New York’s Agriculture Industry:
A Resilient Part of State and Local Economies

The agriculture industry supports jobs and communities throughout New York State. According to the U.S. Bureau of Economic Analysis, in 2021, agriculture in New York produced roughly $3.3 billion in gross domestic product and paid close to $1 billion in wages according to the U.S. Bureau of Labor Statistics. Farming is especially important to the economies of New York’s rural areas. The COVID-19 pandemic and economic shutdown led to job losses across almost all industries in New York, but the agricultural sector proved to be among the most resilient, losing just 1 percent of jobs in 2020 compared to a statewide annual employment loss of 8.7 percent. Both employment and wages in the farming sector grew in 2021 to reach new highs. In addition, farms contribute to food security in their communities, an important benefit in light of pandemic-era disruptions in supply chains.

Agriculture and the State Economy

According to the U.S. Department of Agriculture, milk is the State’s largest agricultural commodity, ranking fifth nationally in sales in 2020. New York is also among the top producers of many other products, including other dairy products, apples, maple syrup, wine and grapes, and roughly 9 percent of the State’s agricultural receipts came from crops grown for animal feed in 2020.¹ According to the New York State Department of Agriculture and Markets, there are over 33,000 farms in the State.² In addition, nearly 23 percent of the State’s total land area is in agricultural use.³ In some counties in the Finger Lakes, Western New York and Southern Tier, farmland comprises more than 40 percent of total land area.
The Quarterly Census of Employment and Wages (QCEW) provides information on farming, encompassing both crop and animal production. As shown in Figure 1, employment in animal production grew steadily in the years leading up to the pandemic and continued to grow through 2020 and 2021. In contrast, employment in crop production grew to a high of 12,799 in 2018, and then fell to 12,027 in 2020 before rebounding to 12,438 in 2021. The decline in crop production employment caused employment in crop and animal production to drop from 23,639 in 2019 to 23,391 in 2020, a decline of 1 percent. However, employment growth in both crop and animal production led total farm employment to climb to a new high of 23,868 in 2021.\(^4\)

As shown in Figure 2, total wages paid by New York farms also increased steadily in the period leading up to and through the pandemic although the total wage paid in crop production declined in 2020, only to rebound in 2021. On January 1, 2020, new State wage standards for farm workers went into effect. These standards required payment of overtime for hours worked over 60 hours per week and one day of rest per week, and lowered the threshold at which farmers are required to provide unemployment insurance coverage for their workers. As employment increased, crop and animal production combined to provide $970.2 million in wages in New York State in 2021.

During the pandemic, agriculture was among New York’s most resilient economic sectors.
The disruption of national and global supply chains during the pandemic demonstrates the importance of local food production and New York’s farms.

Agriculture’s Effect on New York Jobs, Workers and Communities

While the data presented here do not represent a complete overview of the performance of New York’s farms through the COVID-19 pandemic, QCEW data indicate that New York’s farms were able to maintain production and continue as sources of employment, with growth in wages throughout the pandemic. This indicates the resilience of agriculture and the importance of farming as a support for the New York State economy, even during times of hardship.

In January 2022, as the sector continued to face the challenges posed by the pandemic, the Department of Labor’s Farm Laborers Wage Board (Board) recommended that farm workers receive overtime for: hours worked above 56 hours weekly in 2024; hours worked above 52 hours in 2026; hours worked above 48 hours in 2028; hours worked above 44 hours in 2030; and hours worked above 40 hours in 2032. The Board is scheduled to vote on a final report on this proposal on September 6, 2022. If approved, the Commissioner of the Department of Labor has 45 days to consider whether to approve, reject, or modify the action of the Board.
In recognition of the importance of agriculture to the State and to assist in addressing challenges faced by the industry the most recent New York State Enacted Budget added several new programs to support farmers, including: increasing the investment tax credit for farmers; doubling the farm workforce retention tax credit; and creating a new refundable tax for overtime paid for hours worked between 40 and 60 hours per week, which would take effect if the Farm Wage Board’s expanded overtime proposal is approved.\(^5\)

Farming serves as an economic base that supports a significant farm services industry and manufacturing of food and other products based on products produced on farms, especially in New York’s rural communities. Agricultural produce that is sold in the community in which it is produced magnifies the local impact of farming by keeping money circulating in the local economy rather than exporting those dollars for food produced elsewhere. And much of the income earned on farms recirculates back into the farmer’s community, supporting a variety of businesses providing fuel, seed, equipment and veterinary services, in addition to the wages paid for farm labor and the taxes paid to local governments.\(^6\) This makes farming an engine of local economies and government.

Farms also contribute to the food security of New York by producing a portion of the food New Yorker’s need close to home. The disruption of national and global supply chains by the COVID-19 pandemic demonstrates the importance of local food production. Agriculture is vital to New York’s health and economy, making it important for the State to work to ensure that this sector continues to thrive.

Endnotes

3 2017 Census of Agriculture: United States Summary and State Data, United States Department of Agriculture, April 2019.
4 Because most farms are family enterprises, family members who are also farm workers may or may not earn their income directly from wages. As a result, the number of New Yorkers who benefit economically from farming is likely significantly higher than those counted as hired labor.
5 The refundable tax credit applies to taxable years beginning on or after January 1, 2022, and is equal to 118 percent of the eligible overtime paid for each farm employee. In addition, a taxpayer may receive an advance refund of the credit applicable to overtime paid from January 1 to July 31 of the tax year. The credit does not sunset.

In 2021, CROP and ANIMAL PRODUCTION combined to provide $970.2 MILLION in WAGES in NEW YORK STATE

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