



# Understanding the Labor Needs of Livestock Producers

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Limited labor availability has been a constant challenge for many American farmers. While labor shortages impacting the agricultural sector have been well documented by economists and highlighted by the popular press, the focus has been on the need for workers in labor-intensive sectors, like the production of fruits and vegetables. The emphasis on these industries is well deserved. According to data from the USDA, labor costs can be as high as 35% for fruit and nursery farmers, and their dire need for workers has been reflected in their growing reliance on foreign temporary workers coming under H-2A visas. Less attention has been paid to the labor demand of other producers, like animal sector farmers.

To better understand the specific workforce needs of livestock farmers, we conducted a survey last year of cattle and dairy producers in Wisconsin, Georgia, and North Carolina. Unlike the case of specialty crop producers, labor inputs represent a significantly smaller share of total production costs for dairy and cattle farmers (Table 1). Almost half of the survey respondents (46.86%) indicated that labor accounted for less than 5% of their total costs. Moreover, almost 96% said labor costs were no more than 25% of their aggregate bills. Animal feed, land, transportation, and fuel likely account for a larger share of total costs. Although dairy and cattle farmers might not be relying on many workers in their current operations, we wanted to know more about their plans and if they were foreseeing a subsequent jump in their need for additional workers. Nearly 60% of farmers indicated they were planning to employ about the same number of workers going forward (Table 2). Only 4.31% said they would hire more people, but 27.59% were not sure about their short-term future labor demand.

Our survey also asked farmers about their preferences towards potential modifications to the H-2A program. Under current rules, only growers of seasonal crops (commodities whose production processes take less than a year) can hire H-2A workers. This has been cited as a major limitation for dairy producers and farmers of agricultural commodities with operations running year-round. Likewise, the increasing minimum wages of H-2A laborers are a major concern among current and potential users of this program, and hiring gaps between sectors have been associated with wage disparities arising from such costs (Escalante et al., 2025). The Farm Workforce Modernization Act has been introduced in Congress multiple times but has not been passed. The proposed legislation would make several changes to the rules of the H-2A program. We shared some of the changes with respondents and asked them to indicate which was the most important for them. Interestingly, about a third cited having the government cover or subsidize housing costs (Table 3). Another third said that

creating a yearly quota of H-2A workers allocated specifically to non-seasonal sectors like dairy (which would imply giving access to such farmers to the program) was their top choice. The proposed change chosen the least was legalizing currently undocumented workers (as only 5.88% of the sample selected this option).

Altogether, we document that labor represents a relatively small fraction of total costs for dairy and cattle producers. In addition, most farmers are not planning to hire many more workers in the foreseeable future. These findings suggest that access to labor is less of a constraint to animal sector producers compared to their fruit, vegetable, and indoor plant counterparts. However, the results also show that livestock producers would welcome updates to the H-2A program that would allow them to access this source of foreign legal agricultural workers. This is likely the case, as labor is still a crucial input for these farmers, given the complementarities between labor and capital. Even if labor costs represent a smaller share of their total production costs, dairy and cattle farms still need dependable workers to operate.

**Table 1. Labor Costs as a Percentage of Total Production Costs**

	Freq.	Percent	Cum.
Less than 5%	209	46.86	46.86
5% – 6%	29	6.50	53.36
7% – 10%	61	13.68	67.04
11% – 15%	65	14.57	81.61
16% – 20%	37	8.30	89.91
21% – 25%	26	5.83	95.74

26% +	19	4.26	100.00
Total	446	100.00	

**Table 2. Plans to Hire Foreign Workers in the Future**

	Freq.	Percent	Cum.
More	5	4.31	4.31
About the same	68	58.62	62.93
Less	11	9.48	72.41
Don't know	32	27.59	100.00
Total	116	100.00	

**Table 3. Top Hypothetical Changes to the H-2A Program**

	Freq.	Percent	Cum.
Modify rules for determination of minimum hiring wages for H-2A workers	21	6.50	6.50
Allowing H-2A workers to stay year-round	24	7.43	13.93
Allowing H-2A workers to work for multiple employers	52	16.10	30.03
Providing govt support to build and maintain workers' living facilities	106	32.82	62.85
Legalizing undocumented farm workers	19	5.88	68.73

Creating yearly quota of workers' visas for non-seasonal sectors like dairy	101	31.27	100.00
Total	323	100.00	

## References

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