

Projected and Actual Impacts of Labor Factors for Colorado Farms and Ranches: 2023 Survey Findings

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COLLEGE OF
AGRICULTURAL SCIENCES
COLORADO STATE UNIVERSITY

What is the Survey?

Purpose:

- Annually administered survey to Colorado farm and ranch employers
- Characterize perceived challenges and opportunities for maintaining a viable farm workforce on a continuing basis
- Characterize past and upcoming changes to Colorado ag businesses on a continuing basis
- Identify resource gaps according to employers

Gaps in Available Data:

- National data sources offer some information, but at an aggregate level
- A comprehensive, longitudinal survey of Colorado agricultural employers related to labor

Who Conducted the Survey?



Alexandra Hill

Assistant Professor,
University of California
Berkeley



Adrian Card

Extension State Specialist in
Specialty Crops
Colorado State University

Partners: Colorado Department of Labor and Employment, Colorado Farm Bureau, Colorado Fruit and Vegetable Growers Association, Colorado Livestock Association, Colorado Nursery and Greenhouse Association, National Young Farmers Coalition, and Rocky Mountain Farmers Union.

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What Topics were Covered?

Business Characteristics

General Business Changes:

- Most ag businesses stayed the same size and plan to remain the same size

Workforce Characteristics and Changes:

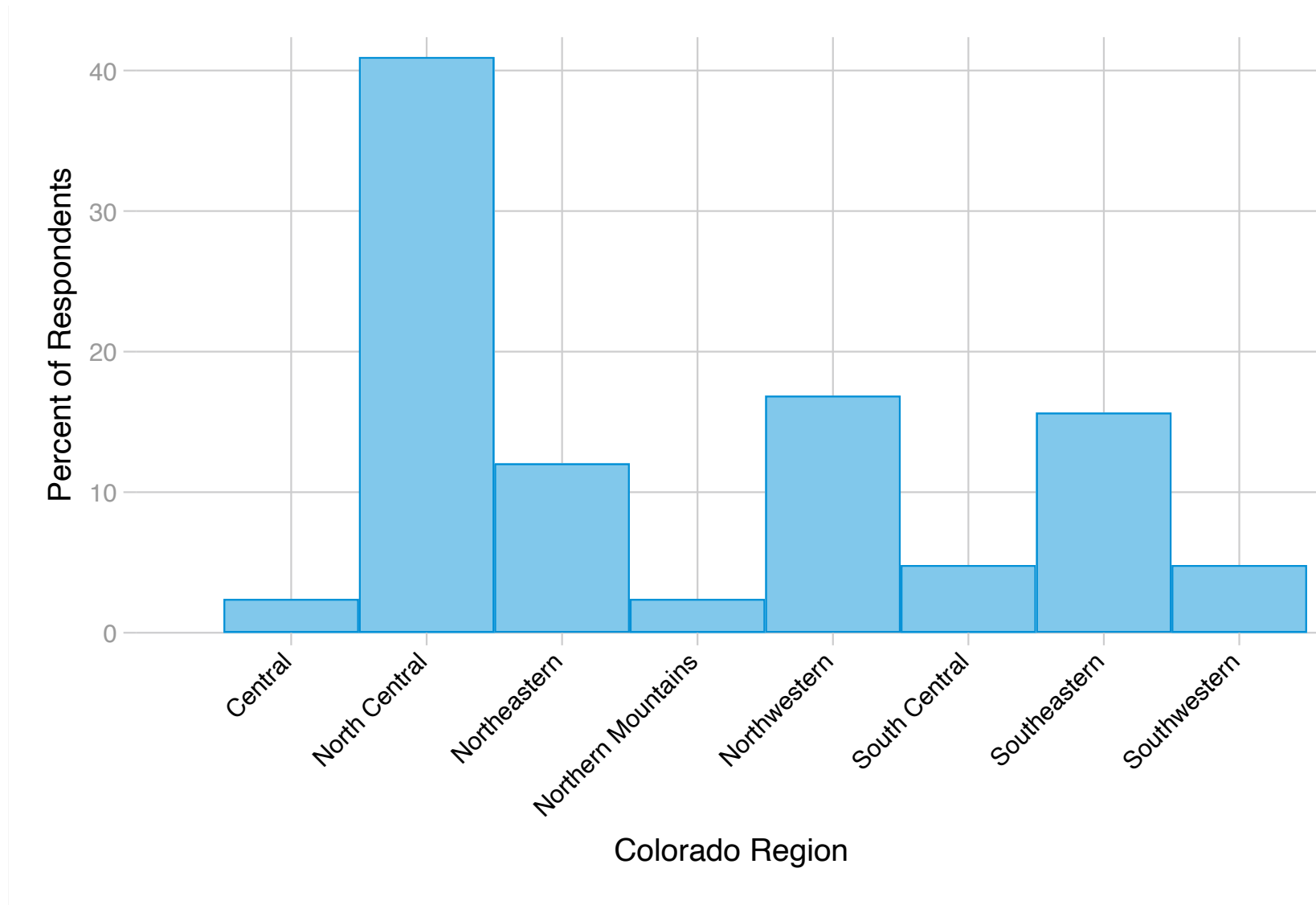
- Increasingly difficult to recruit and retain enough workers
- Hours per-worker about the same
- Pay per-worker on the rise
- Majority (78%) of CO Ag Businesses are not using H-2A

Most Impactful Factors for Future Farm Decisions:

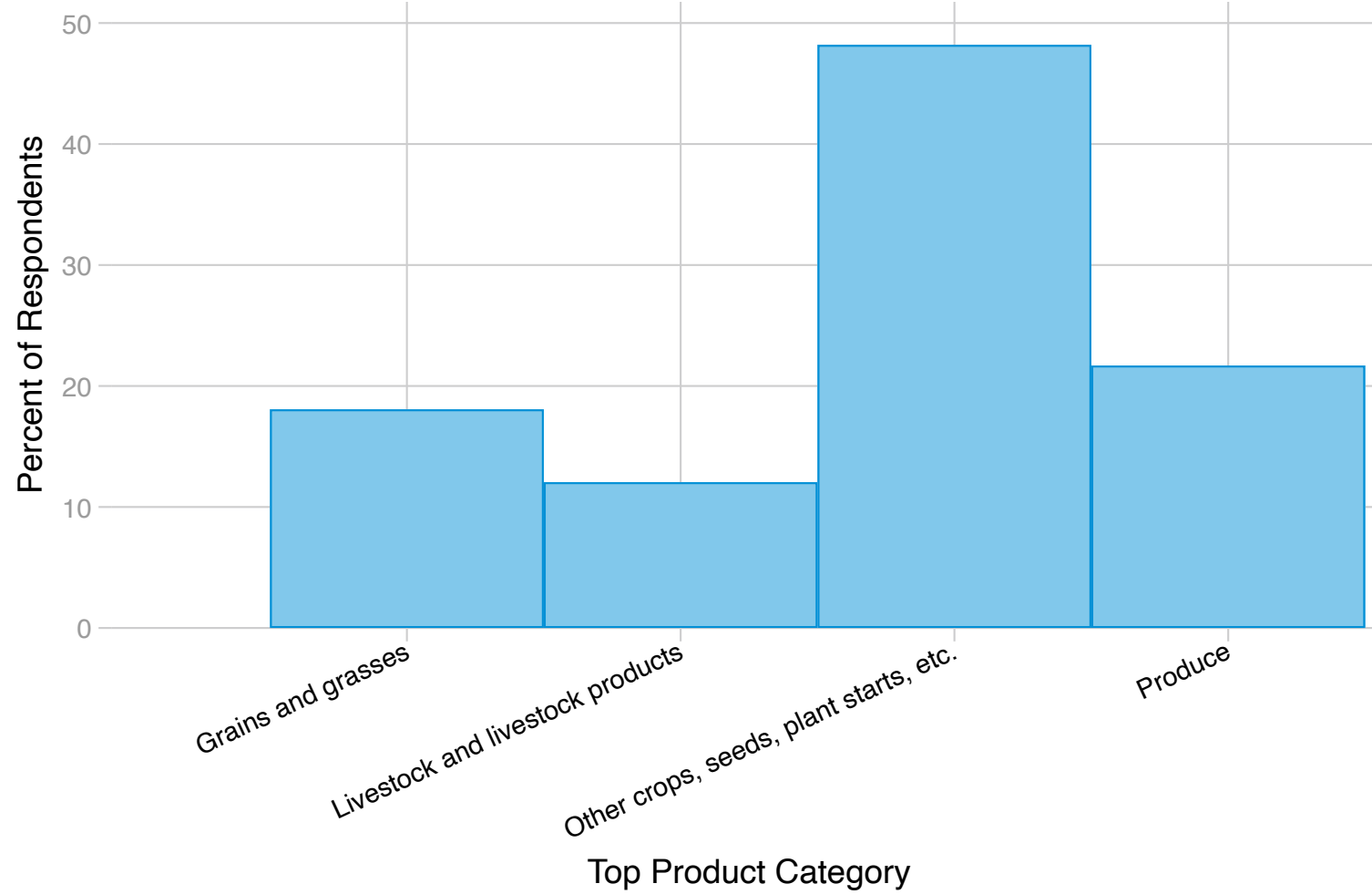
- Workforce (cost, ability to recruit and retain) & non-payroll costs

Business Characteristics

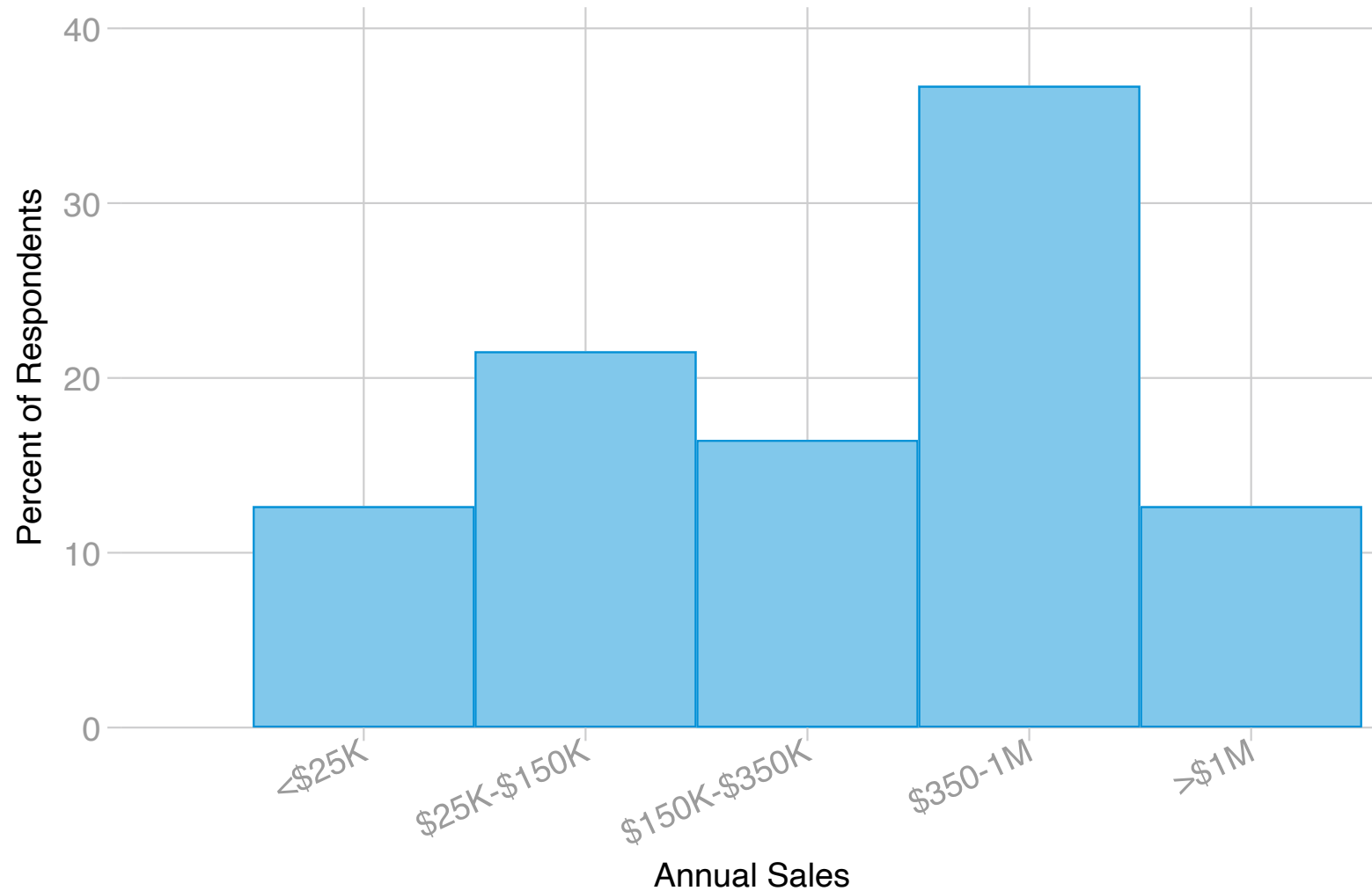
Most in Adams, Boulder, Broomfield, Gilpin, Larimer, Weld



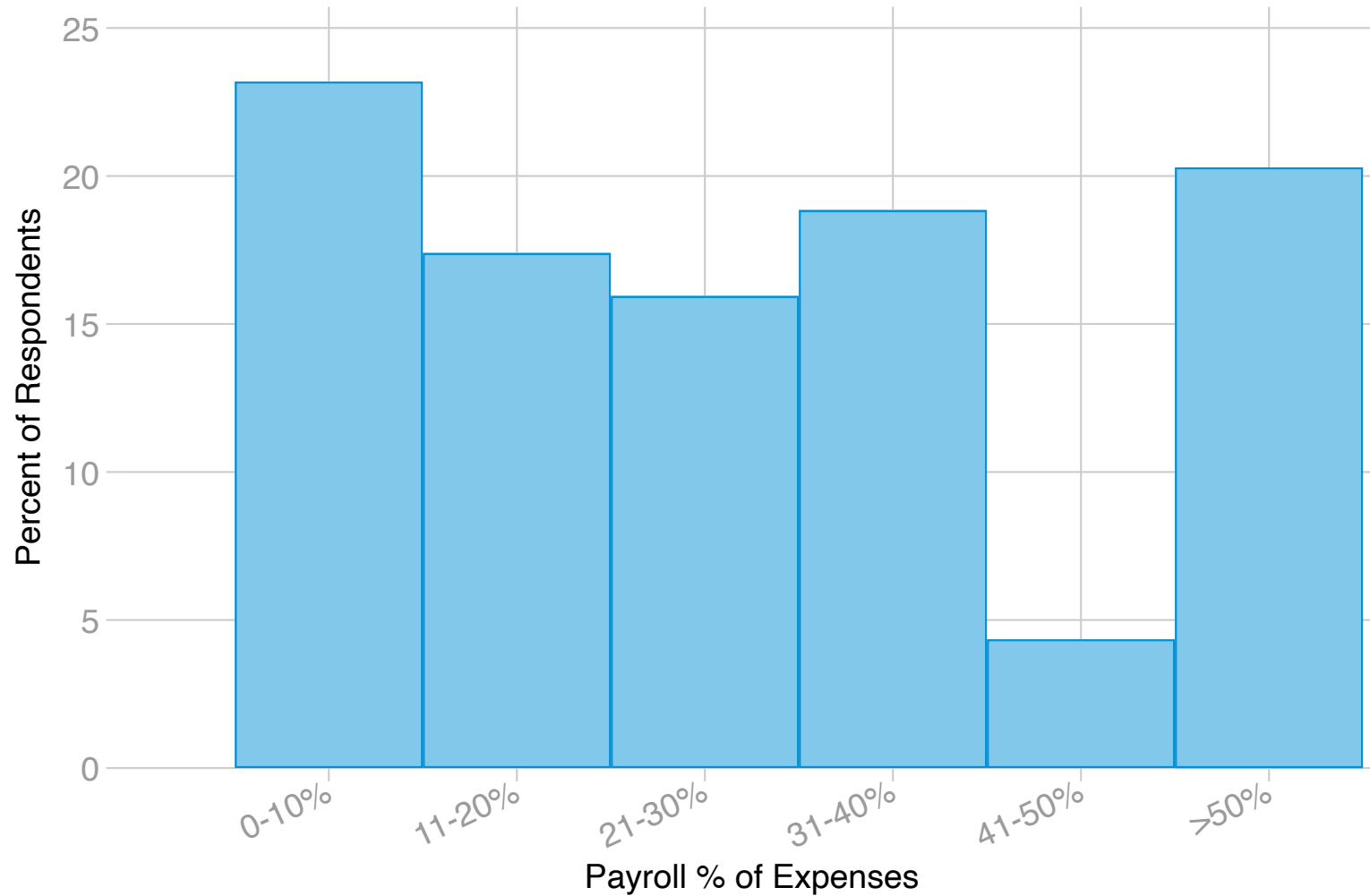
Let's Get More Produce Responses This Year!



Let's Get More Small & Midsize Farms This Year!



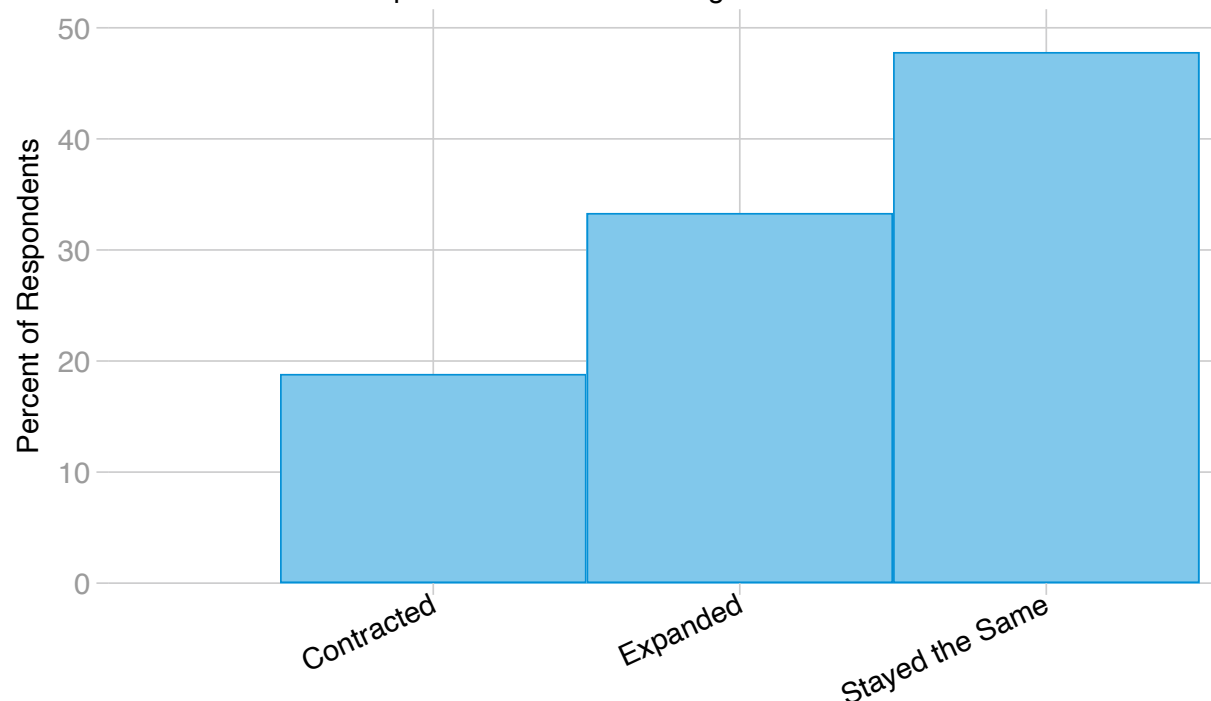
Good Workforce Cost Representation



Business Changes In 2022 & Expected in 2023

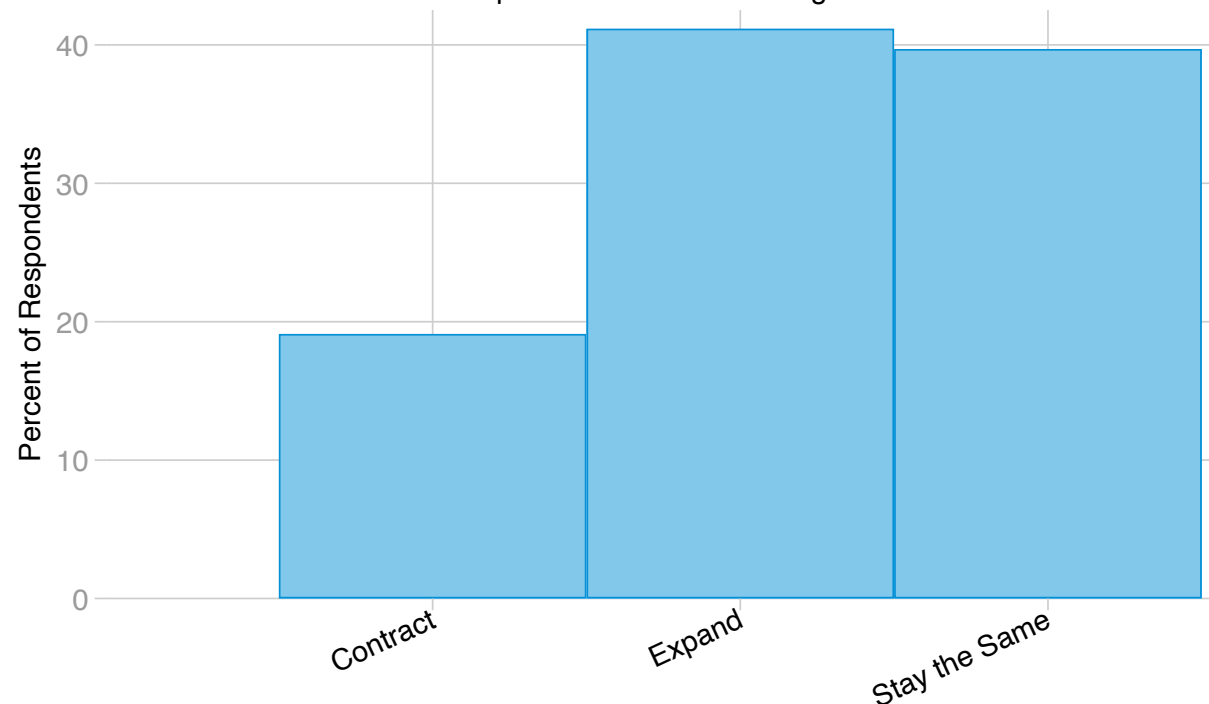
2022: Most Businesses Stayed the Same Size

Did your business expand, contract, or stay the same in 2022 in terms of combined production and marketing?



2023: Most Expect to Expand or Stay the Same

Looking forward, do you expect your ag business expand, contract, or stay the same in 2023 in terms of combined production and marketing?

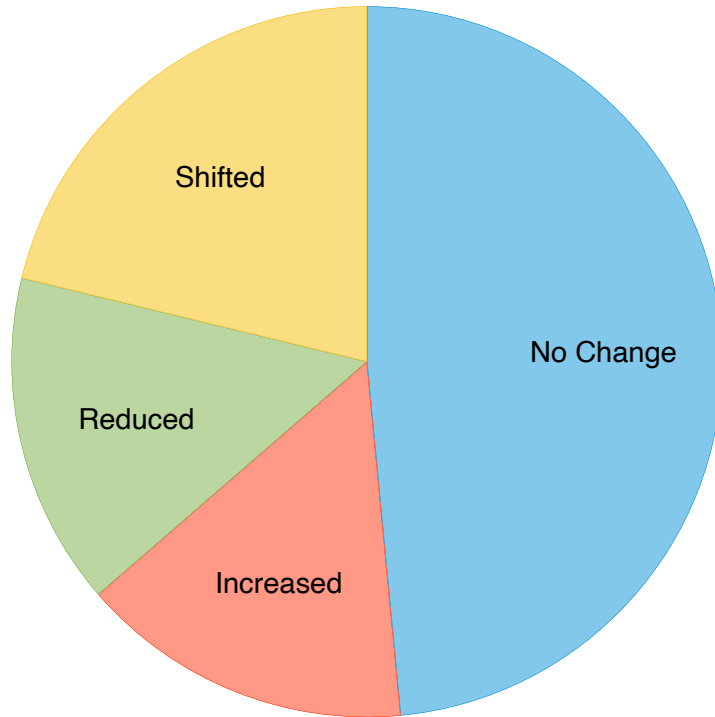


Produce Growers, Growers in the Northwest Region, and those with payroll costs 21-40% of total costs = **More likely to plan to expand**

2022: Most Produce Growers Made No Changes to Acreage

Those who DID Make Changes, Made them Because...

In 2022, did you change your acreage (or area of indoor production) of produce production in Colorado?



Labor

“we did not have enough skilled labor to plant and operate equipment nor enough field labor to harvest and pack.”

Water and Climate Change

“Available water, evaporation and germination rates.”

“We lost about 20 acres of peach trees due to a drastic freeze event in October 2020...”

Profitability

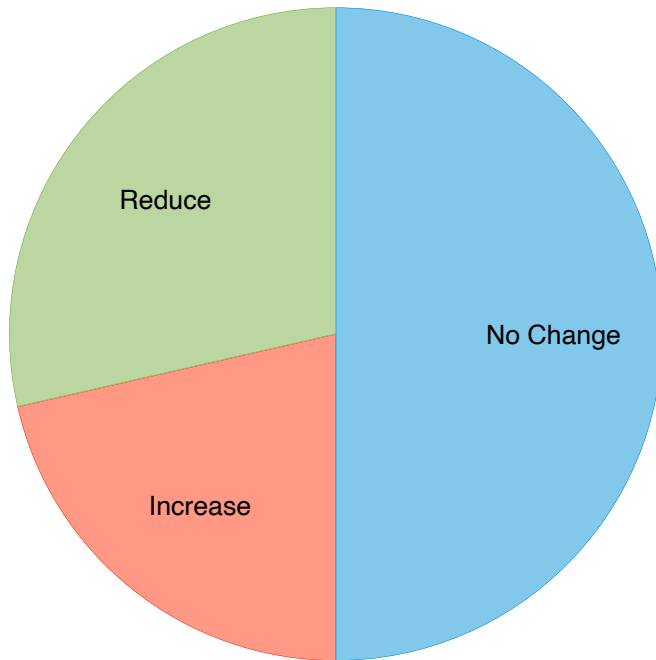
“Wholesale sales were down this year by about 20%.”

“Cost to produce vegetables has increased substantially, and return dollars for the product not increased enough or not at all.”

2023: Most Growers Planned to Make No Changes to Acreage

Those who DO Plan to Make Changes, it's Because...

Looking forward, in 2023 are you planning to change your acreage (or area of indoor production) of produce production in Colorado?



Labor & Profitability

“Cost of doing business is overcoming profit.”

“Overtime”

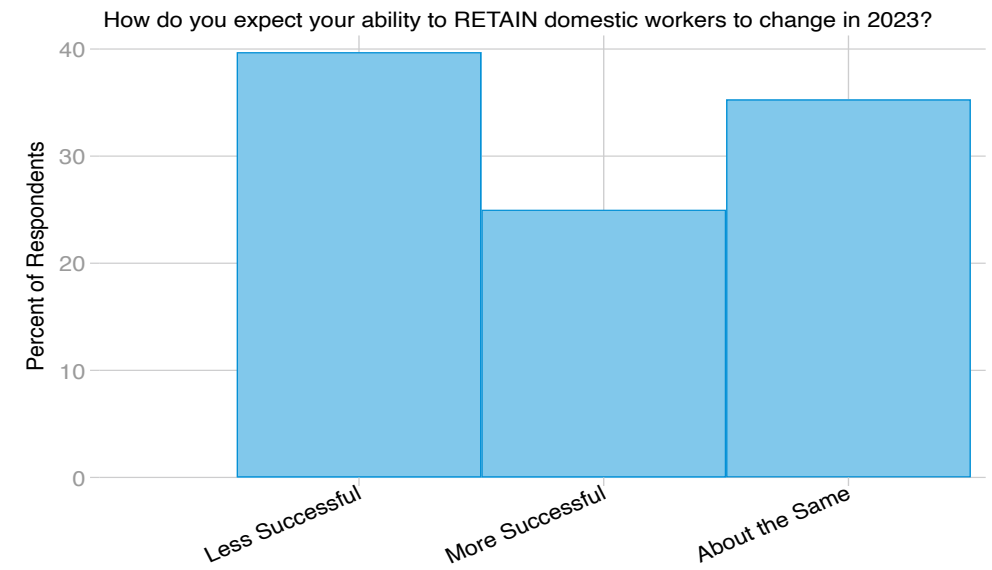
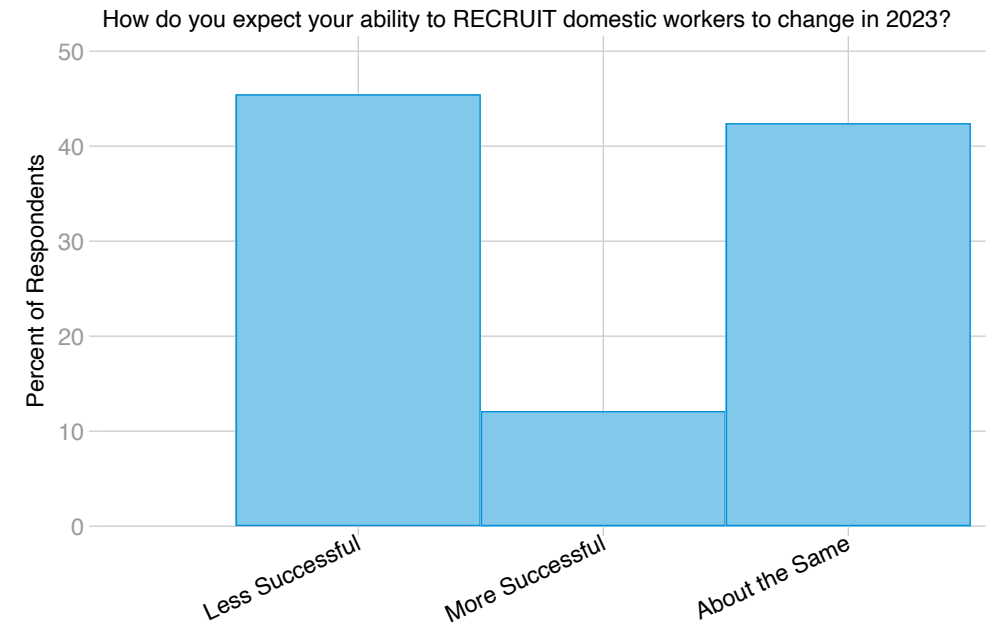
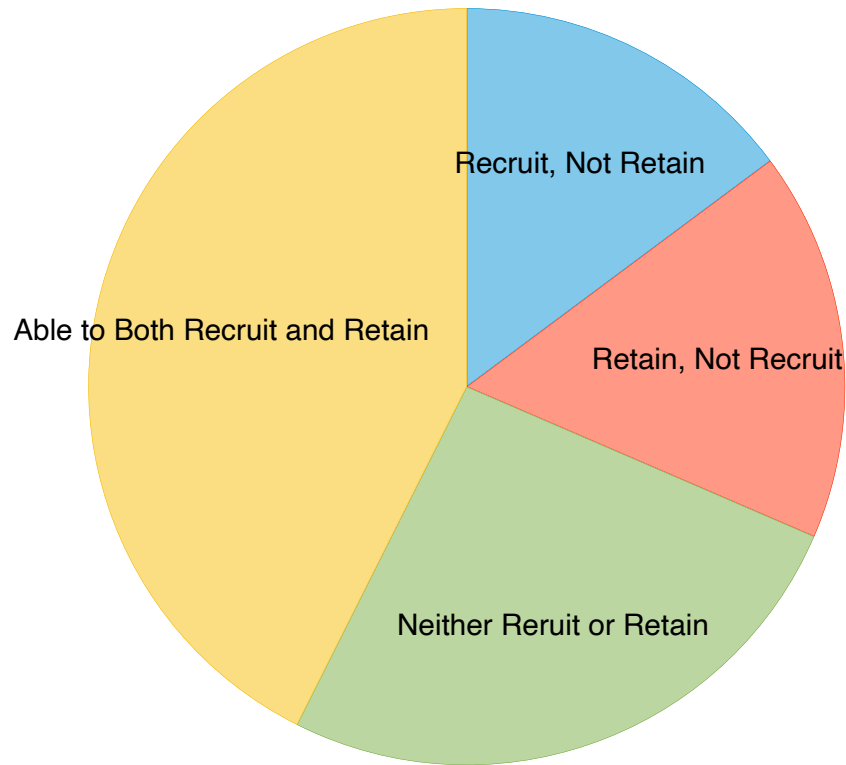
“The cost of labor is so high right now. After 2 years of not enough skilled labor and general labor our weed pressure is so high that it will now take us a few years to recover so we need to reduce acreage so we can better manage that.”

“The cost of labor. it's always about the labor. Can't stress this enough. There are no machines available to harvest produce. It must be done by human hands.”

Workforce Changes In 2022 & Expected in 2023

Most Employers Had Difficulties Recruiting or Retaining Enough Domestic Workers in 2022 and Anticipated More Challenges in 2023

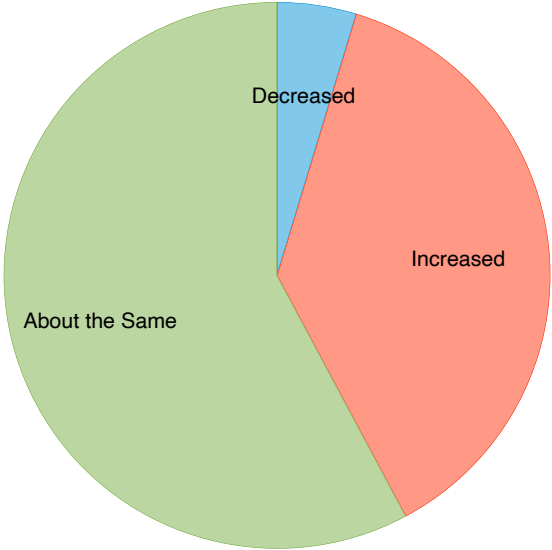
How would you characterize your ability to recruit and retain domestic workers in 2022?



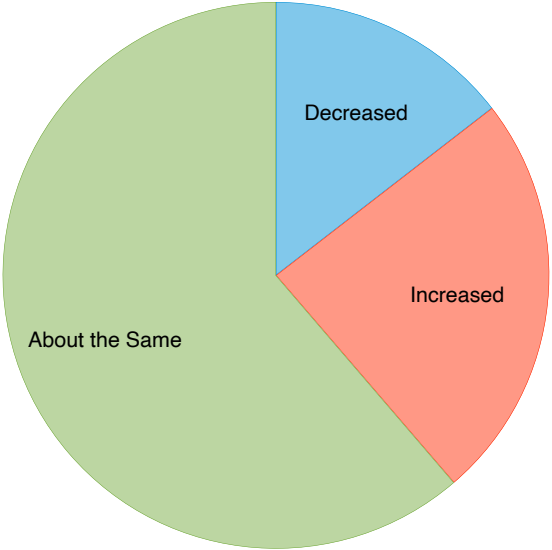
In 2022, Most Had Work Hours Similar to Prior Years

In 2023, Most Expected Similar Work Hours

Did work hours for management-level staff increase, decrease or stay the same in 2022?

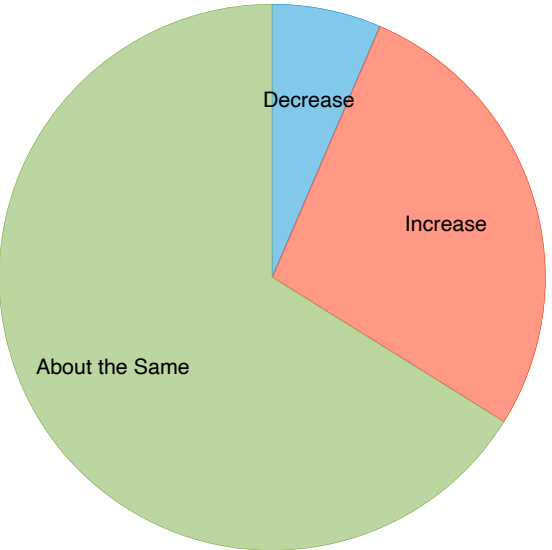


Did work hours for non-management-level staff increase, decrease or stay the same in 2022?

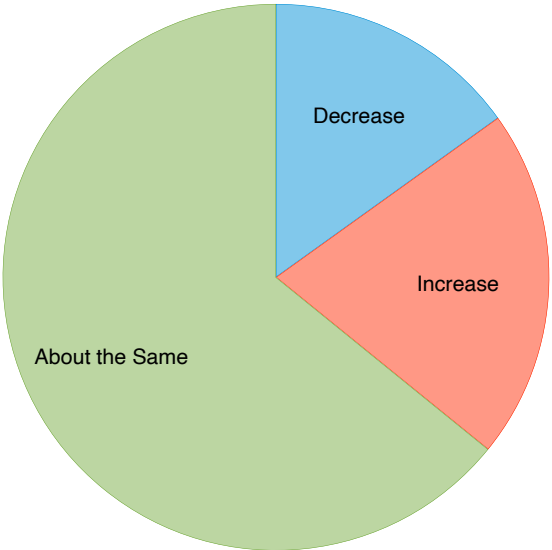


2022

Expect work hours for management-level staff to increase, decrease or stay the same in 2023?



For non-management-level staff?



2023

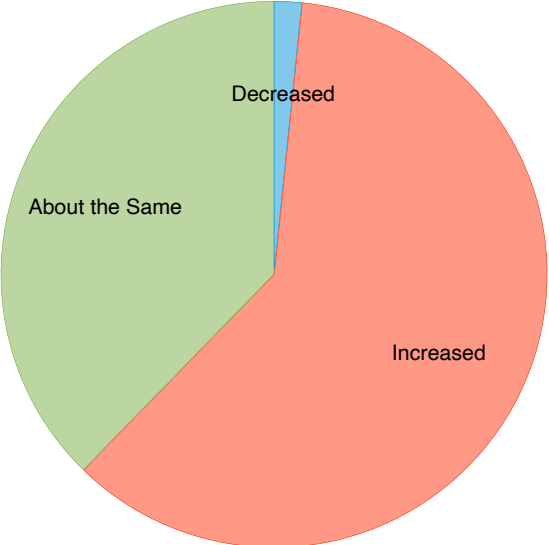
Management-Level Staff

Non-Management-Level Staff

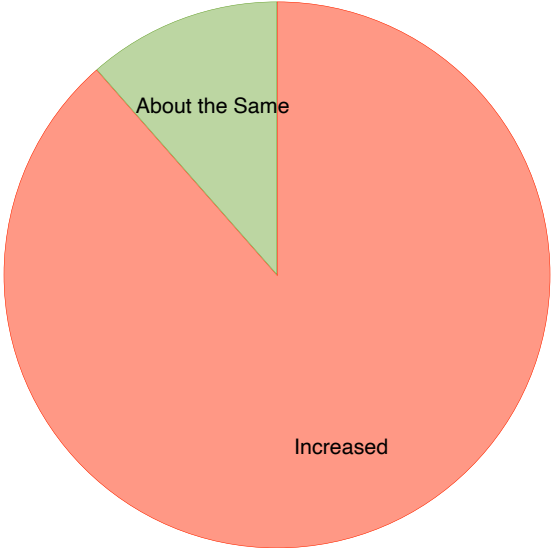
In 2022, Most Employers Report Paying Workers More

In 2023, Most Anticipated Paying More

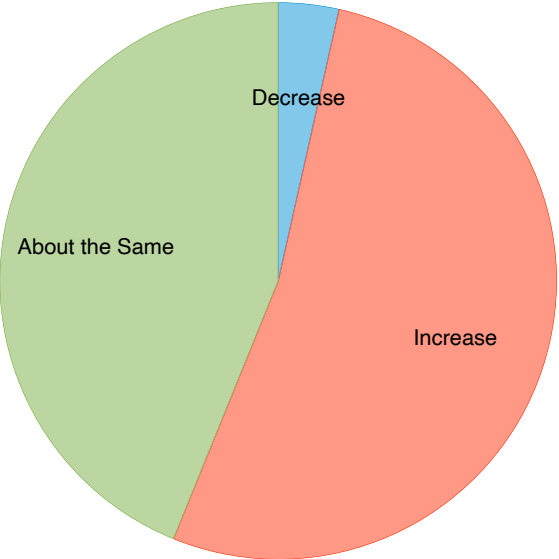
Did pay for management-level staff increase, decrease or stay the same in 2022?



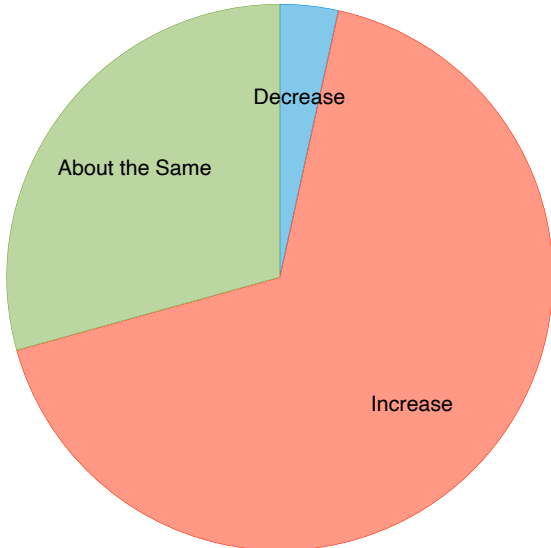
Did pay for non-management-level staff increase, decrease or stay the same in 2022?



Expect pay for management-level staff to increase, decrease or stay the same in 2023?



For non-management-level staff?



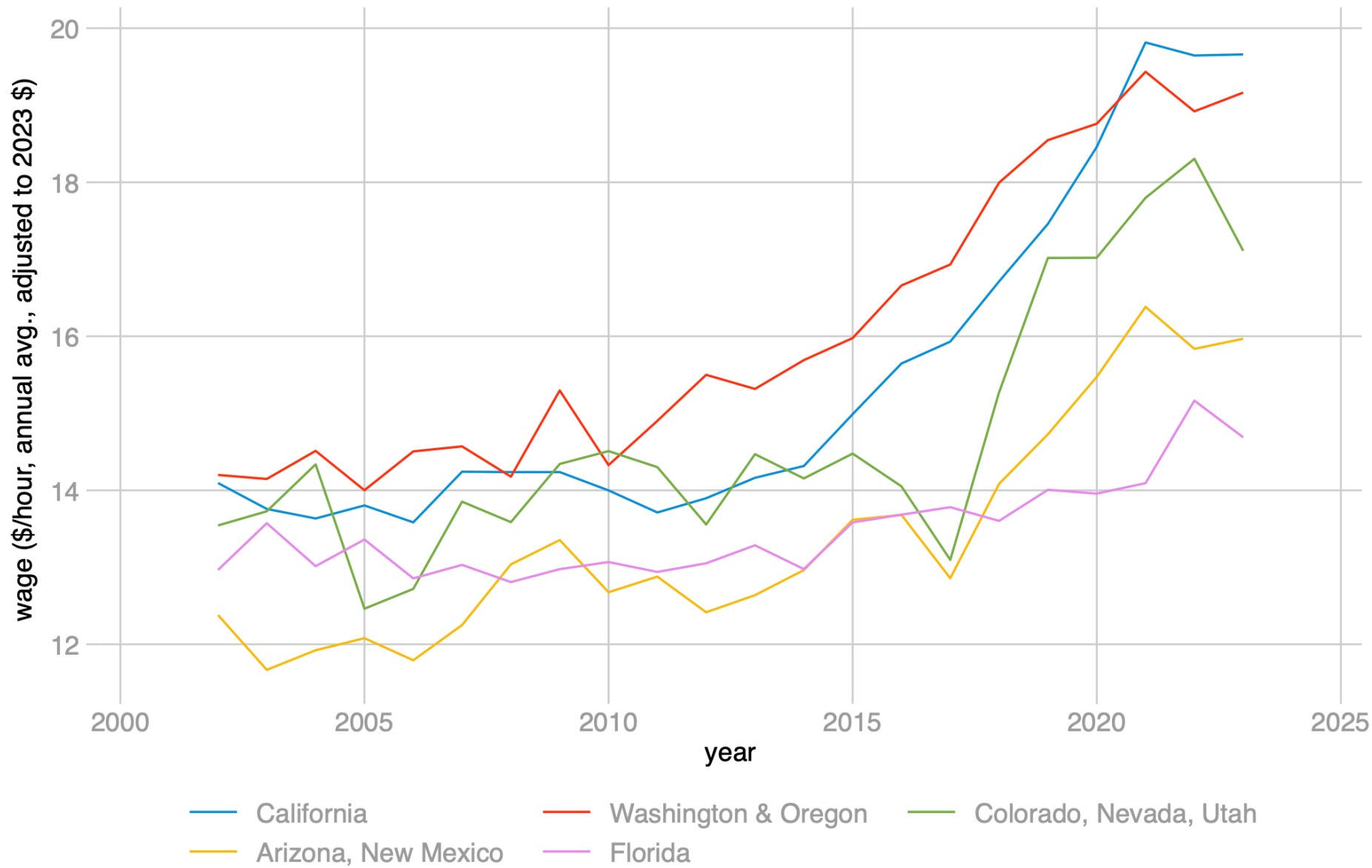
Management-Level Staff

Non-Management-Level Staff

2022

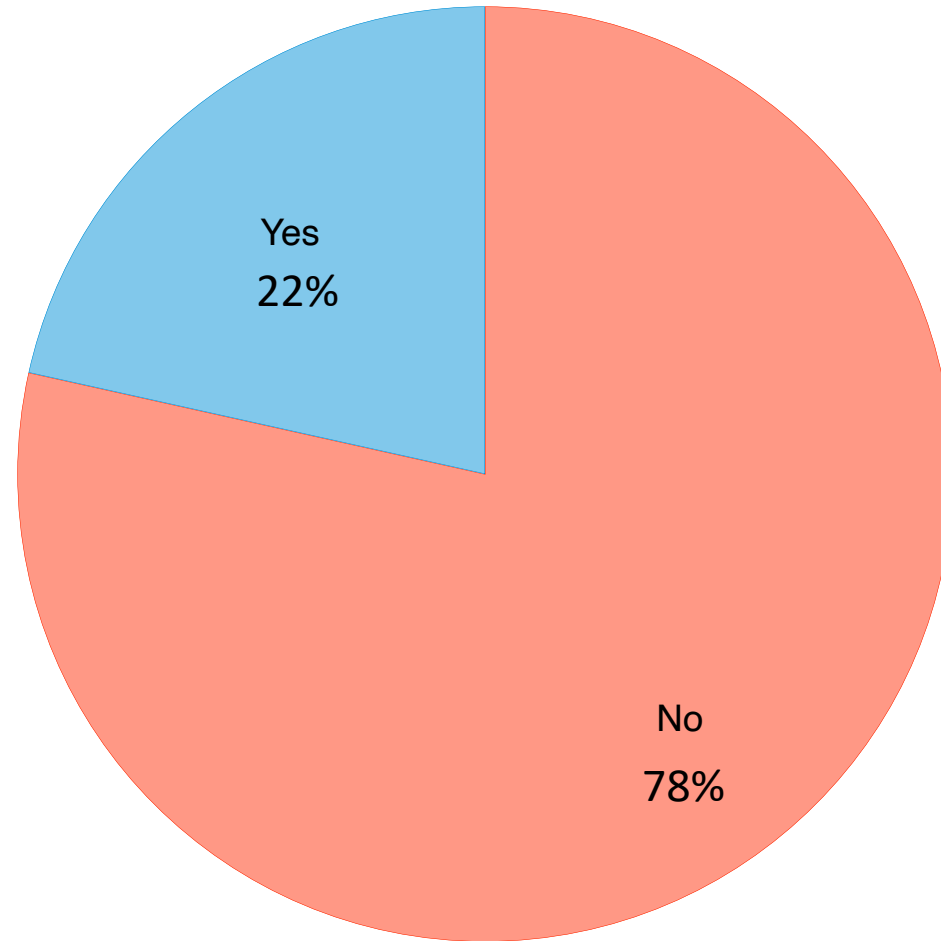
2023

Ag Wages are Rising Nationwide...



Most Colorado Ag Businesses were NOT using H-2A in 2022

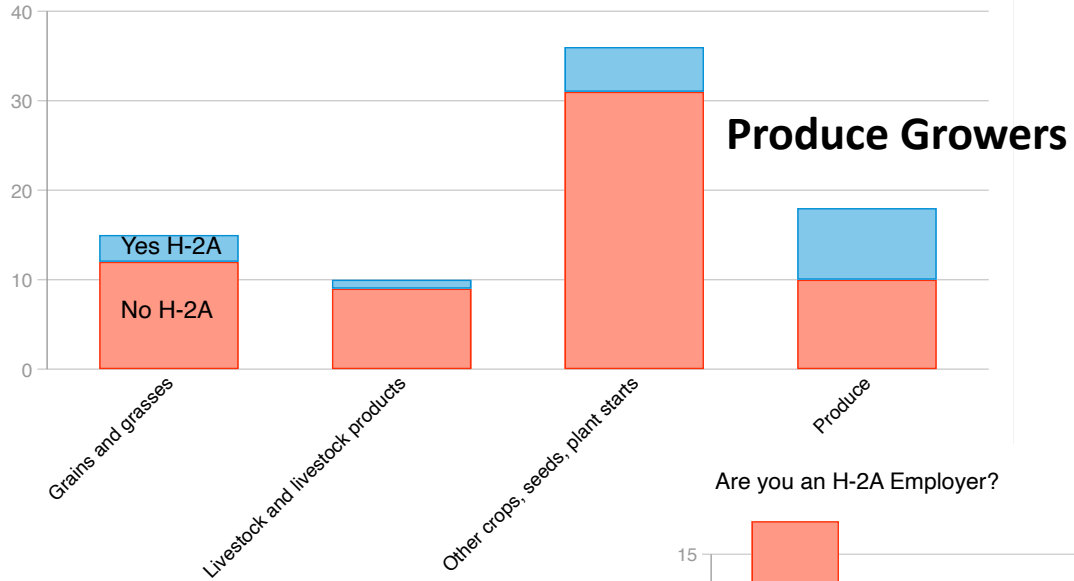
Are you an H-2A Employer?



Most Colorado Ag Businesses were NOT using H-2A in 2022

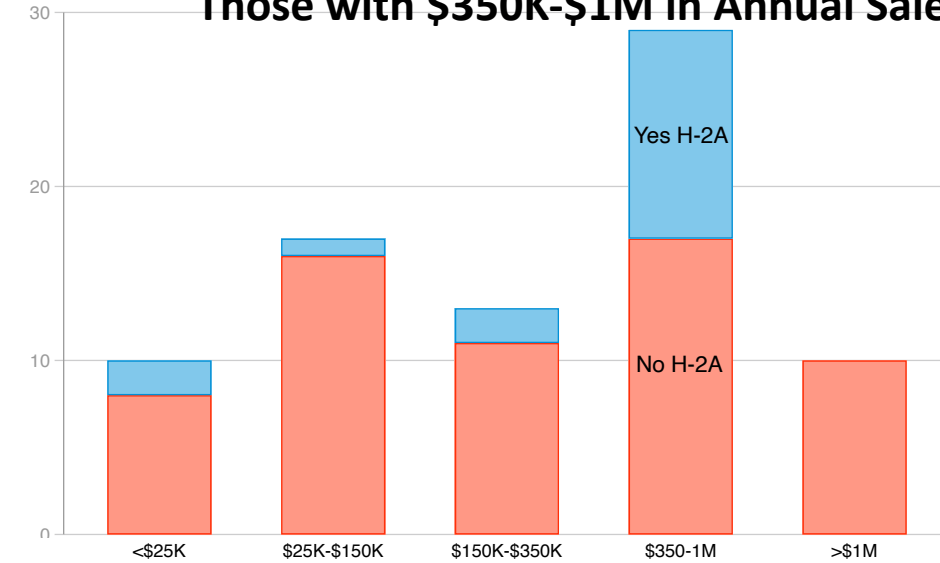
But, H-2A were more used by...

Are you an H-2A Employer?

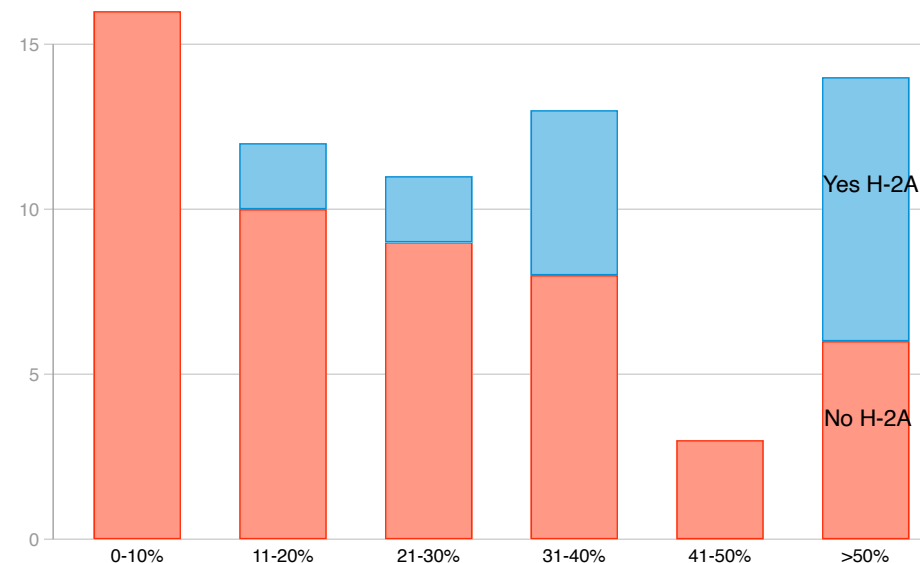


Are you an H-2A Employer?

Those with \$350K-\$1M in Annual Sales



Are you an H-2A Employer?



**Those with high payroll costs
(>50% of total operating costs)**

12/14/23

What Factors are Driving Changes in 2023?

What are the top factors affecting your farm decisions for 2023 and 2024?

1. Increasing payroll costs for our farm
2. Increasing non-payroll production costs for our farm
3. Challenges recruiting and retaining a qualified workforce for our farm

Is there anything else you want to share about labor factors and your farm/ranch?

“Putting farms out of business does not protect workers.”

“Changing employment requirements (minimum wage, farm labor bill, family leave, etc.) are very difficult to navigate for small farms.”

“Recently passed state legislation continues to hamstring both small businesses and agriculture in Colorado. It is becoming increasingly difficult to maintain staffing, adhere to compliance requirements of federal and state mandated employment and housing requirements, in the field requirements, breaks, water availability, length of hoe handles, hours of a work day/week etc....when will it end?”

Concluding Remarks

Top findings for Colorado ag employers:

- Most reported being less successful at both recruiting and retaining domestic workers, a trend they foresee continuing
- Pay for management and non-management workers increased for most growers, while hours stayed about the same
- Among growers who reduced production, the most cited reasons were labor and labor costs
 - Likely to see increased H-2A use
 - Costs are on the rise

**Please Help Us Keep Tracking
and Telling Your Story!**

We just released our 2023/24
Survey (~12 minutes to complete)



https://colostate.az1.qualtrics.com/jfe/form/SV_a5BJgBJZBWiaTps

You can access these and other outreach materials at www.alexandraehill.com

You can contact me at: alihill@berkeley.edu