

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

Washington, D.C.
July 15, 1938

FARM WAGE RATES BELOW YEAR AGO;
LABOR SUPPLY LARGER; DEMAND LOWER

Wage rates paid to agricultural workers increased seasonally during the second quarter of 1938 but by July 1 had failed to reach the level of a year ago. At 120 percent of pre-war, the Bureau of Agricultural Economics mid-year index, although 5 points higher than on April 1, was 3 points lower than on July 1, 1937.

Shifts in the labor supply and demand situation largely account for these changes. As compared with a year ago, the decline in employment in non-agricultural industries has made more labor available in agricultural communities. On the other hand, the continued drop in prices of farm products and farm income has lessened the demand for the additional services.

Reports received from crop correspondents indicate that the supply of farm labor in relation to demand, remained above normal on July 1, although somewhat below the level prevailing in April. For the country as a whole, the supply of workers averaged 108.8 percent of demand on the first of this month as compared with 114.1 on April 1, and 90.8 percent a year ago. The ratio varied greatly in different sections of the country, however, as shown in the chart on page 8.

Many areas in the Far West, and especially the Pacific Coast States reported a surplus of workers amounting to 25 percent or more. This also was the case in parts of the Dakotas where local crop failures were reported. In most sections east of the Great Plains, the supply was less than 25 percent greater than demand, with only a few comparatively isolated areas in the North Central, North Atlantic, and Southern States reporting a scarcity of labor. The average ratio, by States, however, was 100 or more in every State with the exception of Vermont.

The supply of labor available for work on farms was reported at 91.1 percent of normal on July 1 as compared with 93.1 on April 1 and only 82.4 percent a year ago. At the same time, Bureau of Labor Statistics data indicate that employment in

manufacturing industries was only 77 percent of the 1923-25 average in May of this year (latest data available) or 25 points lower than in July 1937.

The demand for farm labor, as reported by crop correspondents for the country as a whole, averaged 83.7 percent of normal on July 1. This was 2.1 points higher than on April 1, due to the seasonal increase in farm activity when hay and winter grains are being harvested, but 7.0 points lower than a year ago as a result of the lower farm income. In May, the Bureau estimated farm income to be 12 percent less than in the same month last year.

The per unit purchasing power of agricultural products in terms of farm wage rates, however, showed a much more drastic reduction than either farm income or farm wage rates. During the past year, prices of farm products dropped from 125 percent to 92 percent of their pre-war level while wage rates declined only from 123 to 120. As a result of the lag in wage rate changes, the price-wage ratio decreased from 102 percent to 77 percent of pre-war. Whereas on July 1 of last year, this relationship was somewhat favorable to farmers, this year it was distinctly unfavorable.

The number of persons employed on farms July 1 held up, however, to the level of a year ago, with weather generally favorable to farm operations in most parts of the country. The number employed increased sharply from early June to July 1 as farmers were compelled to hire additional hands for haying and wheat harvest because of the above normal rainfall which delayed farming operations in many areas during the greater part of the month. Total employment on farms of crop reporters averaged 329 persons per 100 farms, which was seasonally higher than on April 1, but only 3 more persons per 100 farms than a year ago. The July 1 employment total included 109 hired hands and 220 family workers.

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FARM WAGE RATES AND RELATED DATA, JULY 1, 1938, WITH COMPARISONS

	Annual average 1910-14	April 1, 1937	July 1, 1937	April 1, 1938	July 1, 1938
FARM WAGE INDEX	100	112	123	115	120
FARM WAGE RATES:					
Per month, with board	\$20.41	\$23.38	\$25.28	\$23.86	\$24.57
Per month, without board	29.09	34.16	36.14	34.81	35.52
Per day, with board	1.10	1.16	1.34	1.20	1.29
Per day, without board	1.43	1.58	1.76	1.63	1.70
SUPPLY OF AND DEMAND FOR FARM LABOR: (Percentage of normal)					
Supply	--	87.2	82.4	93.1	91.1
Demand	--	86.6	90.7	81.6	83.7
Supply as a percentage of demand	--	100.7	90.8	114.1	108.8
FARM EMPLOYMENT ^{1/} (Persons per 100 farms)					
Family labor	--	197	219	195	220
Hired labor	--	78	107	79	109
Combined	--	275	326	274	329
RELATED INDEXES:					
Prices received by farmers ^{2/}	100	130	125	94	92 ^{3/}
Ratio of prices received to farm wage rates	100	116	102	82	77
Industrial wage rates ^{4/}	--	220	219	204	201 ^{5/}
Industrial employment ^{6/}	--	102	101	80	77 ^{5/}
Industrial payrolls ^{6/}	--	105	100	71	69 ^{5/}

^{1/} On farms of 20,817 crop reporters.

^{2/} As of the 15th of the month.

^{3/} June 1938 - latest data available.

^{4/} Average weekly earnings, New York State factories, June 1914 = 100.

^{5/} May 1938 - latest data available.

^{6/} Bureau of Labor Statistics indexes for manufacturing industries,
1923-1925 = 100.

Based on reports from crop correspondents. The data for previous quarters appear in "Crops and Markets" for February, April, July, and October, and in the 1937 issue of "Agricultural Statistics," tables 502 and 503.

FARM WAGE RATES AND RELATED DATA, BY GEOGRAPHIC DIVISIONS,
JULY 1, 1938, WITH COMPARISONS

Geographic Divisions	Annual average 1910-14	April 1, 1937	July 1, 1937	April 1, 1938	July 1, 1938
	Dollars	Dollars	Dollars	Dollars	Dollars
FARM WAGE RATES					
Per month with board					
New England	24.23	31.41	32.94	31.54	33.04
Middle Atlantic	22.08	28.44	31.44	29.18	30.07
East North Central	23.79	29.59	31.35	29.12	29.88
West North Central	26.02	26.32	29.17	27.55	29.19
South Atlantic	14.65	16.43	17.11	16.49	16.68
East South Central	14.65	15.65	16.70	15.94	16.18
West South Central	17.65	18.20	19.95	18.88	19.22
Mountain	32.36	34.34	37.05	34.41	36.51
Pacific	33.33	41.57	46.49	44.16	44.68
Per month without board					
New England	37.54	53.11	55.60	54.45	55.92
Middle Atlantic	33.19	45.13	48.24	45.93	46.44
East North Central	32.86	41.23	43.09	40.96	41.74
West North Central	36.45	36.28	39.95	38.29	39.51
South Atlantic	20.96	24.30	25.04	24.07	24.41
East South Central	20.72	22.65	23.68	22.92	23.28
West South Central	25.33	26.38	28.38	27.57	28.14
Mountain	46.15	50.36	52.45	50.22	52.33
Pacific	47.97	64.14	67.11	66.33	66.83
Per day with board					
New England	1.27	1.77	1.96	1.71	1.82
Middle Atlantic	1.23	1.62	1.85	1.69	1.79
East North Central	1.31	1.51	1.69	1.52	1.66
West North Central	1.44	1.25	1.60	1.36	1.54
South Atlantic	.81	.83	.89	.85	.87
East South Central	.81	.77	.85	.79	.81
West South Central	.99	.90	1.06	.94	.98
Mountain	1.50	1.58	1.76	1.61	1.71
Pacific	1.50	1.86	2.14	1.95	2.11
Per day without board					
New England	1.71	2.50	2.72	2.53	2.59
Middle Atlantic	1.62	2.25	2.47	2.32	2.37
East North Central	1.68	1.98	2.21	2.02	2.15
West North Central	1.85	1.75	2.14	1.88	2.06
South Atlantic	1.05	1.13	1.18	1.13	1.15
East South Central	1.04	1.00	1.07	1.01	1.03
West South Central	1.26	1.17	1.34	1.23	1.27
Mountain	2.04	2.15	2.34	2.17	2.26
Pacific	2.06	2.70	2.97	2.81	2.81

FARM WAGE RATES AND RELATED DATA, BY GEOGRAPHIC DIVISIONS,
JULY 1, 1938, WITH COMPARISONS (Continued)

Geographic divisions	April 1, 1936	July 1, 1936	April 1, 1937	July 1, 1937	April 1, 1938	July 1, 1938
SUPPLY OF FARM LABOR (Percentage of normal)						
New England	96.9	88.5	87.1	79.3	100.1	94.8
Middle Atlantic	90.8	83.5	80.8	71.5	88.1	87.0
East North Central	91.6	85.8	83.5	77.5	96.5	92.9
West North Central	96.1	91.1	91.0	84.5	94.1	91.2
South Atlantic	91.3	87.8	82.7	78.6	89.2	87.8
East South Central	91.0	89.8	85.4	81.3	88.9	87.8
West South Central	97.8	92.9	92.2	89.9	91.9	91.6
Mountain	99.2	86.8	93.8	90.0	102.8	98.3
Pacific	96.9	89.8	96.2	92.7	104.8	104.3
DEMAND FOR FARM LABOR (Percentage of normal)						
New England	84.4	90.3	91.5	94.4	83.6	87.2
Middle Atlantic	86.3	88.5	90.6	94.2	86.2	86.6
East North Central	87.4	89.5	92.0	94.8	83.6	86.7
West North Central	81.1	80.7	77.6	86.2	78.7	84.0
South Atlantic	85.3	84.0	91.4	93.5	84.5	86.0
East South Central	82.5	74.9	89.8	90.7	83.8	83.1
West South Central	72.0	77.3	78.7	85.9	76.5	78.1
Mountain	77.7	83.3	83.9	68.0	78.1	82.4
Pacific	85.9	91.4	89.6	93.2	79.8	81.2
SUPPLY AS A PERCENTAGE OF DEMAND (Percentage of normal)						
New England	114.8	98.0	95.2	84.0	119.7	108.7
Middle Atlantic	105.2	94.4	89.2	75.9	102.2	100.5
East North Central	104.8	95.9	90.8	81.8	115.4	107.2
West North Central	118.5	112.9	117.3	98.0	119.6	108.6
South Atlantic	107.0	104.5	90.5	84.1	105.6	102.1
East South Central	110.3	119.9	95.1	89.6	106.1	105.7
West South Central	135.8	120.2	117.2	104.7	120.1	117.3
Mountain	127.7	104.2	111.8	102.3	131.6	119.3
Pacific	112.3	98.2	107.4	99.5	131.3	128.4
FARM EMPLOYMENT (Persons per 100 farms) 1/						
Family Labor						
New England	149	169	150	161	145	160
Middle Atlantic	174	181	165	130	167	173
East North Central	167	173	160	172	161	176
West North Central	169	181	164	180	164	177
South Atlantic	253	303	260	303	256	307
East South Central	266	351	293	339	293	334
West South Central	211	255	216	241	206	245
Mountain	161	181	157	173	161	174
Pacific	152	157	178	155	146	159

1/ On farms of crop reporters.

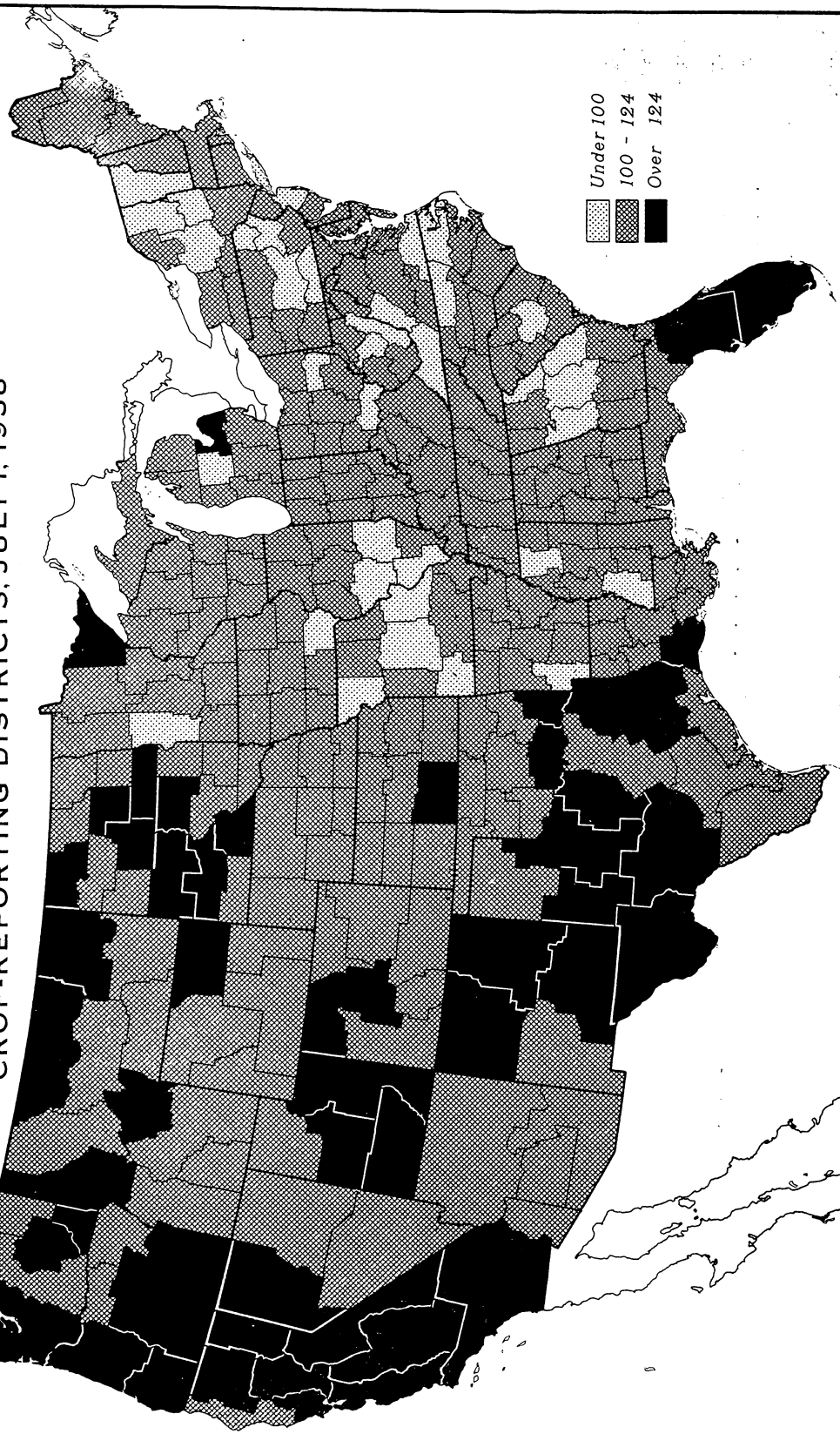
FARM WAGE RATES AND RELATED DATA, BY GEOGRAPHIC DIVISIONS,
JULY 1, 1938, WITH COMPARISONS (Continued)

Geographic Divisions	April 1, 1936	July 1, 1936	April 1, 1937	July 1, 1937	April 1, 1938	July 1, 1938
FARM EMPLOYMENT (Continued)						
<u>Hired Labor</u>						
New England	83	112	86	111	93	117
Middle Atlantic	80	83	67	93	72	99
East North Central	61	70	53	69	52	72
West North Central	46	57	37	59	42	60
South Atlantic	147	161	127	160	127	164
East South Central	137	117	118	136	113	147
West South Central	74	92	54	104	64	99
Mountain	59	91	61	94	55	106
Pacific	201	279	225	298	209	270
<u>Combined</u>						
New England	232	281	236	272	238	277
Middle Atlantic	254	264	232	273	239	277
East North Central	228	243	213	241	213	248
West North Central	215	238	201	239	206	237
South Atlantic	400	464	387	463	383	471
East South Central	403	468	411	475	411	481
West South Central	285	347	270	345	270	344
Mountain	220	272	218	267	216	280
Pacific	353	436	403	453	355	429

FARM WAGE RATES AND RELATED DATA, BY STATES, JULY 1, 1938

State	Wage rates				Supply of and demand for farm labor		
	Per month		Per day		Supply as	Demand as	Supply as
	With	Without	With	Without	percentage	percentage	percentage
	Board	Board	Board	Board	of normal	of normal	of demand
	Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent
Maine	30.75	47.00	1.60	2.20	96	84	114
N.H.	32.00	55.00	1.85	2.80	96	82	117
Vt.	30.75	47.75	1.75	2.45	88	89	99
Mass.	34.50	61.50	1.90	2.70	99	89	111
R.I.	40.00	66.00	2.00	2.70	97	91	107
Conn.	35.25	65.50	2.00	2.90	93	89	104
N.Y.	31.50	47.50	1.80	2.40	86	86	100
N.J.	33.50	55.25	1.85	2.45	91	88	103
Pa.	27.25	42.50	1.75	2.30	87	87	100
Ohio	27.00	39.00	1.65	2.10	90	85	106
Ind.	27.75	38.25	1.55	2.05	93	87	107
Ill.	32.50	43.25	1.80	2.25	92	87	106
Mich.	29.00	42.75	1.65	2.25	96	85	113
Wis.	32.00	45.00	1.60	2.10	95	89	107
Minn.	33.75	46.25	1.75	2.45	91	87	105
Iowa	33.50	42.50	1.80	2.30	97	89	109
Mo.	23.00	31.00	1.20	1.50	87	85	102
N.Dak.	30.50	43.75	1.40	2.05	87	71	123
S.Dak.	29.00	40.75	1.45	2.05	86	74	116
Nebr.	27.75	38.00	1.50	2.05	92	80	115
Kans.	26.75	37.50	1.60	2.10	95	86	110
Del.	25.50	38.50	1.40	1.90	92	90	102
Md.	27.00	39.25	1.45	1.95	92	91	101
Va.	21.00	30.00	1.05	1.40	90	88	102
W.Va.	22.50	32.75	1.10	1.45	89	83	107
N.C.	17.75	26.00	.95	1.20	89	89	100
S.C.	12.00	17.50	.60	.85	84	80	105
Ga.	12.25	17.75	.65	.85	86	87	99
Fla.	16.00	26.50	.90	1.25	90	80	112
Ky.	20.75	29.00	1.00	1.25	89	84	106
Tenn.	16.75	24.00	.80	1.05	89	85	105
Ala.	13.25	19.50	.70	.90	88	80	110
Miss.	14.25	21.00	.75	.95	85	84	101
Ark.	16.00	23.50	.80	1.05	86	77	112
La.	15.25	22.50	.75	1.00	87	79	110
Okla.	21.50	31.50	1.25	1.60	96	84	114
Tex.	21.25	31.00	1.05	1.35	94	76	124
Mont.	40.75	59.25	1.90	2.65	95	79	120
Idaho	40.25	55.50	2.00	2.55	103	85	121
Wyo.	37.00	52.25	1.65	2.35	103	84	123
Colo.	31.75	48.00	1.50	2.10	97	83	117
N.Mex.	27.50	39.25	1.25	1.60	96	80	120
Ariz.	39.25	53.75	1.60	2.05	99	87	114
Utah	43.75	62.50	2.20	2.70	99	79	125
Nev.	44.50	65.50	2.00	2.60	99	86	115
Wash.	38.00	56.25	2.00	2.60	101	81	125
Oreg.	37.25	53.25	1.85	2.40	105	82	128
Calif.	48.00	72.50	2.20	2.95	105	81	130
U. S.	24.57	35.52	1.29	1.70	91.1	83.7	108.8

FARM LABOR: SUPPLY AND DEMAND RATIOS BY
CROP-REPORTING DISTRICTS, JULY 1, 1938



U.S. DEPARTMENT OF AGRICULTURE

NEG. 34449 BUREAU OF AGRICULTURAL ECONOMICS

THE SUPPLY OF FARM LABOR ON JULY 1 WAS GENERALLY HIGH RELATIVE TO THE DEMAND FOR WORKERS. MANY SECTIONS IN THE WESTERN STATES REPORTED A SUPPLY-DEMAND RATIO IN EXCESS OF 125 PERCENT. IN MOST SECTIONS EAST OF THE GREAT PLAINS, THE RATIO WAS LOWER THAN 125 PERCENT WITH SOME AREAS IN THE NORTH CENTRAL, NORTH ATLANTIC, AND SOUTHERN STATES REPORTING A RATIO UNDER 100 PERCENT. FOR THE COUNTRY AS A WHOLE, THE SUPPLY OF WORKERS AVERAGED 109 PERCENT OF THE DEMAND.