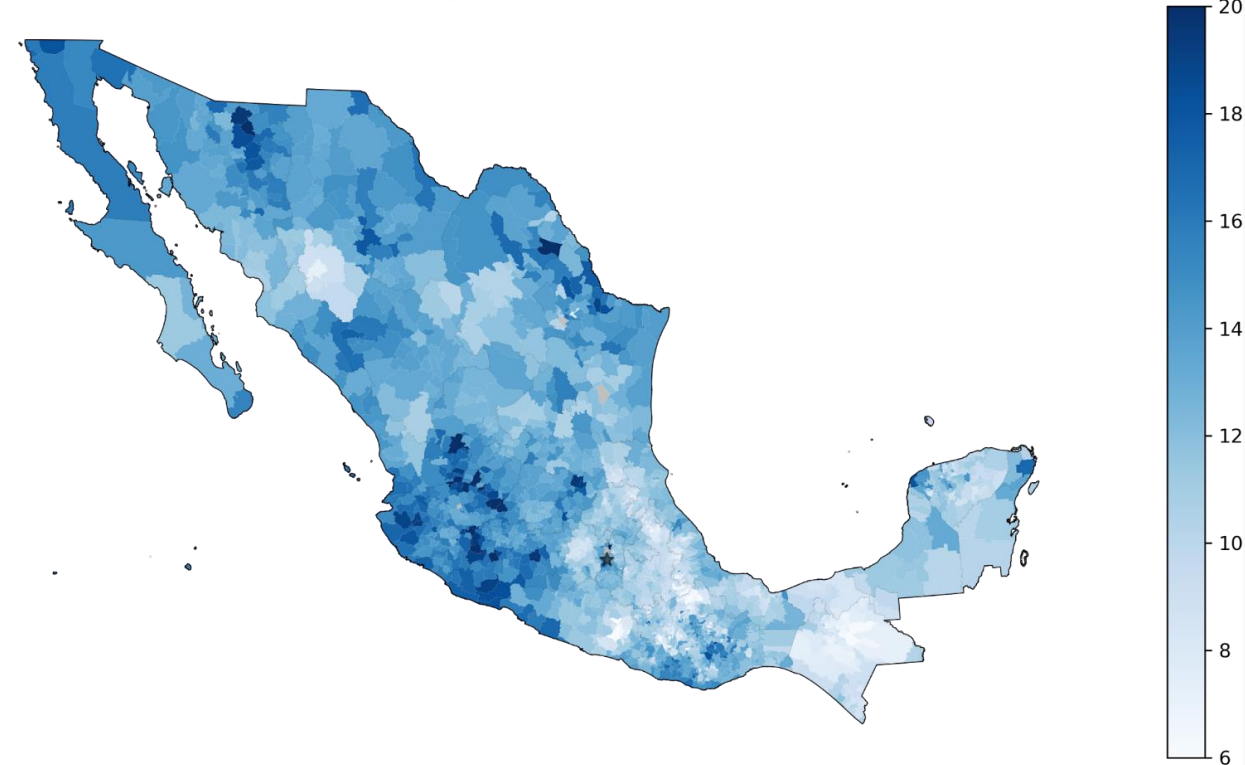
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FY 2022 Adverse Effect Wage Rates



Daily wage for hired agricultural workers in USD, 2022

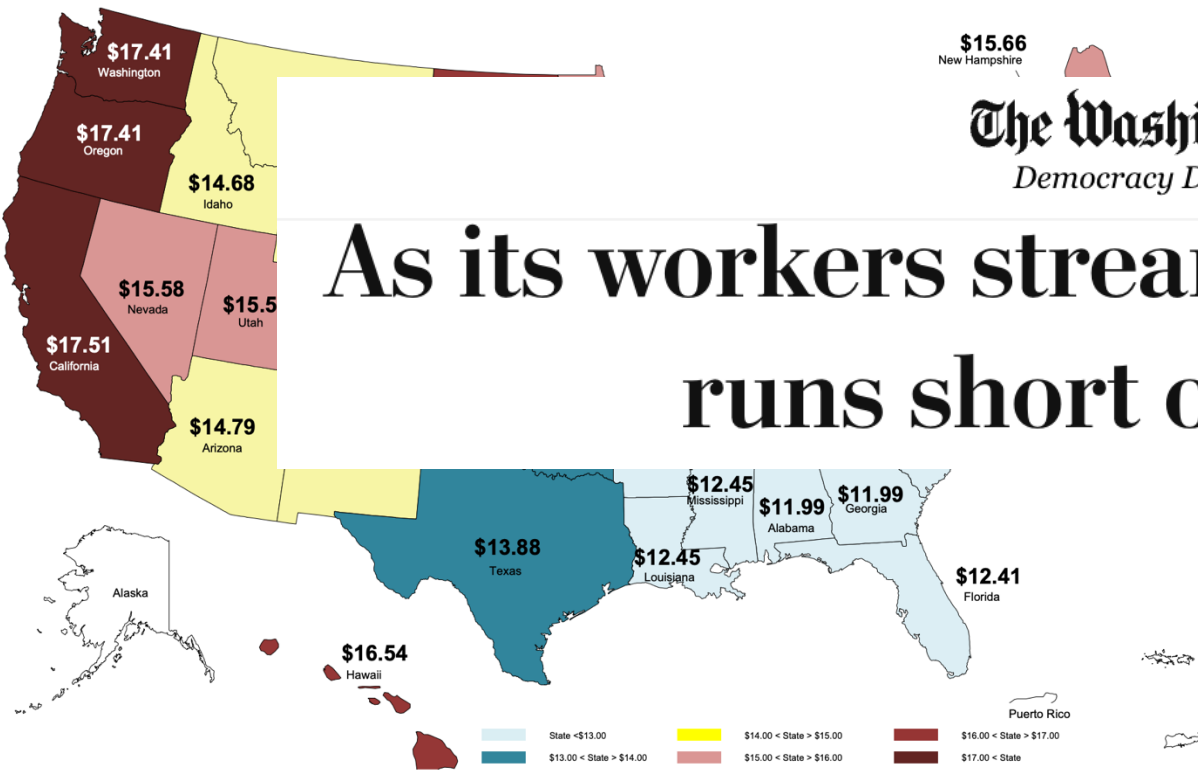


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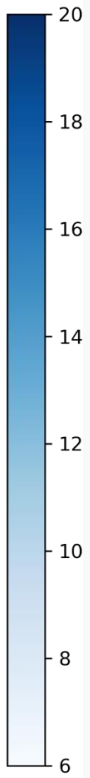
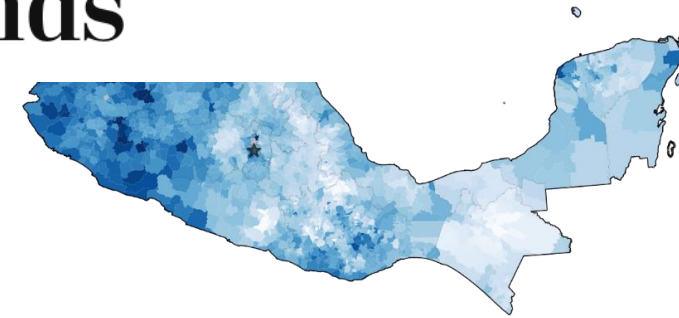
Daily wage for hired agricultural workers in USD, 2022



\$15.66
New Hampshire

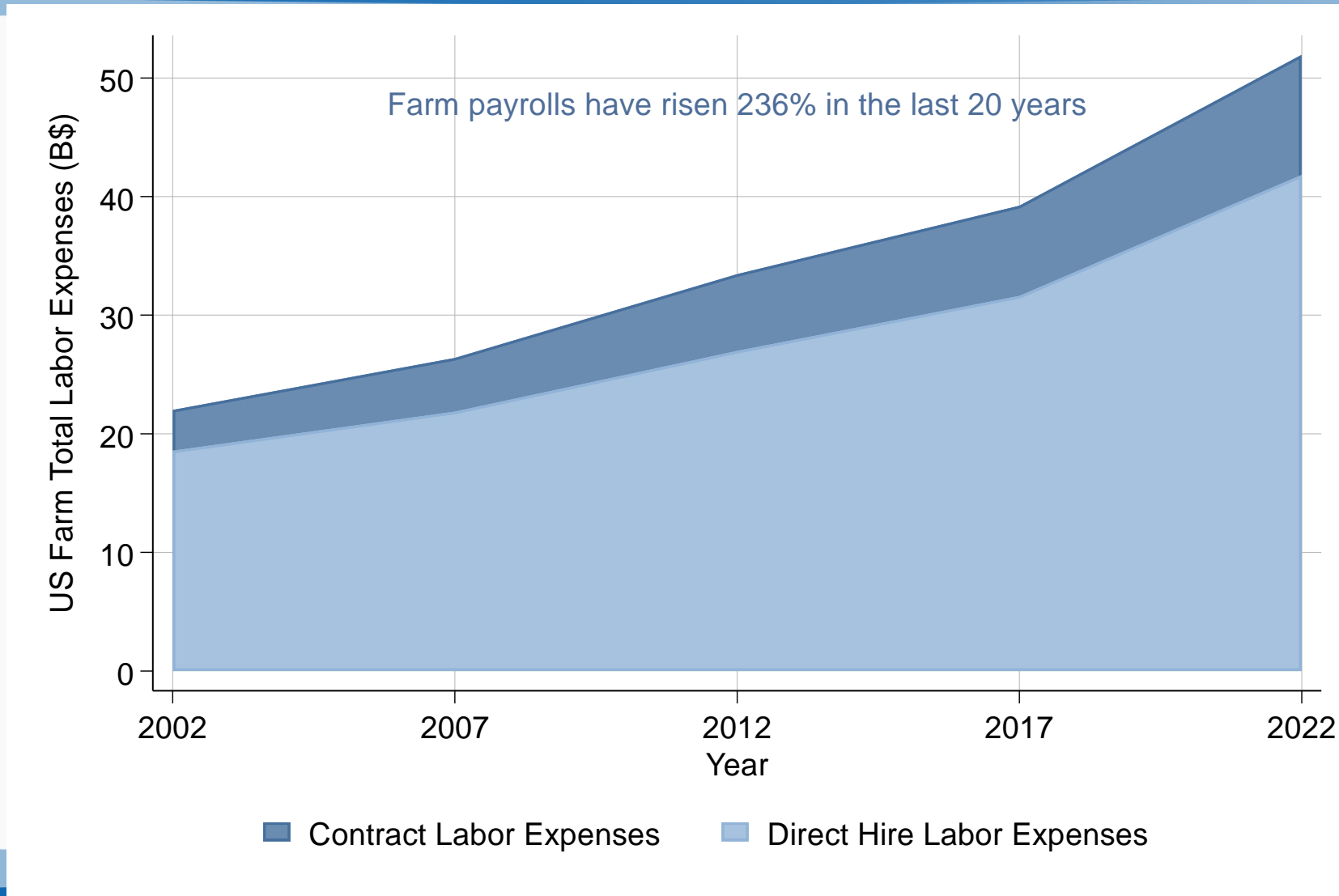
The Washington Post
Democracy Dies in Darkness

As its workers stream to the U.S., Mexico runs short of farmhands



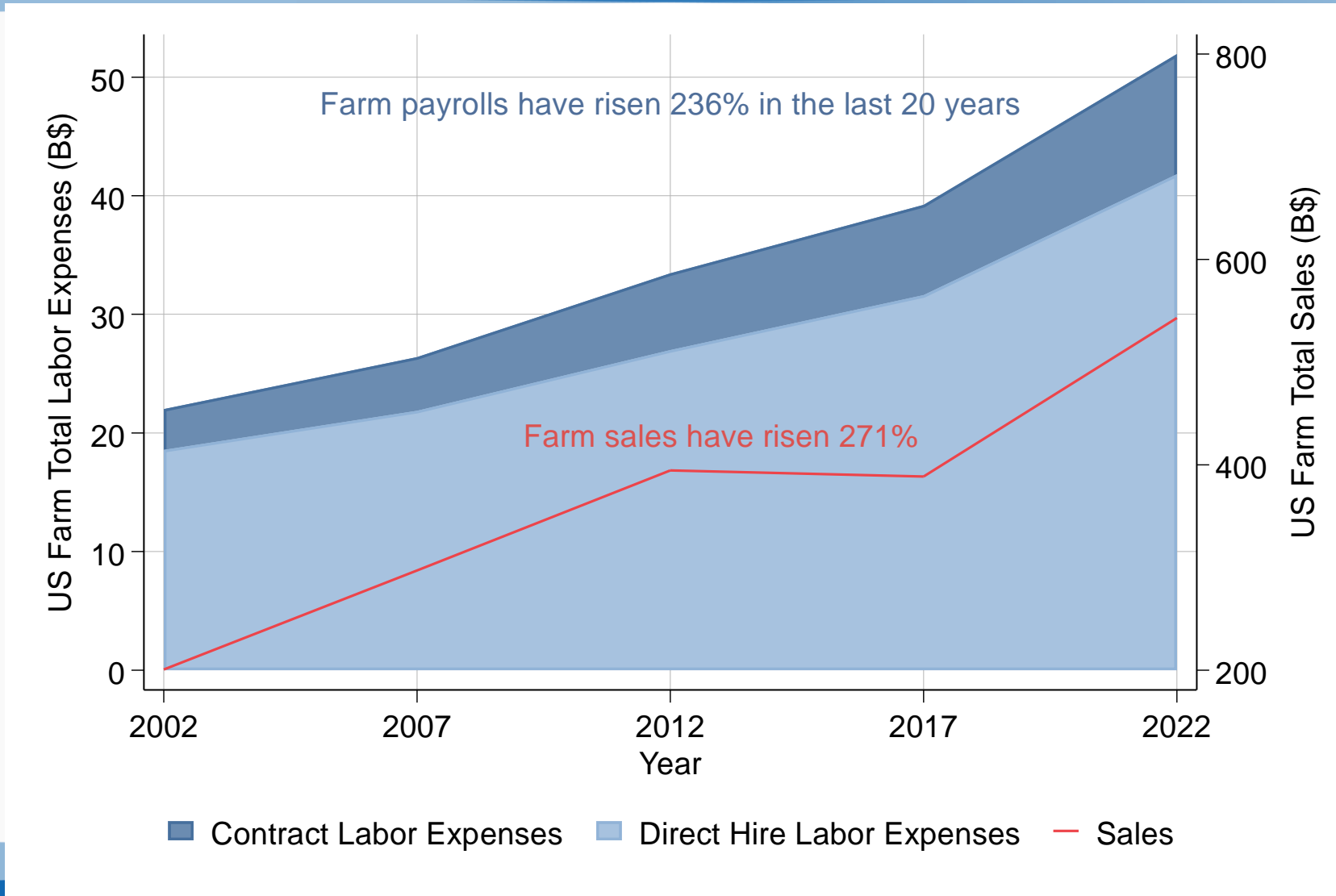
Is this a positive for US farms?

US farm payrolls have more than doubled in last 20 years



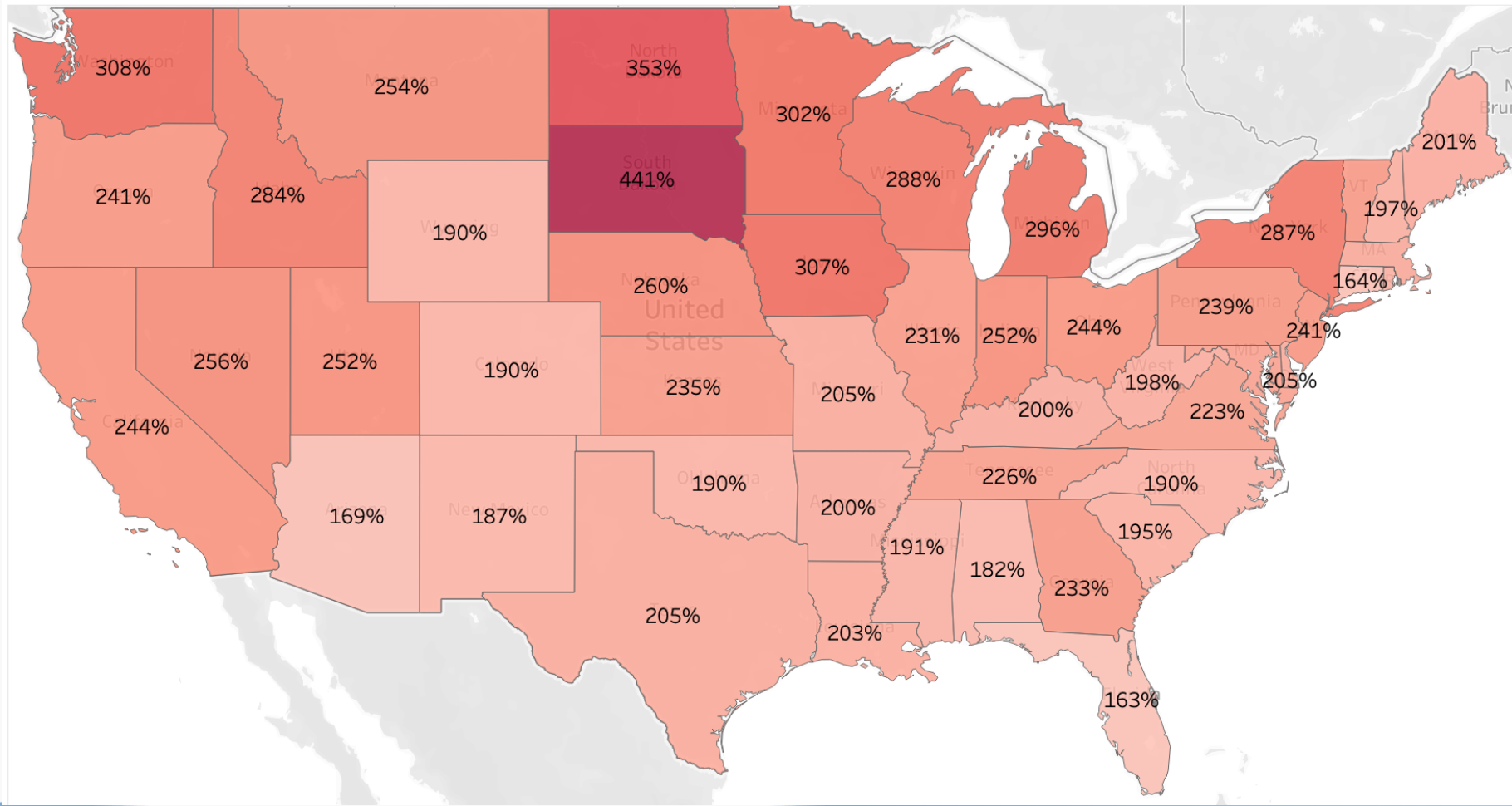
Is this a positive for US farms?

US farm sales increased by more – the average farm is better off



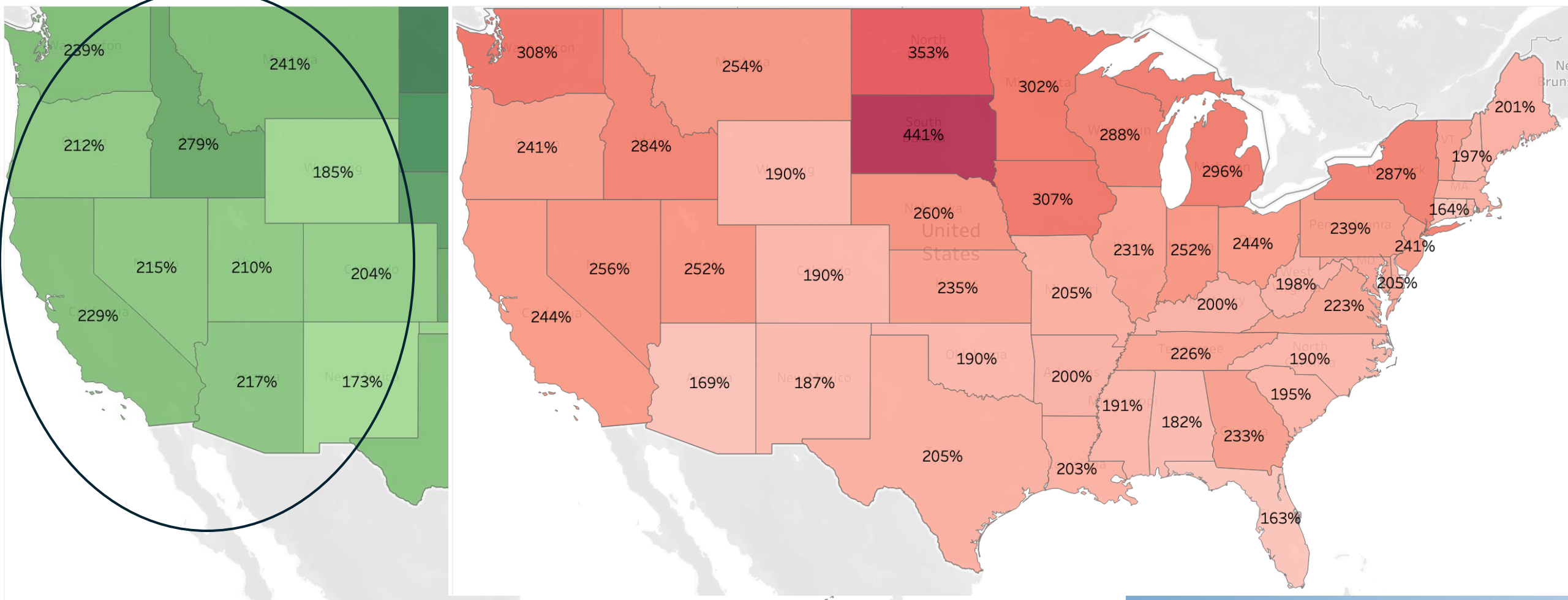
Is this a positive for US farms? It depends... on where

Percent Increase in Payroll Costs, 2002 to 2022



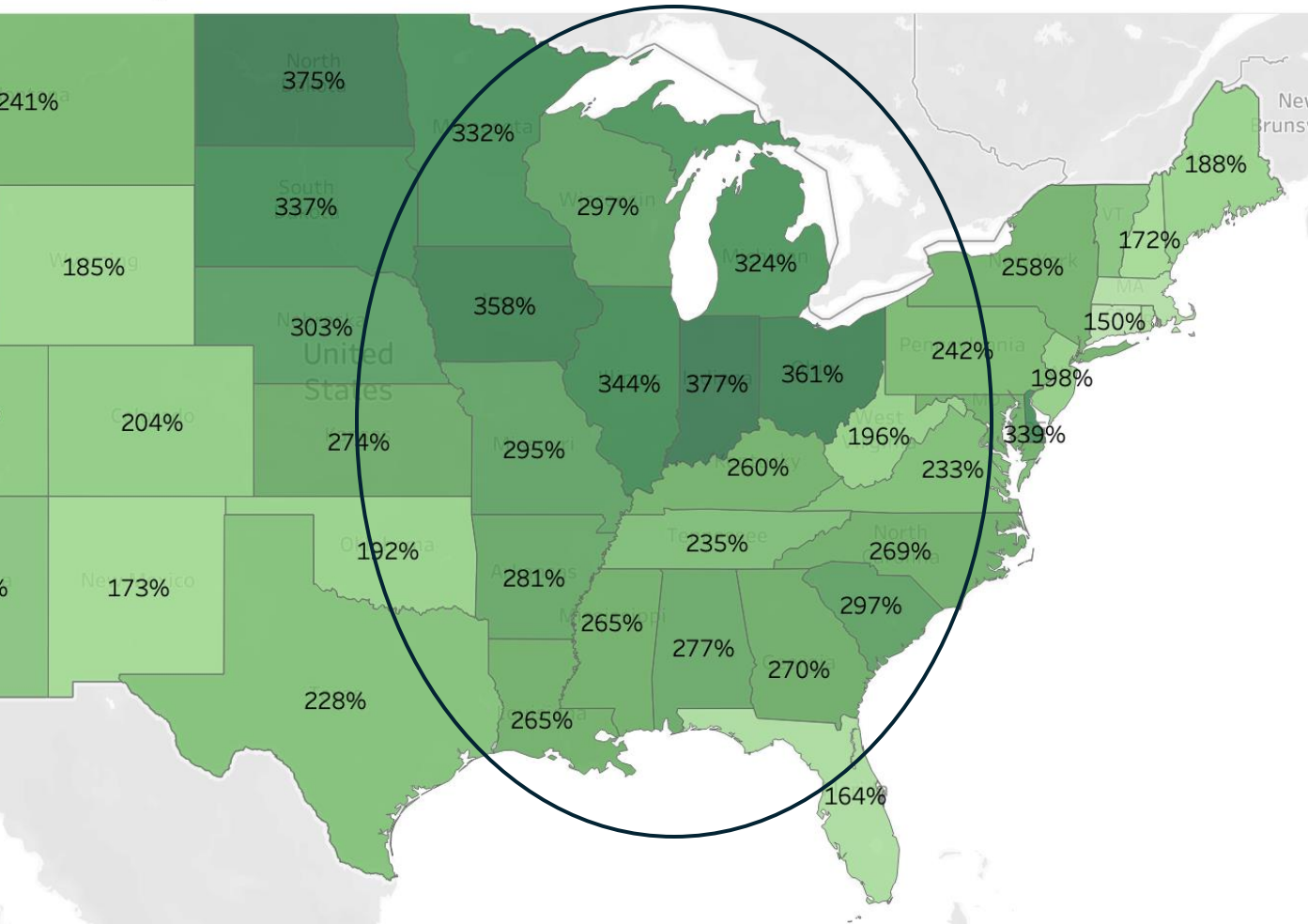
Growth in Payroll Costs has Outpaced Growth in Revenues in Most Western States

Percent Increase in Farm Sales, 2002 to 2022 Percent Increase in Payroll Costs, 2002 to 2022

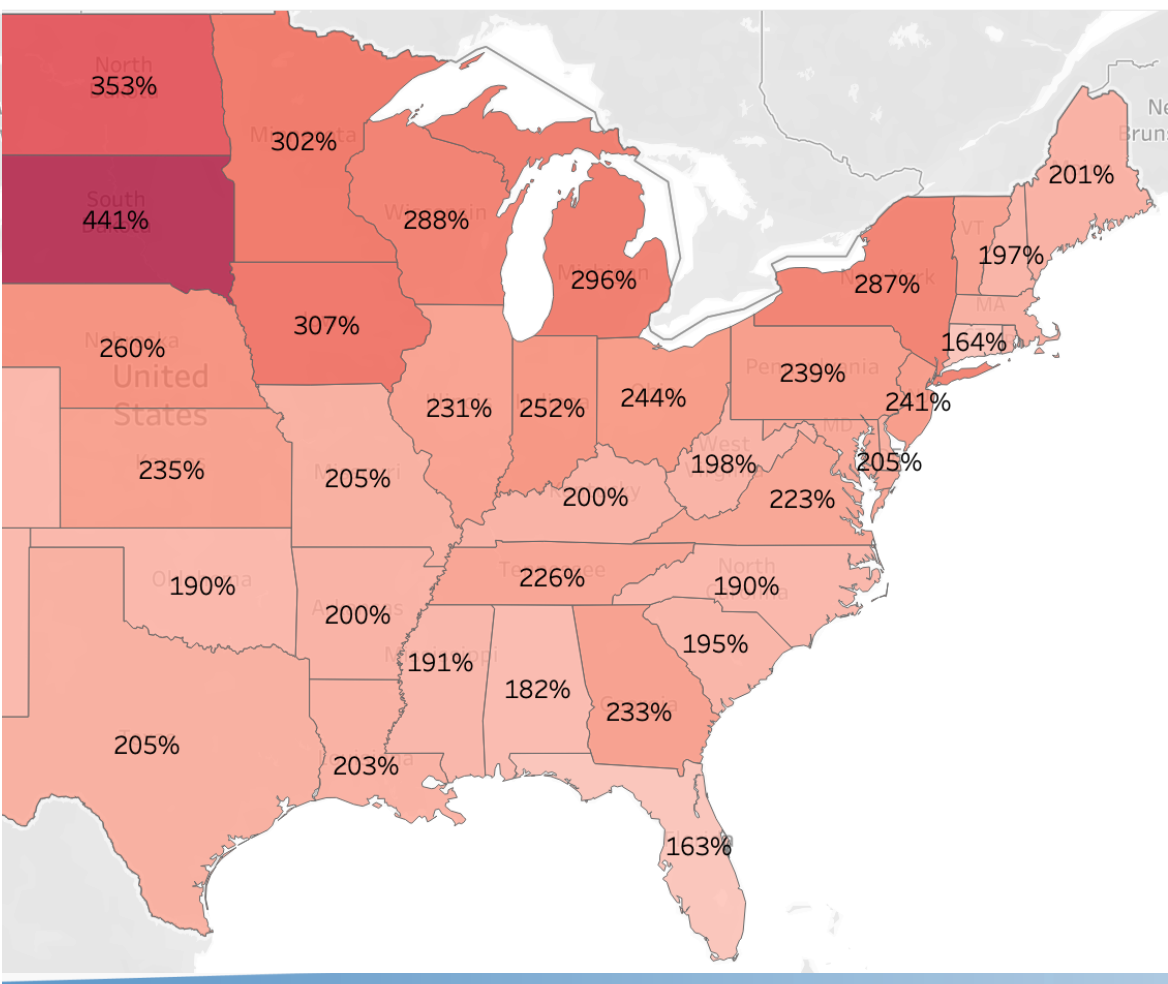


But Growth in Payroll Costs has been Slower than Revenue Growth in Many Central States

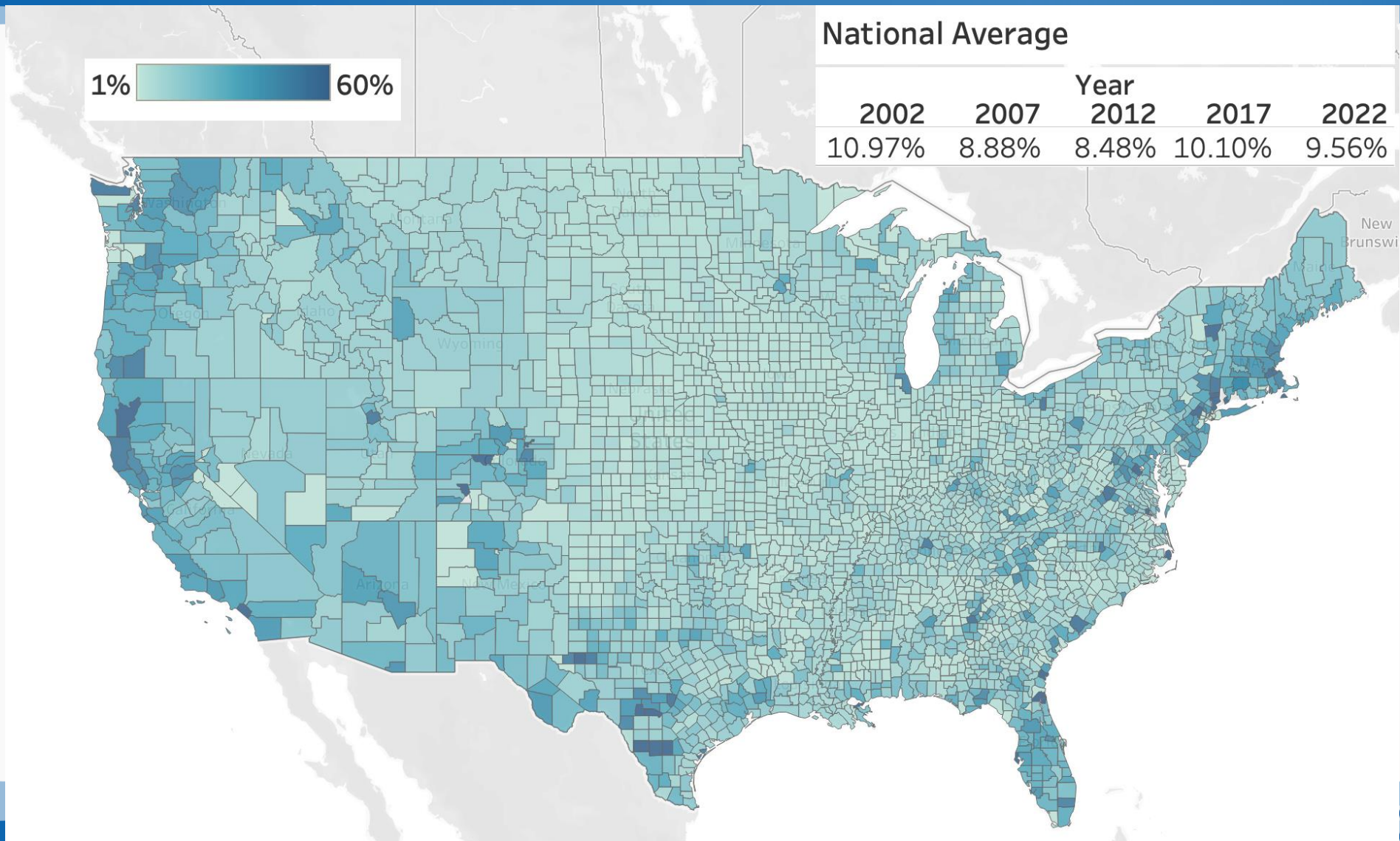
Farm Sales, 2002 to 2022



2002 to 2022



What is the payroll share of farm sales today? (2022)



Is this a positive for US farms? It depends... on crop

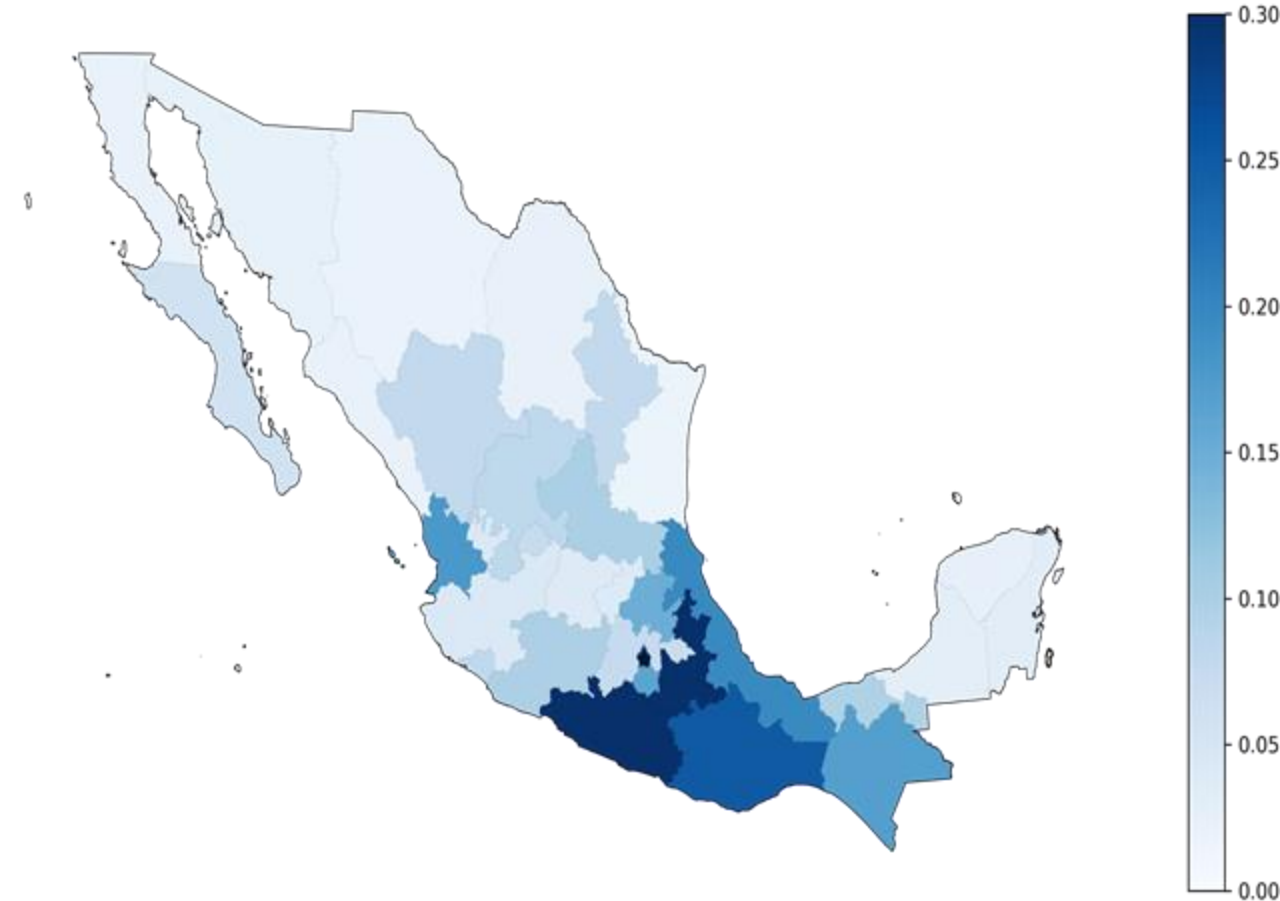
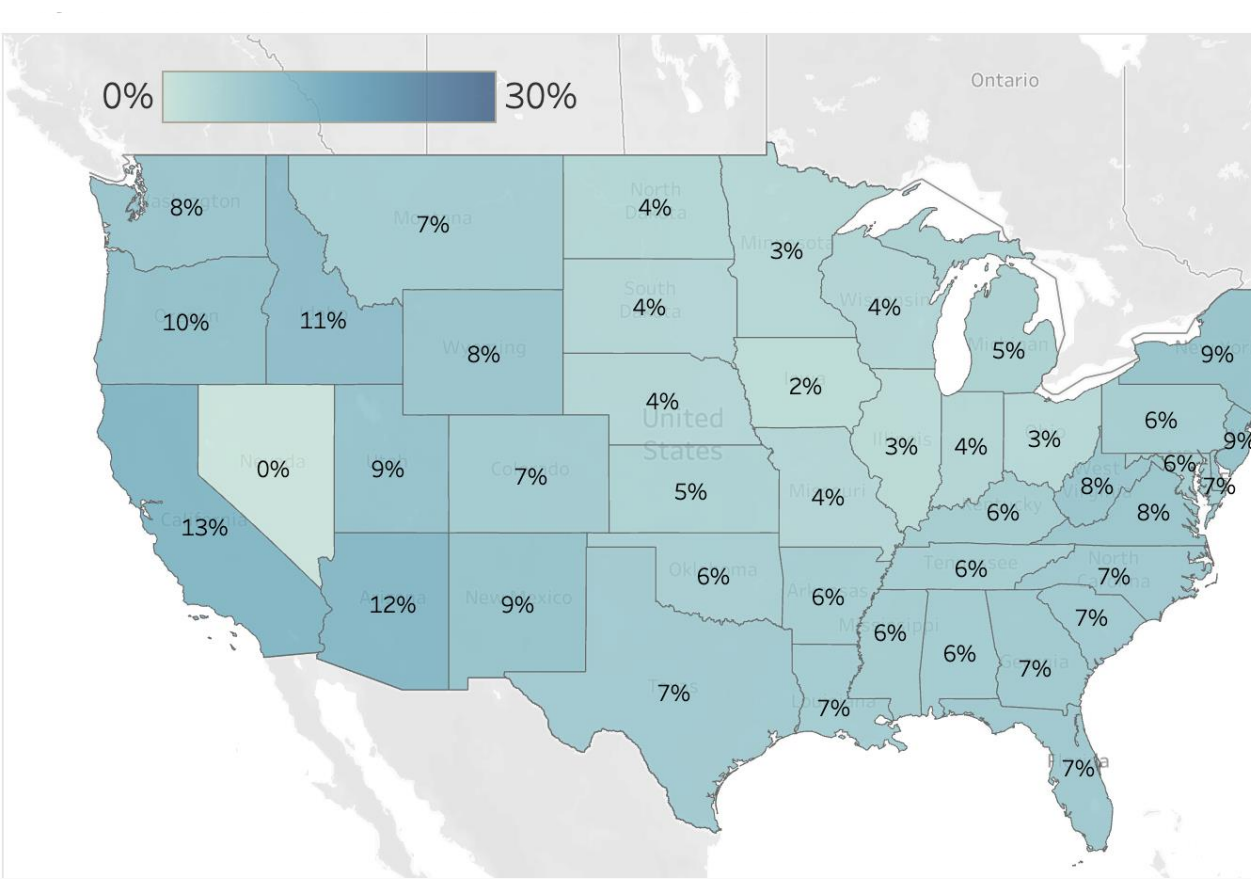
Payroll % of total farm sales is **lower** in the US than MX for oilseed and grains
higher for fruit & tree nut

Sector	2022 Payroll Share of Farm Sales		
	U.S. all workers	MX jornaleros only*	MX all workers (estimated)
Oilseed and Grain	4.2%	8.0%	26%
Vegetable and Melon	22.2%	4.5%	15%
Fruit and Tree Nut	36.0%	4.5%	15%
Other Crop	14.2%	5.0%	17%

Is this a positive for US farms?

It depends... mostly on crop

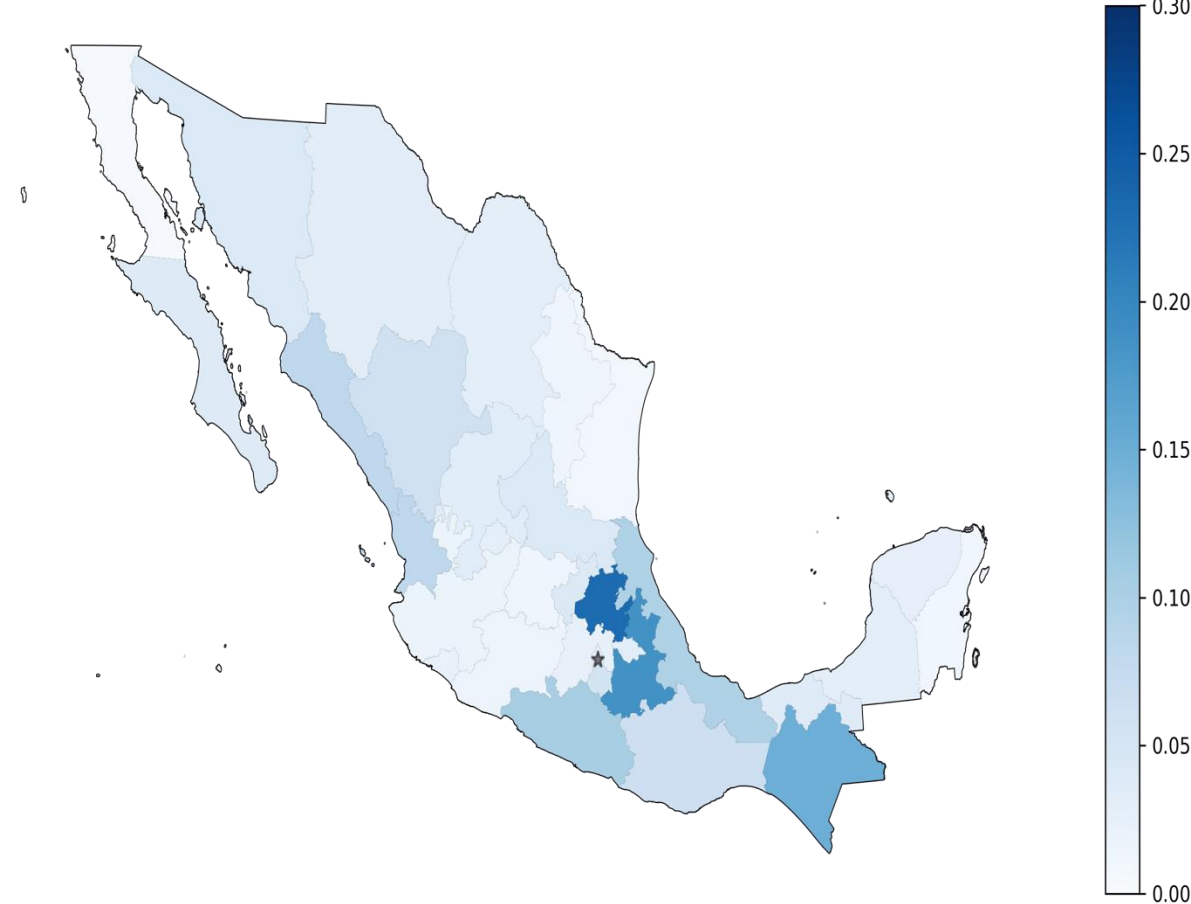
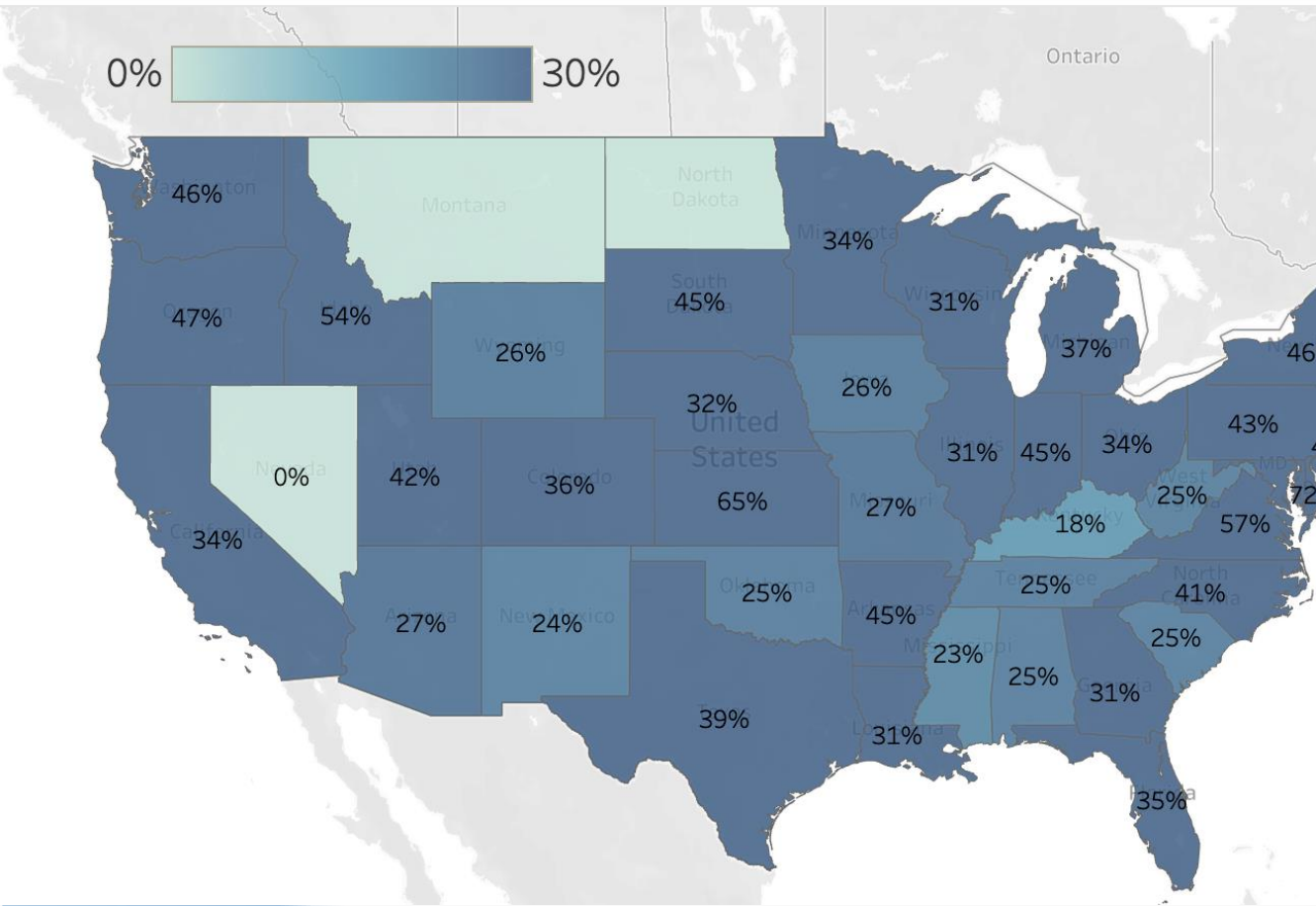
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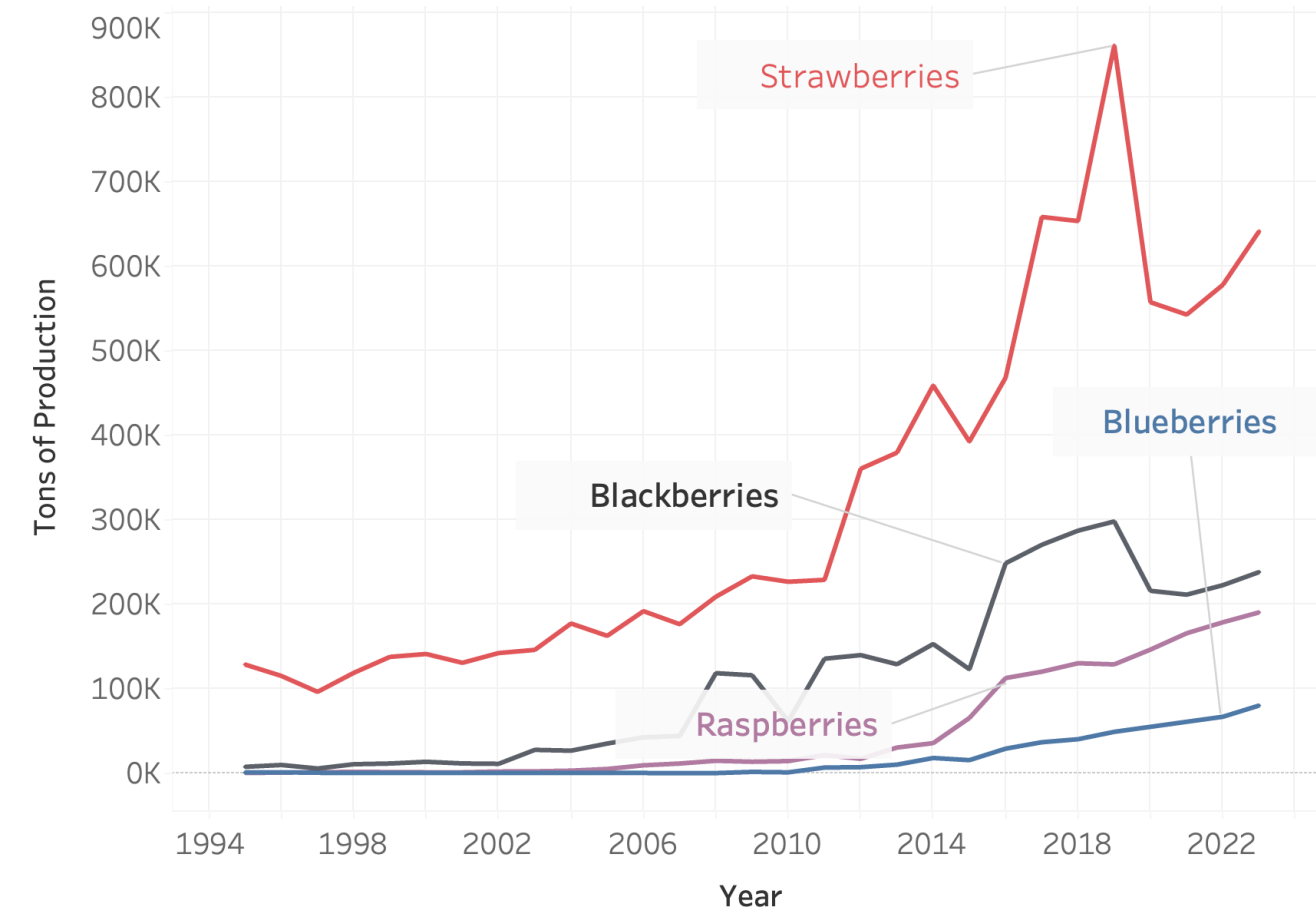
It depends... mostly on crop

Payroll % of total farm sales is **MUCH higher** in the US than MX for fruit/nut



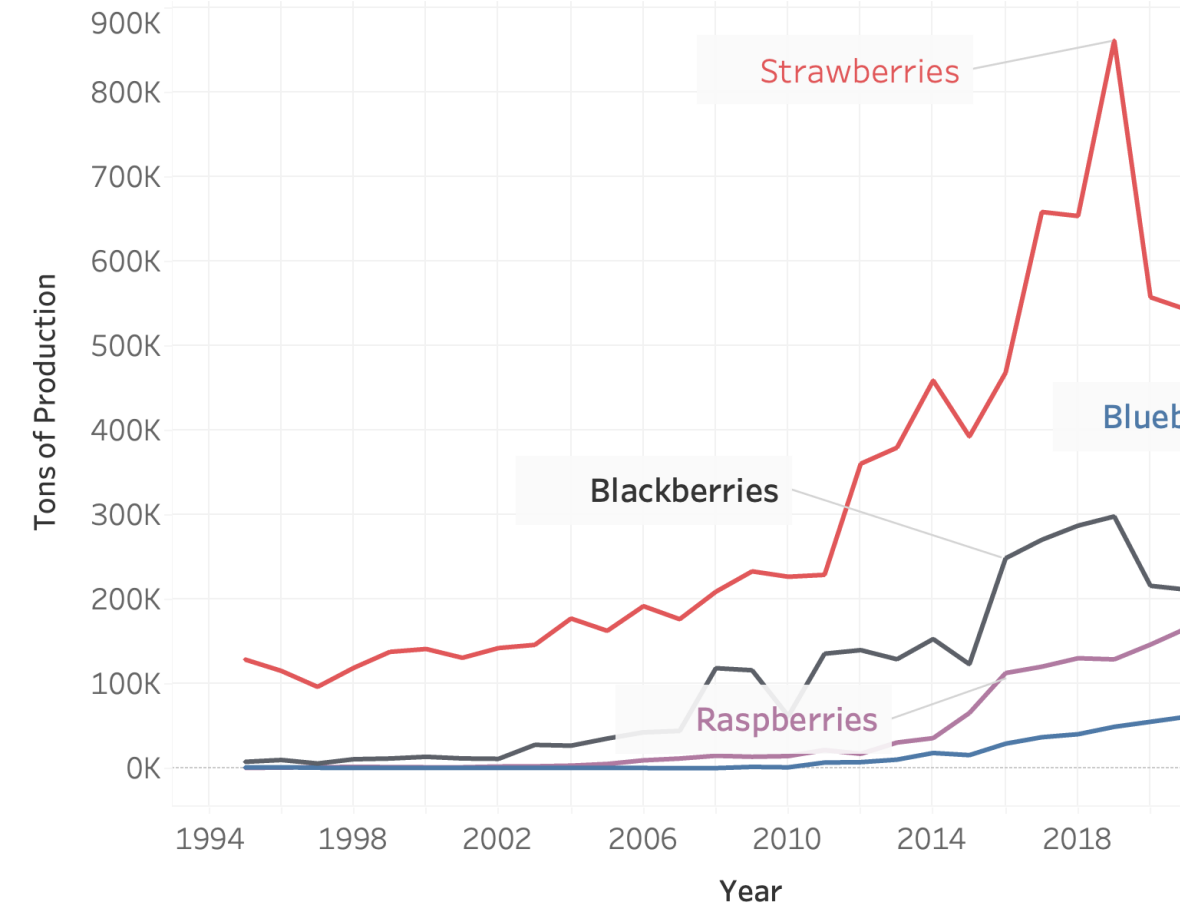
Is there any evidence of moving production to Mexico? – Yes, for berries and many other crops...

Mexico Berry Production

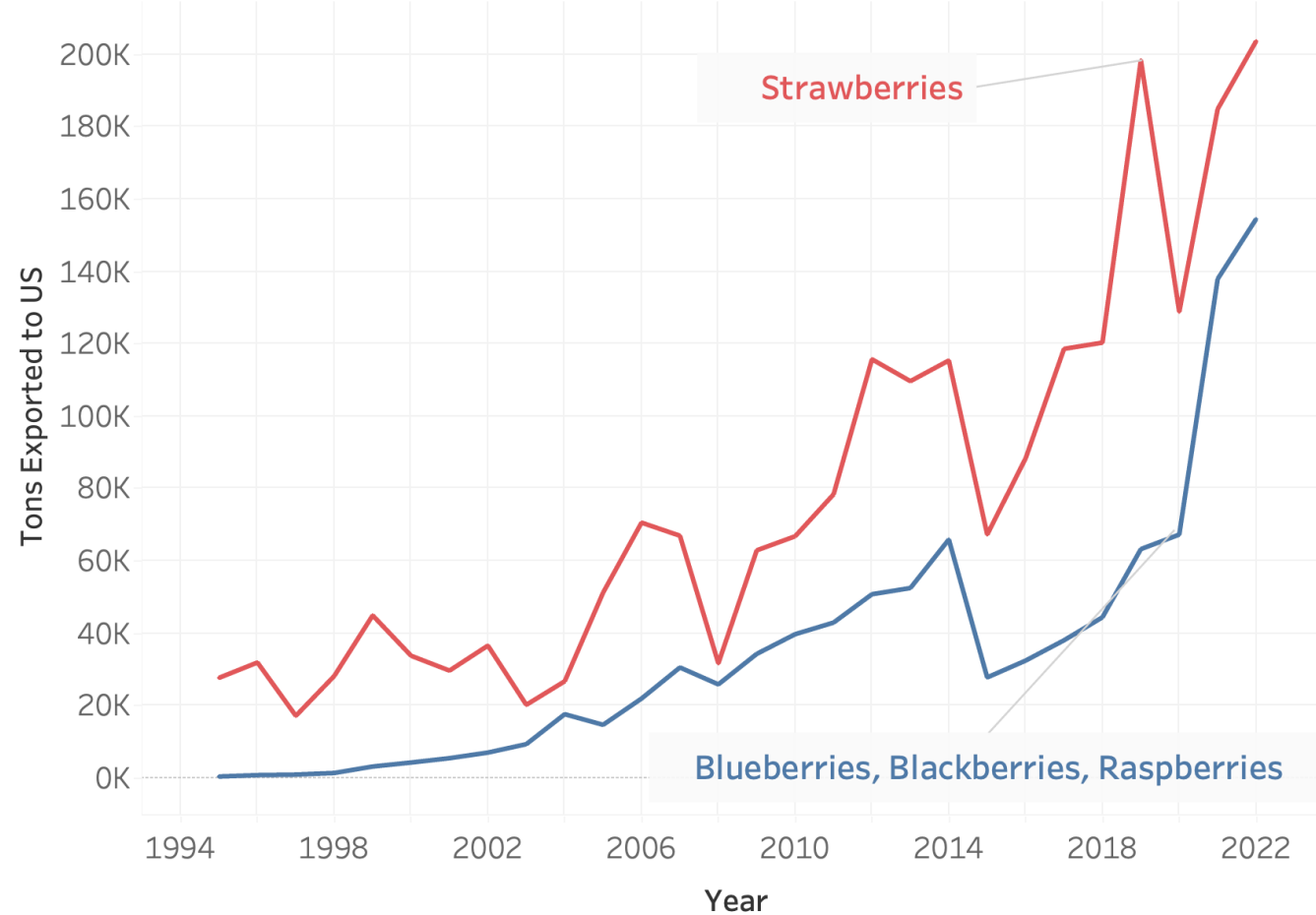


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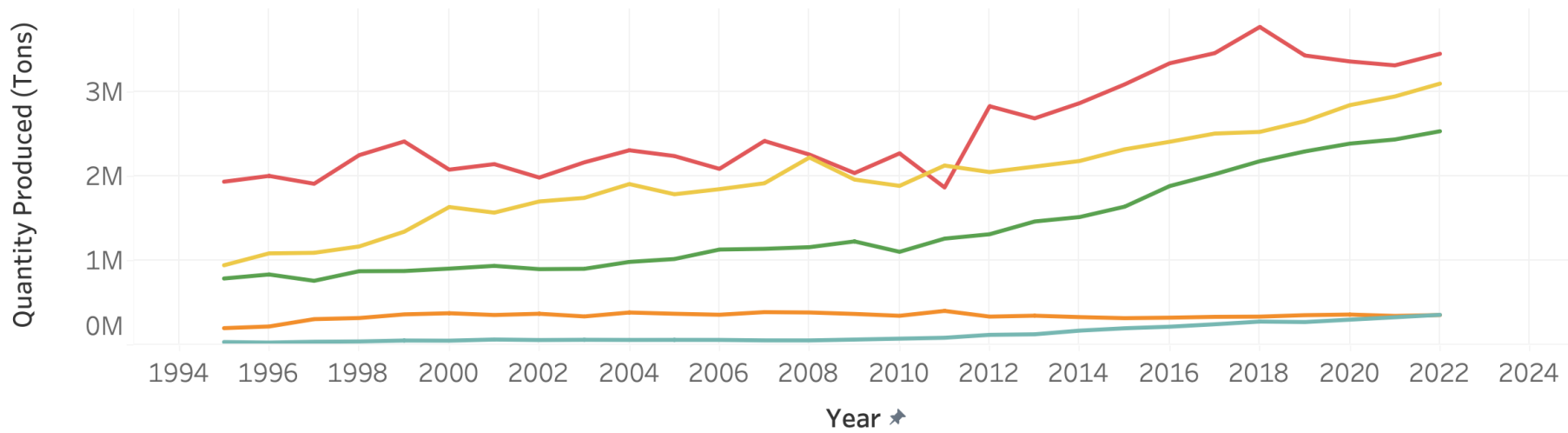


Mexico Berry Exports to the US

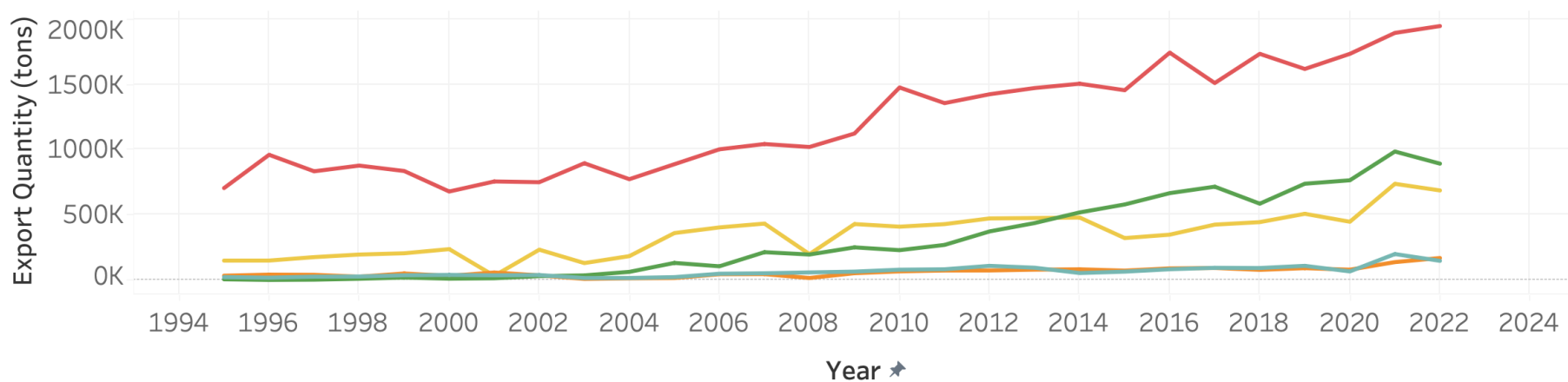


Explore the data on your own

Mexico Production



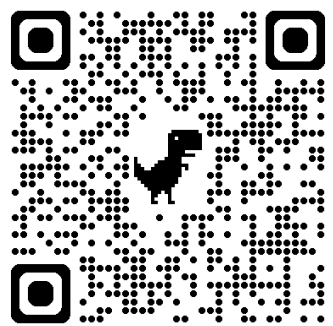
Mexico Exports to the US



Name Asparagus Avocados Carrots Lemons Tomatoes

Select Crop(s)

- ☐ Almonds
- ☐ Apricots
- ☒ Asparagus
- ☒ Avocados
- ☐ Bananas
- ☐ Barley
- ☐ Beans
- ☐ Brussel sprouts
- ☒ Carrots
- ☐ Cashews
- ☐ Cauliflowers
- ☐ Cherries
- ☐ Chickpeas
- ☐ Cocoa
- ☐ Coconuts
- ☐ Coffee
- ☐ Cotton
- ☐ Cucumbers
- ☐ Dates
- ☐ Eggplants
- ☐ Figs
- ☐ Garlic
- ☐ Ginger
- ☐ Grapefruit
- ☐ Grapes
- ☒ Lemons
- ☐ Lentils
- ☐ Lettuce
- ☐ Maize
- ☐ Mandarins
- ☐ Melons
- ☐ Oats
- ☐ Onions
- ☐ Oranges
- ☐ Papayas
- ☐ Peaches
- ☐ Peanuts
- ☐ Pears
- ☐ Pepper
- ☐ Pineapples
- ☐ Pistachios
- ☐ Plums
- ☐ Potatoes



What is the outlook?

Employees will continue to be harder to find and more expensive

US farm employers will have to find ways to...

- Recruit new workers (immigration reform, H-2A, change ag jobs)
- Increase productivity (machine-assist)
- Replace workers (automation)
- Cut other costs (mechanization, AI)
- **Increase revenues** (value-added products, retailers)

Thank you!

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Read More



Explore the Data

