

# Agriculture and Meat Processing Industry Impacts

Statewide and Thurston County COVID-19 Impacts on Agriculture

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Labor Analysis

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Proposed Use of Thurston County ARPA Agriculture Labor Set-Aside Funding

# COVID-19 Impacts on Agriculture and Meat Processing Industry

Context for program:

- \$1m reserve for labor shortage issues/discussion – ***July 14<sup>th</sup>, 2021***
  - Held in reserve at direct of Board of County Commissioners
  - Original set aside focused on labor impacts on agriculture as a whole
  - Meat processing and slaughter was subsequently recognized as a critical sub-industry to include

# Statewide Data on Impacts of COVID to Agriculture

- Most significant impacts affecting farms:
  - **79% - unforeseen costs associated with capacity of processors**
  - 70% - unable to adapt to market conditions
  - 55% - closure of direct marketing outlets
  - **49% - unable to pay competitive wages**
  - 48% - disruption of distribution systems
  - 46% - closure of direct marketing channels
  - 41% - difficulty finding workers

UW-WSU-WSDA COVID-19 Farm Impacts Study Brief:

<https://nutr.uw.edu/resource/wa-farm-brief-1-covid-19-impacts-adaptations-among-washington-state-farm-businesses/>

# Thurston County Data on Impacts of COVID to Agriculture

- Most significant impacts affecting farms:
  - 58% - Reduced availability or increased cost of farm inputs
  - **46% - Difficulty acquiring and retaining labor**
  - 46% - Closure of direct marketing outlets
  - 44% - Closure or reduced availability of indirect market channels
  - 42% - Generally less efficient/productive because of COVID conditions
  - 38% - Disruption of distribution systems
  - **27% - Decreased access or increased costs of processing facilities**

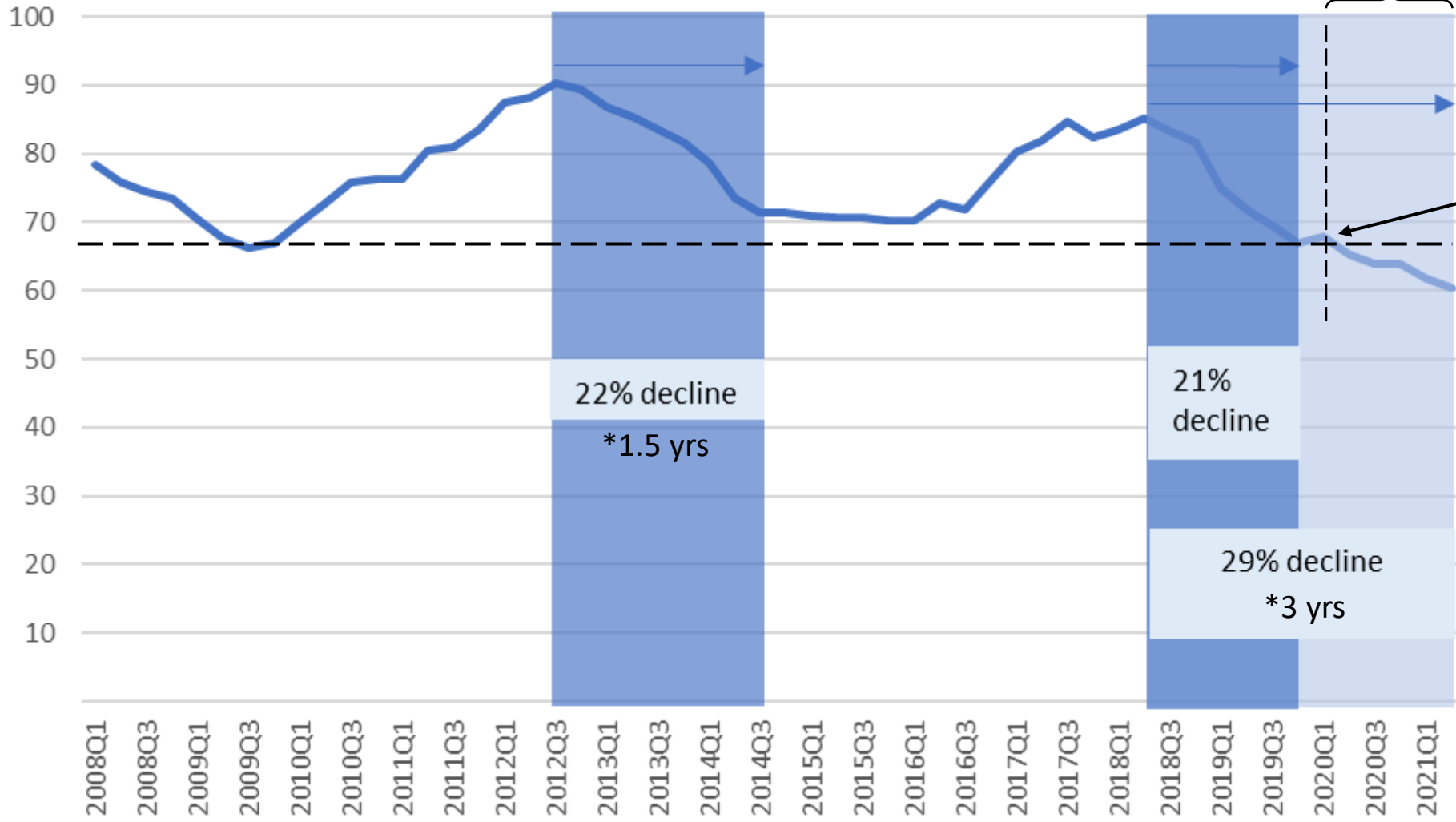
Impact of COVID-19 on Agriculture Businesses in Thurston County

*WSU Extension*

# Labor Market Data

- Job market changes in the following agriculture sub-industries:
  - Animal Production and Agriculture
  - Support Activities for Crop Production
  - Animal Slaughtering and Processing
  - Crop Production
  - Support Activities for Crop Production
- Source: JobsEQ Data, 2021Q3

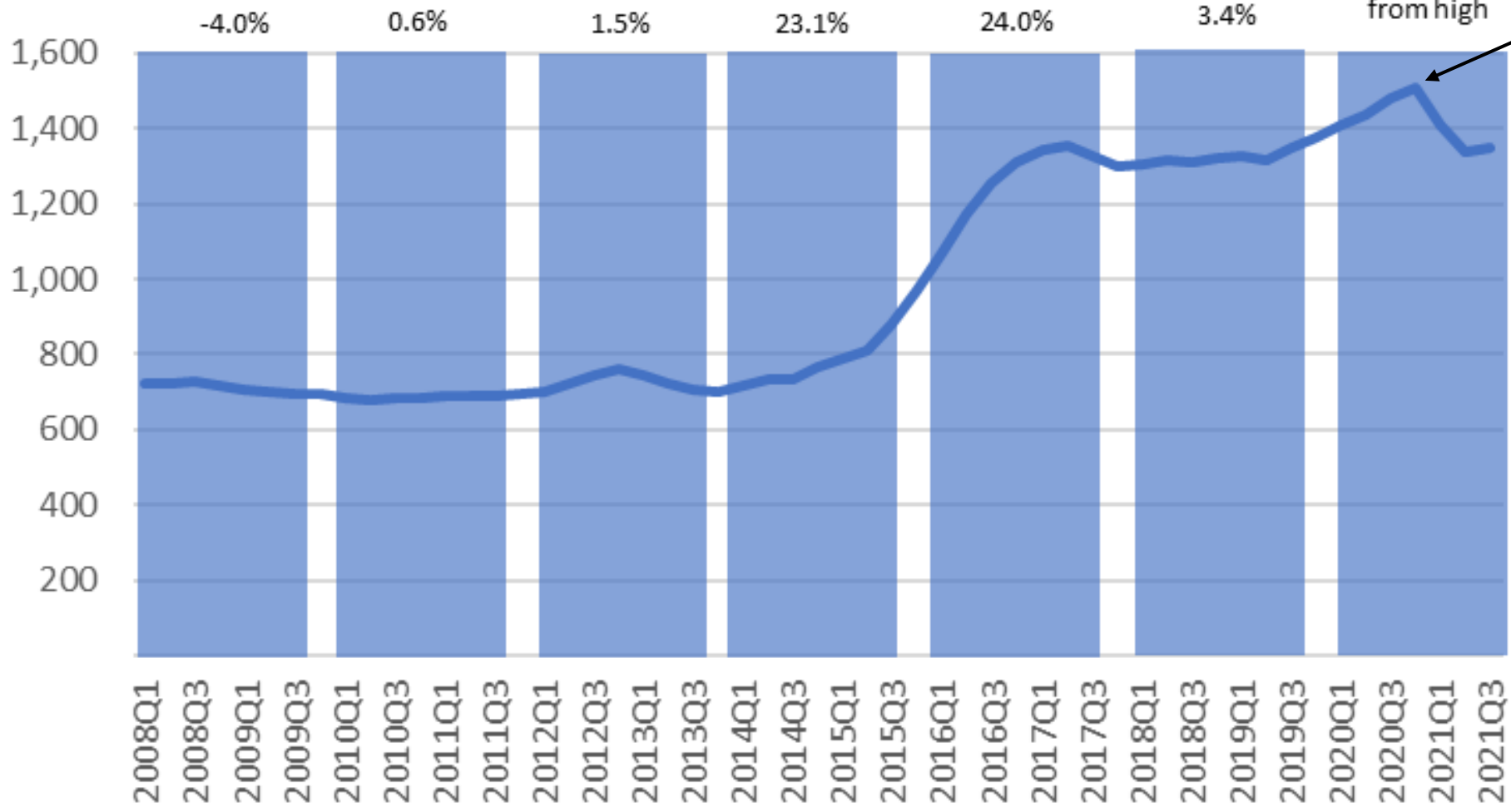
# Animal Slaughter & Processing



Q1-2020 to Q3 2021:  $\downarrow 9.8\%$   
*(meets threshold)*

- Potential recovery prior to pandemic decline
- COVID extended the decline to be longer than any on this record

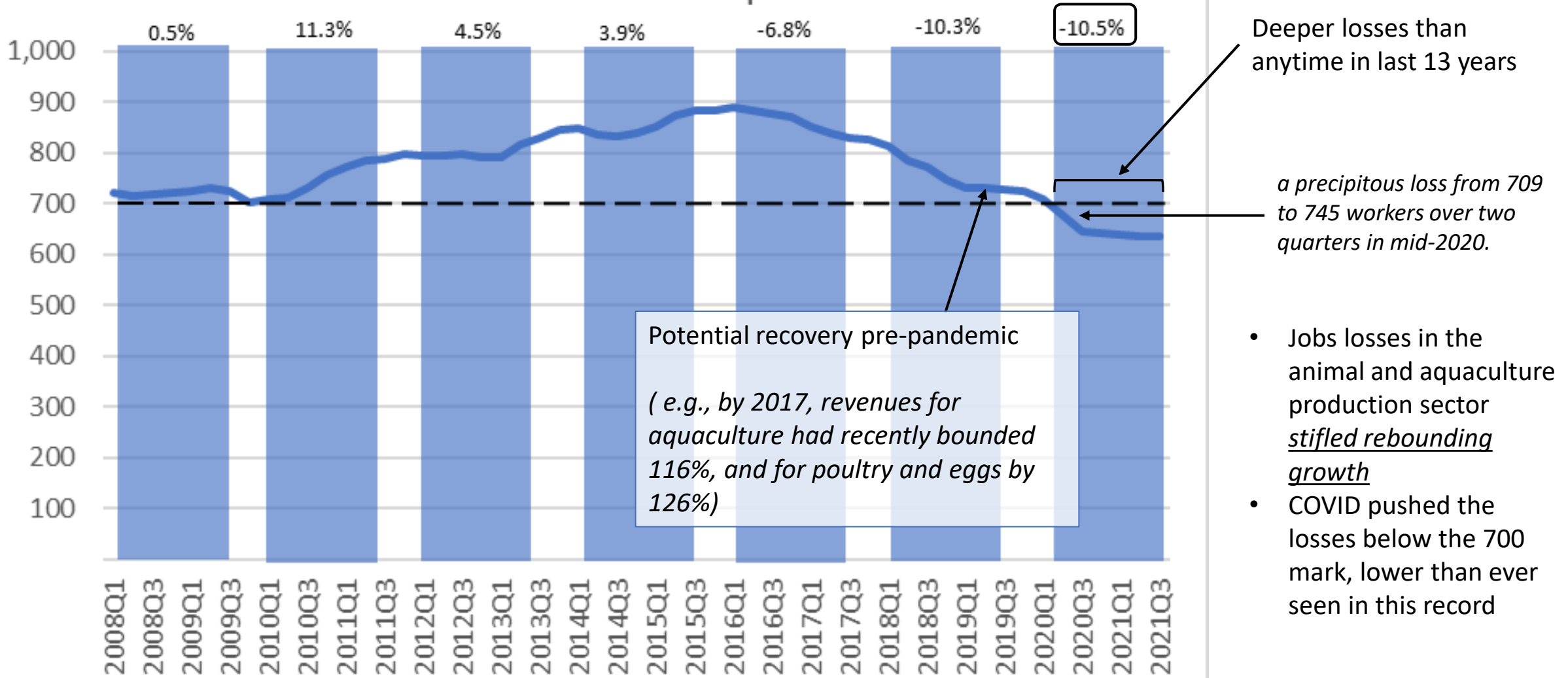
# Crop Production



Q1-2020 to Q3 2021:  
 ↓10.7% (*meets threshold*)

- Decline in crop production jobs is calculated from the peak in the Q1-2020 to Q3-2021 period
- Job losses suspended until the end of the growing season
- With crops in the ground, farms retained workforce through harvest, an expected lag in the jobs dynamics for this sector

# Animal Production and Aquaculture *(meets threshold)*



Deeper losses than anytime in last 13 years

a precipitous loss from 709 to 745 workers over two quarters in mid-2020.

Potential recovery pre-pandemic  
*( e.g., by 2017, revenues for aquaculture had recently bounded 116%, and for poultry and eggs by 126%)*

- Jobs losses in the animal and aquaculture production sector stifled rebounding growth
- COVID pushed the losses below the 700 mark, lower than ever seen in this record

# Thurston County Agriculture and Meat Processing Workforce Support and Recovery Proposal

The proposal addresses problems facing agriculture in Thurston County and the greater region:

1. Labor shortages in agriculture generally
2. Labor shortages in the meat processing industry specifically
3. Disruptions in meat processing due to labor and infrastructure disruptions

***See preliminary proposal here; aspects deliberately incomplete pending determination of eligibility of program expenses:***

<https://extension.wsu.edu/thurston/2022/03/ag-labor-recovery/>

# Project Goal

Provide immediate relief to economic harm to the agriculture and meat processing industry caused by labor shortages through:

- Recruitment using targeted outreach, marketing, branding improvements, and other messaging tools
- Retention by providing incentives, program support, apprentice and employer training, leadership training, and business networking support
- Access to cost-reimbursed continuing education coursework in leadership, farming, and meat cutting using existing available curriculum whether online or in-person

# Actions

- Fund wage support up to around \$7,500 per worker to incentive hiring into ag
  - Workforce Experience and On-the-Job Training placements
- Develop a recruitment program with PacMtn Workforce Development
- Mobilize ‘talent recruitment’ with WFD
- Fund WEX and OTJ positions for placement on farms and in slaughter and processing facilities
- Provide tailored industry-specific professional development and continuing education plans for apprentices and workers
- Provide support for workforce onboarding, retention, retraining collaboration, and related tasks.

**See preliminary proposal here; aspects deliberately incomplete pending determination of eligibility of program expenses:**

<https://extension.wsu.edu/thurston/2022/03/ag-labor-recovery/>

- <https://columbiabasinherald.com/news/2022/apr/11/wsda-looks-improve-ag-industry-new-training-progra/>

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