The Economic Impacts of Immigrant Labor on U.S. Dairy Farms

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Introduction

- Immigrant Labor Continues to be an Important Component of Many U.S. Agricultural Enterprises
- Similar Study in 2009 Found 62 Percent of Milk was Produced by Farms Employing Immigrant Labor (CNAS)
- Partially Supported by National Milk Producers Federation
- 2015 Survey Sent to 5,000 Dairy Farms in Hard Copy and Electronic Form
- 1,223 Questionnaires were Returned – 1,000 were Usable
- Final Paper Currently Under Editorial Review
Representative of Industry

- Since Random Sample Not Taken, We Must Verify Respondents Represented the Industry
- Responses Came from All U.S. Regions and from All Herd Sizes
- Higher Proportion of Responses from Larger Farms that Hire Labor
- Geographic Dispersion Similar to NASS Reported Dairy Farm Data

<table>
<thead>
<tr>
<th>Survey Respondents by Farm Size and Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Dairy Cows</td>
</tr>
<tr>
<td>&lt;50</td>
</tr>
<tr>
<td>50-199</td>
</tr>
<tr>
<td>200-499</td>
</tr>
<tr>
<td>500-999</td>
</tr>
<tr>
<td>1,000-1,999</td>
</tr>
<tr>
<td>2,000+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region of the United States</th>
<th>Number of Dairy Farms Responding</th>
<th>% of Total Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast</td>
<td>172</td>
<td>17.3%</td>
</tr>
<tr>
<td>Southeast</td>
<td>38</td>
<td>3.8%</td>
</tr>
<tr>
<td>Midwest</td>
<td>467</td>
<td>46.9%</td>
</tr>
<tr>
<td>Southwest</td>
<td>72</td>
<td>7.2%</td>
</tr>
<tr>
<td>West</td>
<td>246</td>
<td>24.7%</td>
</tr>
</tbody>
</table>
Percent of Surveyed Milk Production (and Difference from NASS)

- West: 32.6% (-2.4%)
- Southwest: 17.4% (+5.9%)
- Midwest: 34.1% (-0.1%)
- Northeast: 12.0% (-2.5%)
- Southeast: 3.9% (-0.8%)
U.S. Dairy Farm Labor

- Using Extrapolation, Survey Results Indicate 114,092 Full-Time and 36,326 Part-Time Employees on U.S. Dairies for a Total of 150,418
- Slightly More than Half, 76,968, of U.S. Dairy Labor are of Immigrant Origin

Source: National Dairy Labor Survey, n=911
Immigrant Workers on U.S. Dairy Farms, 2013

- Share of Farms with Immigrant Labor: 33.7% (2009: 33%)
- Immigrant Labor as Share of Total: 51.2% (2009: 62%)
- Share of Milk Produced on Farms with Immigrant Workers: 79.1% (2009: 62%)

Source: National Dairy Labor Survey, n=911; Percents are for Farms with 50 or More Cows
U.S. Dairy Labor Compensation

- U.S. Dairy Employees Earn an Average $11.54/Hour
  - Dairies with Immigrant Labor Pay $11.69/Hour
- Dairy Employees Work an Average of 54 Hours per Week, Earn $623/Week or >$31,000/Year
- Most Dairy Farm Pay a Wide Array of Benefits

Hourly Wage Comparison, 2013

## U.S. Dairies and Immigration Issues

<table>
<thead>
<tr>
<th>Issue</th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidence in Documents of Immigrant Employees (n=750)</td>
<td>38.9%</td>
<td>32.1%</td>
<td>28.9%</td>
<td>2.8/5.0</td>
</tr>
<tr>
<td>Concern about Actions by Immigration and Customs Enforcement or Customs and Border Protection (n=727)</td>
<td>21.2%</td>
<td>21.2%</td>
<td>57.6%</td>
<td>3.6/5.0</td>
</tr>
</tbody>
</table>
Effects of Employee Turnover on Surveyed Dairy Operations

% Change

<table>
<thead>
<tr>
<th>Category</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Calf Loss</td>
<td>1.7%</td>
</tr>
<tr>
<td>Cow Death</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Herd Health</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Feed Efficiency</td>
<td>-1.3%</td>
</tr>
</tbody>
</table>

# Impacts of Immigrant Labor Loss on U.S. Dairies

<table>
<thead>
<tr>
<th>Dairy Characteristic Impacted</th>
<th>National Total (Baseline)</th>
<th>50% Labor Loss</th>
<th>100% Labor Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact on Dairy Herd Size (Head of Cattle)</td>
<td>9,207,600</td>
<td>-1,037,681</td>
<td>-2,075,362</td>
</tr>
<tr>
<td>Impact on Number of Dairy Farms</td>
<td>58,000</td>
<td>-3,506</td>
<td>-7,011</td>
</tr>
<tr>
<td>Impact on Milk Production (Million Pounds)</td>
<td>206,700</td>
<td>-24,200</td>
<td>-48,399</td>
</tr>
</tbody>
</table>
Immigrant Labor Loss Reduces Dairy Herd and Production & Raises Retail Milk Prices

Source: National Dairy Labor Survey, n=955
Input/Output Definitions

- **Output**: Increase in Business Sales Required to Support $1 of Milk Sales *(Farm Level)*
- **Value Added**: Additional Gross National/ State Product due to $1 in Milk Sales
- **Employment**: Additional Employees Required for $1 Million in Milk Sales
- **Direct**: Sales of Output to Milk Customers
- **Indirect**: Purchases of Inputs Required to Produce the Products for Sale
- **Induced**: Expenditures by Employees and Households in the Input Industries
U.S. Dairy Sales Support Economic Activity

Total Output: $136.9 Billion (Sales + Additional Output)

- Sales: $49.6 Billion
- Additional Output: $87.3 Billion
- Value Added: $58.4 Billion
- Employment: 406,900 Jobs

Source: National Dairy Labor Survey and IMPLAN
Economic Impacts of 50% Immigrant Labor Loss

- Milk Sales: $5.8 Billion
- Value Added: $6.8 Billion
- Total Output Lost: $16.0 Billion
- Additional Output: $10.2 Billion
- Employment: -104.1

Source: National Dairy Labor Survey and IMPLAN
Economic Impacts of 100% Immigrant Labor Loss

- **Billion Dollars**
  - Milk Sales: -$11.6
  - Total Output Lost: $32.1 Billion (Sales + Additional Output)
  - Additional Output: -$20.5
  - Value Added: -$13.7
  - Employment: -208.2

Source: National Dairy Labor Survey and IMPLAN
Implications

✓ U.S. Dairies are Highly Dependent on Immigrant Labor for Milk Production

✓ Dairy Farm Salary and Compensation are Consistent with Other Ag Sectors
  ➢ Farms with Immigrant Labor Pay a Higher Wage than Farms without Immigrant Labor

✓ U.S. Dairy Farmers Have Tepid Confidence in the Documents of their Immigrant Employees and More than Half are Highly Concerned about ICE Raids

✓ A Significant Loss of Immigrant Labor Would Lower Milk Production, Increase the Price to Consumers, and Cost the Economy Billions of Dollars in Output and Thousands of Jobs
THANK YOU!!!

For Questions, Please contact:
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