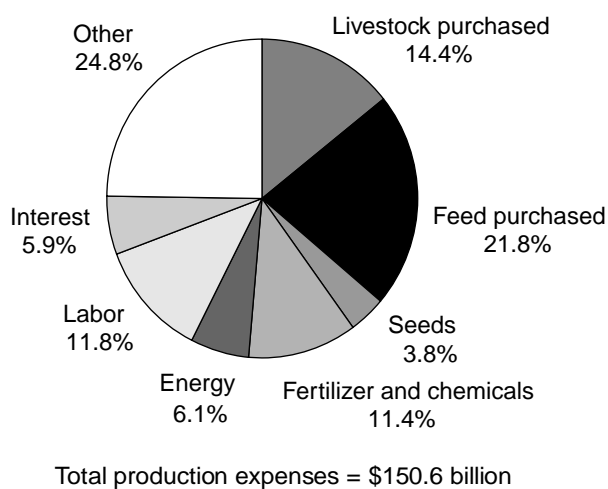


Structural and Regional Patterns of Farm Labor Use

Structural and regional patterns of farm labor use can be determined from Census of Agriculture data. Expenditures for hired and contract workers are often used as indicators of farm labor use. In 1997, hired and contract labor expenditures amounted to \$17.8 billion, or 12 percent of farm production expenditures (fig. 1) (U.S. Department of Agriculture, 1997 Census of Agriculture). The proportion of total production expenditures accounted for by hired and contract labor in 1997 ranged from a low of 4 percent for poultry farms to a high of 44 percent for the more labor-intensive greenhouse, nursery, and floriculture farms (fig. 2). Four types of farms (tobacco, vegetable and melon, fruit and tree nut, and greenhouse, nursery, and floriculture) had higher than the 20-percent average for manufacturing, but less than the 70- to 80-percent share of costs generally found in many service industries (Martin, 1998). Compared with 1987, expenditures for hired and contract labor (in 1998 dollars) decreased about 1 percent, while total production costs declined by 1.5 percent. Thus, labor expenditures as a percentage of total farm production expenditures was unchanged.

Figure 1
U.S. farm production expenses, 1997



Source: Economic Research Service, compiled from the 1997 Census of Agriculture.

Structural Patterns of Labor Expenditures

Structural patterns of farm labor use (as measured by labor expenditures) are determined by the market value of agricultural products sold (value of sales), size of farm (acreage), and type of farm (oilseed and grains, dairy cattle and production, etc.).

Value of Sales

Employment of hired and contract workers was concentrated on farms producing higher values of products sold. Farms with \$500,000 or more in sales accounted for about 70 percent of total labor expenditures (70 percent of hired and 74 percent of contract labor expenditures) (fig. 3). These farms also had significantly higher per farm expenditures for hired and contract farmworkers (figs. 4 and 5).

Size of Farm

Farms with 1,000 or more acres accounted for 48 percent of hired and contract farm labor expenditures (42 percent of hired and 67 percent of contract labor expenditures) (fig. 6). These bigger farms also had much higher hired and contract labor expenditures per farm than other farms (figs. 7 and 8).

Type of Farm

Vegetable and melon, fruit and tree nut, and greenhouse, nursery, and floriculture farms accounted for 51 percent of hired and contract farm labor expenditures (fig. 9). These farms also had the highest average hired and contract labor expenditures per farm (figs. 10 and 11).

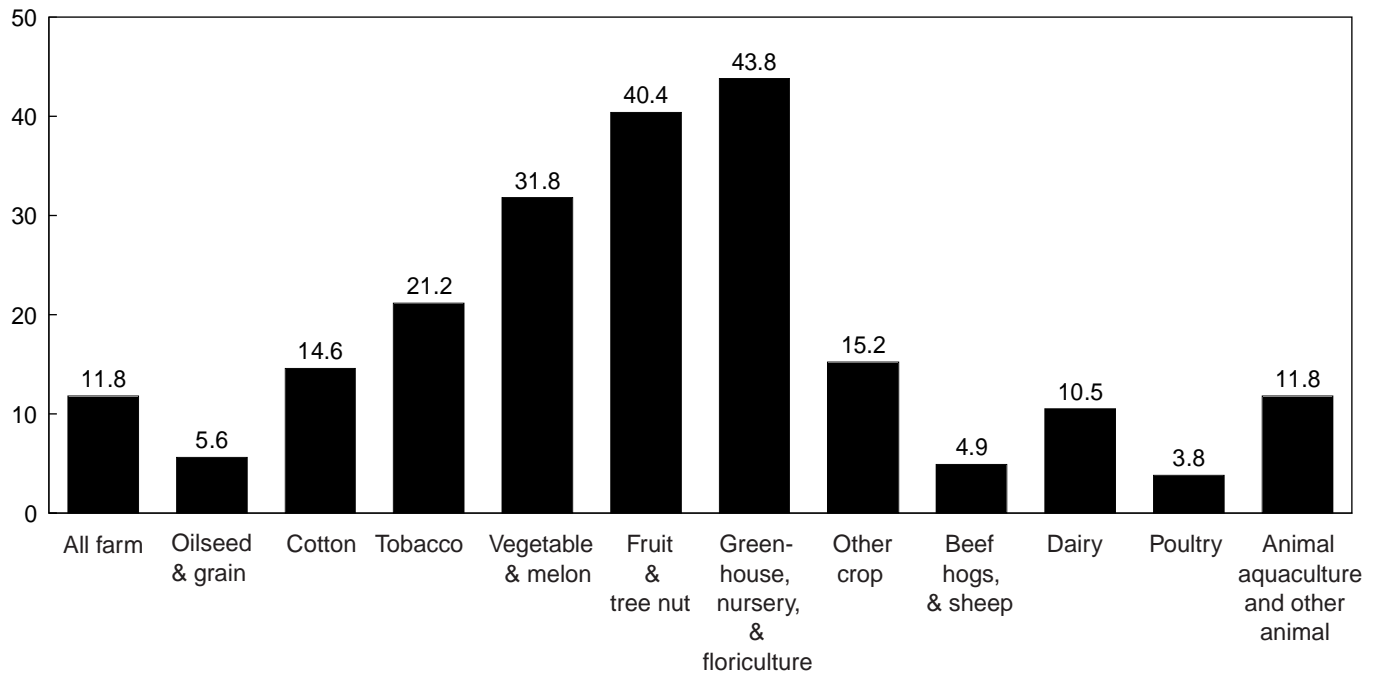
Regional Patterns of Labor Expenditures

Hired and contract labor expenditures ranged from about \$5 million in Alaska to about \$5 billion in California in 1997 (fig. 12). Labor use is concentrated in a few States. Six States—California, Florida, North Carolina, Oregon, Texas, and Washington—accounted for about 50 percent of all farm labor expenditures in 1997 (fig. 12). These States account for a large percentage of the labor-intensive crops produced in the United States.

Figure 2

Labor's share of farm production expenses, 1997

Percent

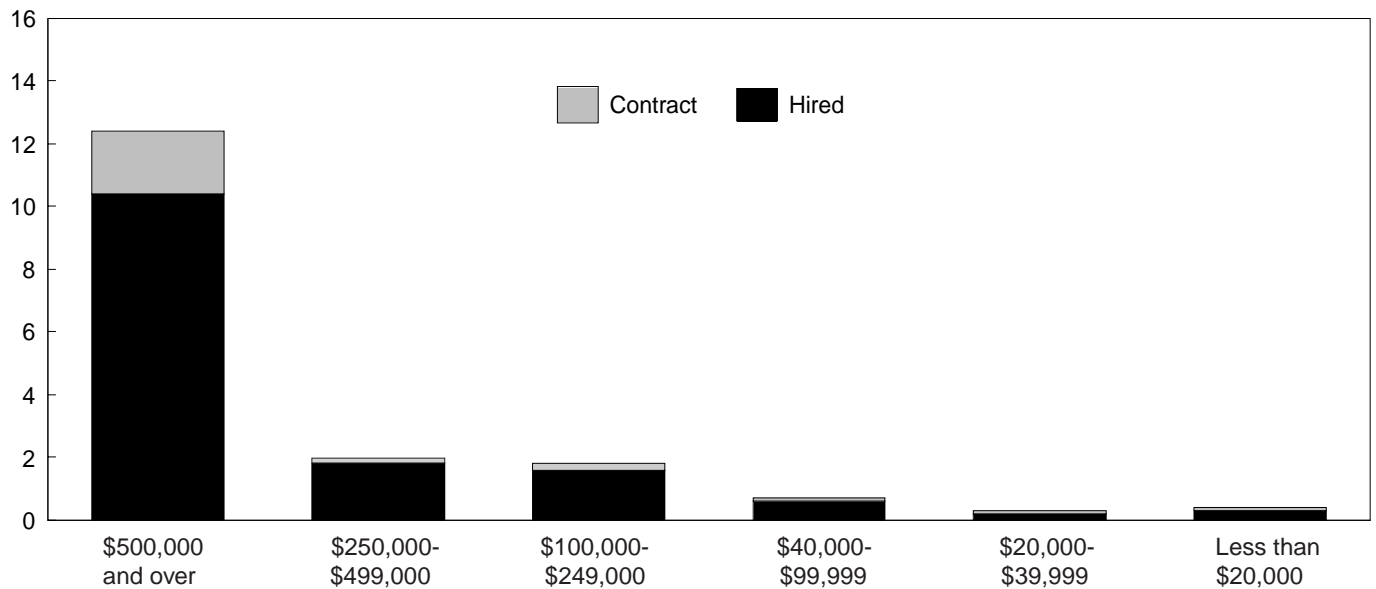


Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 3

Hired and contract labor expenditures, by value of agricultural sales per farm, 1997

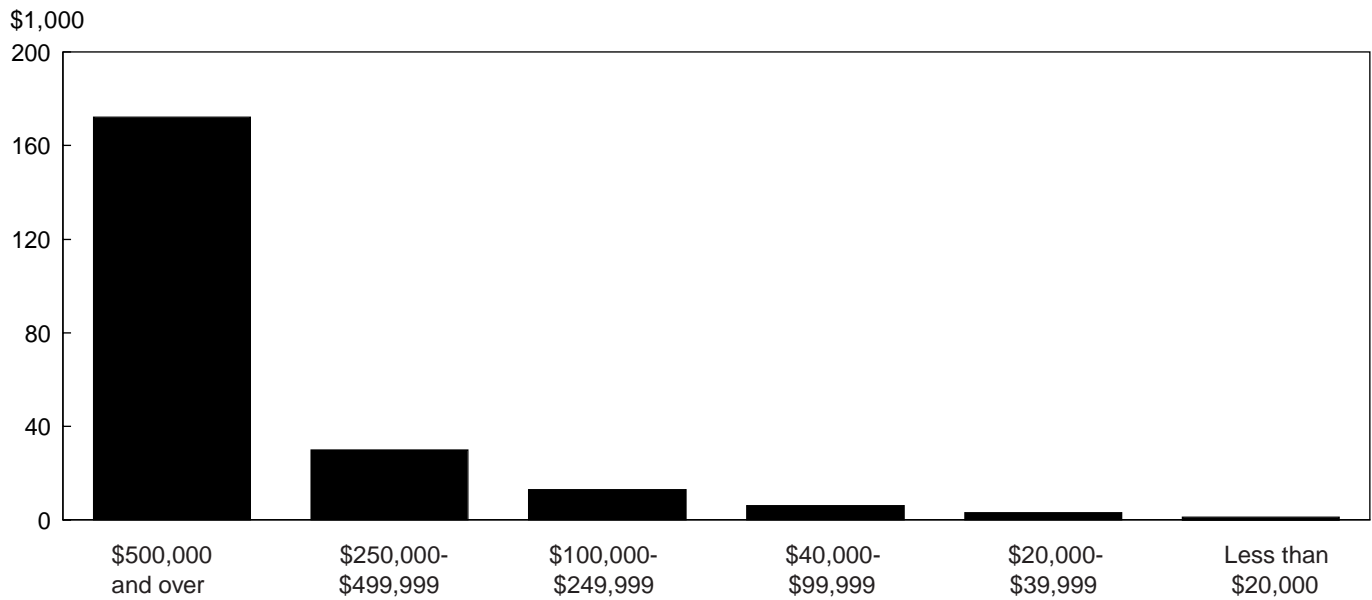
\$ Billions



Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 4

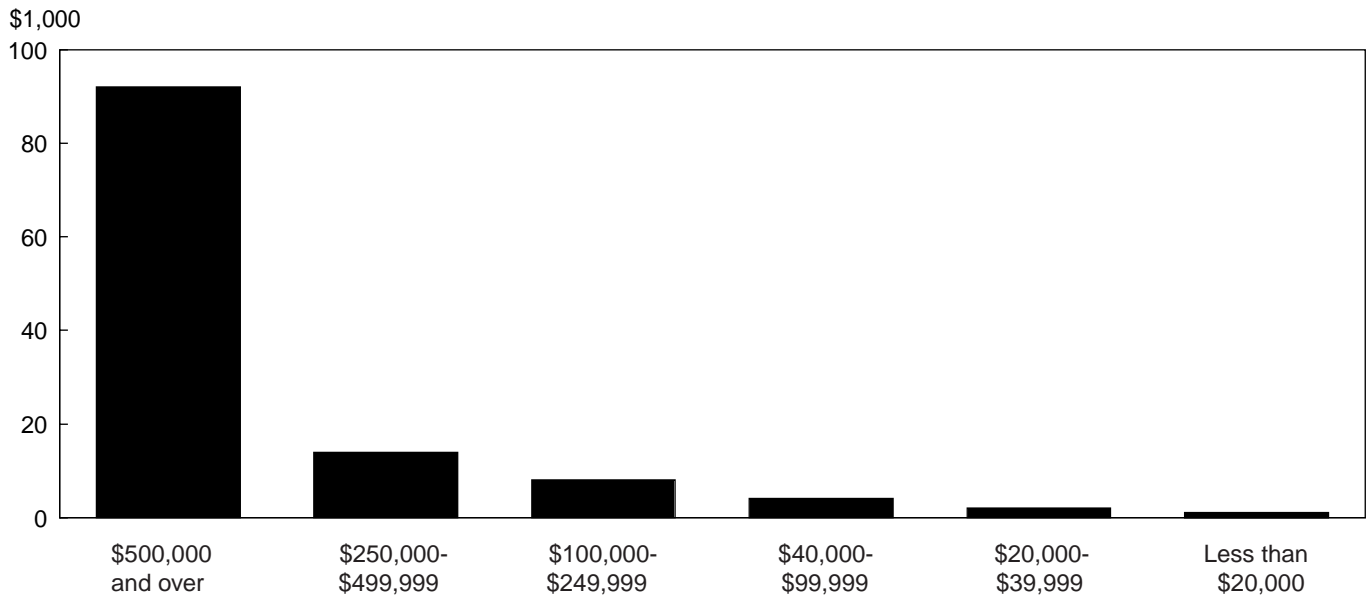
Hired labor expenditures per farm, by value of agricultural sales, 1997



Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 5

Contract labor expenditures per farm, by value of agricultural sales, 1997

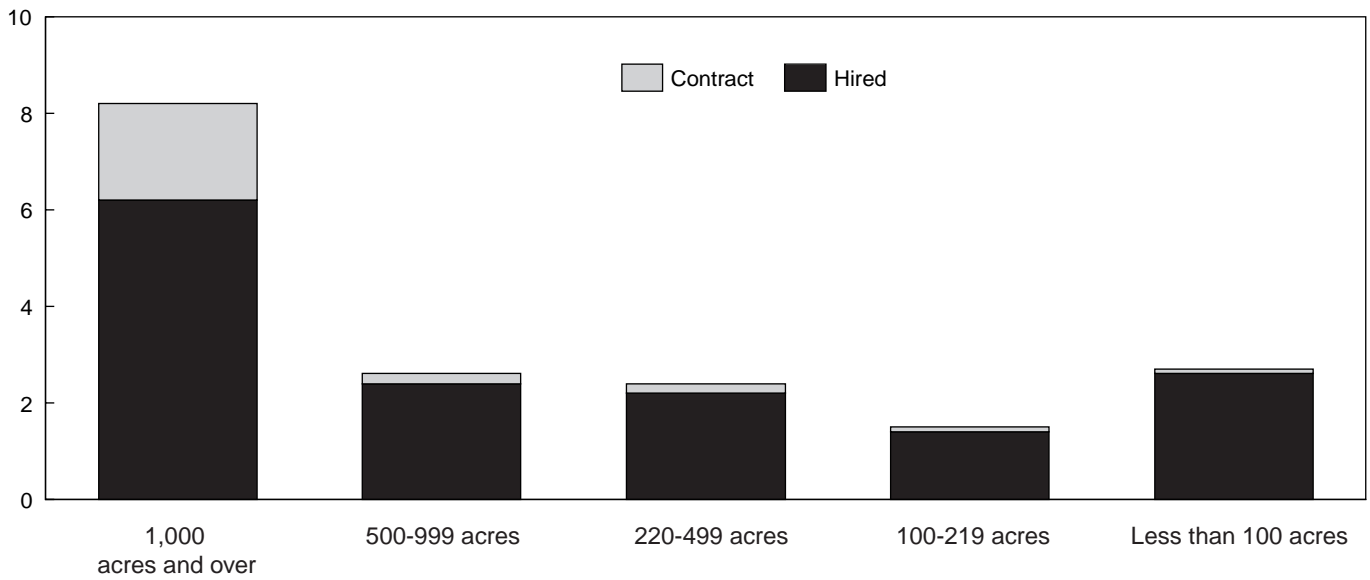


Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 6

Hired and contract labor expenditures, by size of farm, 1997

\$ Billions

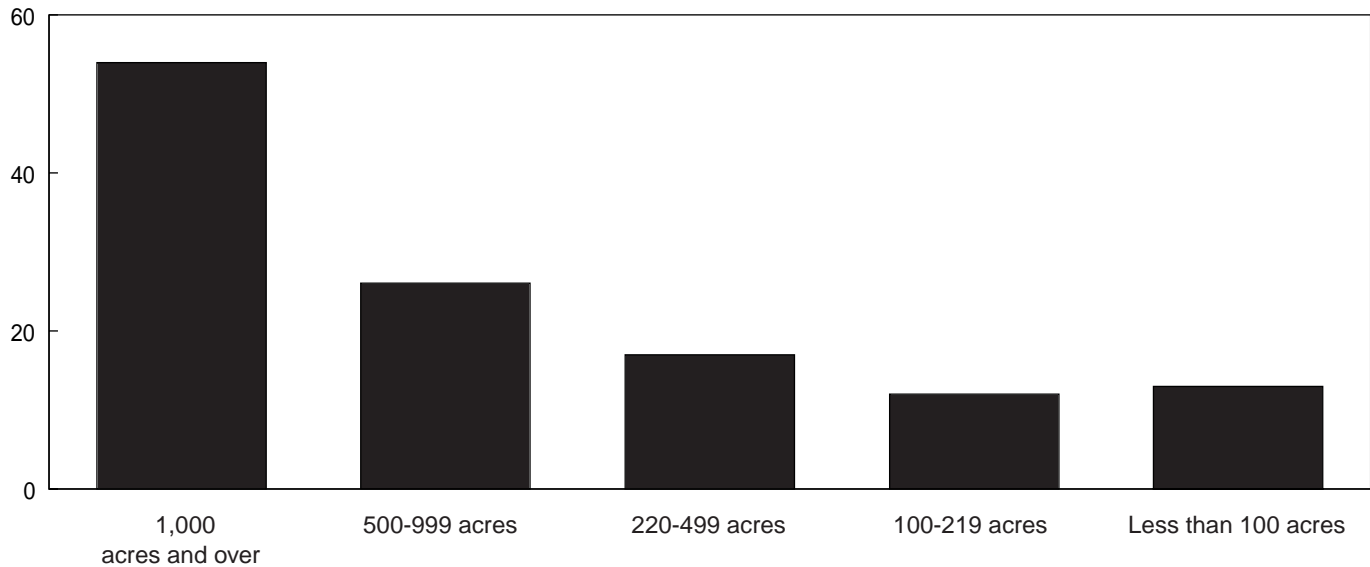


Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 7

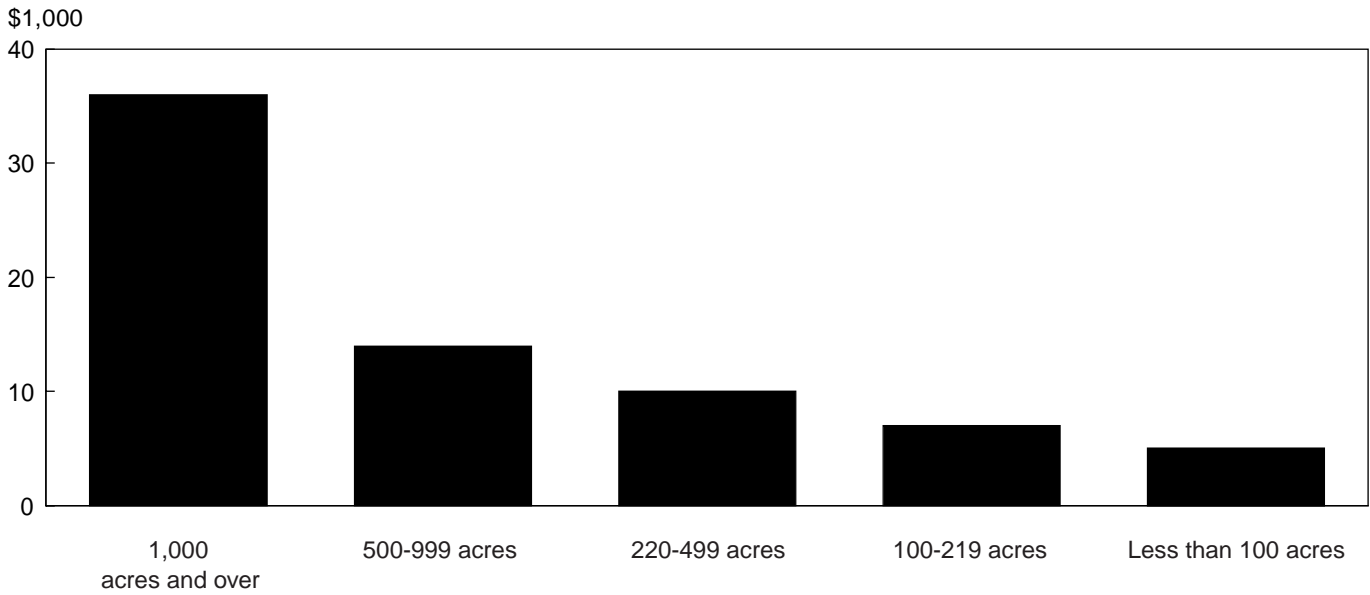
Hired labor expenditures per farm, by size of farm, 1997

\$1,000



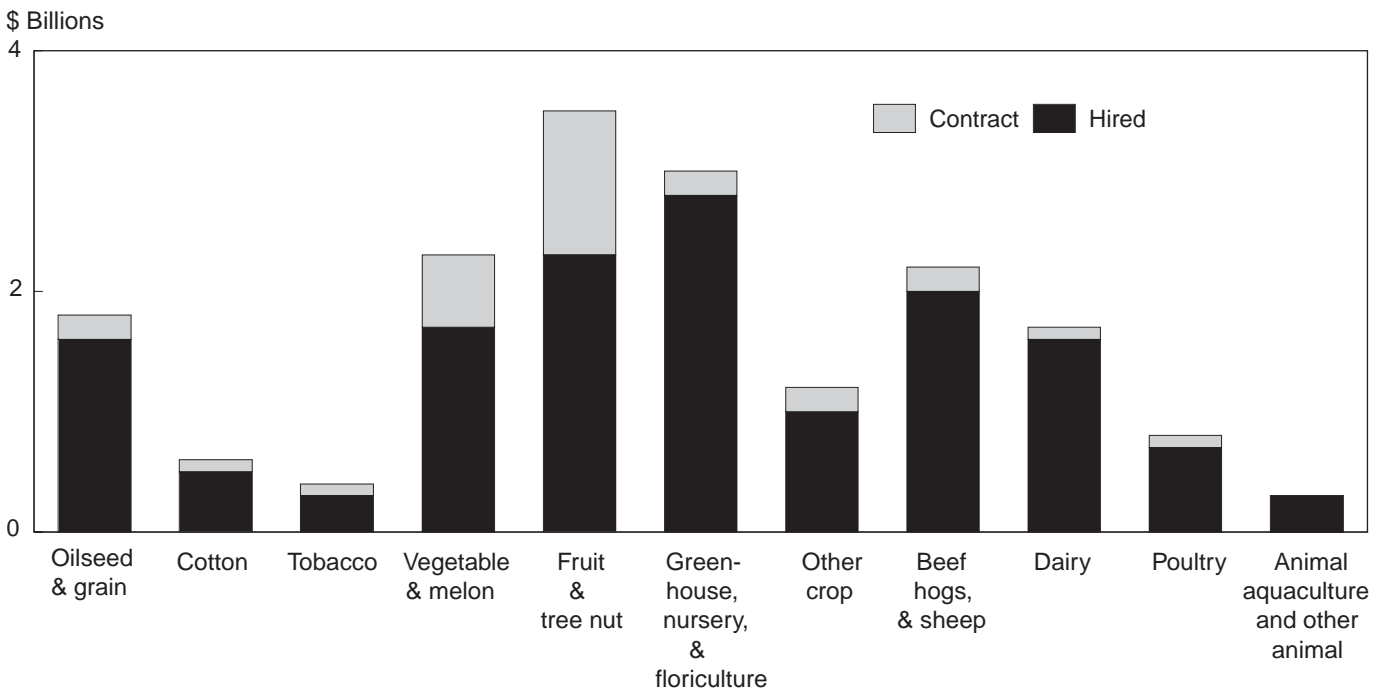
Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 8
Contract labor expenditures per farm, by size of farm, 1997



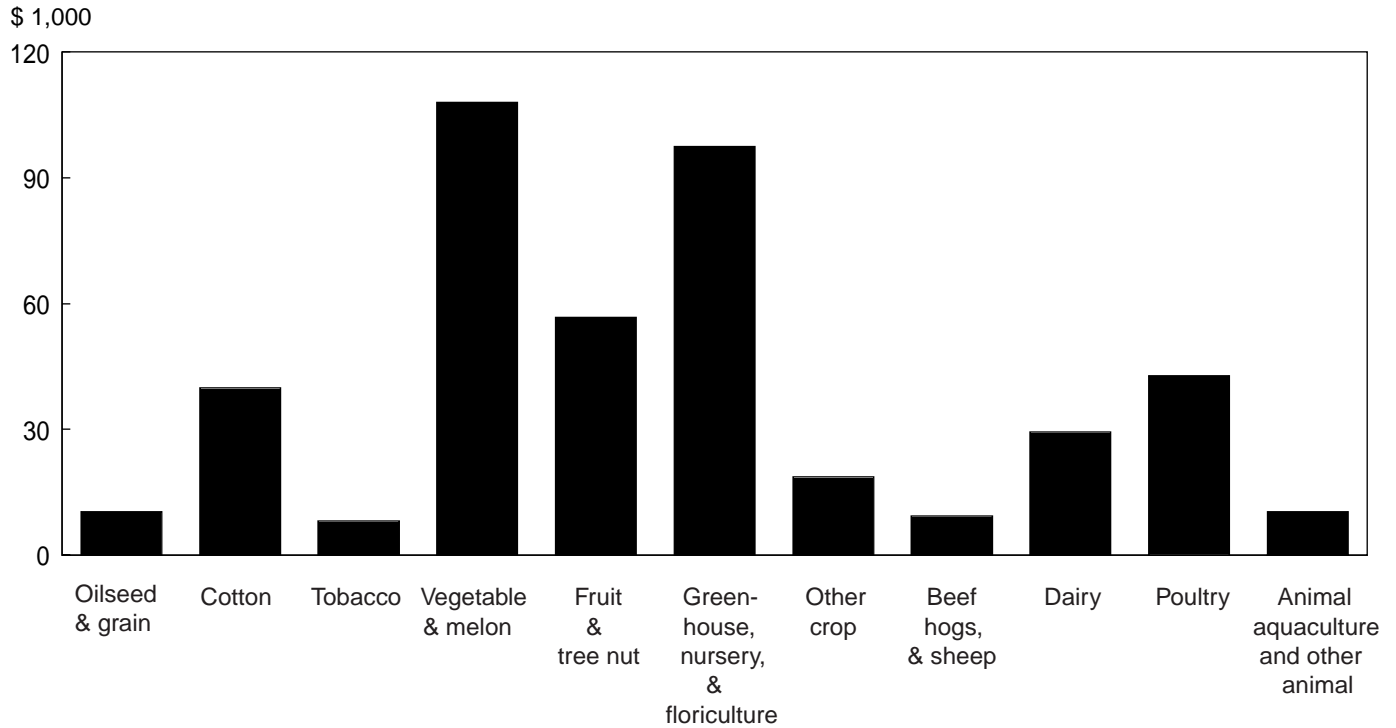
Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 9
Hired and contract labor expenditures, by type of farm, 1997



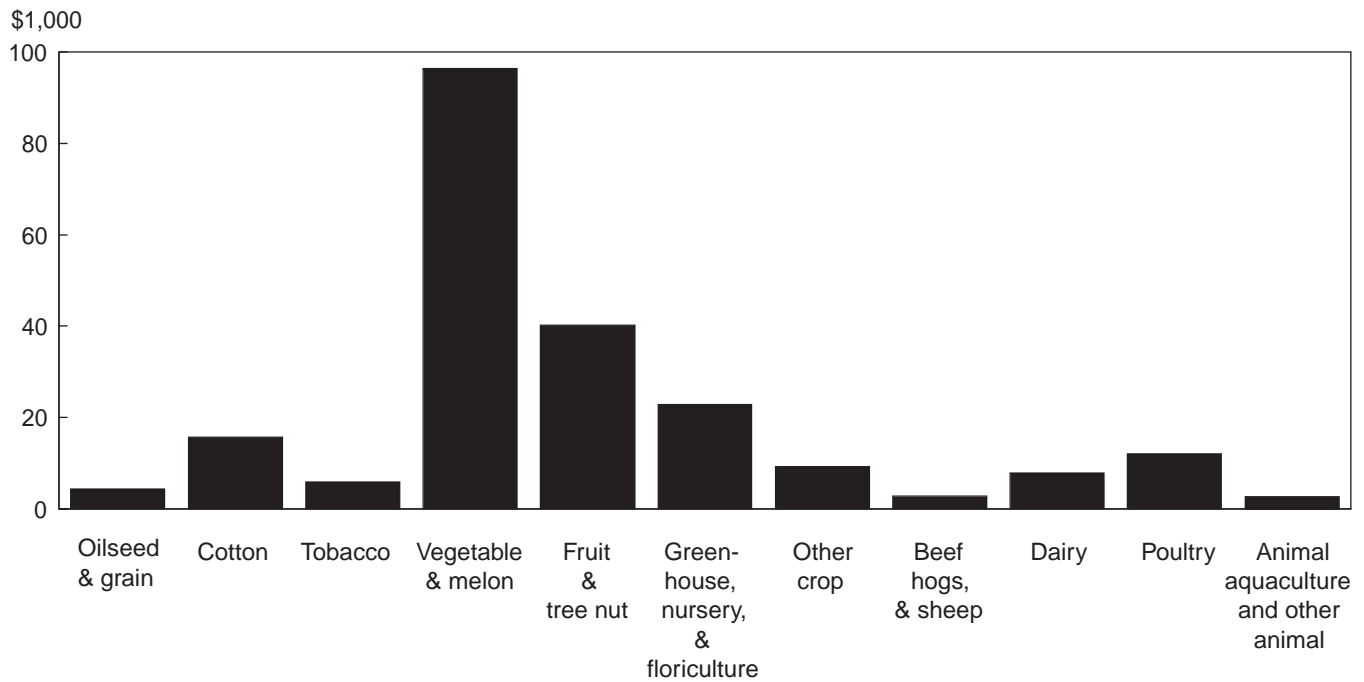
Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 10
Hired labor expenditures, by type of farm, 1997



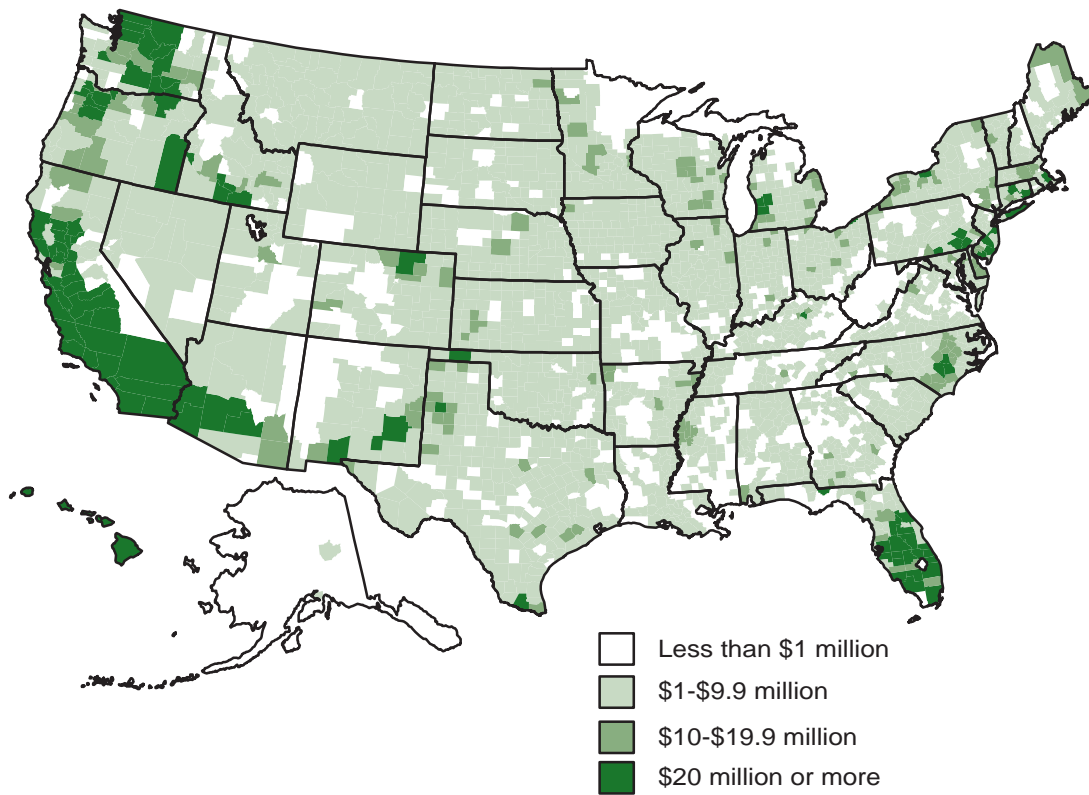
Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 11
Contract labor expenditures, by type of farm, 1997



Source: Calculated by ERS using data from the 1997 Census of Agriculture.

Figure 12
Hired and contract labor expenses on farms, 1997



Source: Calculated by ERS using data from the 1997 Census of Agriculture.