

# Rural Migration News

## Blog 225

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### Farm Labor: Employment Down, Wages Up

U.S. farm employment fell and hourly wages rose between April 2020 and April 2021. The fall in employment was sharpest in Florida, down 26 percent, and the increase in wages was largest in California, to \$17.25 an hour.

More comprehensive data tell a similar story.

- Average employment in crop agriculture fell by 6,000 between 2019 and 2020 to 540,600 and for FLCs was down by 10,000 to 172,000
- Average weekly crop wages rose over seven percent between 2019 and 2020 to \$732, and weekly wages for FLC employees rose 10 percent to \$580
- FLCs were the major shock absorbers for reduced employment in U.S. crop agriculture during Covid, and the gap between the wages of directly hire and FLC employees shrank

#### FLS

USDA's Farm Labor Survey found that the employment of directly hired workers fell 11 percent between April 2020 and April 2021. The drop

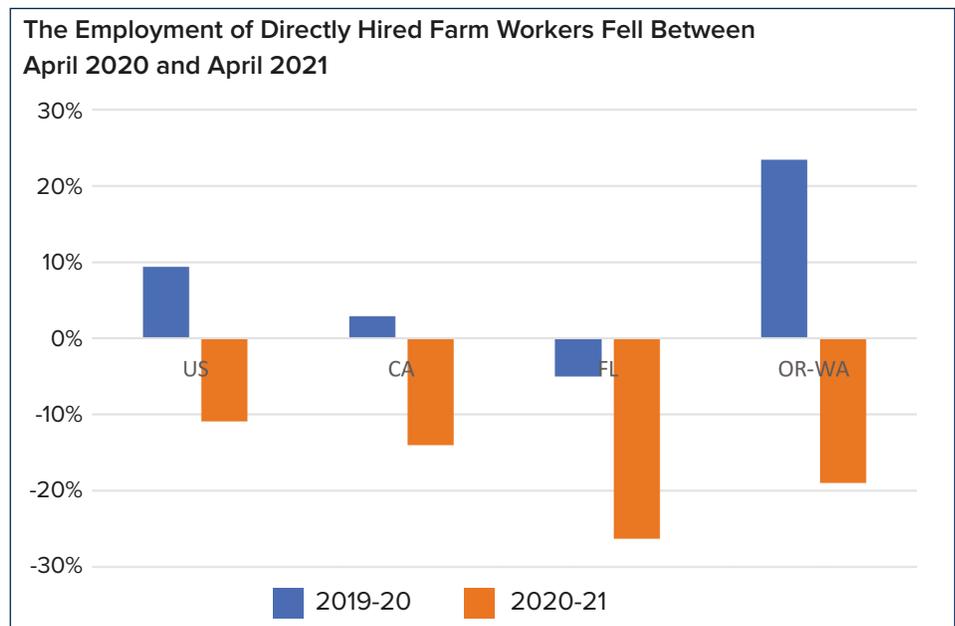
in farm employment was largest in Florida, down 26 percent, and was down 14 percent in California.

The FLS includes only workers who are hired directly by farm operators, which means that workers who are brought to farms by non-farm employers such as farm labor contractors and farm management firms are excluded. Second, the FLS sample is relatively small, which can produce large fluctuations from year to year. For example, employment in OR and WA rose from 47,000 in April 2019 to 58,000 in April 2020

before falling to 47,000 in April 2021. These regional employment swings may reflect who responds to the FLS rather than farm labor market realities.

Hourly farm wages rose faster between April 2020 and April 2021 than between April 2019 and April 2020. After rising three percent between 2019 and 2020, the gross hourly wages of U.S. field workers rose seven percent to \$15.19 in April 2021. The April 2019-20 and April 2020-21 wage changes were six and 11 percent in California, which took field worker wages to \$17.25 in April 2021, zero and six percent in Florida and field worker wages of \$12.30 in April 2021, and two and six percent in OR-WA and field worker wages of \$15.90 in April 2021.

The FLS data highlight the decline in the employment of directly hired US farm workers. There were 737,000 directly hired US farm workers in April 2010, including 140,000 in California, which means there was a drop in direct hires of 20 percent for the U.S. and 12 percent in California over the 2010-20 decade. Some of this decline reflects a shift from hiring workers directly to obtaining workers via nonfarm FLCs, that is,



the workers are still in the fields, but are not in the FLS because they are employed by FLCs.

The FLS highlights the increase of farm earnings in California. In April 2010, the average hourly earnings of U.S., California, and OR-WA field workers was \$10 an hour. By April 2021, California field worker earnings were \$2 more than US field worker earnings and \$1.35 an hour more than OR-WA hourly earnings.

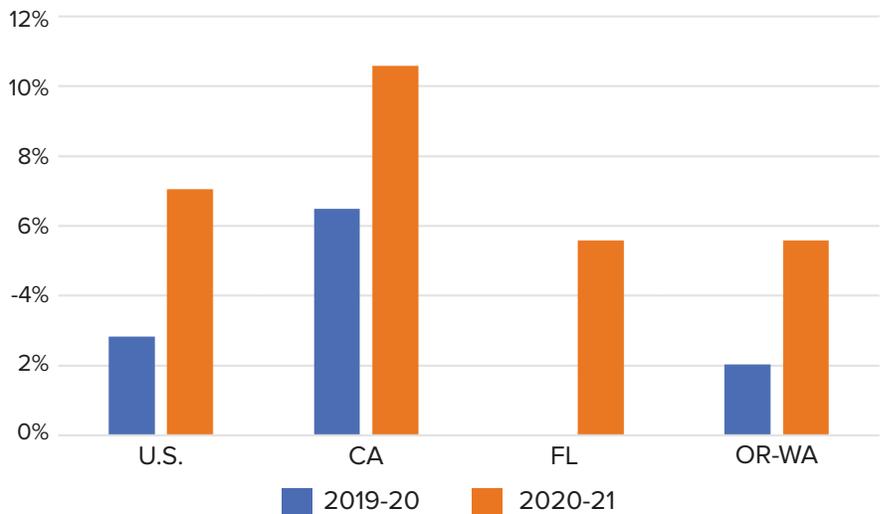
## QCEW

The Quarterly Census of Employment and Wages provides a more comprehensive look at farm employment and wages. The employment data are the average employment of workers who were on the payroll for the period that includes the 12th of the month, and the weekly wages are what a full-time worker would earn.

The QCEW data are from the unemployment insurance system, and UI coverage varies by state. Federal law requires all farm employers who employ at least 10 workers on each of 20 days in 20 different weeks during the current or preceding calendar year, or those who paid cash remuneration of \$20,000 or more in any quarter during the current or preceding calendar year, to enroll in their state's UI system and report employment and earnings.

Some states including CA and WA require all farm employers to enroll and report the employment and earnings of their workers, including H-2A guest workers, while other states such as Florida do not, so QCEW data cover a variable share of farm employment across states. The QCEW estimated that wage and salary employment in U.S. agriculture averaged 1.7 million in 2017, including 76 percent or 1.3 million that was reported by employers to state UI systems.

**The Gross Hourly Wages of U.S. Field Workers Rose 7% Between April 2020 and April 2021**



Average covered agricultural employment (NAICS 11) rose eight percent between 2010 and 2020 to over 1.2 million, but fell by almost two percent between 2019 and 2020. Agricultural employment rose by an average 20,000 a year between 2010 and 2015, but by only 1,600 a year between 2015 and 2020, including the decrease of 22,000 between 2019 and 2020. FLC average employment fell by five percent or 10,000 between 2019 and 2020 to 172,000. Animal agriculture was the exception, adding over 1,000 jobs between 2019 and 2020.

Farm employers and FLCs did not go out of business in 2020. The average number of agricultural establishments rose 14 percent between 2010 and 2020, and the number of FLC establishments rose 30 percent, with most of the FLC growth between 2015 and 2020. The growth in the number of crop establishments was faster than the growth in crop support establishments between 2010 and 2015, but slower between 2015 and 2020.

The average weekly wages of workers employed in agriculture rose 49 percent between 2010 and 2020, from \$512 to \$765. Employees of FLCs have the lowest weekly

wages, but their wages rose fastest between 2010 and 2020, up 75 percent over the decade from \$331 to \$579 a week. Weekly wage growth in all agricultural subsectors rose faster between 2015 and 2020 than between 2010 and 2015, and weekly wage increases between 2019 and 2020 were especially noticeable for FLC employees, up 10 percent, and crop workers, up seven percent.

Workers in animal agriculture had the highest weekly wages in 2020 of \$815, but they experienced the slowest growth in weekly wages between 2019 and 2020, up less five percent. FLC employees had the lowest weekly wages of \$580, but had the fastest wage growth, up 10 percent between 2019 and 2020.

The QCEW data suggest that the Covid pandemic reduced employment in crop agriculture, and that the drop in employment was concentrated among FLCs. Seasonal employment patterns did not change, peaking at 600,000 directly hired crop workers and 365,000 for crop support workers in June and July 2020.

The QCEW publishes employment by size of establishment only for January through March and only

**Ag Employment Rose 8% Between 2010 and 2020, but Fell Between 2019 and 2020 Except for Animals**

	11	111	112	1151	115115
<b>US Employ</b>	<b>All Ag</b>	<b>Crops</b>	<b>Animals</b>	<b>Crop Sup</b>	<b>FLC</b>
2010	1,146,962	528,867	225,138	287,480	154,544
2011	1,160,311	531,245	230,610	294,081	157,460
2012	1,189,986	543,075	236,308	305,784	162,916
2013	1,210,474	550,459	238,480	315,433	170,123
2014	1,231,162	557,083	245,269	321,058	172,374
2015	1,249,192	561,016	254,327	323,757	173,373
2016	1,259,490	560,049	258,875	330,901	174,433
2017	1,261,312	554,994	262,870	334,480	174,623
2018	1,263,676	549,393	264,446	338,780	177,370
2019	1,263,160	546,211	265,193	342,057	181,259
2020	1,240,928	540,561	266,466	325,456	171,864
2010-20	8.2%	2.2%	18.4%	13.2%	11.2%
2010-15	8.9%	6.1%	13.0%	12.6%	12.2%
2015-20	-0.7%	-3.6%	4.8%	0.5%	-0.9%

**The Number of U.S. FLC Establishments Rose 30% to Almost 2,900 Between 2010 and 2020**

	11	111	112	1151	115115
<b>U.S. Estabs</b>	<b>All Ag</b>	<b>Crops</b>	<b>Animals</b>	<b>Crop Sup</b>	<b>FLC</b>
2010	95,105	42,896	22,619	10,190	2,210
2011	95,584	43,323	22,833	10,234	2,183
2012	96,760	43,980	23,184	10,523	2,275
2013	98,227	44,907	23,529	10,712	2,339
2014	100,329	46,135	23,992	10,912	2,355
2015	102,128	46,852	24,689	11,024	2,359
2016	103,430	47,149	25,265	11,263	2,444
2017	104,445	47,420	25,732	11,489	2,527
2018	105,981	47,936	26,181	11,819	2,710
2019	106,998	48,368	26,553	12,003	2,793
2020	108,775	49,284	27,026	12,267	2,884
2010-20	14.4%	14.9%	19.5%	20.4%	30.5%
2010-15	7.4%	9.2%	9.2%	8.2%	6.7%
2015-20	6.5%	5.2%	9.5%	11.3%	22.3%

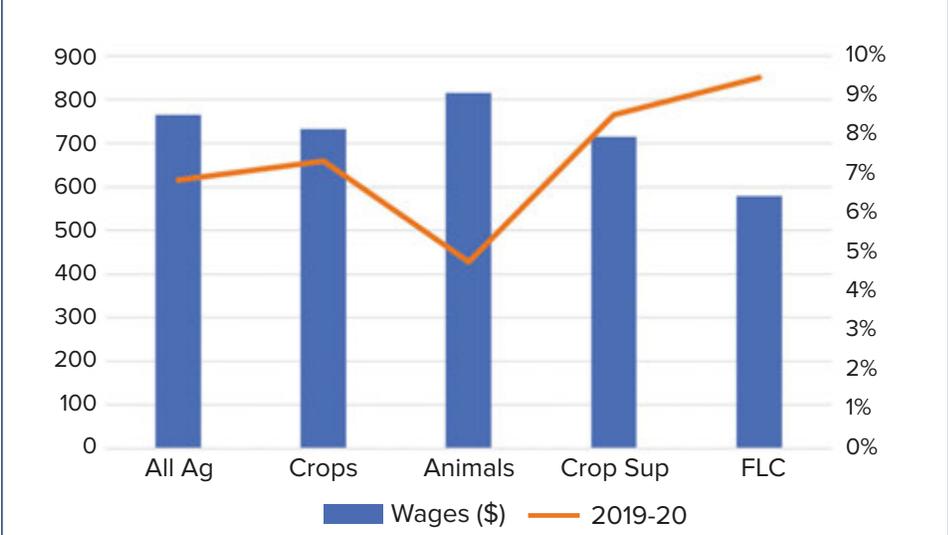
for NAICS 11, not for crop and animal agriculture separately. There were 39 U.S. agricultural establishments that each had 1,000 or more employees in the first quarter of 2020, and they had a total of 62,500 employees or an average 1,600 each. At the other extreme, 66,300 establishments, over 60 percent of all farm employers in the UI system, each had less than five employees and collectively had 110,000 employees, an average of less than two each.

Covid accelerated three changes in farm labor. First is the shift from direct to indirect employment in crop agriculture. There were 1.7 directly hired crop workers for each worker brought to farms by a crop support employer in 2020, but the ratio is falling as the FLC share of crop employment increases. Second is the jump in weekly wages between 2019 and 2020 in low-wage sectors, which shrinks the wage premium for working in animal agriculture.

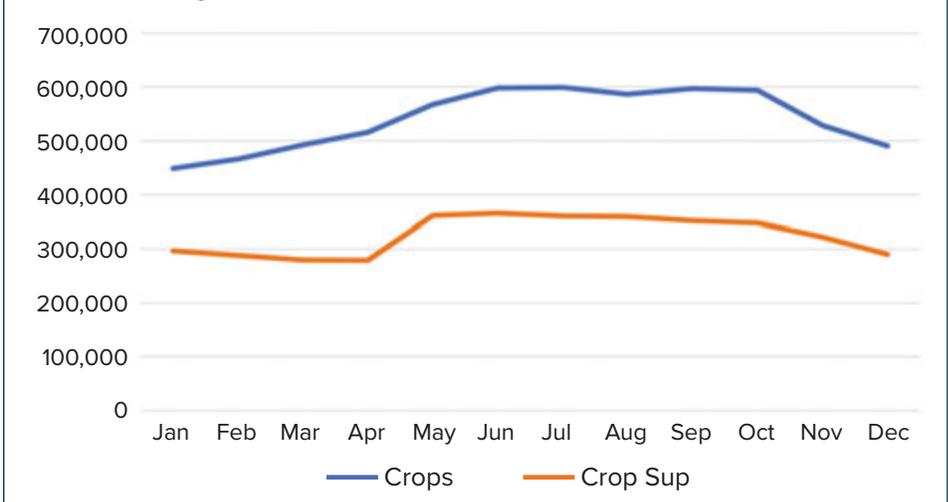
Third is more agricultural establishments in the UI system. Average employment per establishment was 11 for crop farms in 2010 and 2020, but the average for animal farms rose from eight to 10 and for FLCs from 54 to 60.

The coverage of marijuana employment and wages in the QCEW is uncertain. If marijuana farms are included under NAICS 111419, other food crops grown under cover, California's average employment rose 75 percent between 2015 and 2020 to 3,400, including a jump of 700 between 2019 and 2020. The number of establishments more than doubled between 2015 and 2020 to 230, when average employment reached 15. Finally, weekly wages rose 50 percent between 2015 and 2020 to \$960.

**Weekly Wages Rose Almost 10% Between 2019 and 2020 for U.S. FLC Employees**



**U.S. Crop and Crop Support Employment had the Same Seasonal Peaks and Troughs in 2020**



**FLS April Employment and Hourly Wages, 2019-21**

Employ (000)	2019	2020	2021	2019-20	2020-21
US	629	688	613	9%	-11%
CA	139	143	123	3%	-14%
FL	40	38	28	-5%	-26%
OR-WA	47	58	47	23%	-19%
Field (\$/hour)	2019	2020	2021	2019-20	2020-21
US	13.8	14.19	15.19	3%	7%
CA	14.65	15.6	17.25	6%	11%
FL	11.65	11.65	12.3	0%	6%
OR-WA	14.76	15.06	15.9	2%	6%

Gross hourly wages of field workers

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