

# Labor and Compensation Practices on Maine Farms Post-Pandemic:

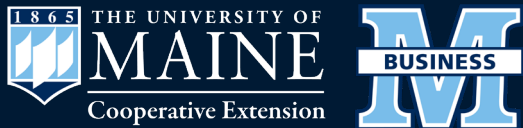
Early Evidence from a State Monitoring Survey

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# Presenter



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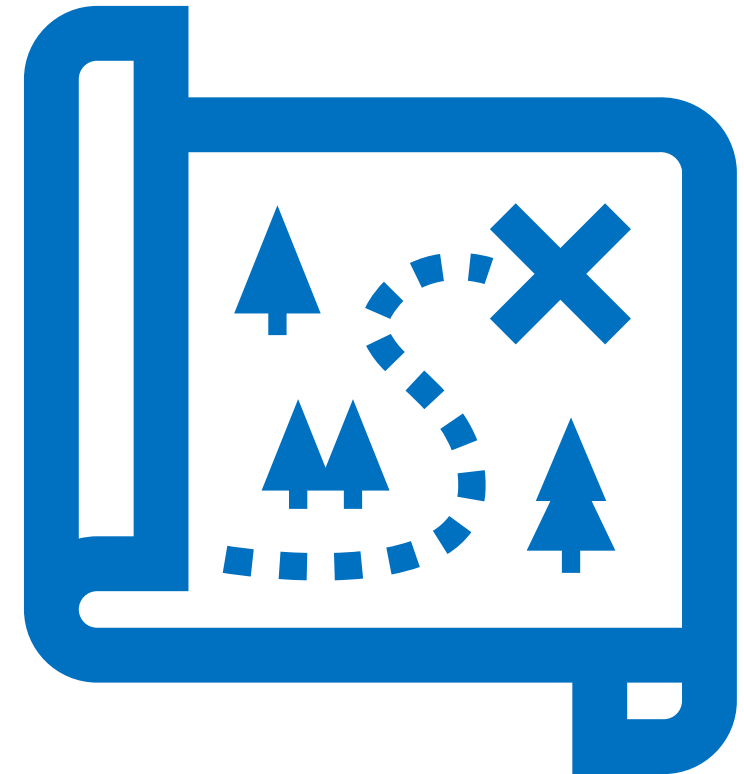


# Roadmap

Motivating a labor and compensation practices monitoring initiative

Results from the 2023 survey in Maine

Calls to action and concluding thoughts



## Why monitor practices regionally with primary data?

Public secondary data:

- Lacks whole-farm context
- Does not include detailed practices or emerging issues

Along with.....

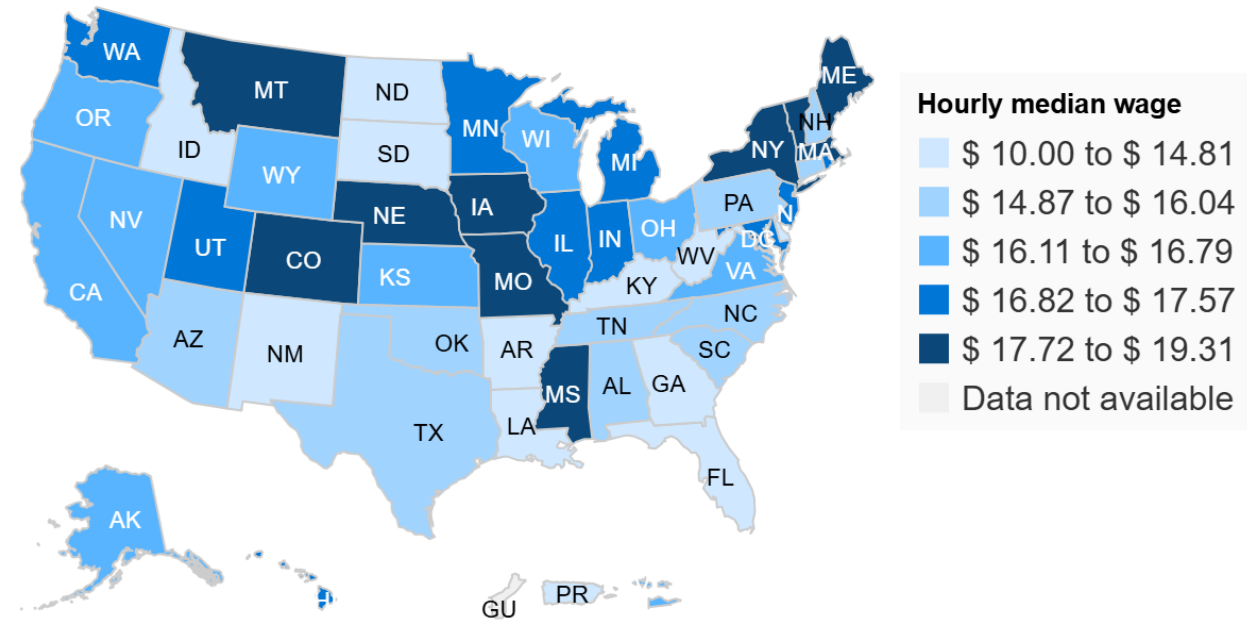


# New England agricultural wages are some of the highest

## Hourly Median Wage (from figure at right)

CT	\$15.75
MA	\$18.65
ME	\$18.24
NH	\$15.45
RI	\$17.08
VT	\$19.31

Hourly median wage of farmworkers and laborers, crop, nursery, and greenhouse, by state, May 2023

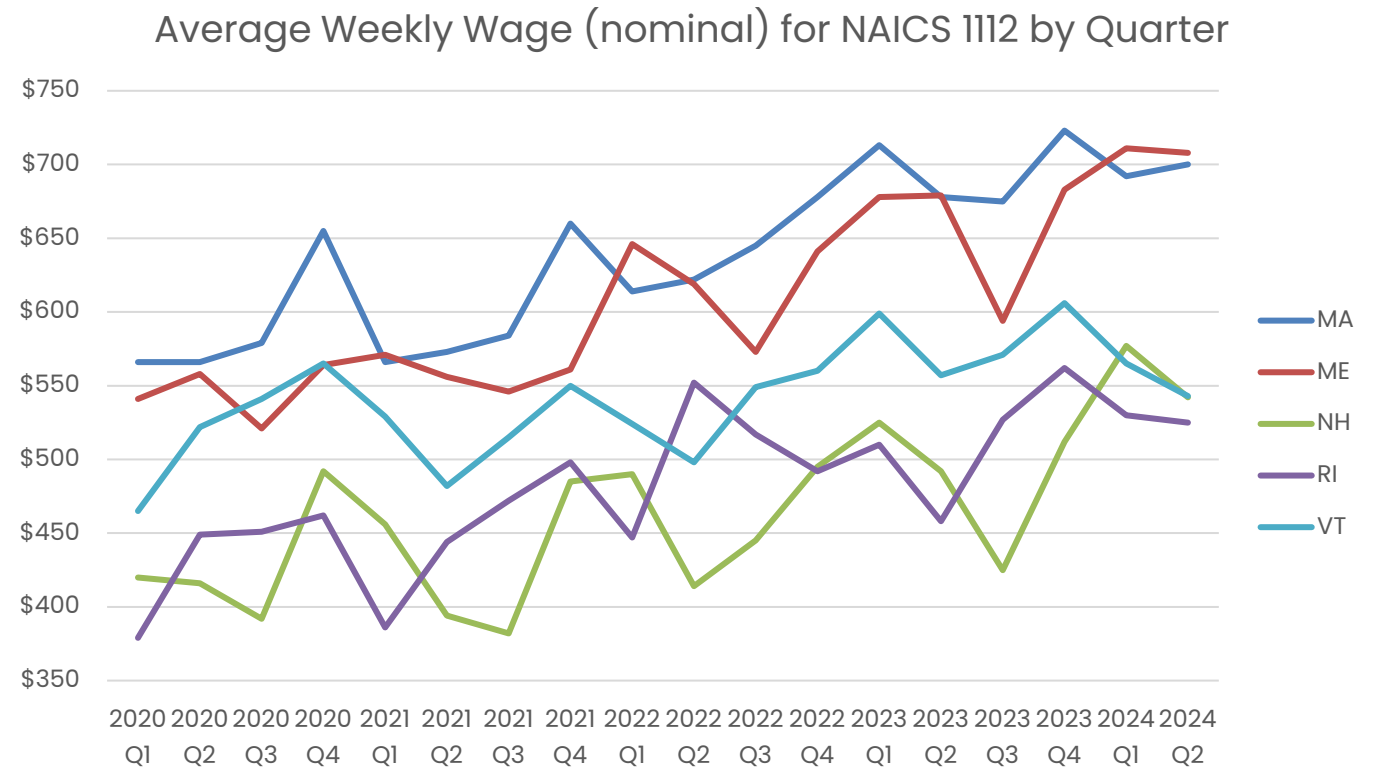


Source: Bureau of Labor Statistics, "Occupational Employment and Wage Statistics," <http://data.bls.gov>, accessed December 17, 2024.

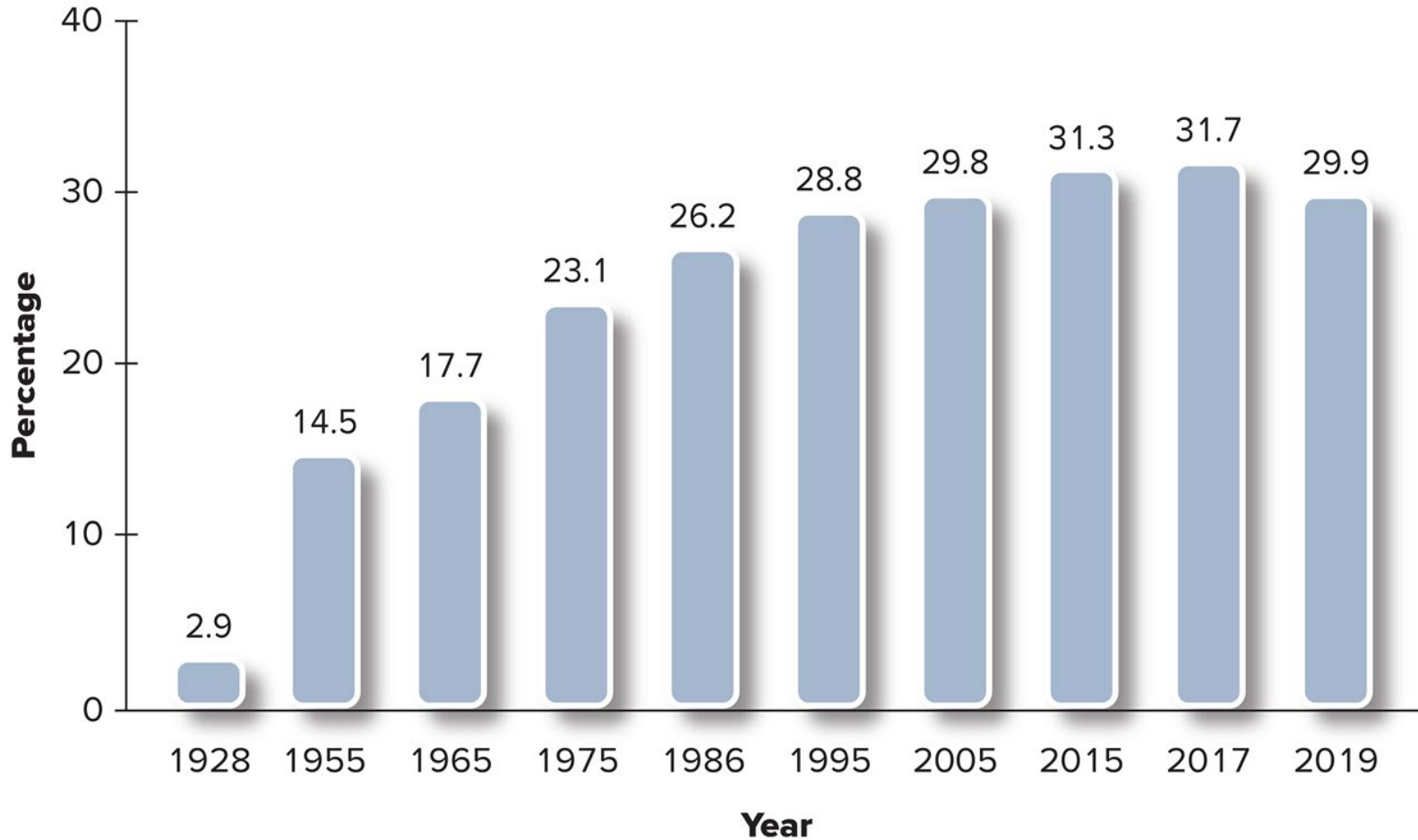
# Federal data shows nominal wages increasing regionally

NAICS 1112 – Vegetable and Melon farming

% Change in Avg. Wkly. Wage from Q1 2020 to Q1 2024	
MA	22%
ME	31%
NH	37%
RI	40%
VT	7%



Source: Bureau of Labor Statistics, "Quarterly Census of Employment and Wages," <http://data.bls.gov>, accessed December 17, 2024.



**Non-wage benefits play an increasing role as a proportion of Total Employee Compensation in the U.S.**

And the benefits landscape is changing rapidly post-pandemic

Source: Bureau of Labor Statistics, "Employer Costs for Employee Compensation," <http://data.bls.gov>, accessed May 7, 2020. Via: Noe et al. Fundamentals of Human Resource Management, 9<sup>th</sup> edition. McGraw-Hill.

## Recent Developments in Maine | *Maine Retirement Investment Trust (MERIT)*

- [MERITsaves.com](https://MERITsaves.com)
- Maine employers\* must participate with registration deadlines:
  - 15 or more employees – April 30 2024
  - 5 to 14 employees – June 30 2024
- \* Required participation if:
  - Do not offer a qualified retirement program
  - In business for at least 2 years
  - Have 5 or more employees

**MERIT**  
Maine Retirement Investment Trust

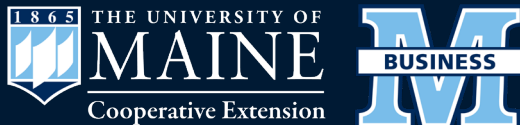




## **Recent Developments in Maine | *Maine Paid Family and Medical Leave Program***

- [maine.gov/paidleave/](https://maine.gov/paidleave/)
- Maine employers must participate
- Program starts January 1, 2025 with quarterly reporting and premium payments (e.g. April 2025 is first reporting deadline).
- Payroll withholdings due:
  - 15 or more employees – 1%, half from employee wages and half from employer
  - 14 or fewer employees – 0.5%, all of which may originate from wages
- Grants employees 12 weeks of paid time off available for family or medical reasons
- Caveats, including employee minimum earnings to qualify and business opt-outs

## 2023 Labor & Compensation Practices Survey



- New England Agricultural Operations Labor and Compensation Practices Survey of 2023
  - Follow-up to inaugural survey done in 2021 by UMaine Extension
  - Data collected in Maine March & April of 2023 covering 2022 and 2021 calendar years
- Approx. 60 completed responses in ME
  - Not statistically representative sample
  - Limit use to decision tools and program needs assessment

## Context | Respondent Characteristics

- Primarily located in Southern and West-Central Maine
  - Southern = York, Cumberland, Androscoggin, Sagadahoc, Knox, and Lincoln counties
  - West-Central = Kennebec, Oxford, Franklin, and Waldo
- Most organized as some form of corporation
- Majority engaged in specialty crop production, direct marketing, on-farm value addition, and agritourism
- 50% working less than 10 acres; 26% working 21 – 80 acres

## Sources & Types of Labor on Respondent Farms

		N	Number of Persons Providing Labor	
			Mean	Median
<b>Paid Farm Labor.</b>	Seasonal. (Less than 150 days)	40	13.88	5.00
	Year-round. (150 or more days)	36	5.47	3.00
	Total	46	16.28	5.50
<b>Household and Family Labor.</b>	Unpaid	25	1.72	2.00
	Earning a wage, salary, or profit share	42	2.79	2.00
	Total	52	3.08	3.00
<b>Migrant workers.</b>	Foreign migrant workers	7	5.71	4.00
	Domestic migrant workers	3	2.67	4.00
	Total	8	6.00	4.00

- Most respondents employ workers
- Common types:
  - farm laborers (95%)
  - customer service & sales personnel (56%)
  - Equipment operators (42%)
- Most workers paid via an hourly wage

## Wages increased within farms from 2021 to 2022

- Clear evidence of substantial wage increases
  - Particularly for experienced workers → premium for reduced managerial load
- Sample observed wages roughly align with expectations based on Federal data for occupations

		2021		2022	
		Wage	N	Wage	N
<b>Farm laborer</b>	Experienced	\$14.54	24	\$16.42	28
	Entry	\$13.63	26	\$14.40	22
<b>Farm machinery/ equipment operators</b>	Experienced	\$17.17	12	\$18.22	11
	Entry	\$15.09	8	\$15.73	8
<b>Customer Service and sales personnel</b>	Experienced	\$15.56	16	\$16.85	17
	Entry	\$14.45	15	\$15.42	14
<b>Prep, wash, and pack workers</b>	Experienced	\$15.36	12	\$16.40	12
	Entry	\$14.67	9	\$15.37	10
<b>Truck Drivers</b>	Experienced	\$16.96	7	\$18.03	7
<b>Office or other business workers</b>	Experienced	\$16.25	6	\$17.92	6

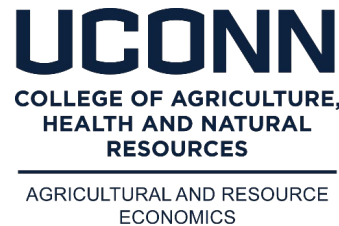
## Benefits Offered Among Maine Respondents

- Most common:
  - Bonuses
  - Established holidays
  - Vacation time
- 12 respondents offer **housing** (room) and 4 offer **board** (meals)

	Count	Percent
Sick leave	11	39%
Vacation time	<b>12</b>	<b>43%</b>
Established holidays	<b>13</b>	<b>46%</b>
Flexible Paid-time-off (PTO)	10	36%
Health insurance	5	18%
Retirement plan (such as 401k or IRA)	7	25%
Bonuses	<b>20</b>	<b>71%</b>
Paid professional development (such as applicator CE credits or education stipends)	8	29%
On-farm credit (such as farm stand vouchers)	11	39%
Transportation for living needs (such as for shopping or medical appointments)	0	0%
<b>N = 28</b>		

## New Project Attempts to Fill Some Gaps

- 2023 L&CPS survey did not ask about labor search and recruiting channels
- New study now collecting responses with →
  - fills gap as part of understanding farm networks in New England



*You're invited to participate!*

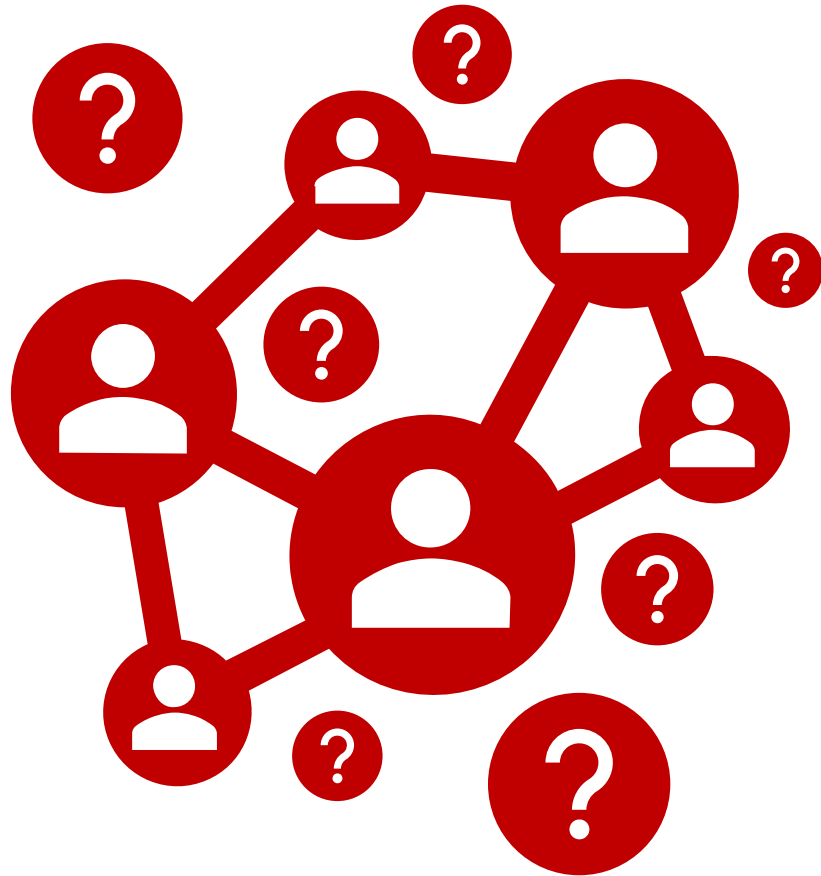
May earn a \$10 giftcard

## Addressing labor challenges has no silver bullets

- Housing affordability and availability are straining labor markets
- Can you invest to alleviate housing challenges for workers?
- Anticipated changes in public policy may drive uncertainty entering 2025
- Who can you reach out to when you need to understand changes?
- Skilled labor continues to see premiums rise
- What do your long-time, skilled workers value?



## Is there interest in a truly regional monitoring study?



- Producers – is hearing what other farms are doing helpful?
- Extenders – would you help disseminate so we have state level reports?
- Support Industry – does understanding labor challenges on farms help you target service offerings?



Credit: photograph by J.S. Entsminger

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