

Coronavirus and Farm Workers

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CSU Task Force on Colorado Food Supply: Rapid Response Research Related to COVID-19

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What makes farm work different for Coronavirus?

Demand for workers is different:

- (1) Farm workers are in essential critical infrastructure industries and cannot work from home.
- (2) In the short-run, demand for labor is fairly “inelastic”.
 - Growers have already planted.
 - But if market prices fall far enough, it might become cheaper for growers to plow fields, rather than harvest.
- (3) Many essential critical businesses like grocery stores can cut hours and increase wages, but farmers do not have this luxury.
 - Crops need to be harvested.



What makes farm work different for Coronavirus?

Risk profile of workers is different:

- (1) Farm workers often live in crowded housing with their families and other farm workers.
 - This can increase the rate of disease transmission.
 - On average, domestic U.S. crop workers live in houses with 2 people per bedroom
- (2) Farm workers often work on teams or nearby other workers.
 - This, again, can increase the rate of disease transmission.
- (3) Domestic farm workers have limited access to health insurance and report little use of health services.
 - 53% of all crop workers have no health insurance (as of 2016)
 - Only 36% of crop workers report using any time of health services in the past two years, 23% of these workers list “too expensive/lack of insurance” as the reason,
- (4) Housing and proximity of foreign temporary visa workers (H-2A)
 - Colorado had nearly 3,500 authorized H-2A positions last year



What does this mean for farm employers? Price risk

Coronavirus pandemic leads to Idaho potato market distress

Posted: April 26, 2020 9:39 AM

Updated: April 26, 2020 9:42 AM by [Associated Press](#)

- In mid-May Idaho potatoes were fetching sky-high prices of \$22 to \$23 per 50-pound carton.
- By April 23rd, prices plummeted to \$10 to \$12.
- Idaho farmers are donating large quantities of potatoes to food banks and the public.
- Some farmers are already shifting acreage to other crops

Forage Market Insights: Hay market still has a facemask

Progressive Forage Editor Dave Natzke

Published on 06 May 2020

- Current hay market has bright elements but a cloudy outlook.
- Disruptions in dairy and cattle markets expected to have trickle down effects as producers are advised to use feed and other management steps to reduce production.



Price risk can be higher if employing H-2A

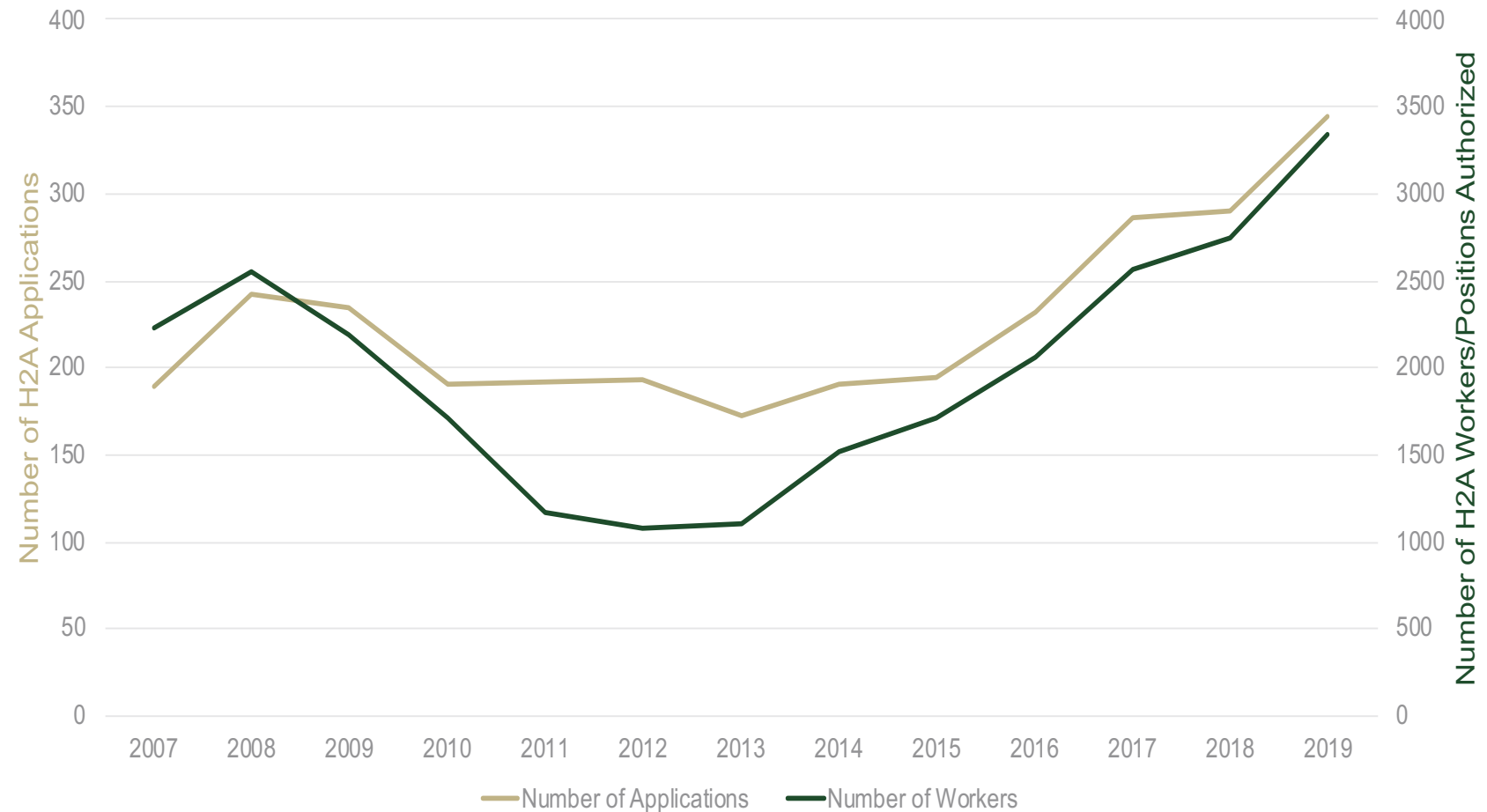
Colorado agriculture is increasingly reliant on H-2A workers, but these workers come with high up-front costs.

AEWR is \$14.26 this year (up 9% from last year).

Employers must cover housing, transportation, workers compensation insurance, and must provide a 3/4ths minimum work guarantee.

Some info on H-2A and coronavirus:

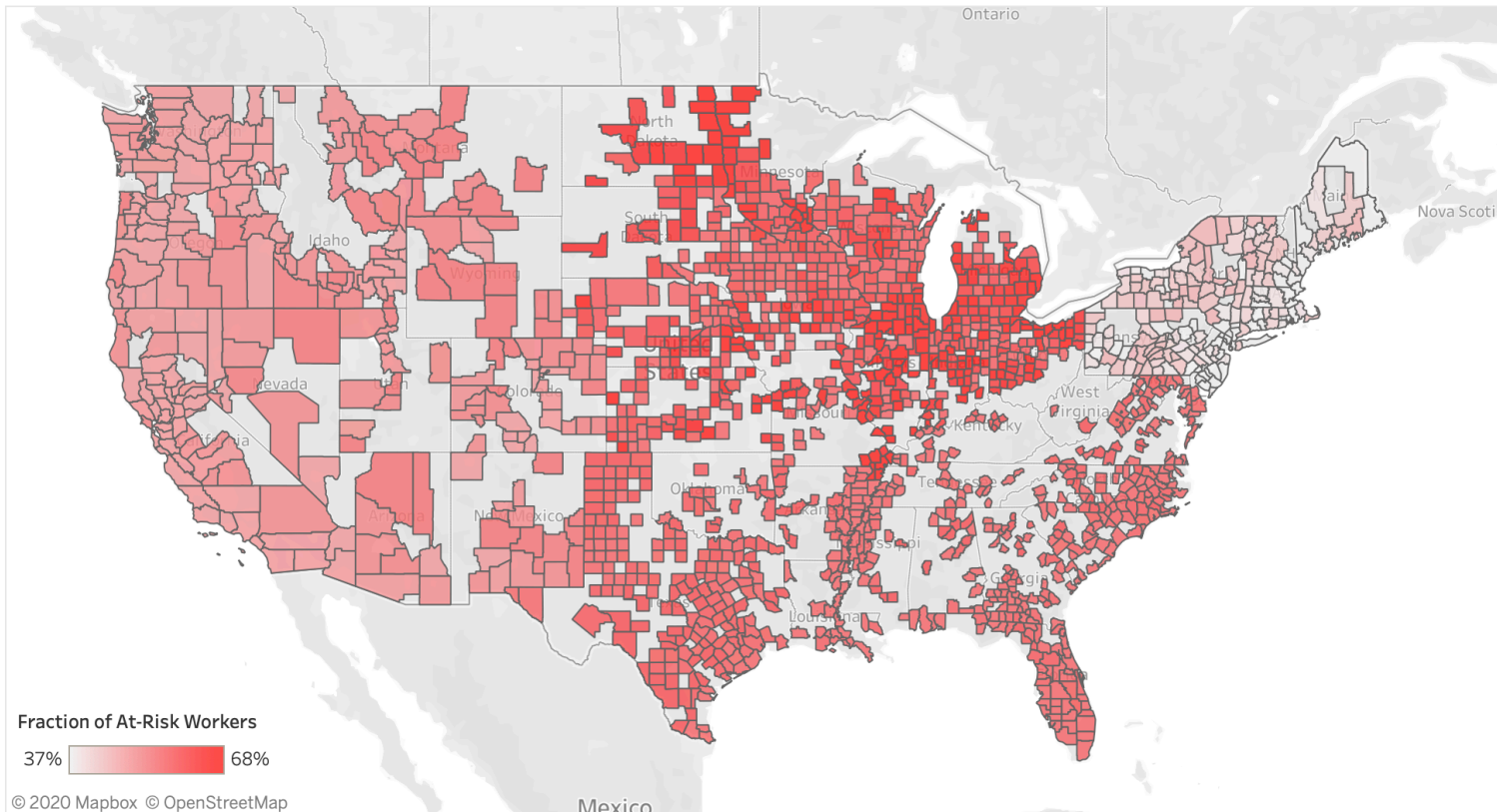
<https://cdn.ymaws.com/www.americanhort.org/resource/resmgr/h2a-covid.pdf>



What does this mean for farm employers? Labor risk

Risk of Complications Conditional on COVID-19 Infection

State (All) ▾	Essential Critical Industries True ▾	Industry (Multiple values) ▾	Number of Workers	752,880
			Number of At-Risk Workers	394,878
Urban or Rural County (All) ▾	Food System Industries True ▾	Risk Factor Any Health Risk excluding BMI ▾	Fraction of At-Risk Workers	52%
			Avg. Weekly Wage of At-Risk Workers	\$682



We estimate that nearly half of people employed in crop and animal production nationwide have health profiles that put them at risk of developing complications if they contract COVID-19

This could cause major disruptions for agricultural employers





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Price risk can be higher if employing H-2A

Figure 7. AEWRI Increase From 2019 to 2020

