



# Dairy Farm Labor Shortages, Adaptation Strategies and Preferences for Workforce Policy Options

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# About the Report

This outreach report summarizes findings from a Michigan Alliance for Animal Agriculture (M-AAA) funded research project on Great Lakes dairy farm labor shortages. The research examines how labor shortages affect dairy operations and which policy solutions producers believe would most effectively address the problem.

## Key Takeaways

- Labor shortages remain one of the most significant operational challenges for dairy farms.
- Producers respond by reducing production, raising wages, and adopting labor-saving technologies.
- Policies that increase access to legally authorized workers, including access to the H-2A visa program, have the strongest support from farmers.
- Financial incentives and training programs are viewed as secondary solutions compared to farm labor policy reforms.

## Overview of Project

- Conducted key stakeholder interviews to inform the development of a dairy farmer labor survey
- Designed a survey to elicit information about dairy labor shortages, adaptation strategies, and support for various labor policies
- Distributed the survey to dairy producers in the Great Lakes states
- Obtained more than 500 responses from dairy farmers
- Quantified the extent to which dairy farm labor shortages affect the adoption of key production and labor management practices
- Identified preferences for policy options that might resolve labor shortages

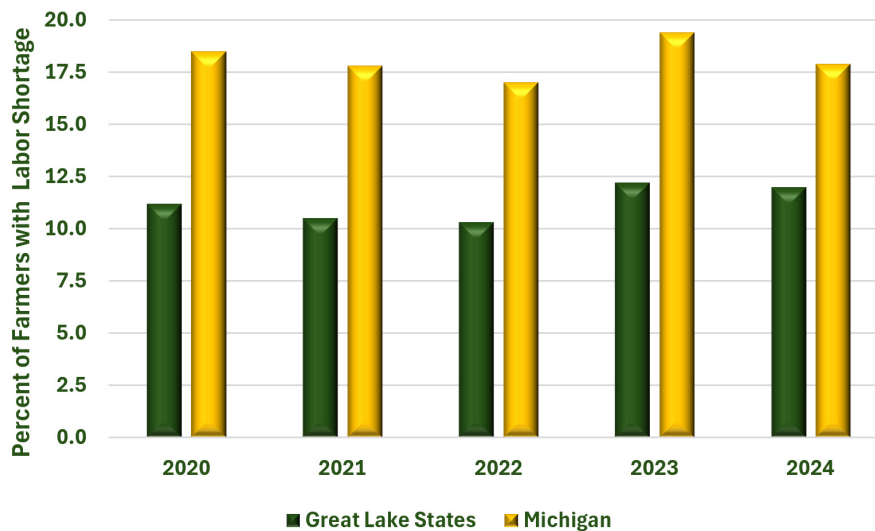
## Why Labor Shortages Are Happening:

Labor shortages are increasingly prevalent in the agricultural sector. Dairy farms face a unique challenge because production requires a year-round workforce, yet current US visa programs are primarily designed for producers with seasonal employment needs.

Factors linked to a declining US farm labor supply include:

- Demographic changes in rural Mexico
- Increased educational attainment among rural Mexicans
- Rising non-farm job opportunities
- Limited legal immigration pathways

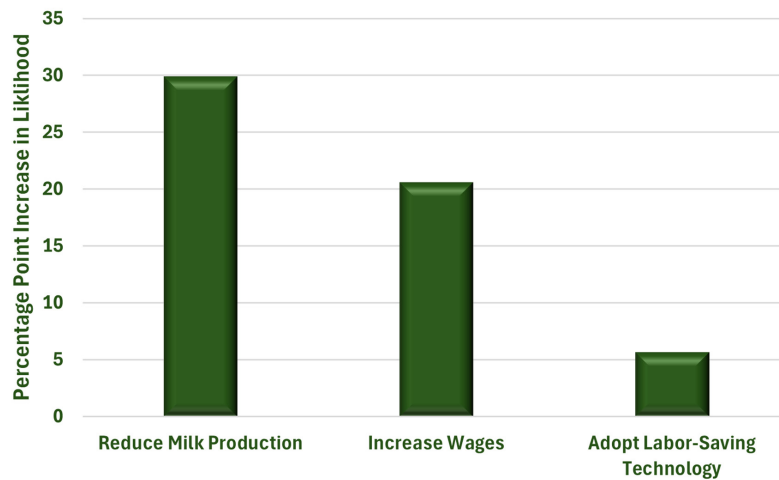
### Percent of Dairy Farmers Experiencing a Labor Shortage in Great Lakes States (2020-2024)



### Survey Confirms Labor Shortages on Great Lakes Dairy Farms

Eleven percent of dairy farmers in the Great Lakes region experienced a labor shortage between 2020 and 2024. Compared to the entire Great Lakes region, the situation was worse in Michigan, with 17% of farmers experiencing a labor shortfall between 2020 and 2024.

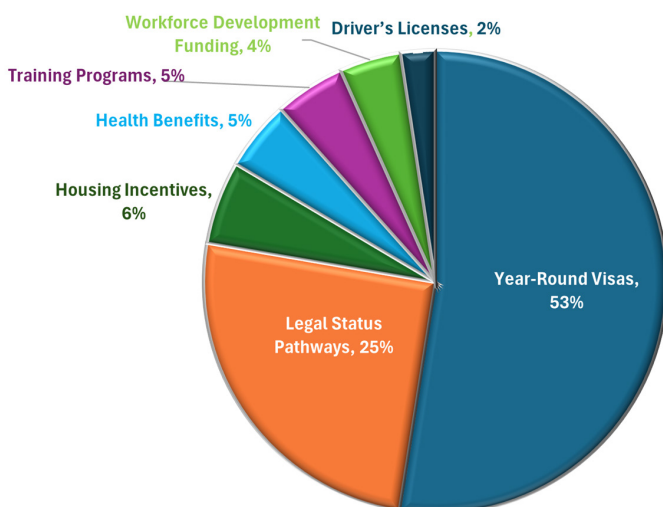
## Increase in Probability of Using Adaptation Strategies in Response to Labor Shortages in Great Lakes States (2020-2024)



### How Dairy Farms Are Responding

Our survey data reveal that dairy farms experiencing a labor shortage adjust their operations in several ways; some strategies focus on attracting workers while others involve reducing the need for labor. The research shows that dairy farms facing a labor shortage across the Great Lakes region are 30 percentage points more likely to reduce milk production and 21 percentage points more likely to increase wages, while those in Michigan are 16 percentage points more likely to reduce milk production and 9 percentage points more likely to raise wages. Labor shortages across the Great Lakes region are also associated with a 6 percentage point increase in the adoption of labor-saving technologies, although the high cost of automation may limit technology adoption for smaller farms.

## Great Lakes Region Dairy Farmer Share of Support for Labor Policy Options



### Policy Priorities for Dairy Farmers

When asked to rank potential policy reforms, dairy farmers clearly prioritized policies that expand access to legally authorized workers. Expanding the H-2A visa program to allow for year-round employment needs was the most preferred option among farmers, followed by policies that create legal status pathways for currently undocumented farmworkers. Policies that would provide funding to provide housing for workers, train new employees, and promote workforce development received substantially less support.

# Implications for the Dairy Industry

The findings suggest that labor shortages are already shaping farm management decisions across the dairy sector. Some farms are investing in automation or raising wages, while others are reducing production. Over time, persistent labor constraints could influence farm structure and milk supply.

While farms are adapting, producers consistently report that farm labor policy reforms providing access to legally authorized employees remain the most important long-term solution for stabilizing the dairy workforce.

## Conclusion

Labor shortages continue to create uncertainty for dairy producers. Evidence from our Great Lakes region survey shows that producers strongly support policies that expand access to legally authorized workers, particularly reforms that would allow year-round use of agricultural visas like the H-2A. Addressing these workforce challenges will be critical for maintaining the productivity and competitiveness of the US dairy industry.

## Acknowledgement

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