

LIVESTOCK FARMS' EMPLOYMENT OF DOMESTIC AND FOREIGN WORKERS

Farm Labor Complement Profiles

Based on the labor distribution summary in Table 1, livestock farm operations are generally less labor-intensive as more than half of the respondents (57.14 and 61.41 percent) have no more than 2 full-time and part-time employees, respectively. Notably, more than 30 percent of the respondents reported not hiring any full-time and part-time employees.

The calculated mean work time for our respondents' seasonal (part-time) livestock workers is 20.20 hours per week. About 45 percent of workers are employed for 16 to 30 hours per week (Table 2). About 28 percent of the workers work for 10 hours and less per week. Only 6.8 percent work for more than 40 hours per week.

Majority of the respondents (73.54 percent) did not experience hiring difficulty to meet their farms' labor needs. Among those that disclosed otherwise, their challenges lie in their domestic hiring decisions (14.01 percent). Among this subset of farms with hiring issues, 59.71 percent disclosed that their worker recruitment and hiring issues began during the pre-pandemic period. About 30 percent of these farms reported experiencing hiring challenges since the pandemic period.

Table 1. Size Distribution of Full-Time and Part-Time Livestock Workers

Number of Workers	Full Time		Part-time/ Seasonal	
	Frequency (Farms)	Percent	Frequency (Farms)	Percent
0 (None)	118	30.65	144	33.41
1-2	102	26.49	125	29.00
3-5	89	23.12	113	26.22
6-10	31	8.05	41	9.51
11-20	29	7.53	6	1.39
21-50	13	3.38	2	0.46
>50	3	0.78	0	0
Total	385	100.00	431	100.00

Table 2. Distribution of Weekly Work Hours of Seasonal (Part-Time) Workers

Work Hours Per Week	Frequency (Farms)	Percent	Cumulative
0 – 5	36	12.24	12.24
6 – 10	47	15.99	28.23
11 – 15	37	12.59	40.82
16 – 20	66	22.45	63.27
21 – 30	68	23.13	86.39
30 – 40	20	6.80	93.20
>40	20	6.80	100.00
Total	294	100.00	

Employee Retention, New Hires, Training, and Recruitment Strategies

Work tenure in livestock farms seems to be longer than probably realized in other industries in the farm sector. Table 3 provides information on the retention rates in our respondent livestock farms as well as trends in accommodating new hires into the operations. Statistics indicate that more than half of the farms (53.48 percent) experience employee retention rates of more than 75 percent, with only about 33 percent dealing with retention rates of 50 percent and below. On the other hand, more than 80% of the farms hire new workers comprising 25% or less of their existing workforce. Only about 8 percent accommodate new hires accounting for more than 50% of their labor complement.

Table 3. Worker Retention and New Hiring Decisions of Livestock Farms

Proportion of Existing Workforce	Frequency	Percent	Cumulative
WORKER RETENTION			
0-25%	123	29.50	29.50
26%-50%	15	3.60	33.09
51%-75%	56	13.43	46.52
76%-100%	223	53.48	100.00
Total	417	100.00	
NEW HIRES			
0-25%	336	81.36	81.36
26%-50%	43	10.41	91.77
51%-75%	20	4.84	96.61
76%-100%	14	3.39	100.00
Total	413	100.00	

More than 30 percent of the farms **CONSTANTLY** provide training to their workers while 28 percent **NEVER** provide any workers' training benefits. About 16 percent of the farms provide training for their workers only upon their hiring.

When farms need additional workers, the respondents' most popular recruitment strategies are (in order of preference):

- 1) Increase (or offer) higher wages
- 2) Maximize family members' involvement in farm work operations
- 3) Downward adjustment in skill level to accommodate more potential work applicants
- 4) Offer additional fringe benefits to workers.

Reliance on Domestic and Foreign Workers

Two-thirds of this survey's livestock farm respondents rely on domestic residents for their labor requirements. Based on the employment size distribution in Table 4, among farms that rely

heavily on domestic labor, 40% of these farms employ at most two workers, with another 39 percent hiring 3 to 6 workers. Among farms with foreign workers, the comparable hiring rates are 23 and 45 percent, respectively.

Table 4. Size Distribution of Domestic and Foreign Employment in Livestock Farms

Number of Workers	Domestic (Citizens and Green Card Holders)		Foreign (Working Visa Holders and Others)	
	Frequency	Percent	Frequency	Percent
1-2	116	40.14	22	22.68
3-4	73	25.26	32	32.99
5-6	41	14.19	12	12.37
7-8	20	6.92	4	4.12
9-10	12	4.15	5	5.15
11-20	18	6.23	13	13.40
>20	9	3.11	9	9.28
Total	289	100.00	97	100.00

In terms of work positions, 200 respondents hire an average of 3 skilled domestic workers; 144 farms hire an average of 3 unskilled domestic workers; 102 farms hire about 2 domestic workers at supervisory positions (Table 5). As for foreign workers, 39 farms hire about 2 of them at supervisory positions, 5 at skilled job positions while about 7 workers on average are hired as unskilled workers.

Table 5. Farm Work Positions for Domestic and Foreign Farm Workers

Job Position	Number of Farm Employers	Mean	Standard Deviation	Minimum	Maximum
DOMESTIC WORKERS					
Supervisory	102	1.804	1.169	1	6
Skilled labor	200	3.085	3.789	1	29
Unskilled labor	144	2.909	4.633	1	50
FOREIGN WORKERS					
Supervisory	39	1.923	1.243	1	6
Skilled labor	68	5.044	6.055	1	38
Unskilled labor	66	6.803	8.265	1	38

Table 6 presents the farm employers' assessment of their domestic and foreign workers according to these employees' availability (promptness and being at farm business' disposal when needed), loyalty (employee retention until end of work contract, which is crucial to business operating continuity), affordability (factoring in costs, including hiring contingency costs and compensation packages), flexibility (willingness to do a variety of tasks), and work productivity (any gaps in expected and realized workers' output productivity). A comparative analysis of the respondents' assessments reveals the following trends:

- Foreign workers can be relied on more for their advantages over domestic workers in terms of availability, flexibility, and work productivity. Specifically,
 - More than 46 percent of the respondents gave the best convenience rating (5) to foreign workers, compared to only 32.13 percent for domestic workers. The combined percentage of 4 (high convenience) and 5 (highest convenience) for foreign workers is 83.18 percent while the comparable figure for domestic workers is only 51.62 percent. This validates farmers' usual favorable impression of their foreign workers as prompt, disciplined employees.
 - Farm employers also rate their foreign workers highly on their reliability and flexibility as these workers are usually willing to perform a variety of tasks. More than 76 percent of the respondents give foreign workers the two highest convenience ratings, with only about 61 percent giving the same ratings to domestic workers.
 - More than 71 percent of farm employers cite foreign workers (with "convenience" ratings of 4 or 5) for providing them with work productivity levels that exceeded expected rates. Domestic workers receive the same ratings only among 57 percent of the respondents. Several empirical works validate this result as they contend that overall gains from foreign workers' remarkably higher productivity levels often rationalize their continued employment, despite the increasing costs of hiring foreign labor.
- On the other hand, the advantage of hiring domestic workers lies in these workers' loyalty and affordability. Specifically,
 - Domestic workers' highest loyalty rating is given by 43.91 percent of the respondents, while only 37.84 percent of the farmers give the same rating to foreign workers. This is an interesting result for livestock farms as other studies establish that domestic workers' retention is a serious issue among crop farms. It is possible that local workers find that work in livestock operations could be less tenuous and risky than in crop farms.
 - Domestic workers are more affordable than foreign workers. More than 30 percent of the farmers provide the highest affordability convenience rating for domestic workers while foreign workers are given the same rating by 21.43 percent of the respondents. Possibly, responses pertaining to foreign labor employment are mostly influenced by H-2A employment experiences. Existing program provisions regulating H-2A wages and the mandatory provision of several fringe benefits indeed make the H-2A employment alternative as relatively more expensive than hiring domestic workers.

Table 6. Assessment of Hiring Convenience and Benefits Realized for Domestic and Foreign Workers
(Five-Level Convenience Rating where 5 is the most convenient and 1 is the least convenient)

Convenience Level	Availability (willingness to work, including promptness)		Loyalty (staying on the job until the end of contract)		Affordability (expectations of hourly wage)		Flexibility (willingness to do a variety of task)		Work productivity (gap between expected and actual productivity)	
	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
DOMESTIC WORKERS										
1	52	18.77	34	12.55	33	12.00	31	11.11	22	8.15
2	33	11.91	18	6.64	33	12.00	31	11.11	33	12.22
3	49	17.69	34	12.55	62	22.55	46	16.49	60	22.22
4	54	19.49	66	24.35	64	23.27	70	25.09	88	32.59
5	89	32.13	119	43.91	83	30.18	101	36.20	67	24.81
Total	277	100.00	271	100.00	275	100.00	279	100.00	270	100.00
FOREIGN WORKERS										
1	7	6.19	9	8.11	5	4.46	7	6.14	5	4.46
2	2	1.77	4	3.60	8	7.14	6	5.26	7	6.25
3	10	8.85	18	16.22	31	27.68	14	12.28	21	18.75
4	41	36.28	38	34.23	44	39.29	39	34.21	50	44.64
5	53	46.90	42	37.84	24	21.43	48	42.11	29	25.89
Total	113	100.00	111	100.00	112	100.00	114	100.00	112	100.00