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United States  
Department of  
Agricultural



National  
Agricultural  
Statistics  
Service

Research and  
Development Division  
Washington, DC 20250

RDD Research Report  
Number RDD-20-03

September 2020

# Reporting Contract Labor on the Agricultural Labor Survey

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The findings and conclusions in this report are those of the author and should not be construed to represent any official USDA or U.S. Government determination or policy.

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## Abstract

The Agricultural Labor Survey collects comprehensive information on workers hired and paid directly by U.S. farms and ranches to do agricultural work. However, it does not collect information on farm labor hired and paid through third-party contractors. In 2018, the National Agricultural Statistics Service (NASS) explored options for measuring contract labor on U.S. farms and ranches. NASS developed and tested a new survey targeting farm labor contractors, which was similar in content to the Agricultural Labor Survey. However, testing revealed it was not feasible to survey this population. An alternative solution was explored – asking farm and ranch operators to report information on their contract laborers. In the current study, five exploratory interviews were conducted to assess farm operators’ ability to report detailed information on their contract labor. The following report provides a summary of the findings from these interviews.

**Key Words:** agricultural labor, contract labor, wages

## 1. INTRODUCTION

In 2018, the U.S. Department of Agriculture asked the National Agricultural Statistics Service (NASS) to explore the development of a new survey that would measure contract labor on U.S. farms and ranches. NASS currently conducts the Agricultural Labor Survey, which collects information on the number of workers, hours worked, and wages paid to workers who are directly hired and paid by U.S. farms and ranches. Respondents to the Agricultural Labor Survey are instructed to only report workers that they hired and paid directly and exclude all “contract workers.” In an attempt to capture labor data on all agricultural workers, NASS explored conducting a separate survey (the Agricultural Labor Contractor Survey) where the target population was labor contractors. A draft questionnaire was developed and cognitive testing was conducted in Florida and Georgia. The results of this testing indicated that it was not feasible to effectively survey this population (Ott 2018).

As an alternative, NASS explored whether farm and ranch operators could provide enough information on the labor they hired through third-party contractors. Five exploratory interviews were conducted. The purpose of the interviews was to determine whether 1) respondents could provide information on their contract labor and 2) if not, would they be willing to provide their contractors’ contact information. The following report will detail findings from this exploratory research.

## 2. METHODOLOGY

To recruit respondents for this study, 72 operations, who reported contract labor expenses and internet access on the 2012 Census of Agriculture and had responded to NASS surveys via the

web, were identified. Twenty respondents were contacted. Five respondents agreed to participate in the study.

The intent was to conduct the interviews via WebEx. However, it was found that the interviews could be sufficiently conducted over the phone. The interviews took place between July and August 2018. Interviewers used a semi-structured interview guide. In some interviews, the interviewer shared a draft of the Contractor Alternative Agricultural Labor Survey. A copy of the Contractor Alternative Agricultural Labor Survey can be found in the Appendix.

### **3. RESULTS**

#### *Understanding Contract Labor*

Of the five respondents interviewed, three indicated they had “contract labor” and two indicated they did not. The three respondents who indicated they had contract labor understood this term as referring to workers that were hired and paid through a third-party contractor.

One of the respondents who said that she did not have contract labor, indicated that she pays her workers directly. However, these workers are not on her payroll. Instead, she issued them a 1099 at the end of the year.

The second respondent, who indicated that he did not have contract labor, had workers he did not hire and pay directly but rather were hired through a third-party contractor. This respondent did not consider these workers to be contract labor because he did not have a formal contract with the contractor who brings the laborers to his farm. The contractor brings the laborers to the farm. If they are being paid a piece rate, the respondent will track how many pieces each person picks and then will provide cash for each worker to the contractor. If the workers are being paid an hourly rate, the respondent will count the number of workers who come that day, and then provide the contractor the total amount to distribute to the workers. The respondent never hires or pays the workers directly. He negotiates the pay for the work being done ahead of time, but he has no formal contract with the contractor who brings the labor.

#### *Ability to Report Contract Labor*

One respondent, who had contract labor, indicated that she was not knowledgeable enough to provide information on the number of workers, hours worked, and wages paid. She said her farm manager handles this. The respondent was not willing to provide contact information for the farm manager. However, she indicated she would pass along the interviewer’s contact information to the farm manager. The interviewer never received a response from the farm manager.

Two respondents indicated that they only had partial knowledge regarding the contract labor. One respondent knew the total hours worked and total gross wages paid, but she did not know the total number of workers or how much of the total gross wages were overtime or bonus pay. She said if she received this survey in the mail and could not answer the questions, she would call the contractor directly and get the information. Another respondent indicated that he knew

the total boxes picked and the total amount paid to the contractor. However, he did not know the number of workers, hours worked, or wages paid to those workers. This respondent indicated that he would be willing to provide the contact information of his contractor.

The one respondent, who incorrectly indicated that he did not have contract labor, could report number of workers, hours worked (even when workers were paid a piece rate), and wages paid.

#### **4. CONCLUSION**

Respondents had different interpretations of the term “contract labor.” For the purposes of the Agricultural Labor Survey, contract labor is labor that the farm did not hire and pay directly but rather was hired and paid through a third party. One respondent was selected into the sample for the exploratory interviews because she indicated on her 2012 Census of Agriculture form that she had contract labor expenses. However, this respondent interpreted contract labor to mean workers who were not on her payroll but rather were paid as independent contractors and issued a 1099. Another respondent, who hired and paid workers through a third party, did not interpret these workers to be contract labor, as he did not have a formal contract agreement with the contractor. These findings indicate that respondents may have difficulty determining if their workers are contractors when completing any questionnaire asking about contract labor, whether it be the current Agricultural Labor Survey or any new/edited survey.

Respondents, who had contract labor, did not have enough knowledge to report information on the number of workers, hours worked, and wages paid. Only one of the four respondents who had contract labor was able to report all of this information. Additionally, respondents were not always willing to provide NASS their contractors’ contact information.

The findings from this research must be interpreted cautiously as the results are only based on five interviews. During data collection for this project, NASS made the decision to suspend research on collecting data on contract labor. This limited the scope of this research and the conclusions that can be drawn from it. However, based on these five interviews, it does appear that farm operators may not be able to provide sufficient information on their contract labor.

#### **5. RECOMMENDATION**

Do not ask farm operators to report information on their contract labor.

#### **6. REFERENCES**

Ott, Kathy. 2018. *2018 Agricultural Labor Contractor Cognitive Testing Final Report*. Washington, DC: National Agricultural Statistics Service.

## APPENDIX: Questionnaire Used during Testing

## Section 1 – WORKERS HIRED AND PAID BY THIS OPERATION

July 2018

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

1. Did this operation directly hire and pay anyone to do agricultural work the week of July 8<sup>th</sup> through July 14<sup>th</sup>?

INCLUDE:

- Part-time workers, paid family members, and hired managers
- All hired workers regardless of method of pay (salaried, hourly, daily, monthly, piece rate, etc.)
- Workers on paid leave (sick or vacation)

EXCLUDE:

- Contract and custom workers
- Retail workers and “value-added” workers

- 600    <sup>1</sup>☐ Yes [Continue]  
           <sup>3</sup>☐ No    [Go to page 2]  
           <sup>2</sup>☐ Don't Know [Go to page 2]

2. How many workers did you have on payroll to do agricultural work the week of July 8<sup>th</sup> through July 14<sup>th</sup>? .....

TOTAL NUMBER
660

3. In 2018, how many of these total paid workers for that week will be paid by this operation for 150 days or more of work? .....

NUMBER OF WORKERS
700

Office Use Only	599
	<b>7</b>

## Section 1 - WORKERS HIRED AND PAID BY THIS OPERATION (continued)

4. Fill out the table below for the workers hired and paid directly by the operation to do agricultural work the week of July 8<sup>th</sup> through July 14<sup>th</sup>. Report workers who fall under the same worker code on a single line.

- Record each worker only once
- Report only one week of hours and wages for the reference week
- Base wages include the minimum amount paid regardless of method of pay (salaried, hourly, piece rate, etc.) but exclude bonus and overtime pay
- Bonus pay includes performance pay, hazard pay, other regularly paid bonuses, etc. that are paid in addition to the base wages

**INCLUDE:**

- Part-time workers, paid family members, and hired managers
- Workers on paid leave (sick or vacation) (include typical hours and wages for the week)

**EXCLUDE:**

- Contract and custom workers
- Retail workers and “value-added” workers

Enter the Worker Code from Page 3	Number of Paid Workers that week	Total Hours Worked that week	Total Gross Wages Paid that week (Dollars)	How much of the Total Gross Wages Paid that week were....		
				Total Base Wages (Dollars)	Total Bonus Wages (Dollars)	Total Overtime Wages (Dollars)
12	60	3000	\$42,000	\$36,000	\$6,000	\$0
32	2	100	\$1,500	\$1,400	\$0	\$100
12	4	170	\$2,120	\$1,920	\$200	\$0
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	Xxx	Xxx
611	612	613	614	Xxx	Xxx	Xxx

Office Use Only Use – Completion Code - Usability

1 – Incomplete, Has Labor  
2 – Incomplete, Unknown  
3 – No Labor

698



## Worker Code for Sections 1 and 3

Code	Work Hired to Do
<b>FIELD WORKERS</b>	
11	<b>Agricultural Equipment Operators - Crop, Nursery and Greenhouse:</b> Drive and control farm equipment to till soil and to plant, cultivate, and harvest crops.
12	<b>Farmworkers - Crop, Nursery and Greenhouse:</b> Manually plant, cultivate, and harvest vegetables, fruits, nuts, horticultural specialties, field crops, Christmas trees and short rotation woody crops. Use hand tools, such as shovels, trowels, hoes, tampers, pruning hooks, shears, and knives. Duties may include tilling soil and applying fertilizers; transplanting, weeding, thinning, or pruning crops; applying pesticides; or cleaning, grading, sorting, packing, and loading harvested products. May construct trellises, repair fences and farm buildings, or participate in irrigation activities.
13	<b>Graders And Sorters - Crop, Nursery and Greenhouse Products:</b> Grade, sort, or classify agricultural crops by size, weight, color or condition.
14	<b>Hand Packers And Packagers - Crop, Nursery and Greenhouse Products:</b> Pack or package by hand a wide variety of products and materials.
15	<b>All Other Field Workers:</b> All agricultural workers working with crops, nursery or greenhouse products not included in codes 11-14.
<b>LIVESTOCK WORKERS</b>	
20	<b>Agricultural Equipment Operators – Farm, Ranch, and Aquacultural Animals:</b> Drive and control heavy farm equipment while attending to live farm, ranch, or aquacultural animals and in harvest of unprocessed animal products.
21	<b>Farmworkers - Farm, Ranch, and Aquacultural Animals:</b> Attend to live farm, ranch, or aquacultural animals including cattle, sheep, swine, goats, horses and other equines, poultry, finfish, shellfish, and bees. Duties may include feeding, watering, herding, milking, grazing, castrating, branding, de-beaking, weighing, catching, and loading animals. May conduct simple exams; maintain records; assist in births; and administer medications, vaccinations, or insecticides. May clean and maintain animal housing areas.
22	<b>Graders And Sorters - Farm, Ranch, and Aquacultural Animal Products:</b> Grade, sort, or classify unprocessed food and other agricultural products by size, weight, color, or condition.
23	<b>Hand Packers And Packagers - Farm, Ranch and Aquacultural Animal Products:</b> Pack or package by hand a wide variety of products and materials.
24	<b>All Other Livestock Workers:</b> All agricultural workers working with farm, ranch and aquacultural animals or products not included in codes 20 – 23.
<b>SUPERVISORS</b>	
31	<b>Farmers, Ranchers and Other Agricultural Managers:</b> Plan, direct, or coordinate the management or operation of farms, ranches, greenhouses, aquacultural operations, nurseries, tree farms, or other agricultural establishments.
32	<b>First-Line Supervisors of Farm Workers:</b> Directly supervise and coordinate the activities of agricultural, aquacultural, and related workers.
<b>OTHER WORKERS</b>	
41	<b>Agricultural Inspectors:</b> Inspect agricultural commodities, processing equipment and facilities, and aquacultural operations, to ensure compliance with regulations and laws governing health, quality, and safety.
42	<b>Animal Breeders:</b> Select and breed animals according to their genealogy, characteristics, and offspring.
43	<b>Pesticide Handlers and Sprayers:</b> Mix or apply pesticides, herbicides, fungicides, or insecticides through sprays, dusts, vapors, soil incorporation, or chemical application to all crops including nursery and greenhouse products and facilities, and livestock, and livestock facilities. Usually requires specific training and state or federal certification. Excludes pilots who dust or spray crops from aircraft.
44	<b>Any Other Worker Not Listed Above:</b> Including, but not limited to, mechanics, shop workers, truck drivers, accountants, bookkeepers, office workers. Excluding contract & custom workers, retail workers, and "value-added" workers.

## Section 2 - WORKERS HIRED AND PAID BY THIS OPERATION IN 2018

1. During 2018, what was or will be the largest number of hired workers on the payroll on any one day?  
Only include those workers that were directly hired and paid by the farm operation.

INCLUDE:

- Part-time workers, paid family members, and hired managers
- All hired workers regardless of method of pay (salaried, hourly, daily, monthly, piece rate etc.)
- Workers on paid leave (sick or vacation)

EXCLUDE:

- Contract and custom workers
- Retail workers and "value-added" workers

None

.....278.....3

Largest Number of Workers in 2018
277

2. During 2018, did or will this operation directly hire and pay any H-2A temporary agricultural workers?

*The H-2A program allows agricultural employers who anticipate a shortage of domestic workers to bring nonimmigrant foreign workers to the U.S. to perform agricultural labor or services of a temporary or seasonal nature.*

- 279    <sub>1</sub> ☐ Yes
- <sub>3</sub> ☐ No
- <sub>2</sub> ☐ Don't Know

### Section 3 – CONTRACT LABOR

July 2018

S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

1. Did this operation have any contract labor do agricultural work the week of July 8<sup>th</sup> through July 14<sup>th</sup>? Contract labor includes labor that hired and paid through a third party.

INCLUDE:

- Full and part-time contract workers

EXCLUDE:

- Workers directly hired and paid by the operation

- 600    <sup>1</sup>☐ Yes [Continue]  
<sup>3</sup>☐ No    [Go to page 6]  
<sup>2</sup>☐ Don't Know [Go to page 6]

2. How many contract workers were paid to do agricultural work the week of July 8<sup>th</sup> through July 14<sup>th</sup>?

TOTAL NUMBER
660

3. In 2018, how many of these contract workers paid that week will be paid by this operation for 150 days or more of work? .....

NUMBER OF WORKERS
700

Office Use Only	599
	<b>7</b>

### Section 3 – CONTRACT LABOR (continued)

4. Fill out the table below for the workers paid by a contractor to do agricultural work the week of July 8<sup>th</sup> through July 14<sup>th</sup>. Report workers who fall under the same worker code on a single line.

- Record each worker only once
- Report only one week of hours and wages for the reference week
- Base wages include the minimum amount paid regardless of method of pay (salaried, hourly, piece rate, etc.) but exclude bonus and overtime pay
- Bonus pay includes performance pay, hazard pay, other regularly paid bonuses, etc. that are paid in addition to the base wages

**INCLUDE:**

- Full and part-time workers

**EXCLUDE:**

- Workers directly hired and paid by the operation

Enter the Worker Code from Page 3	Number of Paid Workers that week	Total Hours Worked that week	Total Gross Wages Paid that week (Dollars)	How much of the Total Gross Wages Paid that week were....		
				Total Base Wages (Dollars)	Total Bonus Wages (Dollars)	Total Overtime Wages (Dollars)
12	60	3000	\$42,000	\$36,000	\$6,000	\$0
32	2	100	\$1,500	\$1,400	\$0	\$100
12	4	170	\$2,120	\$1,920	\$200	\$0
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	xxx	xxx
611	612	613	614	Xxx	Xxx	Xxx
611	612	613	614	Xxx	Xxx	Xxx

Office Use Only Use – Completion Code - Usability

1 – Incomplete, Has Labor  
2 – Incomplete, Unknown  
3 – No Labor

698

## Section 4 - CONTRACT LABOR IN 2018

1. During 2018, what was or will be the largest number of contract workers who performed agricultural work on your operation on any one day? Only include workers that hired and paid through a third party contractor.

INCLUDE:

- Full and part-time workers

EXCLUDE:

- Workers directly hired and paid by the operation

.....

None  
.....278.....3 ☐

**Largest Number of  
Contract Workers  
in 2018**

277

2. During 2018, did or will this operation have any H-2A temporary agricultural workers hired through a contractor?

*The H-2A program allows agricultural employers who anticipate a shortage of domestic workers to bring nonimmigrant foreign workers to the U.S. to perform agricultural labor or services of a temporary or seasonal nature.*

- 279    1 ☐ Yes  
          3 ☐ No  
          2 ☐ Don't Know