



## The new world of on-the-farm labor

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How the ag industry is considering unique job benefits, automation and digital skills training amidst an ongoing labor shortage

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*As part of our annual Agricultural Symposium, we dove into the real-world application of the research to be presented through stories like this. [Learn more about the Symposium.](#)*

By Su Bacon

Cattle aren't just livestock on Jeff Lakner's farm in South Dakota.

They may also be perks.

Cattle in his 420 head of Simmental and Angus are part of a benefits package offered along with competitive wages, health insurance and a retirement plan.

Lakner describes it as a "mini profit-sharing plan."

The plan allows employees to buy cattle from Lakner's herd and co-mingle them on the Lakner Farms pasture. Using Lakner's equipment and land, these employees can earn a side income and grow their business to a certain level.

After reaching that level, employees may expand on their own but usually choose to stay on the farm, Lakner said.

Lakner, 65, operates a fourth-generation grain and livestock farm of 5,200 acres in central South Dakota. He is a panelist participating in the [Federal Reserve Bank of Kansas City's annual Agricultural Symposium](#) titled "Help Wanted in Agriculture." The 2022 symposium explores the role of labor in determining the long-term outlook for agriculture and related businesses, how policies will shape that outlook, and the potential for structural change.

Lakner, who has been involved in agriculture for some 40 years, acknowledges that the labor shortage in agriculture is real: "There simply isn't a ready supply of available workers anymore."

Farm owners like Lakner are finding new ways to attract workers. They're increasing wages and offering such incentives as childcare, community college tuition for an employees' children and health care onsite.

By all accounts, the labor shortage isn't new. The labor supply has been dwindling for some time.

"The problem was exacerbated by COVID," said Thomas Coon, vice president of the Division of Agricultural Sciences and Natural Resources at Oklahoma State University.

Coon referred to a Purdue University study in 2015 that estimated 40% of new agriculture jobs were unfilled every year. A recent study projected 59,400 job openings annually from 2020 to 2025.

## **Competition for a limited labor supply**

What are the former farm workers doing? Many are building houses, planting lawns, or serving food.

"With the recent housing boom, construction and landscaping are now competing with farmers for the labor supply," said Diane Charlton Thronson, assistant professor in the Department of Agricultural Economics and Economics at Montana State University.

Thronson, a speaker at the symposium, is investigating the impacts of the housing demand on labor.

Another solution to the farm labor shortage is the federal H-2A program.

"Recruitment in the H-2A program grew 450% from 2001 to 2019," Thronson said.

The program allows U.S. employers to bring foreign workers into the country to fill temporary agriculture jobs.

"Historically, H-2A has not been a very popular program," she said.

Many find the paperwork cumbersome and the expense, estimated to be as much as \$10,000 a worker, prohibitive.

"Immigrants are an essential part of the workforce," said A.G. Kawamura, who owns Orange County Produce with his brother.

"Yet, H-2A is an unwieldy, difficult program for American producers."

## **Automation filling labor gaps**

Kawamura, a symposium panelist, and his brother grow green beans and butternut squash on 600 acres of leased land.

Without workers to hire, Kawamura and others are turning to automation.

In 2019, 250 of Kawamura's employees were hand-picking 500 acres of green beans. In 2020, 200 hand-pickers were replaced by five harvest machines. Fifty employees were retained.

"The competition for wages is the tightest we've ever seen," Kawamura said. "We couldn't compete for hand-pickers."

## **The future of ag is digital**

The future of food and agriculture is digital, said Shari Rogge-Fidler, president and chief executive officer of the Farm Foundation, a national nonprofit dedicated to solving challenges facing farmers and agriculture as a whole.

The Farm Foundation is building an innovation and education center to prepare learners for a future in agriculture. The center is north of Chicago O'Hare International Airport and is expected to open in 2023.

Rogge-Fidler describes the center as "a high-tech facility on a small, 12-acre farm." Learners can study regenerative agriculture in a classroom, for example, and then go outdoors to connect what they've seen in the textbook to what they see in the topsoil.

## **Education and training may be key**

The labor shortfall includes not only front-line workers in fields and processing plants but also higher-level jobs in management.

To meet the need for a new set of skills in agriculture, Oklahoma State added an Agriculture Systems Technology degree. Students study soil, plant and animal sciences, business management practices and how to use electronic sensors, information systems and other technology in agriculture.

Automation may ease the physical demands on workers with machines that do the heavy lifting. But automation won't eliminate the need for a mind behind the machine.

"One response to the labor shortage is to automate more," Coon said. "But if robots are milking the cows, you'll still need someone to manage the robots -- and the cows."

Thronson shares that sentiment.

"We need to educate and train the workforce who will be working alongside the robots," she said.

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nationally. One way is through the Kansas City Fed's Agricultural Symposium, which explores topics of current and emerging significance to agriculture. [Learn more.](#)

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## Media

Jeff Lakner, CEO of Lakner Farms, LLC, discusses the importance of building a pipeline of future farm workers. Lakner spoke at the Kansas City Fed's 2022 Agricultural Symposium: Help Wanted in Agriculture. <https://www.youtube.com/watch?v=7Xaym4wPSPU&list;=PLRuFDIAZCtQ14rSkVyrgbeehflRgwq2wa&index;=5>

Shari Rogge-Fidler, President and Chief Executive Officer of the Farm Foundation, discusses what makes her hopeful about the future of agriculture. Rogge-Fidler spoke at a the Kansas City Fed's 2022 Agricultural Symposium: Help Wanted in Agriculture. [https://www.youtube.com/watch?v=xdDrT7ZsP\\_g&list;=PLRuFDIAZCtQ14rSkVyrgbeehflRgwq2wa&index;=4](https://www.youtube.com/watch?v=xdDrT7ZsP_g&list;=PLRuFDIAZCtQ14rSkVyrgbeehflRgwq2wa&index;=4)