

# **Agricultural Labor Survey**

## **Talking Points**

- Agricultural workers are estimated in four categories--field workers, livestock workers, field and livestock workers combined, and all hired workers (including supervisors and other workers) to provide a basis for meaningful comparison with the nonagricultural sector and to determine the impact of changes in the level of the Federal minimum wage.
- The Bureau of Economic Analysis (BEA) in the Department of Commerce relies on the number of hired agricultural workers, hours worked, and wages paid as components in personal and national income for the agricultural sector of the gross domestic product (GDP). Legislatures and policy makers use agricultural labor data when setting policy that affects the farm sector. According to the USDA's Economic Research Service (ERS) - Agriculture, food, and related industries contributed \$1.109 trillion to the U.S. gross domestic product (GDP) in 2019, a 5.2-percent share. The output of America's farms contributed \$136.1 billion of this sum—about 0.6 percent of GDP.
- The Agricultural Labor Survey is the main data source for key components of The Bureau of Economic Analysis (BEA) economic statistics. Multiple programs in BEA use the Agricultural Labor Survey, directly and indirectly, to prepare various estimates. On a direct basis, BEA's regional program uses the survey data to estimate supplements to farm wages and salaries and farm wage and salary employment. The employment estimates are a supplement to the income estimates. Specifically, data for hired workers (annual average by state and region) are used from the November farm labor publications.
- The national income and product accounts (NIPAs) use the wage rate for all hired workers from the "Farm Labor: Hired Workers and Wage Rates - United States - Farm Employment-Total" table in the farm labor report. This series is used in the NIPA calculation of real farm value added and is a primary data source for estimates of farm employment and hours worked.
- BEA's international program also uses this survey in estimating compensation of employees (seasonal agricultural workers) and in estimating expenditures by short-term workers for inclusion in travel. In addition, the Agricultural Labor Survey is used indirectly by other BEA programs, including GDP-by-state on farm output estimates and industry program's annual estimates on farm employment and hours worked. See table below.

### BEA's Uses of NASS Agricultural Labor Survey

Title	Uses	BEA Programs
Annual Average Number of Hired Workers and Hours Worked - Regions and United States	State-level supplements to Farm Wages and Salaries; State-level Farm Employment	Regional Economic Accounts
Hired Workers and Wage Rates - United States	U.S. Real Farm Value Added; U.S. Farm Employment and Hours Worked	National Economic Accounts
Hired Workers and Wage Rates - United States	Compensation and Expenditures by Seasonal Agricultural Workers	International Economic Accounts (Balance Payments Division)

- Agricultural Labor Survey employment data (for example, worker numbers and wage rates) are used to ensure equitable allocation of federal assistance for farm workers. This includes support for housing and education for seasonal farm workers.
- Changes in wage rates help measure the changes in costs of production of major farm commodities. Cost of production estimates are used by policy makers to help determine support levels for farm programs, including target prices, loan rates, and the milk support price. Price supports affect all farmers directly or indirectly. Price supports for grain farmers, for example, are generally used to ensure grain supplies are adequate and grain prices for livestock producers are reasonable.
- The Agricultural Labor Survey provides data that can be used to measure the availability of farm workers across the nation and be used to help determine if there is a shortage of farm laborers.
- Labor data are used by policy makers in determining immigration policies. Analysts use the data to evaluate the effects of changes in the immigration and labor laws on producers, wage rates, and costs of production.
- Agricultural labor data are used by farm worker organizations to help set wage rates and negotiate labor contracts as well as to determine the need for additional workers. They are also used by private organizations and government agencies responsible for the planning and placement of farm workers and those that work closely with employer and labor crew chiefs.
- The Economic Research Service in USDA also uses wage rate data to estimate labor costs for crop and livestock enterprise budgets.

- **How do Farm Labor data impact me?**
  - The wage rate data serve as a guide to individual farm producers when hiring workers and estimating expenses for their operations.
  - The Department of Labor uses the results of this survey to establish minimum wage rates for agricultural workers and assist legislators in determining labor policies.
  - USDA and the Department of Labor use the data to estimate the demand for and availability of seasonal agricultural workers.
  - **Your response means better data that drive informed decisions.**
- Farm labor data are also used in the formation of both farm productivity and price indices. Wage data are a component of the Parity Index, used to compute parity of prices of agricultural commodities. Farm labor data provide information for the agricultural component of the Gross Domestic Product.