



## FARM INPUTS

# Labor

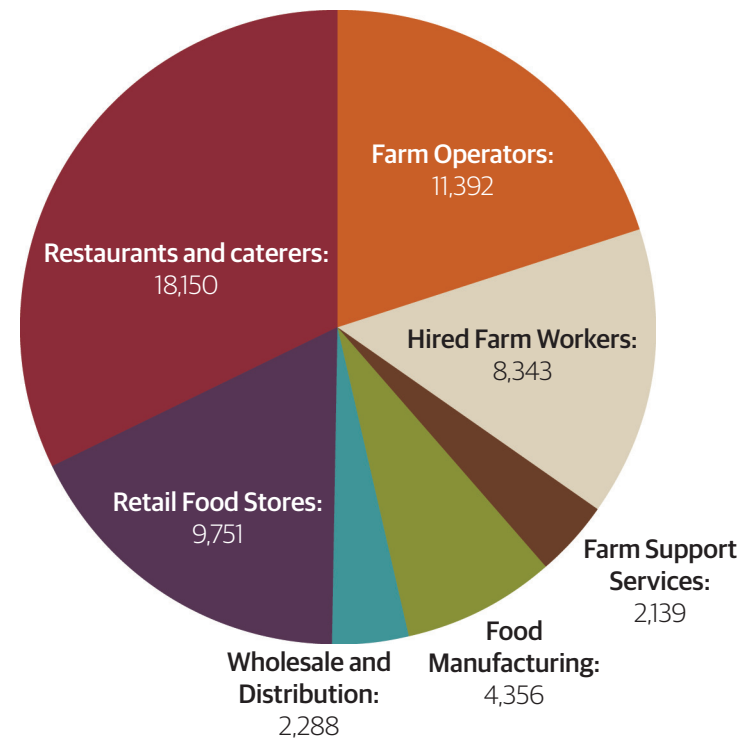
### What workforce training and economic development programs are in place for Vermont's farmers? What can be done to attract workers and boost wages?

See Chapter 4, Section 3, *Food System Labor and Workforce Development*, for more information.

The industrialization of the food system and major transformations in the U.S. economy led to substantial decreases in the number of farm workers over the 20th century. In 1935, there were over 45,000 farmers, family members, and hired workers employed in food production in Vermont.<sup>101</sup> By 2007 the number of farm operators and hired farm labor decreased by 75%, to 19,735. Farm operators and hired farm workers equal about 35% of Vermont's food system workforce (Figure 3.2.17).

Farming has always been a hard way to make a living, with long hours, strenuous labor, infrequent vacations, and little access to health insurance or other workplace benefits. Although farm-related income is earned from various types of production, agritourism, custom work, and forestry, the majority of Vermont farmers derived less than 25% of their household income from farming in 2007. Nearly 70% of Vermont farms are small, limited-resource, retirement, or residential-lifestyle family farms in which farming is not the primary occupation.<sup>102</sup> Farmers interviewed during the F2P process described the necessity of one or more family members holding full-time jobs to supplement farm income, maintain access to health insurance, or in some cases, cover farm expenses.

**Figure 3.2.17: Vermont Food System Employment**



Source: Vermont Department of Labor, *Quarterly Census of Employment and Wages* (second quarter, 2010), the *2007 Census of Agriculture*, and *U.S. Census Bureau 2008 nonemployer statistics*.

Nearly 90% of Vermont farms are family owned. Less than 1% were non-family, corporate farms, including any farm where the operator and relatives do not own a majority of the business, farms operated by publicly held corporations, farms equally owned by three unrelated business partners, or farms operated by a hired manager for a family of absentee owners. The principal operators of Vermont farms are primarily male (79%), but the percentage of women who are principal operators on Vermont farms increased 37% from 1997 to 2007.

The average age of Vermont farmers is 56, and over a quarter are 65 or older. Yet a growing number of people—particularly young people—are looking to build careers in Vermont’s food system by becoming farmers or starting food enterprise businesses. Changing demographics can also be found on Vermont organic farms, which draw a higher percentage of female farmers (25% vs. 21% for nonorganic), farmers under 35 years old (15% vs. 5% for nonorganic), and people whose primary occupation is farming (70% vs. 48% for nonorganic).<sup>103</sup>

Market demands for cheaper products combined with declining farm parity and challenges with economies of scale, often leave farmers unable to hire additional employees and stay profitable. Small scale farms have plenty of work to do, yet often have difficulty affording outside help or lack the managerial time and administrative expertise to bring on additional workers. Farm work is notoriously labor intensive with fluctuating seasonal demands, and farm businesses struggle with high labor costs relative to overall business income. Interested farm worker candidates are often deterred by low wages and the lack of health care insurance, leaving farmers challenged by high employee turnover and the lack of a skilled, flexible, and reliable workforce. Hired labor (13.2%), custom work and hauling (3.6%), and contract labor (0.9%), accounted for about \$97 million (17.7% of total) in farm expenses in 2007, up from \$92 million in 2002. Longtime farmers, beginning farmers, and hired workers

*“Part of the problem is that farm labor wages are obscenely low. That follows from the fact that farm net profitability is not what it ought to be, so farm work is devalued all the way down the line. You find yourself in a situation where you’re exhausted because you need more help, but you can’t get more help because it’s a system that needs more money coming in at the beginning. More people expect food to be cheap and that’s a problem.”*

**—Upper Valley focus group participant**

all identified the high cost of health insurance as a major barrier to job creation and the ability to farm full-time.

Retaining employees in the food system depends on providing competitive wages and other benefits. According to the Vermont Department of Labor, the average wage for farmworkers is \$11.32 per hour (the median wage is \$10 per hour). Although this rate is significantly higher than the federal minimum wage, it is far from a livable wage, especially considering that most farmworkers work part-time. Many farms, especially dairy farms and larger-scale fruit and vegetable farms, depend on guest and migrant workers from Mexico, other Latin American countries, and the Caribbean. Recent media attention has highlighted Vermont’s struggling dairy industry, in particular, and dairy farmers’ use of undocumented migrant workers to stay afloat. Although the exact number of undocumented workers is unknown, VAAFAM estimates that between 1,500 to 2,500 undocumented migrant workers are on dairy farms throughout the state.

Both farmers and the undocumented workers they hire face significant risks because of the workers’ status. Comprehensive immigration reform on a national level has been stalled for many years, though seasonal and temporary workers may be hired through the [H-2A visa program](#). Because the H-2A program allows for the hiring of only seasonal or temporary laborers, it does not help farms that require dependable year-round labor, such as Vermont’s dairy and livestock farms.

Business planning and human resources planning assistance to farmers to incorporate livable wages, access to health care, and cost of workers compensation and other insurance costs needs to be expanded, as well as consumer education and outreach that ties the cost of food to farm production expenses.

Food system labor issues and workforce development needs are covered in detail in [Chapter 4, Section 3](#).

# Farm Support Establishments

Farm supply establishments include all the businesses that rent, sell, and repair the equipment (e.g., plows, tractors, sprayers, tillers, and milking equipment) needed for farm production; wholesale merchants of farm supplies, such as animal feeds, fertilizers, agricultural chemicals, pesticides, and plant seeds; as well as veterinary services. Some portion of these establishments provided supplies, repairs, and maintenance for farmers that cost over \$68 million in 2007 to (equal to 11.8% of total production expenses).

## CURRENT CONDITIONS

According to the [Vermont Department of Labor's Covered Employment and Wages \(QCEW\)](#) statistics for 2009, Vermont has at least **183 farm support establishments that collectively employ at least 1,376 people**. The QCEW figures do not account for farm support establishments operated by sole proprietors or partnerships. When the [U.S. Census Bureau's Nonemployer Statistics](#) are added to these QCEW figures, **the number of farm support establishments grows to at least 763, and the number of employees is at least 2,139**. This figure is likely an undercount, as a number of businesses (e.g., construction companies, engineers) derive income from providing services to farms that are not captured by official statistics. For example, [Harrison Concrete](#) in Addison County builds dairy farm barns in addition to other kinds of construction projects. Harrison vice president Jim Harrison has become a spokesperson for the dairy industry because "without dairy farms, I'd be out of business."

These establishments depend on the viability of Vermont's dairies and other farms to stay in business. As the owner of the largest feed business in Vermont, *Bourdeau Brothers Inc.*, Jim Bushey knows the close financial connection between his business and so many other farms and supply vendors. "Their success will be our success," he stated. In addition to supplying grain, most feed companies also provide services such as forage testing, ration balancing, record keeping, continuing education seminars, and technical assistance for herd health and management. Vermont has a robust

combination of small and midsize locally owned grain companies, as well as several companies that operate on the regional, national, and international scales. Both organically produced and conventionally produced grains are readily available, and farmers can select from a variety of companies.

## ANALYSIS

Increased local food consumption and successful local farms have the potential to create new jobs in farm support services. For example, several F2P stakeholders noted that more large animal veterinarians will be needed in the state if livestock numbers grow to meet consumer demand for local meat. Unfortunately, during the F2P research process we were unable to complete a comprehensive SWOT analysis for the range of farm support establishments.

## GETTING TO 2020

A SWOT analysis for farm support establishments needs to be completed, especially as the dairy industry continues to change, the local food movement expands, and the price of material inputs increases. Food system stakeholders should identify and fund a research team to perform a SWOT analysis for farm support establishments, including support activities for crop production, veterinary services, and repairs.

### Filling a Specific Need: Food Animal Veterinarians

The number of veterinarians practicing food animal medicine in Vermont is declining.<sup>104</sup> Food animal veterinarians include not only those in clinical private practice, but also those working in research, academic, regulatory, and food safety sectors. In response to regional shortages of food animal veterinarians, their services have shifted to focus on routine herd health visits and limited emergency care. Farmers are usually adept at routine animal care procedures such as vaccinating and treating common ailments. Good management practices can minimize the need for veterinary care for illness or emergency treatments, and nearly all farmers can carry out humane euthanasia when necessary. However, despite many farmers' competency with these routine practices, veterinarians are needed to work with them on practices that focus on herd nutrition, preventive health care, and herd production.

In 2009, a group of Vermont stakeholders attempted to implement a state-supported loan forgiveness and/or repayment program to attract more food animal veterinarians to Vermont. The findings in support of such assistance are summarized in a 2009 report to the Vermont State Legislature that responds to Section 22 of Act 44. Although this initial attempt failed, the Vermont State Veterinarian has revived the original concept in an application to the federal Veterinary Medicine Loan Repayment Program (VMLRP) to request assistance for food animal veterinarians who practice in two defined shortage areas within the state. VMLRP will offset educational debt by up to \$25,000 annually for veterinarians who commit to practicing for at least three years in defined shortage areas. In addition, during the 2011 legislative session, the Jobs Bill included \$30,000 in loan forgiveness funds for large animal veterinarians, to be administered through the VAAFAM.

Shortages of food animal veterinarians in one region of Vermont can have an impact on all regions of the state. These veterinarians often serve as the first line of defense against the introduction and spread of zoonotic and other high-consequence livestock diseases. If veterinary professionals are not practicing in adequate numbers, there is an increased risk that diseases appearing on single underserved farms can spread to all farms in the state and affect human health.



*Lola and friends*

PHOTO CREDIT: Jim Plumb