



Mud to Money:
Lessons From 15 Leading
WNC Local Food Farms

FARM LABOR

Labor is the single largest cost and concern identified by WNC local farms.

The *Mud to Money Series* by Mountain BizWorks explores farm business and financial management best practices identified from in depth interviews with 15 established WNC vegetable farmers.

Mud to Money Chapters:

- o Introduction & Acknowledgements
- o Farm Goals
- o Financials Part 1: Systems & Tools
- o Financials Part 2: Approaches & Lessons Learned
- o Farm Labor
- o Advice for the Next Generation

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Introduction: Farm Labor - A Key Cost and Core Concern

Labor is the single largest cost, and largest source of ongoing concern, for almost every farmer interviewed in this study. As one farmer put it, “Labor is going to be the biggest issue and the biggest danger for farmers in the coming years.”

Labor was not initially intended to be a standalone part of this study; only one of the questions we asked participants was about labor. We asked farmers, “Who works on your farm? What kind of labor do you use – owners, family, interns, ‘WWOOFers’, paid farm workers and laborers?”

On review of the results from the 15 farms interviewed, it was clear that labor needed its own chapter, diving into the struggles, concerns, and ideas about labor that farmers shared during their interviews.

The small farms interviewed predominantly relied on apprentices, interns, work-trade, and similar sources of farm labor to supplement the labor of the farm owner/operators, with limited numbers of hourly employees. Larger farms (over 12 acres) relied much more on hourly employees and contract laborers. Both types of farms expressed considerable alarm on how difficult it was to find, recruit, and retain reliable farm laborers, from apprentices to H2A workers and everything in between.

Large farms have the capacity to place sizeable bets on a given crop, but the lack of labor available to pick crops in an otherwise good year can lead to painful losses as crops sit in the field and go to waste. Two different farmers interviewed in the study recently lost \$125,000 and \$150,000 respectively in un-picked product due to labor shortages. That represents the difference between a banner year that erases debt and sets them up for future success, and a year that barely breaks even, or even loses money.

Larger farmers must take larger risks, investing big sums of money (for example, \$10,000 per acre to plant, grow, and tend tomatoes) with the hope of great returns in a good year. Losing hundreds of thousands of



dollars because the crops simply can't get picked in time means that a good bet and good luck are squandered, and a farm might not get another such opportunity for several more years. Moreover, larger farms often produce on contract for wholesale buyers like grocery chains, hospitals, and restaurant groups; when they can't deliver product, those contracts may be lost, and reputations damaged.

Small farmers generally have more diverse farms, and less drastic consequences for a missed harvest. However, labor shortages on small farms can also ruin a business, and put great strain on the farmer and their relationships.

Speaking of relationships, we would be remiss not to mention just how important friends and family are to many farms in WNC, small and large alike. Without their help in the field, in the packing house, in the farm-stand, and with key investments at various points along the way, many of the farms we spoke with could never have gotten to where they are today.

Interns and Apprentices

Mounting Costs

While many of the small farms utilize apprentices and interns for much of their farm labor – people who get part of their payment for their work in the form of education and mentorship – these laborers still require a significant amount of money. While apprentice wages are generally low, there are living stipends, food stipends, housing requirements, and other expenses that add up. In the words of one small farmer, “It’s like another mortgage every month.”

Sizeable Investments in Training and Mentoring

Training new workers every year costs substantial time and money, and many small farmers note that they primarily bring on apprentices because they believe that there’s an intrinsic value to teaching someone. Great farm apprentice/internship programs, “support [apprentices] in learning and growing in the areas they’re interested in, provide mentorship such as with regular check-ins, and overall provide a deeper exchange than just ‘you work, we give you money.’”

For many farmers that have apprentices, this value is a core part of why they farm: “We have always valued education and teaching young farmers. Despite the challenges, we value passing on knowledge and have maintained this.” This even influences how these farmers view their own learning, “We have a goal of becoming better managers, so that we can train managers.”

At the same time, as one farmer noted, “As you get older, sometimes you just want stuff to get done.” This is why many small farmers pay more for experienced laborers, strive to bring people back for



multiple years (some are exploring incentive packages to ensure talented people return season after season), and ensure that their teams include some experienced, committed workers.

Recruitment Difficulties

In addition, finding and recruiting apprentices and interns is more difficult in WNC than in some other farming hotspots in the state and around the country. One farmer noted that the Chapel Hill area, for example, has “an almost limitless supply of students and others who are excited to work on a farm, and even a hierarchy of farms that people graduate up through; that is not the case here.” Other farmers who have moved their businesses from other locations such as the Northeast noted similar disparities between WNC’s intern/apprentice labor pool and that of the places they first learned to farm in, even at farms close to WNC’s regional universities.

These labor pool difficulties are particularly pronounced in the more rural areas. As one farmer noted, “None of the people who work on our farm live here [in WNC]. When hiring nationally, it can be tough to recruit someone to a remote rural county.” Another rural farmer noted, “We have struggled with labor pretty consistently and couldn’t find apprentices for three years. We don’t have the magic answer yet.”

Regional Struggles with Hiring

Both small and large farmers alike seemed to have a hard time finding solid, reliable local labor to work in their farming operations. As one large farmer noted, “I have hired 65 locals that haven’t worked out since 2012.” Another farmer several counties away had a similar tale, noting that, “We always hire people who walk on our farm and want a job, but we’ve only had 1 guy who was solid, and wasn’t a contract laborer of some sort.”

While some farmers seemed to be more able to find local workers, the majority of farms surveyed noted that finding good local labor is hard, even at solid wage rates.

And those local laborers that are reliable and talented are at a premium. “People aren’t beating down the door for farm jobs, even at \$10-12 per hour (we pay \$16 per hour for crew leaders and have to keep them if we possibly can as it takes years of training).”

Farmers are Trying to Hire More People Year-Round

Despite the barriers to finding reliable local labor, many farmers are working hard to try and make farming a quality, full-time, steady job both for themselves and for their workers. As one farmer put it, “We need to get cash flow in through the off-season to keep people employed. We have a great crew right now and want to keep them on, keep cash flow moving, and keep the heart of the farm pumping.”



This also means that farmers are working hard to think about how they'll keep their laborers employed for as long as possible, and give them a sense of steady work opportunities. A need to keep laborers on is even driving some farmers to try and find ways to employ people year-round as opposed to seasonally, as the chances of losing someone are much higher when they have to work other jobs in the off-season.

There are some crews and some locals who have found ways for farm labor to be a year-round job: "We have a few locals who work year-round for different farms in the area. They prune apples in winter and are then back in our greenhouses in February." Figuring out ways for more locals to have year-round income on farms could be an innovative answer to the ongoing challenge of finding workers during the farm season.

Specific Challenges Reported

Below are some examples of the barriers that farmers reported facing in finding and hiring local labor.

Specialization and Skilled Labor Requirements

- "Farm work is very specialized when it comes to knowing what you're doing; caring for plants, pruning, stringing, et cetera."
- "Labor on the farm is skilled. It requires people to know a little about equipment and agriculture, and also requires people who are willing to brave the elements."
- "Equipment operators are especially getting harder and harder to find."

Seasonality of Work and Variability of Labor Output

- "Labor costs per output are highly dependent on crop quality – a laborer could pick a case of tomatoes or 4 cases in an hour, depending on how good the crop is."
- "Sometimes we need a lot of labor, other times our crops pretty much maintain themselves."

Transportation

- "Many locals that expressed interest in farm work don't have a driver's license."

Despite Relatively High Wages, Farmers are Struggling to Find Workers

Farmers are struggling to find good quality, consistent local hourly laborers. This raises several questions about why this is so.

Getting Past Historical Perceptions of Farm Work

One potential problem in how farm labor is perceived by local people, potentially based on the experiences of past eras of farm work. While farm labor has an old reputation as low-paying work, no farmer we talked to hired hourly labor for less than \$10 per hour, and many ranged between \$12-15



per hour, with crew leaders and other trained staff getting additional incentives. In the highly rural regions where many of the farms we interviewed are located, these are solid wages (especially given likely overtime). In addition, farmers are much more attentive to the comfort and well-being of their workers than was the case in some earlier eras. Bridging the gap between past perceptions of farm labor and the modern reality on many local farms, is a significant regional challenge.

Are Farmers Paying Enough for Skilled Labor?

While \$10-15 per hour felt like good wages to the farmers we spoke with, the prevailing average wage rates in most WNC counties range from \$14 to \$19 per hour (source: Quarterly Census of Employment & Wages, NC Department of Commerce). Within NC's [Western Region Prosperity Zone](#), comprised of the 13 western-most counties (and including the Asheville MSA), average wages are \$17.63 per hour. Wages are slightly lower overall in the High Country and Foothills regions (represented in NC's [Northwestern Region Prosperity Zone](#)), averaging \$17.22 per hour, and even the lowest-paid county had an average wage of \$13.62 per hour.

As noted, many of the farms interviewed characterize their positions as skilled labor. Given WNC's relatively low unemployment rates, ranging from 3.5% in Buncombe County to a high of 7% in Graham County (source: 2017 Local Area Unemployment Statistics, NC Department of Commerce), it may be that farm wages are too low to attract and retain the skilled, reliable workers that farmers are looking for.

Raising wages for farm labor is a difficult subject. Many farmers do not even pay themselves the average wage rates quoted above (especially considering the long hours they work.) Also, increases in labor prices may make some crops uneconomical to grow and harvest, or at least force farmers to price them significantly higher than current standards.

H2A Labor is Not Working Well for Mountain Farms

Migrant and contract farm workers, long a backbone of the US farm economy, are increasingly difficult for WNC farmers (and according to recent reports, farmers across the country) to find and hire. This includes foreign farm workers on H2A visas brought in by labor services and contracted out to the farm. An H2A visa is a temporary work visa for foreign agricultural workers with a job offer for seasonal agricultural work in the US. The challenges that farmers noted around these key temporary laborers are laid out below.

Lack of Farm Labor Service Companies in WNC

An economic leakage analysis study of the Asheville-area economy conducted by Mountain BizWorks found that a key missing link in the region's agricultural value chain is a local farm labor service establishments. This missing component has been borne out throughout the study interviews:



“There is a real, clear demand for good companies to bring in farm labor – locals or H2A, we want to hire local people to work here, but it hardly ever seems to happen.”

“I’m concerned that all of those programs (contract labor companies) in NC are in the Eastern part of the state, and half of them are corrupt, taking huge middleman fees.”

“H2A labor has been at least 3 weeks late every year, at best.”

“H2A program didn't work for us. It was hard to interview. They arrived late, etc.”

“H2A does not work here in WNC.”

As such, it seems as though there is a clear value chain gap for effective, reliable contract labor, run by a locally owned and operated enterprise.

Policy Improvements for Agricultural Guest Labor

As one large farmer we spoke with said, “We need a good legal guest-worker program for farmers. We don’t want to throw H2A out as an example; we need programs that would work for us and our diversity here in WNC - a guest-worker program that works for both small and large farmers.”

“Look at the work that Farm Bureau is doing; they’ve come out with some official statements that I’d refer you to. We just need to advocate and educate our leadership, policymakers and lawmakers, help them understand how important it is for the agricultural economy that we have a good, legal, and safe workforce. I don’t know that there is any 100 percent right answer by itself.”

Another farmer echoed this last piece, noting that an effective agricultural guest worker program would “have to look at each region, each crop, and be clear about what their needs are.”

Guest Worker Housing

“Farm housing is expensive and difficult – when we had H2A guest workers come recently, we had to rent trailers for them to live in, and that’s very expensive. This year we hope to put up two trailers and a bathhouse for them to live in. Fortunately, I’m married to an engineer/builder/fixer/electrical person who can make that all work.”

Ingrained racial perceptions also factor into the housing challenge. As one farmer noted, “It’s very hard to get housing for people. One landlord nearby said ‘I don’t rent to Mexicans.’ This guy was willing to lose that income because he didn’t want to give migrant farm workers a place to live. This was a good crew that we knew, that we as a business were going to vouch for and pay housing for.”

The cost of doing nothing regarding the farm labor situation is painfully clear: in Western North Carolina, 2 of the 15 farms we spoke with lost well over \$100,000 of income each (a sizeable portion



of their revenues) during what should have been banner, debt-erasing, life-changing years, because they could not find workers to pick the crops that ended up rotting in their fields.

Big Ideas and Research Opportunities

Research and Program Development Opportunities

Help Local Entrepreneurs Start or Grow Farm Labor Service Businesses

Identify specific best practices in farm labor services (using local and/or migrant labor), and assist regional entrepreneur(s) to provide those services in the right way – equitable, profitable, etc. As one farmer put it, “There is a real, clear demand for good companies to bring in farm labor – locals or H2A, we want to hire local people to work here, but it hardly ever seems to happen. We average \$13 per hour for all of our crews if not more, but it’s still hard to get labor.”

Guest-Worker Housing Policy Improvement

Review USDA-RD funding programs around farmworker housing, see what might be done to address farm-worker housing issues. As one farmer said, “The housing problem is awful. USDA should be building houses specifically around major farming areas for workplace housing. USDA-RD has some cost-share programs for housing, but you have to put down so much money to begin with, that you’ve got to be a rich person to make it work.”

Address Barriers to Hiring Locals

Determine what barriers are preventing capable locals and others that could relocate here from applying for farm jobs, and how we can address those barriers. This includes needing to better understand the wage rate that would effectively attract and retain skilled farmworkers, without pricing that labor above what farmers can actually afford to pay given their products’ prices. Wage changes might address some of this issue, but overall labor availability is also a key problem. Are there pools of capable, reliable laborers that farmers have not yet tapped into?

Rural Transportation Opportunities

Transportation to/from farm seems to be a barrier in some rural communities (potential farm laborers not having a driver’s license) – how might this be addressed? Could shared transportation be arranged?



Big Ideas

Help Farmers Farm Year-Round

Assisting farmers with figuring out how to offer more year-round opportunities that would help keep farm laborers on payroll longer, so that farmers don't lose them in the off season (and so that these workers can have a consistent income throughout the year). This might entail multiple farms and agricultural enterprises cooperating to fill the year, or even to fill a day or week to keep a crew around. For example, the same crew will harvest greens in the morning at Farm X, and pick squash in the afternoon at Farm Z. This last idea comes out of an interview with a large farmer, who noted that his crop planning "...works mostly on a basis of, 'what do I sell into a wholesale market that's going to have the best return on cost, balanced on what's needed for crop rotation, and on keeping my employees and crew fairly steadily busy throughout the season?' For example, I need to have squash as well as greens in the mid-summer; labor needs squash to pick during the heat of the day, when we can't harvest greens."

Look at Alternative Sources of Labor

One small farm is contracting out their bed creation, bed prep, and planting to a landscaping company. "Commercial landscape companies are experts at planting... what we're doing isn't ornamentals, but the skill set is the same as landscaping, so many of the skills are completely transferrable. For example, our walking rows get maintained with a weed-eater."

Help farmers identify key labor-saving technology/infrastructure investments

Especially if finding and keeping solid workers continues to be a problem for WNC farmers, regional technical assistance organizations have to look for ways to bring some of the technological advances happening in farming right now to the region's farmers. Farm labor shortages in places like California are already leading to increasing mechanization and automation of many traditional farm tasks. For all the dystopian buttons this pushes in a society increasingly aware of the job impacts that AI and automation may have in the coming years, it is also critical that WNC's farms don't fall behind the technological curve, and miss out on truly transformative opportunities.

Connect farmers and apprentices around best practices

It's clear that the quality and quantity of the work that farms get out of apprentices and interns' labor varies widely from farm to farm. A network of small farmers helping to teach one another about apprentice/intern labor best practices might be a powerful tool for increasing the success of small farms in WNC, and narrowing these gaps. Similarly, a network of farm apprentices in WNC, even something as simple as a few regional farm apprentice get-togethers during and after the farming season, might be a great way to help the next generation of WNC farmers grow and learn. There are



organizations working in this area, and high potential for increased impact with better collaboration across the region.

Conclusion

Labor is one of farming's most important areas for focus, investment, and improvement. A concerted effort among farmers and assistance providers is required to address the labor shortage on farms in the region. WNC's farmers have ideas for ways to address the issue. The question now is – who will lead the efforts to test these solutions, and what partnerships might emerge to help spread and scale the pilot programs that do work?