

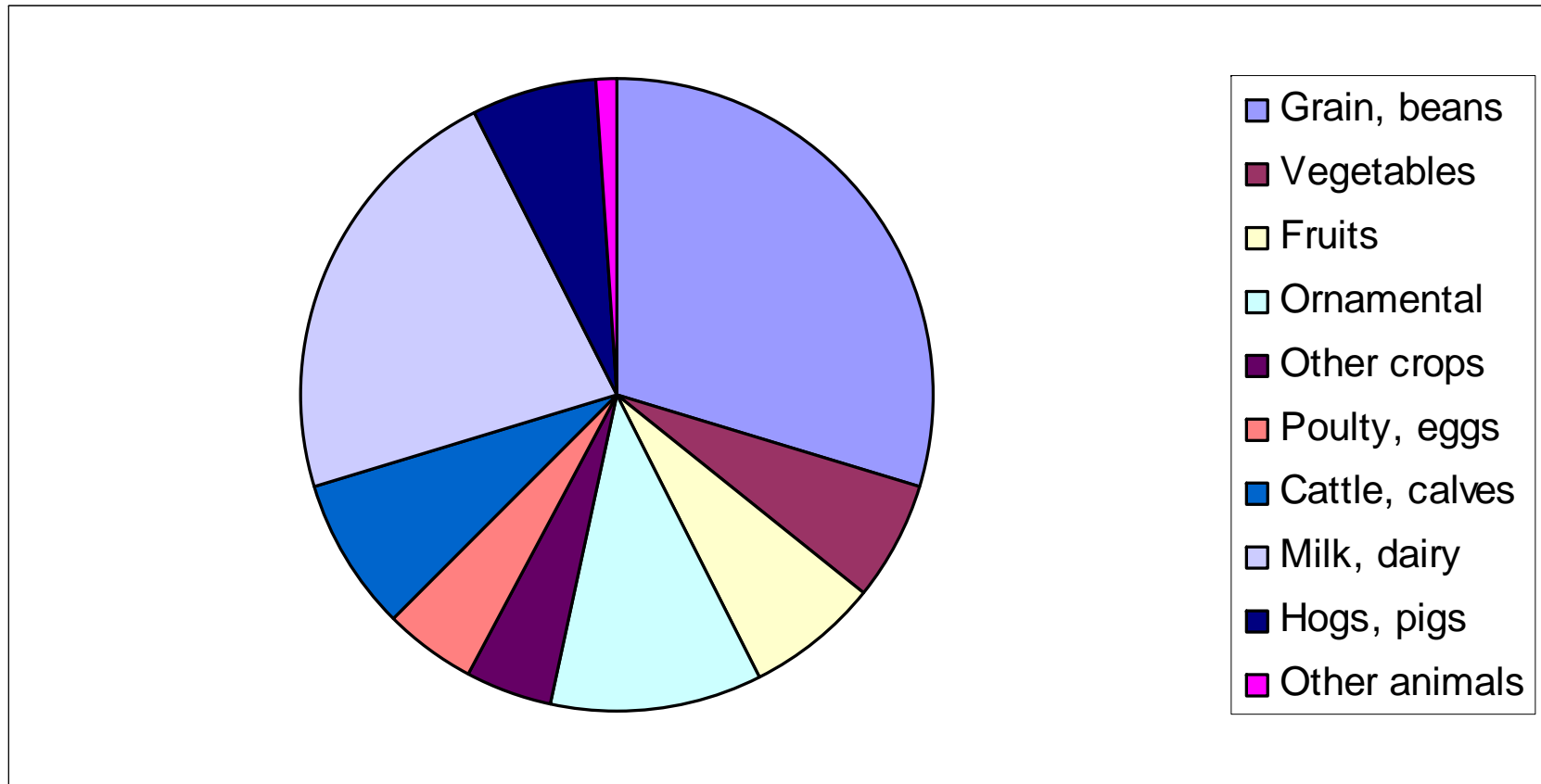
Farm Labor in Michigan

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Value of Ag Products Sold in Michigan 2007



Data Source: Census of Agriculture

Michigan's Ag Ranks

Commodity Group	Market Value (Million Dollar)	U.S. Rank
Grains, oilseed, dry beans, and dry peas	1,711	13
Vegetable, melons, potatoes, and sweet potatoes	347	9
Fruits, tree nuts, and berries	392	5
Nursery, greenhouse, floriculture, and sod	623	6
Cut Christmas trees, short rotation woody crops	29	3
Other crops and hay	227	14
Poultry and eggs	259	25
Cattle and calves	449	28
Milk and other dairy products from cows	1,286	7
Hogs and pigs	357	12
Sheep, goats, and their products	9	20
Horses, ponies, mules, burros, and donkeys	24	16
Aquaculture	6	28
Other animals and other animals products	34	10
Market value of agricultural products	5,753	22

Top States with Labor Intensive Crops

Fruits +

- CA
- FL
- WA
- OR
- MI

Flowers +

- CA
- FL
- OR
- PA
- TX
- MI

Vegetables +

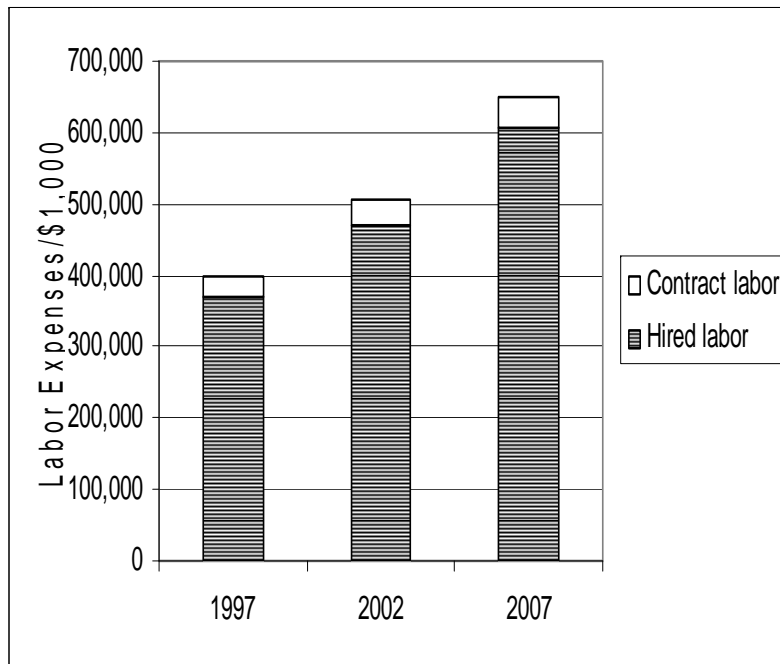
- CA
- FL
- AZ
- WA
- ID

Payroll & Hired Workers

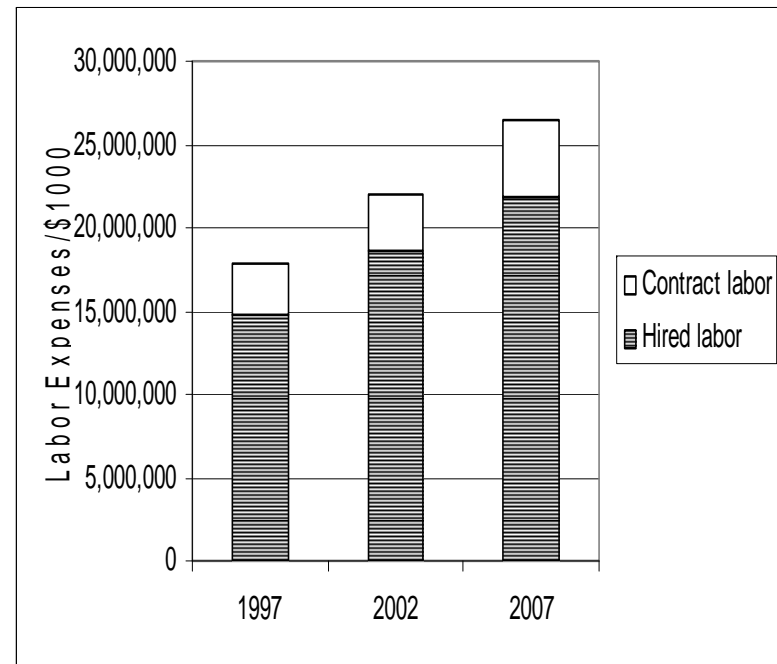
State	Payroll (Million Dollar)	Hired Worker (Thousand)
Michigan	607	86
Wisconsin	785	76
Minnesota	522	77
Lake States (Total)	1,914	239
California	5,016	448
Florida	1,209	115
Texas	1,170	155
Washington	1,151	238
Oregon	817	106
U.S. (total)	21,878	2,637

Labor Expenses

Michigan



U.S. (total)



Data Source: Census of Agriculture

Contract Labor in Labor Intensive Crops

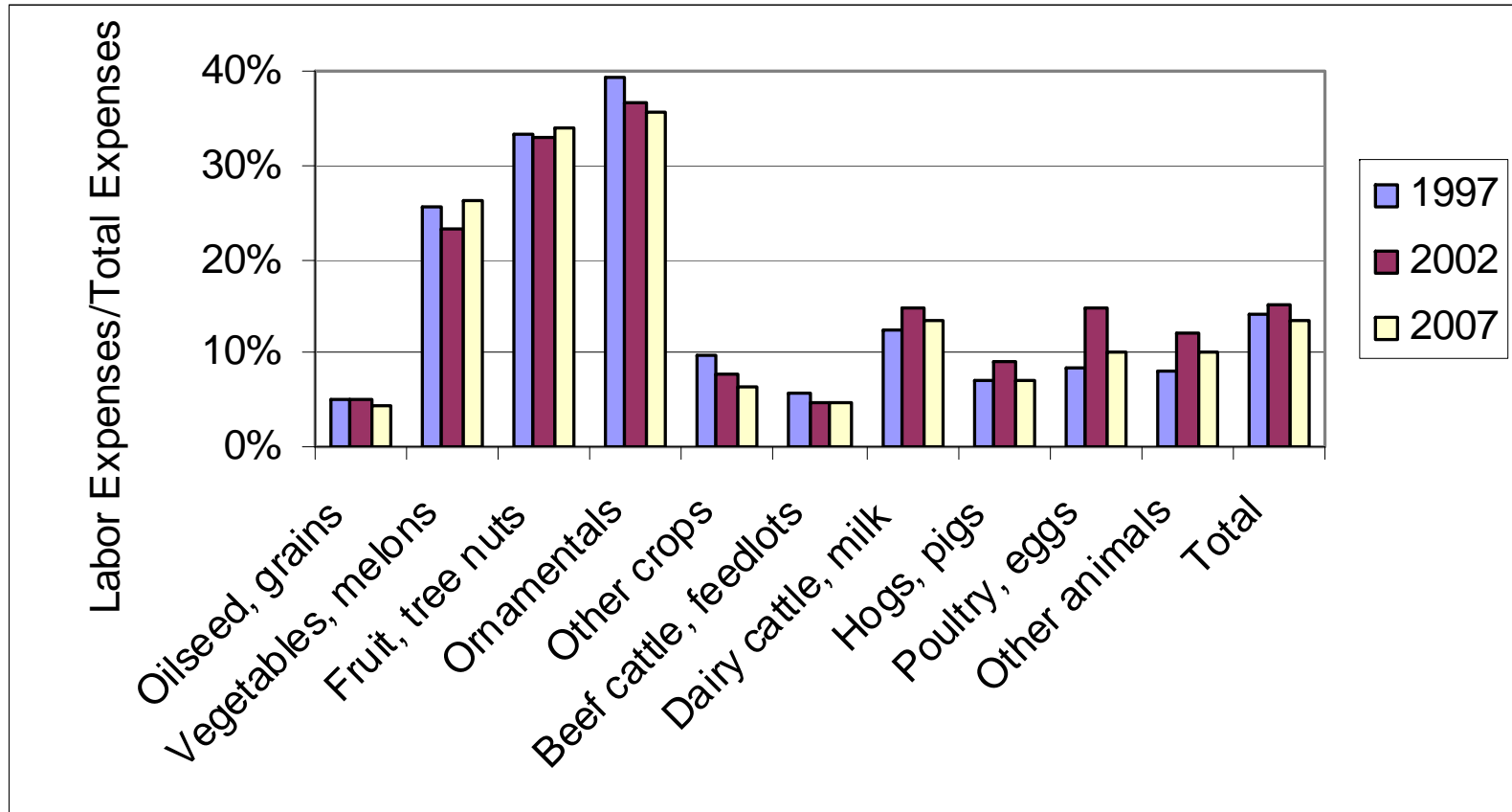
○ U.S. (total)

- Fruits and tree nuts 36.0%
- Vegetables, melons 28.6%
- Ornamentals 6.1%

○ Michigan

- Fruits and tree nuts 10.8%
- Vegetables, melons 4.9%
- Ornamentals 4.3%

Labor Intensity in Michigan Production



Data Source: Census of Agriculture

Labor Productivity in MI

Commodity Group	1997	2002	2007
Fruits, tree nuts	9,909	9,354	16,609
Vegetables, melons	22,202	27,752	30,743
Ornamentals	22,540	33,411	36,624
Total	37,217	43,434	66,842

Dollar Sales/Worker



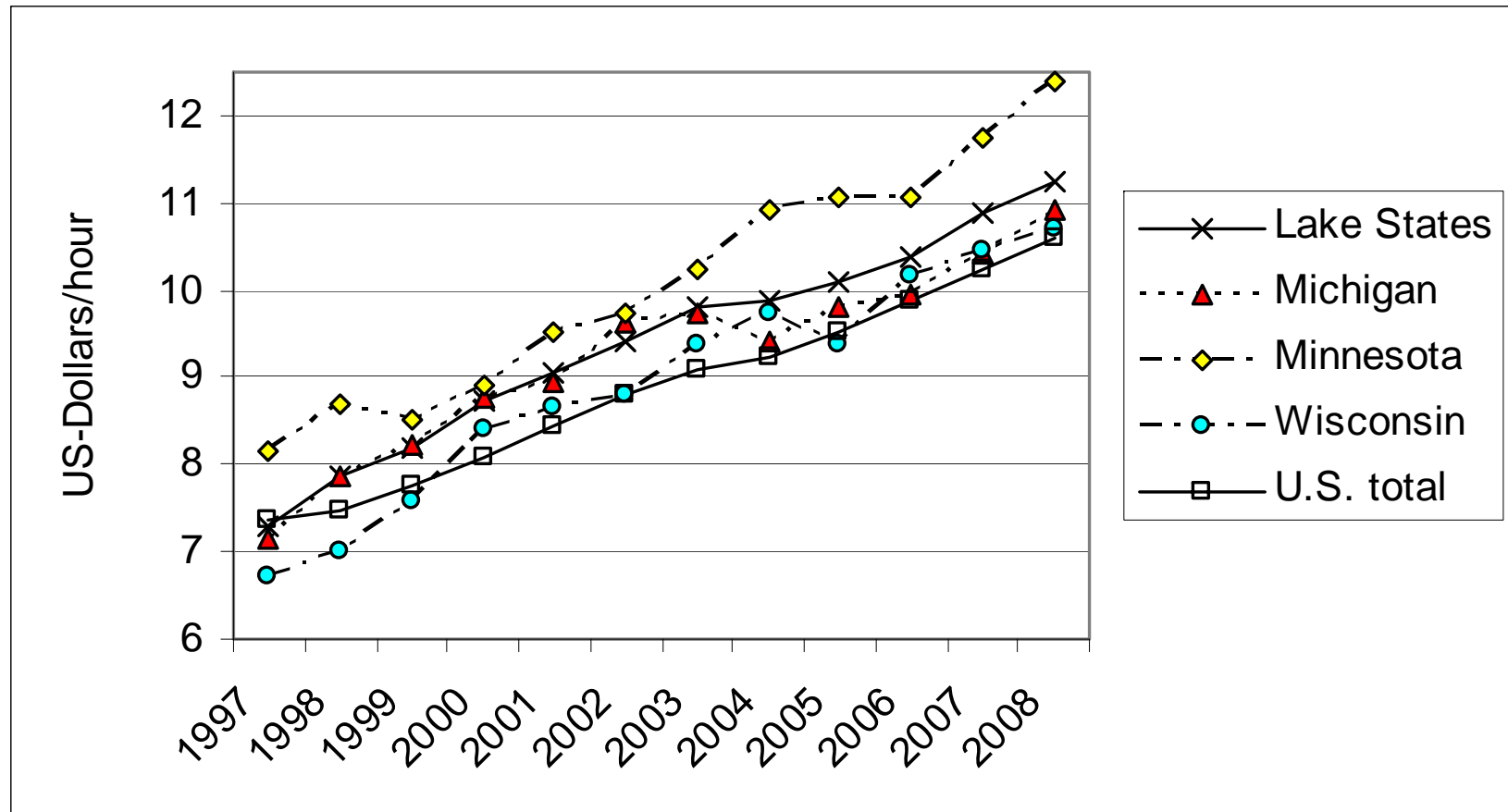
Monetary Labor Productivity in MI

Commodity Group	1997	2002	2007
Oilseed, grains	23.52	21.08	27.51
Vegetables, melons	5.51	5.49	4.65
Fruits, tree nuts	4.06	3.25	3.95
Ornamentals	3.83	3.86	3.66
Dairy cattle, milk	10.72	8.77	10.19
Total	8.96	7.47	8.86

Labor Composition in MI

Workers Hired	1997	2002	2007
Employed less than 150 days	74,869	63,821	61,788
Employed 150 days or more	20,996	23,034	24,284
Total workers hired	95,865	86,855	86,072

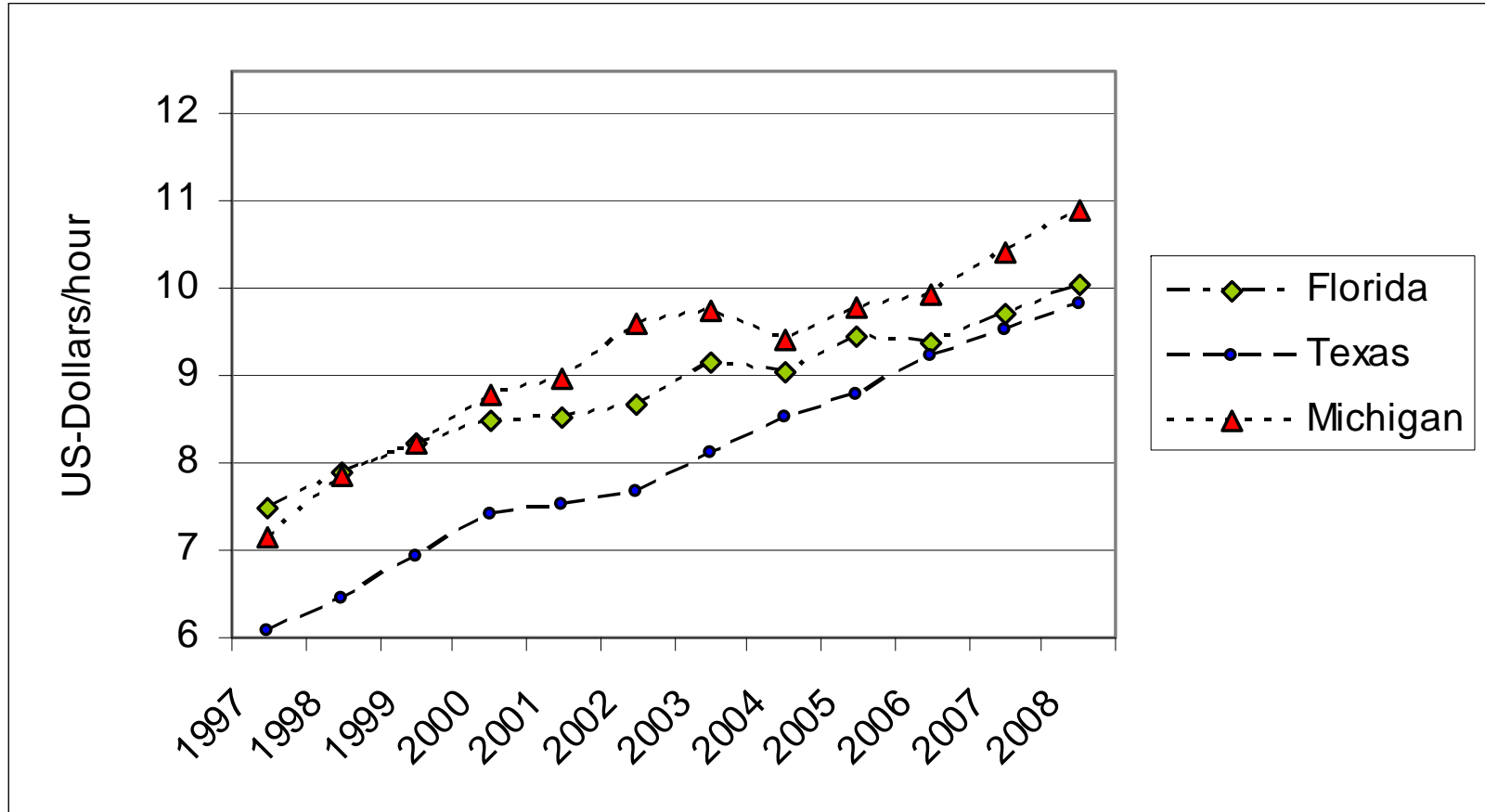
Wage Rates – Lake States



Data Source: NASS



Wage Rates –Michigan, Florida, Texas



Data Source: NASS



Since the 1997 Ag Census

- Expenses for hired farm labor increased by 64.4%
- Expenses for contract labor increased by 46.6%
- Of labor intensive crops, only fruit production saw a small increase in the share of contract labor in MI

Since the 1997 Ag Census

- As a share of total expenses, labor expenses increased slightly in vegetable and fruit farming, and declined in ornamental production
- Sales increased per hired worker
- Sales decreased per dollar of labor expenses

Since the 1997 Ag Census

- The number of hired workers fell, except in fruit farming
- Number of worker employed less than 150 days fell
- The share of workers employed 150 or more days grew, except for fruit farming were its similar to 1997

Between 1997 and 2007

- Farm labor wage has grown by 46.1% or \$3.29
- Since Michigan's farm wage rate decline in 2004, similar to U.S. average
- Labor expenses have increased more than the wage rate

Conclusions

- In labor intensive crops, sales increases have not kept up with labor expense increases
- May result in pressure to reduce labor use, apply labor saving technology and production methods