

## Knowledge Exchange Report

### **Northeast Agriculture and Farm Labor: The Case for an Effective Agricultural Guest Worker Program**

Allowing for an effective agricultural guest worker program that permits individuals to enter and exit the United States to work on farm businesses in an efficient manner will:

- (1) Maintain more jobs in the United States and create new employment opportunities.
- (2) Allow for the production of more local food rather than imported food.
- (3) Keep millions of acres of farmland in production.
- (4) Provide greater economic activity in the US economy.

Insights on Northeast agriculture and farm labor:

- Northeast farms are more vulnerable to farm labor shortages than farms in most other states because of the mix of farm products that are grown here. The fact is that the major products produced in the Northeast – milk, nursery, greenhouse, fruit and vegetable are significantly more labor intensive than grains and livestock which dominate production in many other states.
- National estimates are that 50 to 80% of the workforce on farms may be undocumented workers. In the Northeast, farmers have reported difficulties hiring native born local workers for the past 15 years. During the recession of 2008-2009, farm businesses were still unable to hire and retain local workers.
- In hiring immigrant workers, mostly of Hispanic descent, farm owners and managers ask for and receive the necessary identification documents. Employers pay appropriate payroll taxes on these workers and farm workers pay taxes. A typical farm may have both native born and immigrant workers.
- The number of farms in the Northeast states that employ workers has declined dramatically in the past ten years. These are farms businesses that create jobs and generate income back into the community for other local businesses. Further loss of these farms has real economic consequences to communities, especially in rural areas.
- There are actually more jobs in farm support businesses than there are on farms. These farm support businesses are dependent on farm production and will be forced to relocate if there is no local food production. This is often overlooked – if we don't have the farms, we will not have the farm input, farm service and agricultural processing positions. These off-the-farm jobs range from fertilizer sales and farm equipment repair to milk processing, veterinarian services and agricultural lending.

- A successful effort by the federal government to remove the undocumented workers will cause a significant portion of our most productive farms to go out of business.
- Americans have a growing interest in local food production and understanding where their food is grown. Elimination of Northeast farms as a result of the removal of immigrant workers will result in less local food production and an increase in imported foods.

### The Vulnerability Issue

The following chart illustrates the amount of farm income per \$100 of farm sales that is used for labor. In comparison to other states and the national average, the chart illustrates that all eight Northeast states are in the top 20, with five states in the top 10.

This is not surprising to individuals that work in Northeast agriculture – dairy farms, nursery and greenhouse operations, fruit and vegetable farms require significant amounts of labor. Anything that disrupts that labor supply puts individual farms in jeopardy.

**Farm Labor Cost Per \$100 of Total Farm Sales**  
(Northeast and Selected States)

	Dollars Per \$100	National Ranking
Connecticut	\$27	3
Massachusetts	\$26	4
New Jersey	\$26	5
Rhode Island	\$26	6
New Hampshire	\$20	10
Maine	\$16	12
New York	\$14	14
Vermont	\$12	17
California	\$22	8
Illinois	\$4	46
Iowa	\$3	50
<b>National Average</b>	<b>\$9</b>	

### The Impact on Farm Numbers and Employment

Labor disruptions can quickly result in severe financial problems on many farms. Most farms simply do not have the financial resources to survive if they can not fully harvest their products. A delay in harvesting due to an absence of labor will result in the farmer not being able to meet the demands of consumers.

Our analysis indicates that the impact of effective immigration enforcement actions with no new worker provisions puts at risk one-third of the agricultural production in the states of New York, New Jersey, Connecticut, Massachusetts and New Hampshire. For the Northeast, we estimate:

- 1,665 farms are highly vulnerable to going out of business or forced into part-time farms as a result of a severe labor shortage. The primary impact would be on dairy farms with fruit, vegetable and greenhouse-nursery also severely impacted.
- These highly vulnerable farms have total sales estimated to be approximately \$1.6 billion annually which is roughly one-third of the five-state regions' total production of \$4.9 billion. This loss of income would have a detrimental impact on hundreds of local communities and rural economic activity.
- Realistically, as many as 19,300 positions (Full Time Equivalents) on farms would be impacted and potentially lost.
- These highly vulnerable farms operate approximately 1,020,000 acres of cropland. If these farm businesses were to cease operating, some of this acreage would switch into less intensive agriculture, but hundreds of thousands of acres would be vulnerable to being discontinued from crop production and converted to non-farm uses.
- The economic impact goes well beyond the farm-gate and could undermine the region's general employment picture and agricultural infrastructure that all farms depend on. In addition to the loss of farm employment, jobs would decline in the farm service, input, processing and marketing sectors. We estimate that a total of 55,755 jobs in farm-related businesses would be lost under this scenario – many of these positions are held by native born Americans.

**Northeast States of  
Connecticut, Massachusetts, New Hampshire, New Jersey and New York**

**Highly Vulnerable Farms and Farm Related Jobs  
From Severe Labor Shortages (Estimate Based on 2002 Census Data)**

<b>Vulnerable Farms</b>	<b>1,664 Farms</b>
<b>Value of Agricultural Production:</b>	<b>\$1.6 billion on vulnerable farms</b>
<b>Farmland:</b>	<b>1,020,000 acres operated by vulnerable farms</b>
<b>Loss of Employment:</b>	<b>Number of Jobs (Full Time Equivalents)</b>
<b>Farms</b>	<b>19,300</b>
<b>Agricultural Service and Input</b>	<b>29,719</b>
<b>Agricultural Processing and Marketing</b>	<b>26,036</b>
<b>Total Farm Sector Employment Vulnerable</b>	<b>75,055</b>

## Decline in Farms that Hire Workers

Farm employers have faced many difficult challenges over the past two decades. Agriculture is a tough, competitive industry. The number of farms that hire workers declined by 28.6% from 1997 to 2007! Disruptions in the loss of farm supply could further weaken farms that hire workers.

**Farms & Farms with Hired Employees**  
(Northeast States, 2007 and 1997 Agricultural Census Data)

State	Number of Farms With Hired Employees		% Change in Farms With Hired Employees
	2007	1997	
Connecticut	1,140	1,587	-28.1%
Massachusetts	1,972	2,637	-25.2%
New Jersey	2,415	3,216	-24.9%
Rhode Island	324	344	-5.8%
New Hampshire	860	1,109	-22.4%
Maine	1,886	2,885	-34.6%
New York	9,273	13,140	-29.4%
Vermont	1,884	2,783	-32.3%
<b>Total</b>	<b>19,754</b>	<b>27,701</b>	<b>-28.6%</b>

### Final Note: Jobs and the Real Potential for Fewer Jobs

Speaking with farmers over the past year, it has become clear that even with 9 percent unemployment, local, native-born American workers do not seek, nor do they stay in farm jobs. Some opponents to agricultural guest worker legislation argue that an effective guest worker program takes jobs away from native born Americans. This fails to recognize the near impossibility of hiring and maintaining local workers and the structure of the agriculture and food industries.

If farms can not hire workers, they can not survive. Allowing for an adequate workforce on our farms enables the operation to stay in business and produce high-quality, safe farm products. Furthermore, it allows U.S. businesses that serve farms to stay in business and keep jobs in the United States. It is estimated that on average, every farm owner and farm employee results in the creation of three jobs directly related to agriculture in off-the-farm employment. If farms do have adequate workers, jobs in the related support industries will be lost or shipped overseas.

**Northeast States**  
**Farm and Closely Related Employment**  
*(2002 Census: Data Not Available for 2007)*

	<b>Farm Owners/Employees</b>	<b>Ag Services/Inputs/Processing</b>
Connecticut	10,064	20,810
Maine	10,533	19,851
Massachusetts	10,929	52,062
New Hampshire	4,956	11,092
New Jersey	9,148	65,515
New York	59,514	150,294
Rhode Island	1,328	8,607
Vermont	9,432	8,861
<b>Northeast</b>	<b>115,904</b>	<b>337,092</b>

### How Do We Deal With this Issue?

Farm businesses desire and need a properly authorized work force – this allows for farm businesses to plan for the future and make the necessary investments that create jobs and generate economic activity.

The current agricultural guest worker program (H-2A) is ineffective for the family farm business. Farms are generally small businesses and simply can not deal with the costs and bureaucratic red tape required of the current H-2A program. Furthermore the uncertainty that the farmer faces as to whether their request for workers will be approved in time for planting or harvest creates its own challenges.

A guest worker solution must deal with certain realities. First, it must provide means for seasonal and migrant workers to enter, work, and return to their homeland in an efficient and timely manner. Secondly, it must provide a means to maintain workers, many who have years of service and have advanced into key positions.

In order to maintain the future of American farming and farming in the Northeast, the farm labor issue needs to be addressed. Proper farm worker legislation will keep jobs in the United States, allow productive use of American farmland, ensure a safe food supply and stimulate economic development.

*\*Footnote: This report is based on data from the 1997, 2002 and 2007 Census of Agriculture. Estimates on page 3 and analysis are done by Farm Credit East.*

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