

# Results of the Dairy Employment Survey

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# Outline

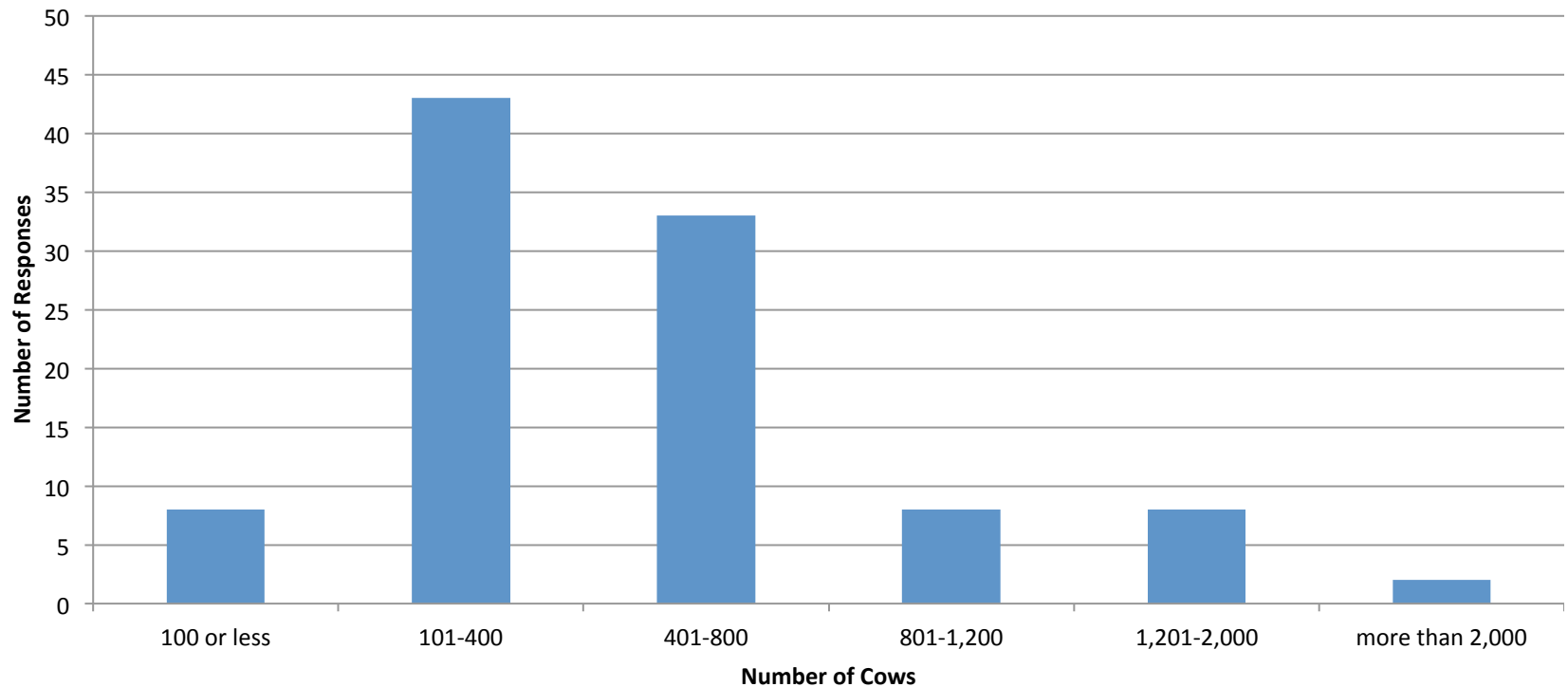
- Methods
- Results
  - Access to workers is an issue for many farms
  - Larger farms tend to pay higher wages than smaller farms; there is little relationship between benefits offered and farm size
- Conclusions
  - Workers need more life skills
  - Workers need more hands on experience in some cases
  - A web based job board would be useful

# Methods

- Used a questionnaire to get broad information
  - 150 questionnaires sent; 102 returned (68% response rate)
- Used focus groups to get more in-depth information

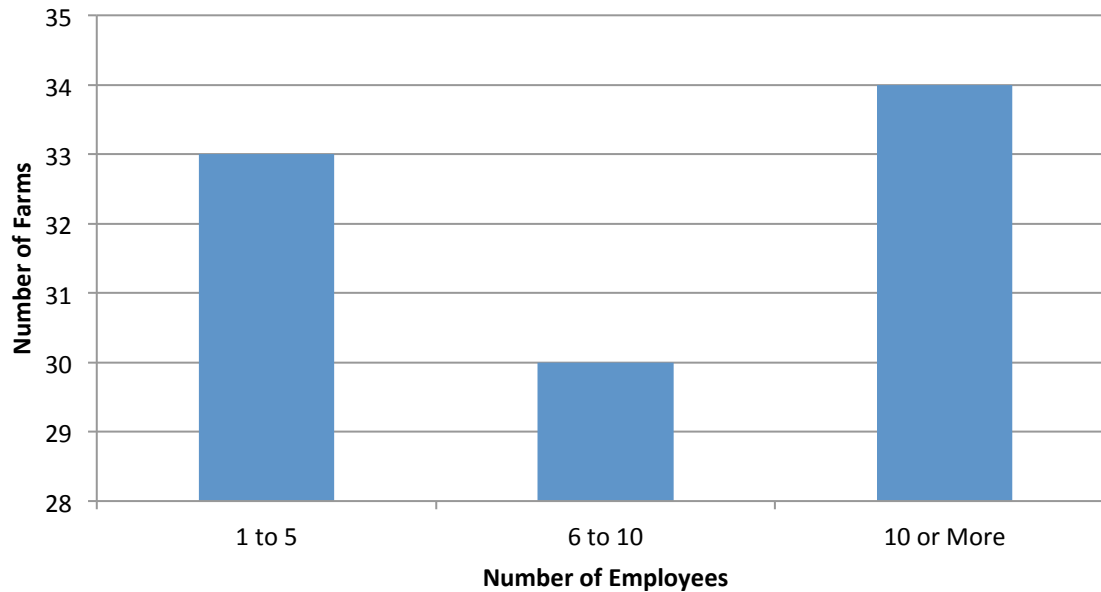
# Distribution of Mail Respondents

## Responses by Size of Farm



# Number of Employees

## Number of Non-Family Employees

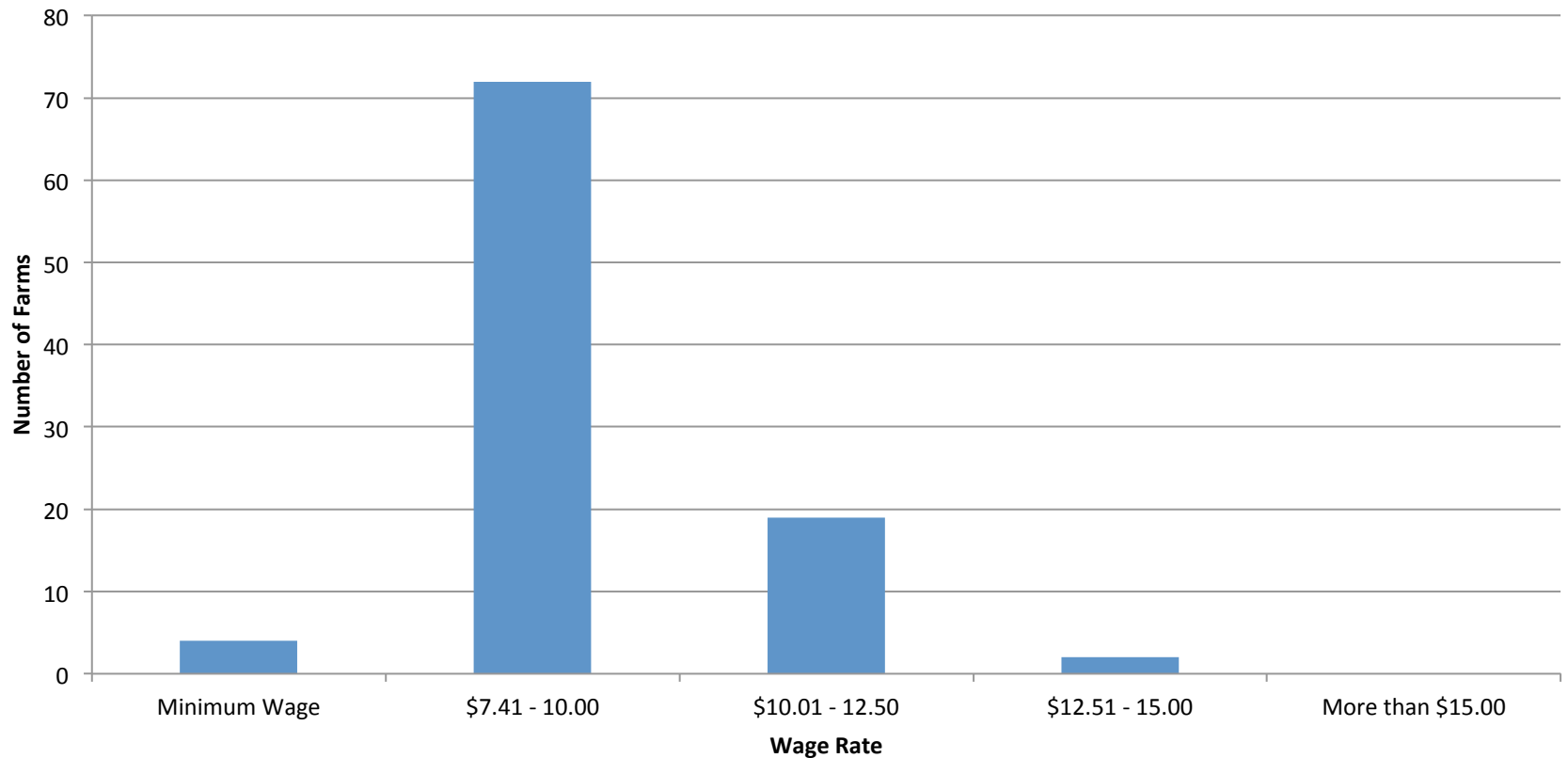


# Summary of the Previous Charts

- The distribution of respondents by farm size is similar to Michigan dairy farms; large farms are neither over nor underrepresented.
- Dairy farms are rather large employers of labor; one third of farms hire more than 10 people. Large farms have more than 30 employees.

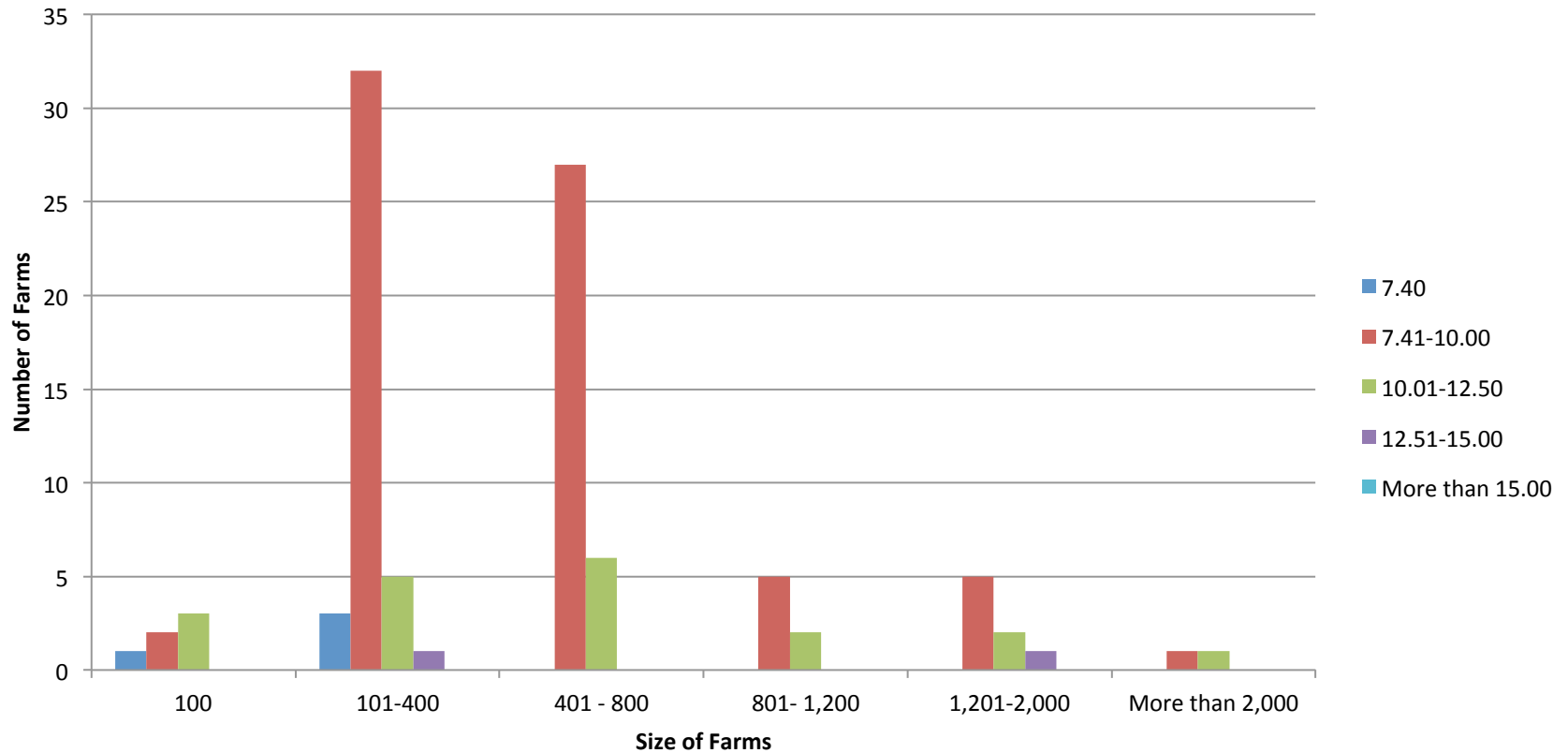
# Wages Offered to Beginning or Unskilled Workers

## Wage Rate for Beginning or Unskilled Workers



# Wages for New and Unskilled Worker by Size of Farm

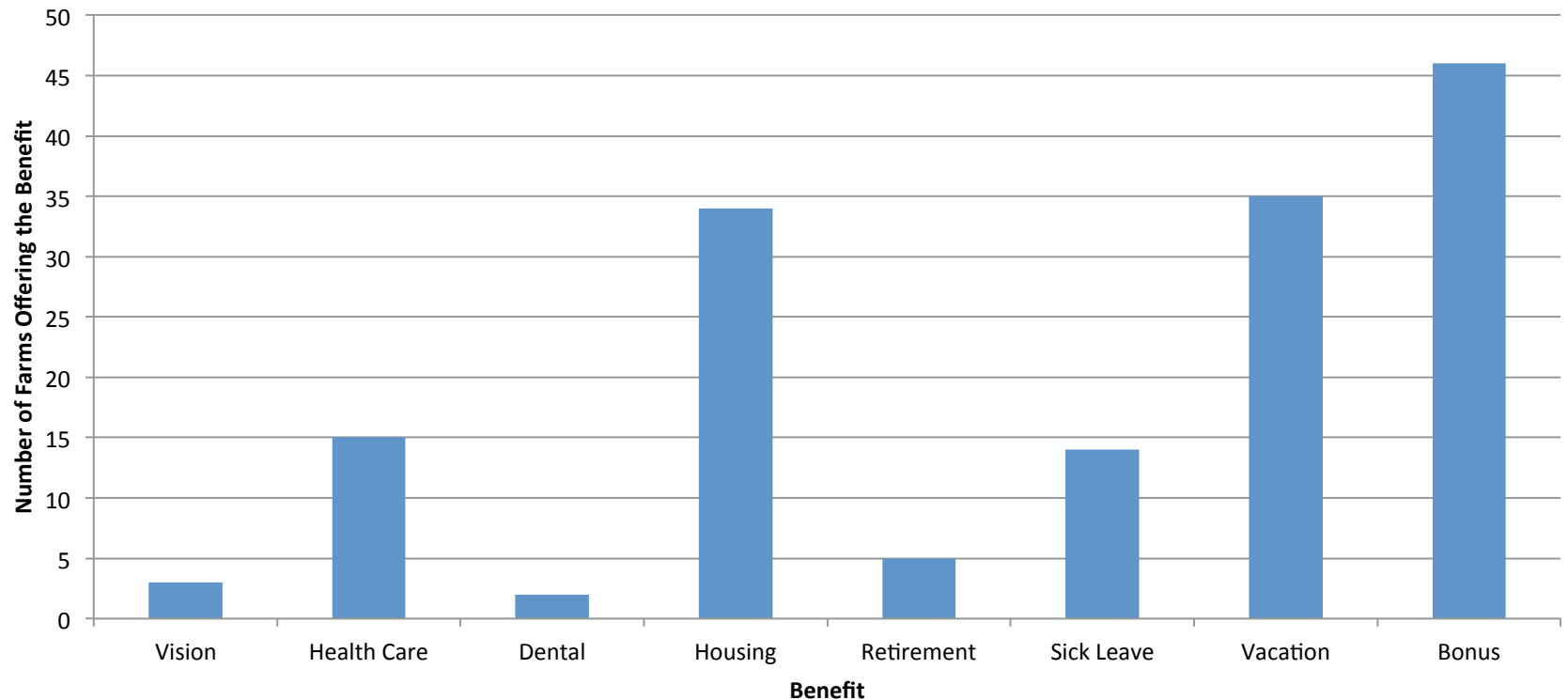
## Wages for New or Unskilled Workers by Size of Farm





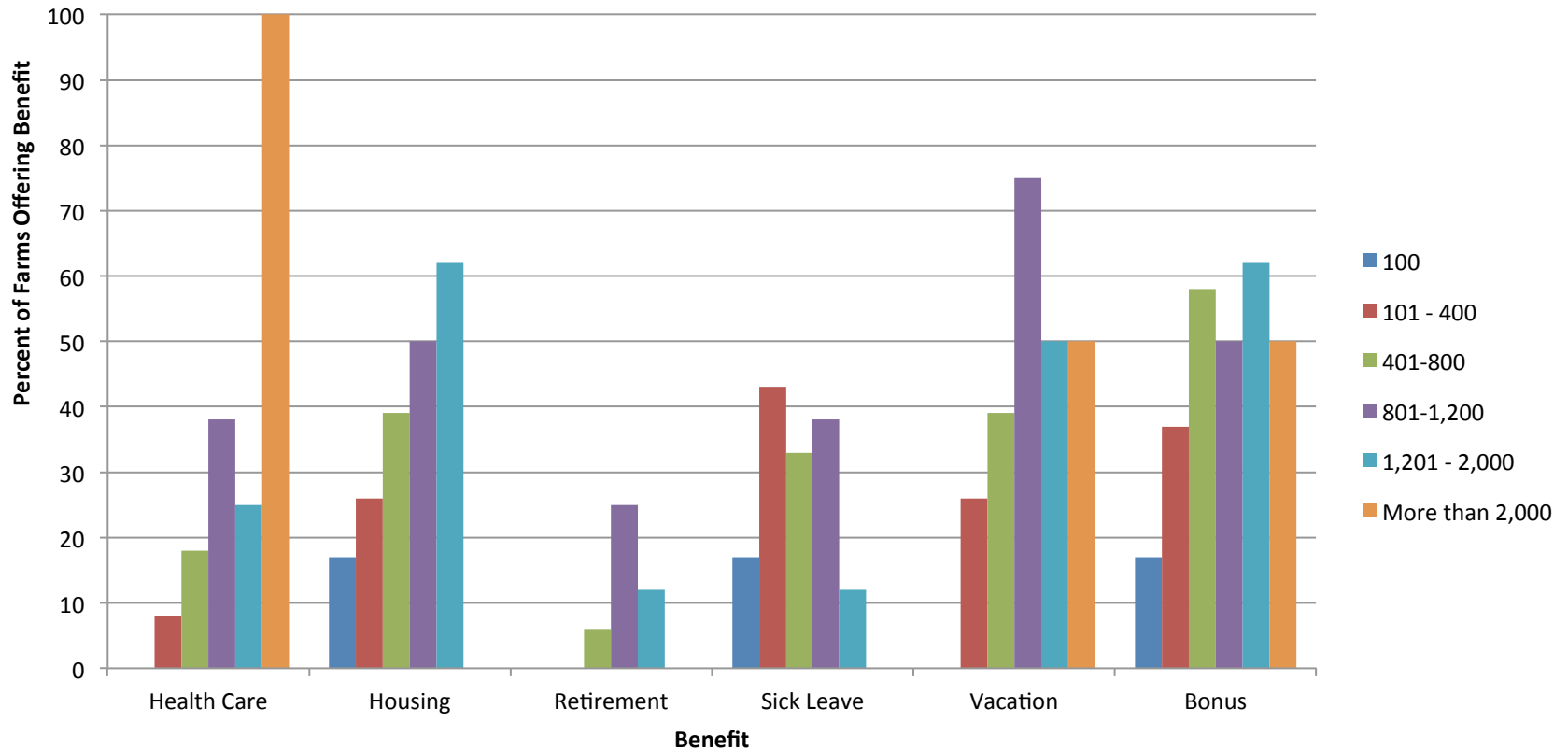
# Benefits Offered to New and Unskilled Workers

Number of Farms Offering Select Benefits to Entry Level or Unskilled Workers



# Beginning and Unskilled Worker Benefits Offered by Size of Farm

Benefits Offered Beginning or Unskilled Workers by Size of Farm

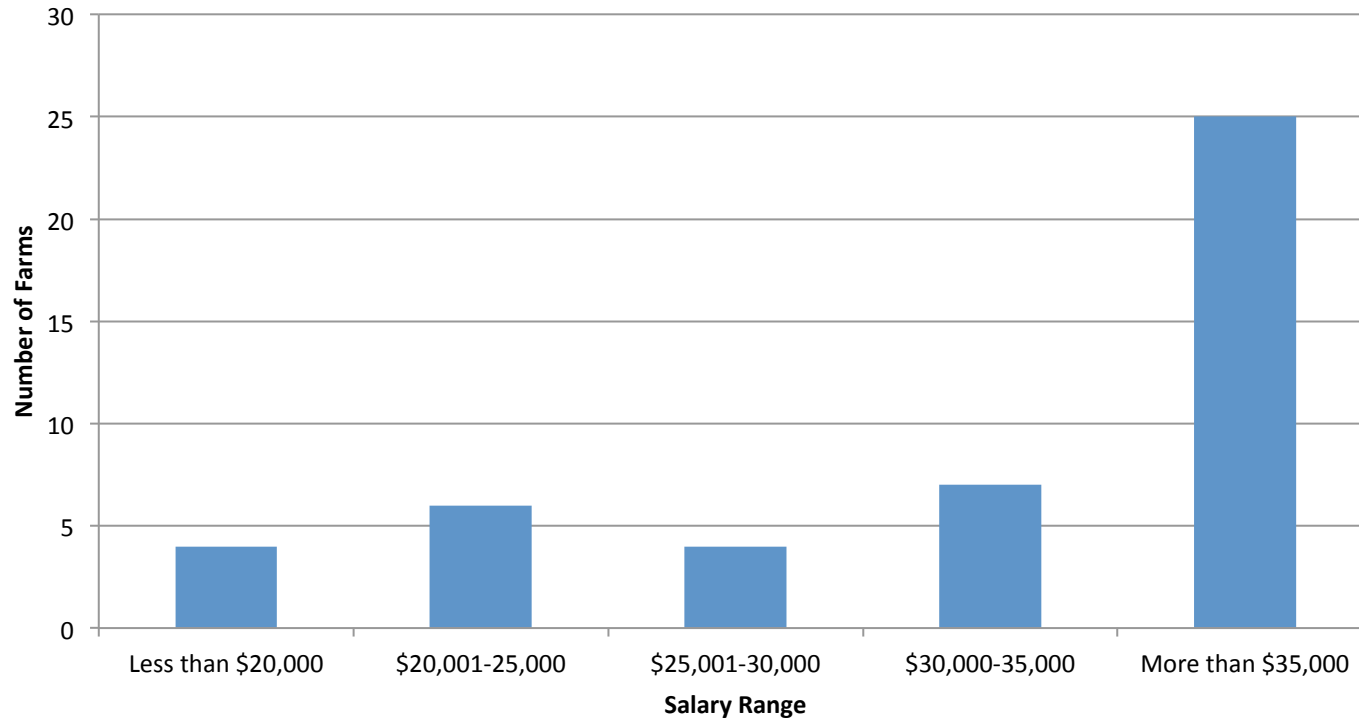


# Summary of Beginning and Unskilled Wages and Benefits

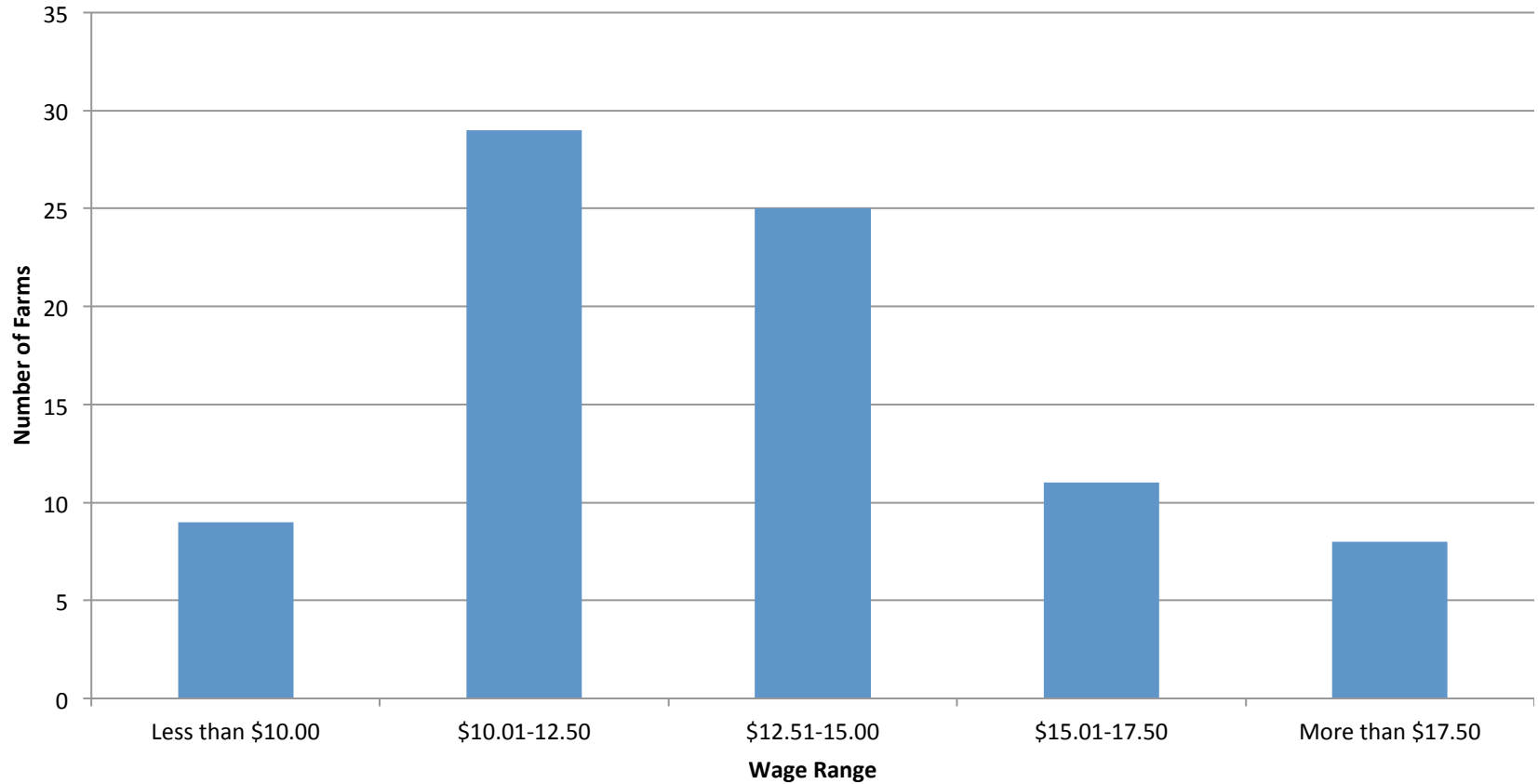
- It appears that larger farms tend to pay somewhat higher wages than smaller farms
- But the vast majority of farmers pay between \$7.41 and \$10.00 an hour.
- Other than housing there is not much of a relationship between size of farm and benefit offered (2,000 cows or more farms need to be interpreted carefully because there were only two respondents), meat is another benefit that some farms offer.

# Salaries Offered to Skilled Workers

## Salaries for Skilled Workers

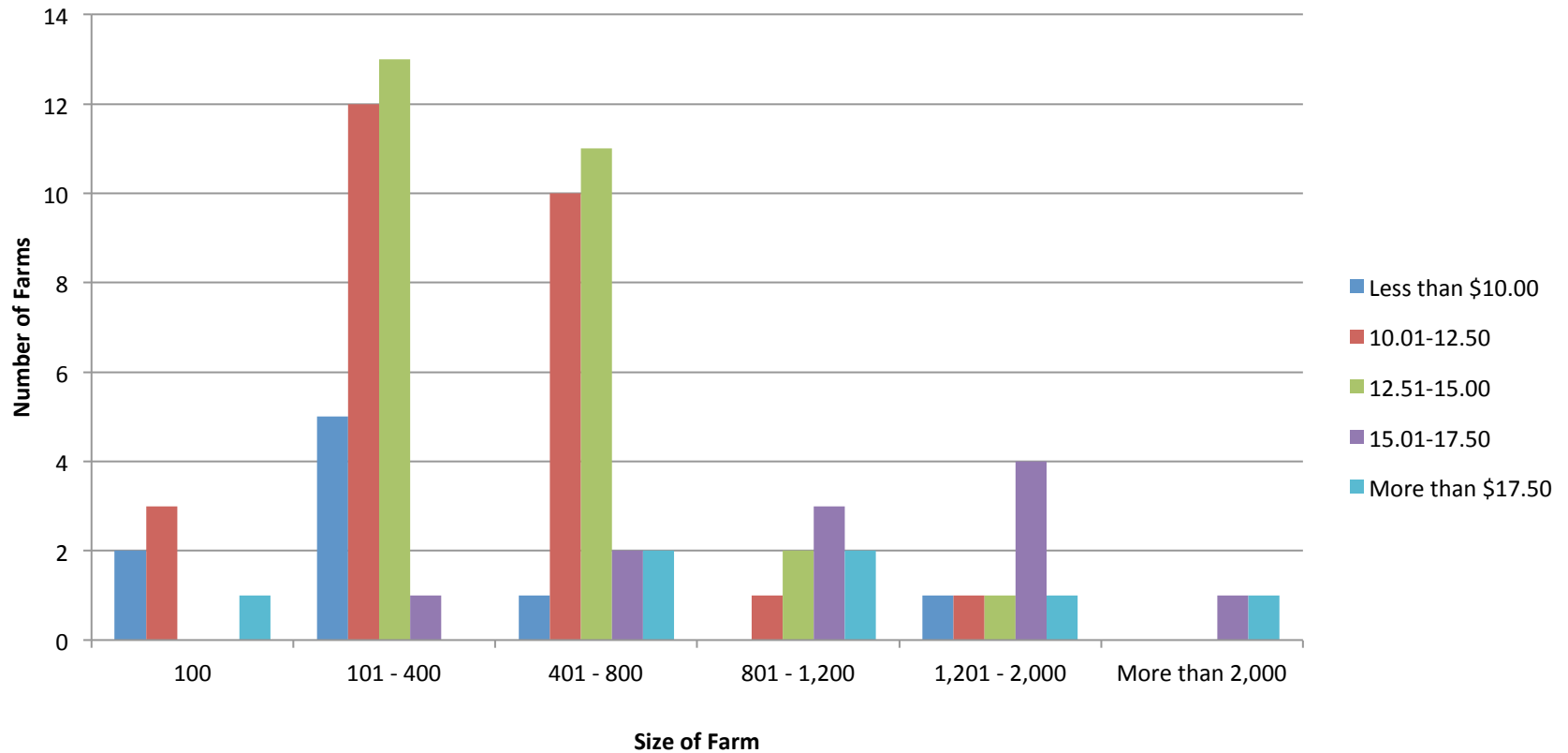


# Wages Offered to Skilled Workers



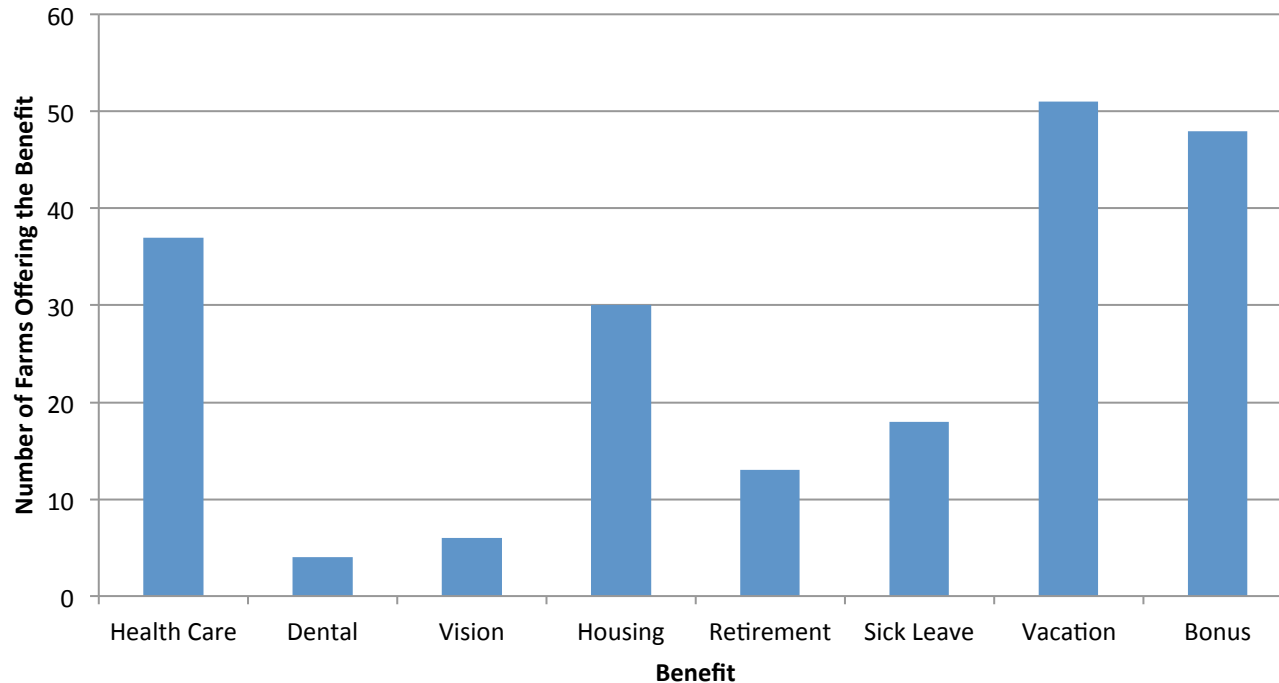
# Wages Paid to Skilled Workers by Size of Farm

## Skilled Wages by Size of Farm



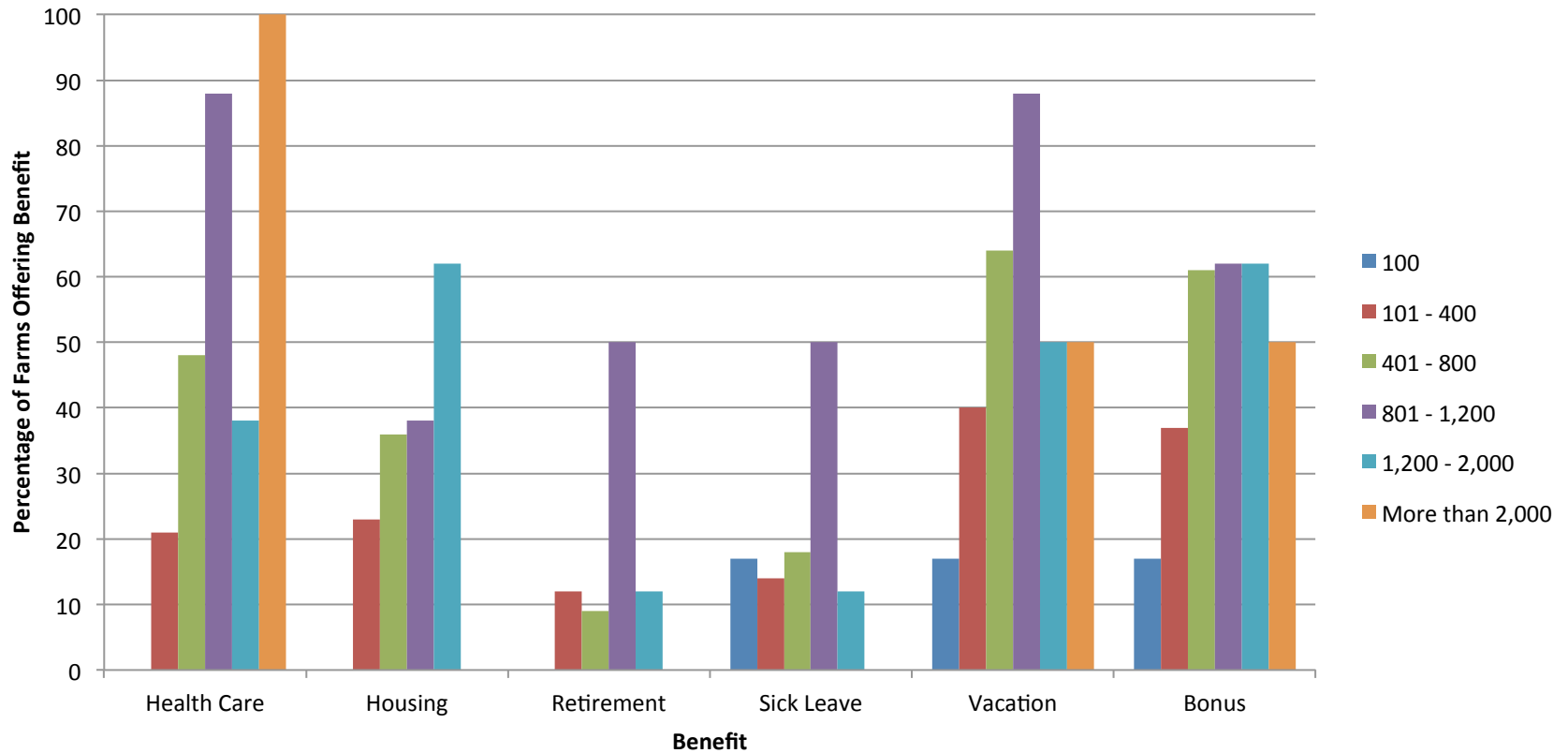
# Benefits Offered to Skilled Workers

## Skilled Worker Benefits



# Benefits Offered by Size of Farm

## Benefits Offered Skilled Workers by Size of Farm



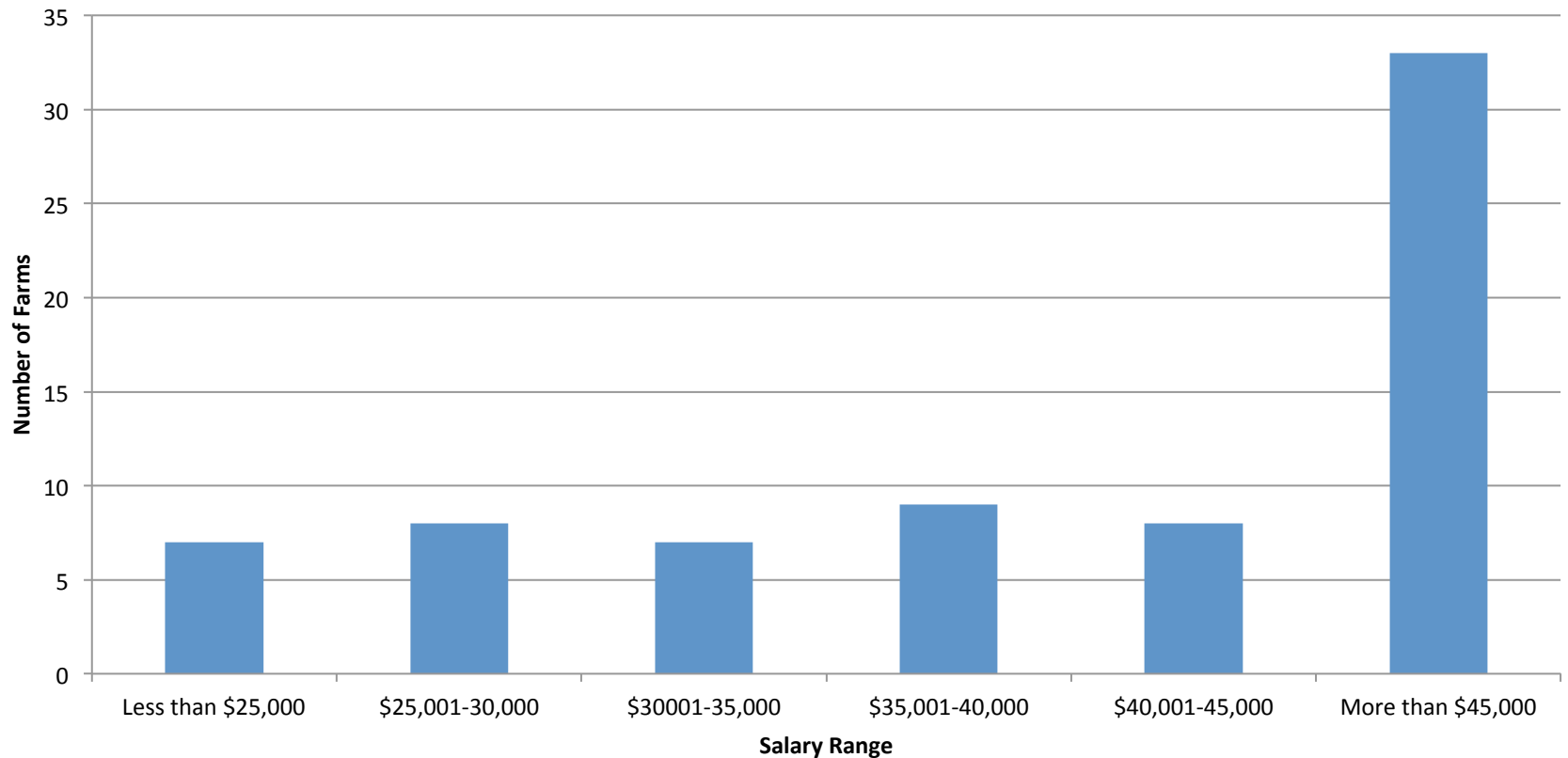


# Summary of Salaries, Wages and Benefits for Skilled Workers

- While wages are more dispersed for skilled than unskilled workers, a solid majority make between \$10.00 and \$15.00 an hour.
- Health care and vacation are far more common for skilled than unskilled workers, meat is also a benefit that some farms provide.
- With the exception of housing, farms between 800 and 1,200 cows appear to offer the most benefits – although it should be noted that this is small number of farms.

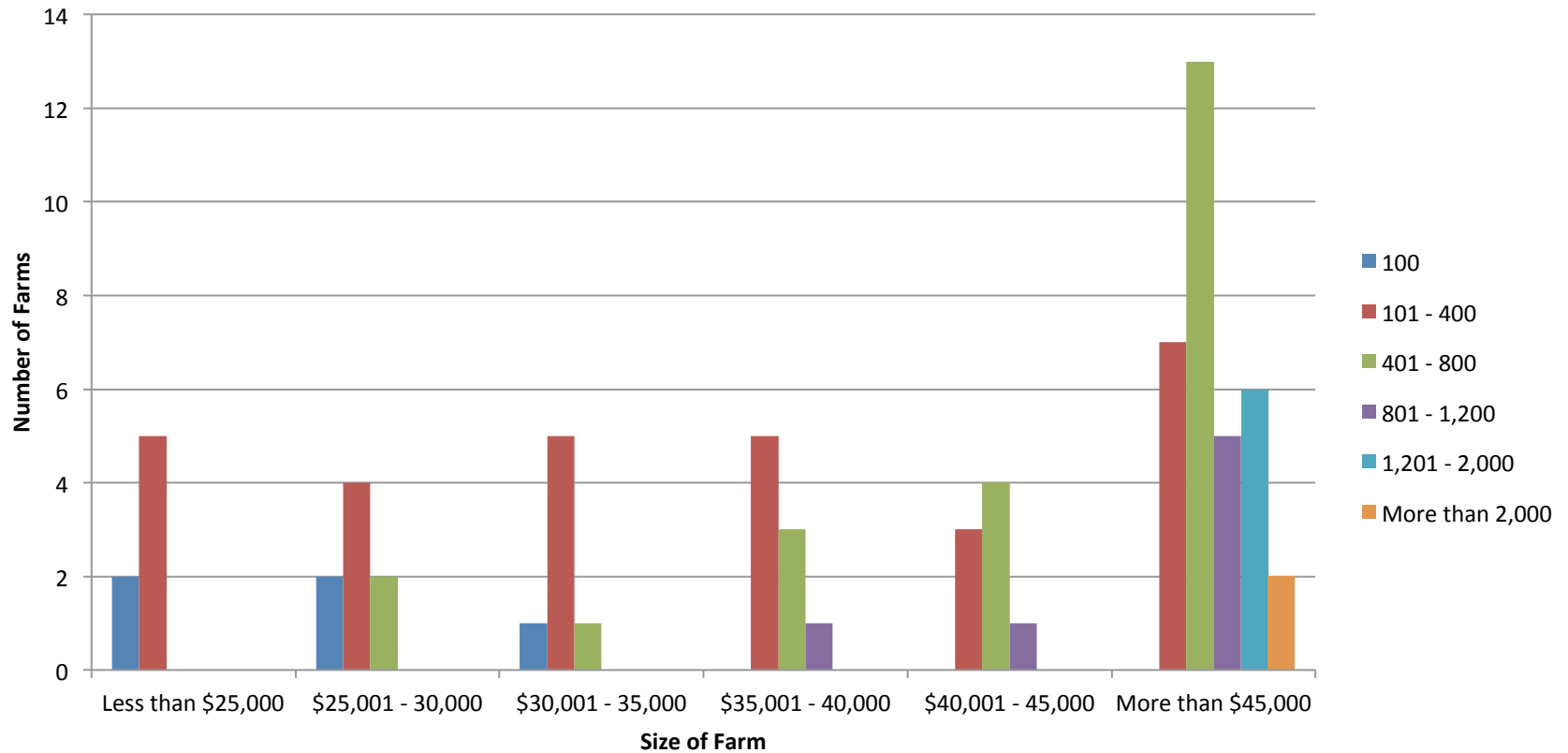
# Salaries for Managers

## Manager Salaries



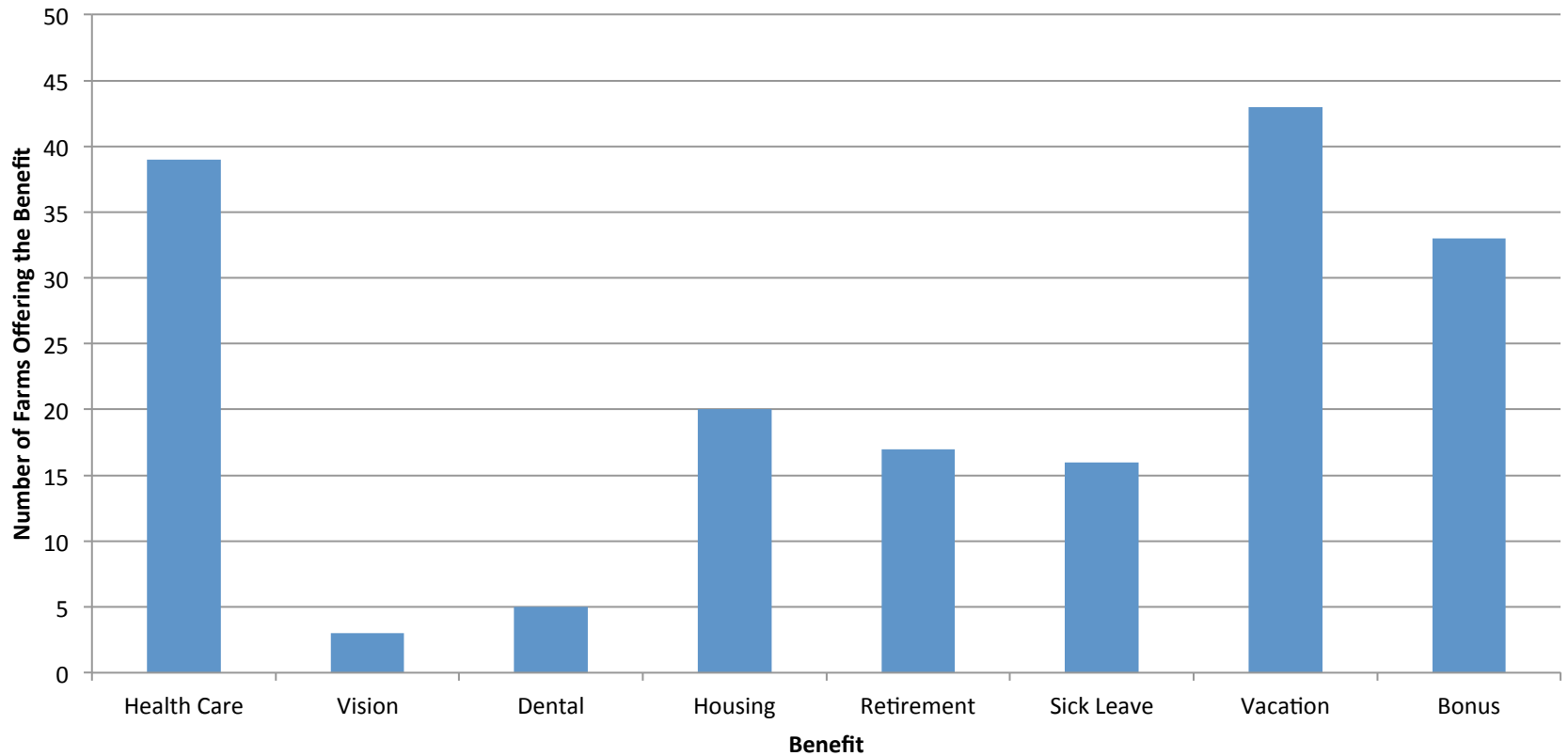
# Manager Salaries by Size of Farm

## Manager Salary by Size of Farm



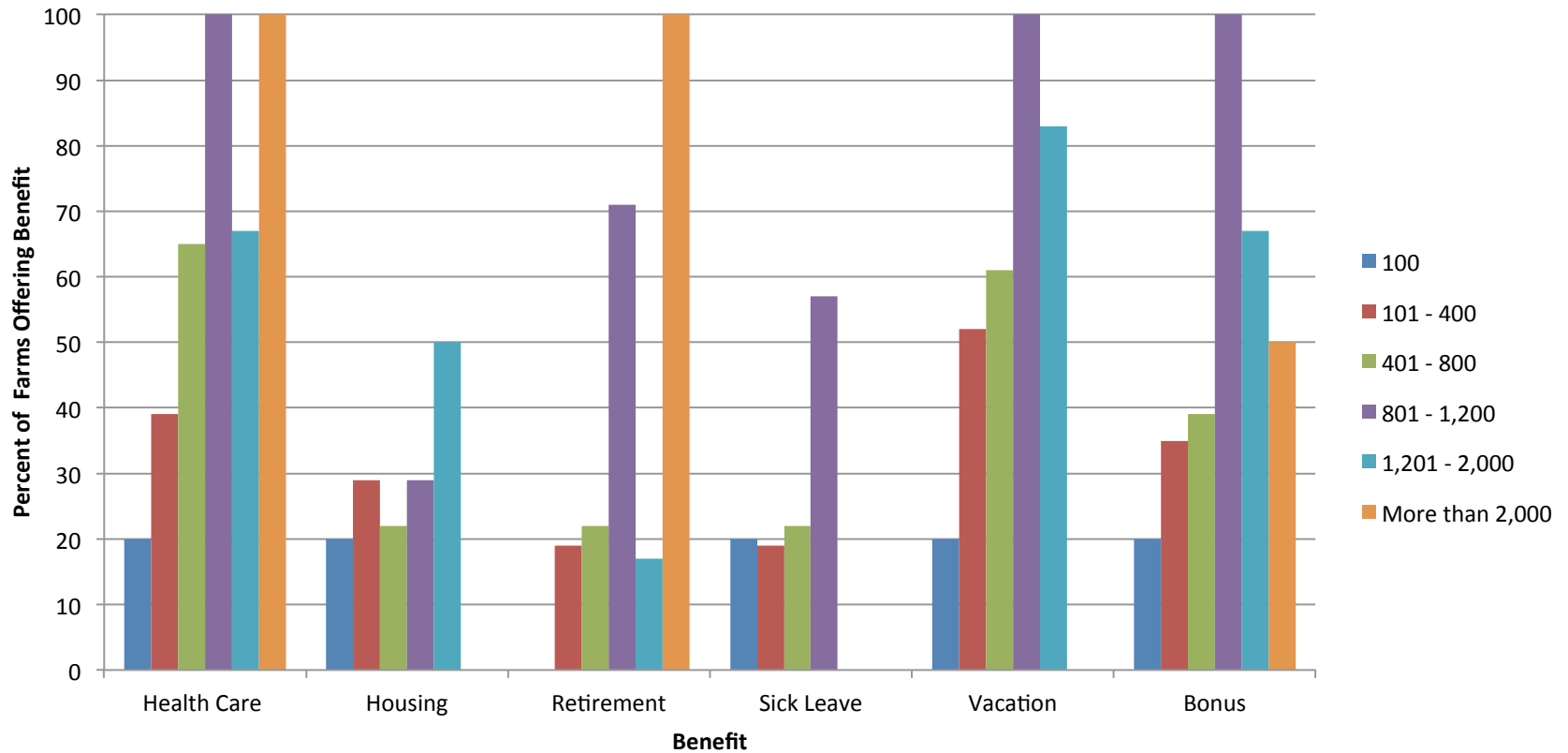
# Manager Benefits

## Manager Benefits



# Benefit by Size of Farm

## Manager Benefits by Size of Farm

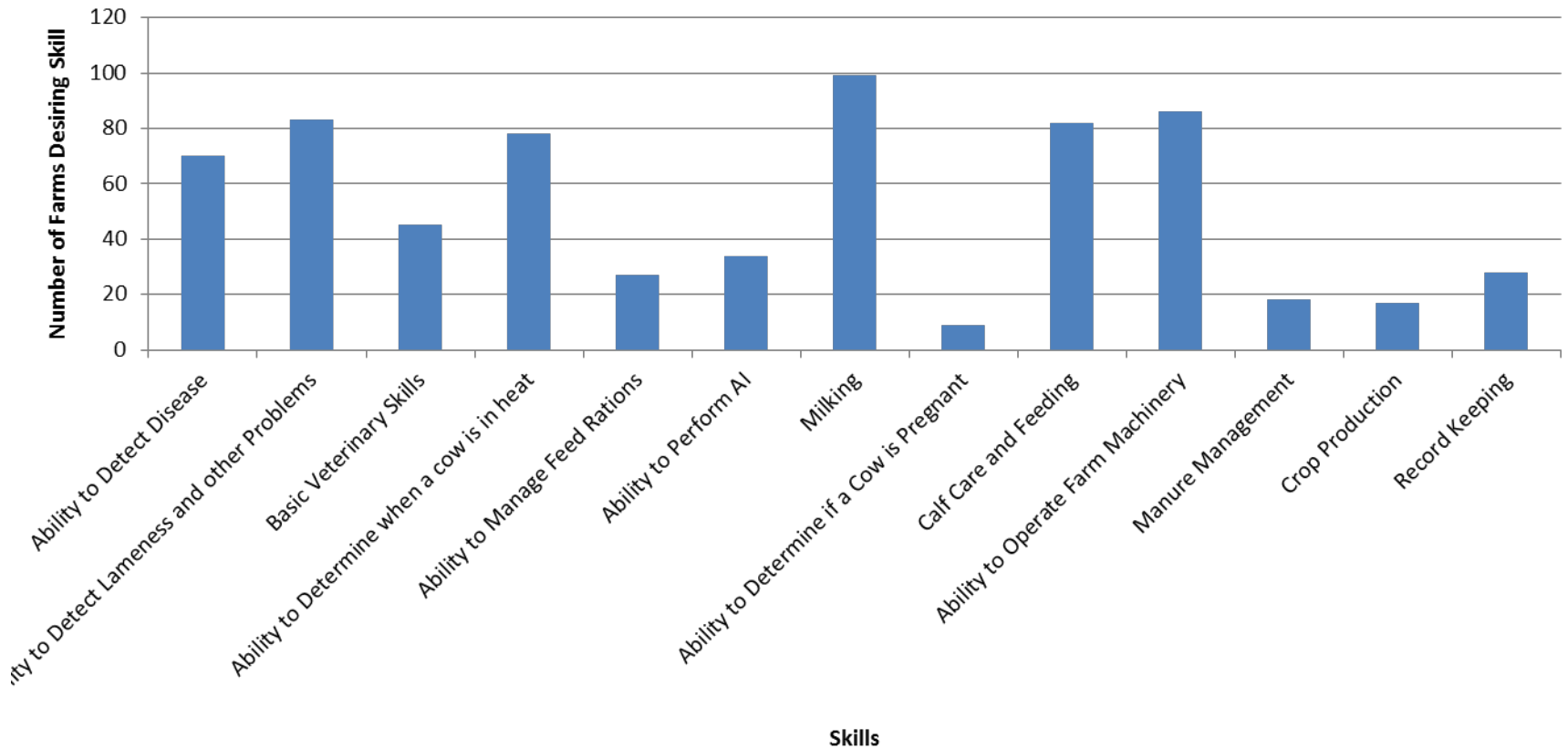


# Summary of Manager Salaries and Benefits

- About 50% of managers make more than \$45,000 a year. There is a strong relationship between the size of the farm and salary paid.
- Health care and vacation are fairly common benefits offered.
- Managers are less likely to live in employer provided housing compared to unskilled and skilled employees.
- Overall, farms with between 801 and 1,200 cows offer the best benefit package.

# Skills Desired by Employees

## Skills Desired by Employers



# Summary of Employee Skills Desired

- Milking, the ability to operate machinery and basic animal care dominate.



# Manager Skills Desired



# Summary of Managerial Skills Desired

- The ability to communicate and give direction is important.
- As is the ability to solve problems, and to organize effectively.
- For some farms (30 percent), the ability to speak Spanish is a desired skill.

# Additional Employees

- Exactly half the farms in the survey anticipate hiring additional workers in the next two years.
- Farms between 401 and 1,200 cows are most likely to hire additional workers. Farms between 101 and 400 are the least likely to hire additional workers.

# Positions Needed

Number of Farms Hiring for the Following Positions	
Job	Number of farms
Milker	33
Calf Feeder	2
Assistant Herdsman	2
Feeder	5
Machinery/equipment operator	5
Scrapers	4
Basic Farm skills	1
Calf care	3
Assistant Crop Production	1
Cow care	1
Entry Level	3
Herdsman	6
Cow Pushing	1
Calving	1
Animal Skills	1
Skid steer operator	1
General Labor	2
Fresh Pen watch	1
All Positions	1
Mechanic	1
Manager	1

# Summary of Positions Needed

- Real need for milkers
- One manager position
- Six herdsman openings
- Some job openings and job descriptions are rather vague

# Needed Positions Identified by Focus Groups

- Herdsman
- Mechanic
- Milkers
- Feeders
- Planters
- Manure Haulers
- Truck Drivers
- Cow Pushers
- Manure Scrapers
- Maternity
- Calf Handlers
- Maintenance
- Assistant Herdsman
- Breeders
- Equipment Operators

# Other Observations from the Focus Groups

- Some farms are willing to make something available for the right person.
- Farms also willing to do on the job training – and often prefer it.
- Work ethic is extremely important.
- There is a need for people with all types of skills.
- Many farms require a drug test before hiring.
- Some farms have no problem hiring Hispanics – others feel that local residents should be hired particularly given the current unemployment rate.

# Typical Work Week

- Milkers 40 to 48 hours a week
- Feeders 50 to 60 hours a week
- Herdsmen 60 hours a week
- Long hours 24/7, 365 makes finding workers difficult in some cases – generally less of an issue with Hispanics



# How are Workers Found

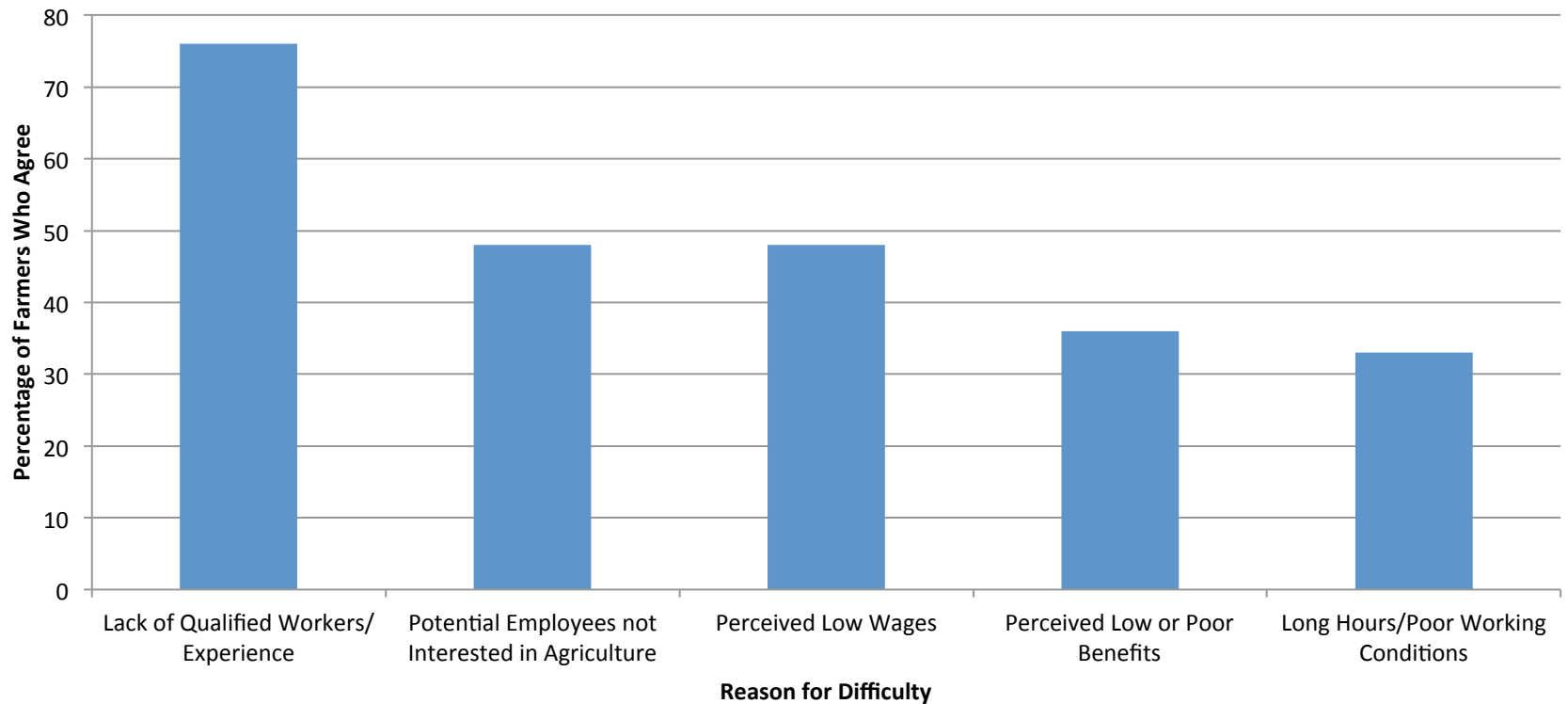
- Almost 80% of farms willing to hire legal immigrants; 97% willing to hire local residents.
- 89% of farms use word of mouth to find workers; 72% use referrals from current employees; only 20% use advertising, and only 9% use Michigan Works or other agency.
- Many farmers consider Michigan Works a waste of time. Applicants from Michigan Works are not perceived as being serious about working.

# Difficulty Finding Workers

- 41% of farmers surveyed say they have difficulty finding workers.
- Farms between 801 and 1,200 cows have the least difficulty; farms between 1,201 and 2,000 cows have the most difficulty.

# Factors that Make it Difficult

Percentage of Farmers Who Have Difficulty Finding Workers Who Agree

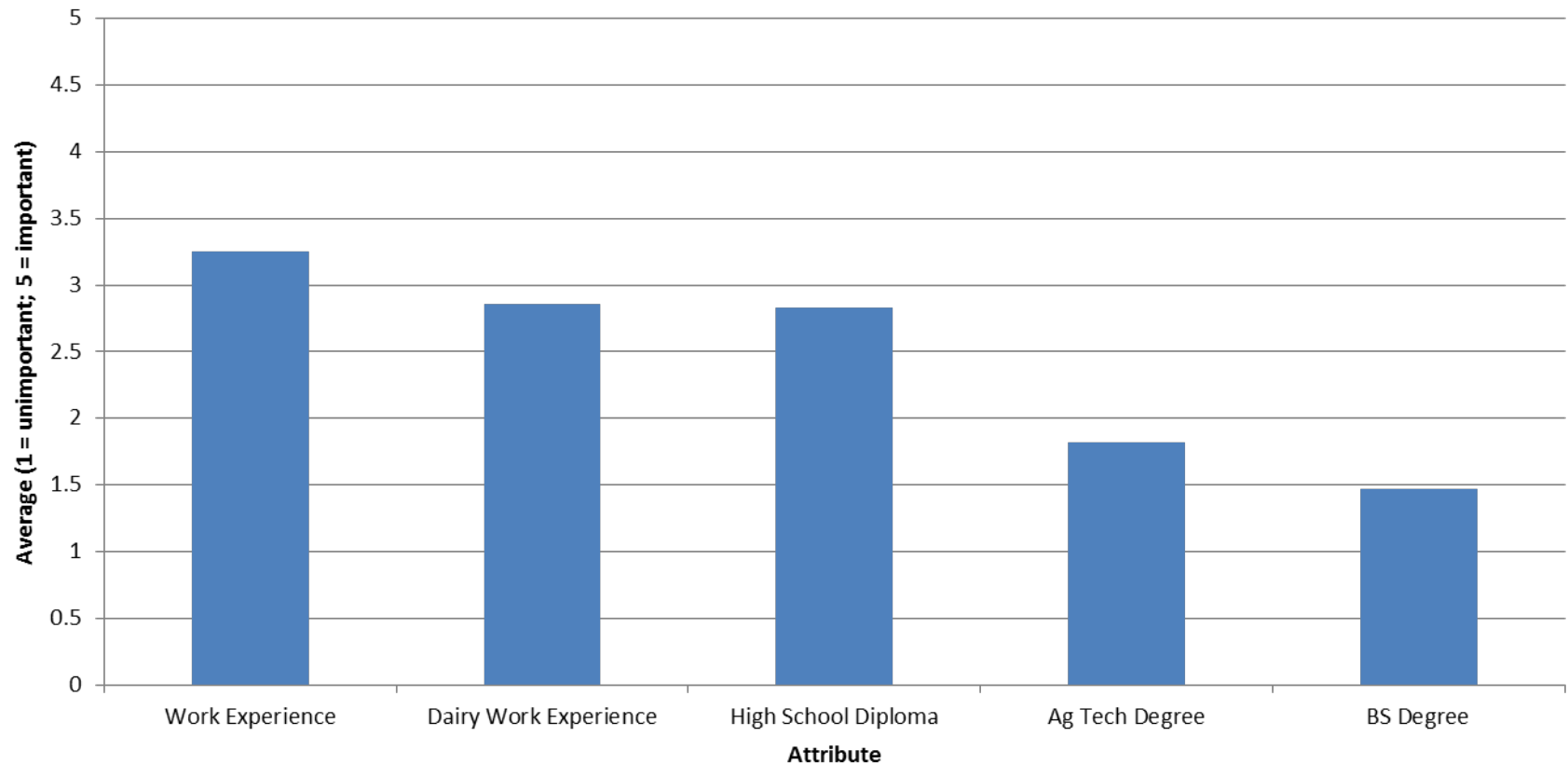


# Summary of Factors

- Lack of access to qualified workers dominates.
- Lack of work ethic and basic life skills (e.g. ability to read, willingness to show up on time, etc.) were often mentioned by the focus group participants.
- There is some interest in developing an internet job bank for employers and job seekers.

# Preferred Education and Experience of Entry Level Employees

## Experience and Education for Entry Level

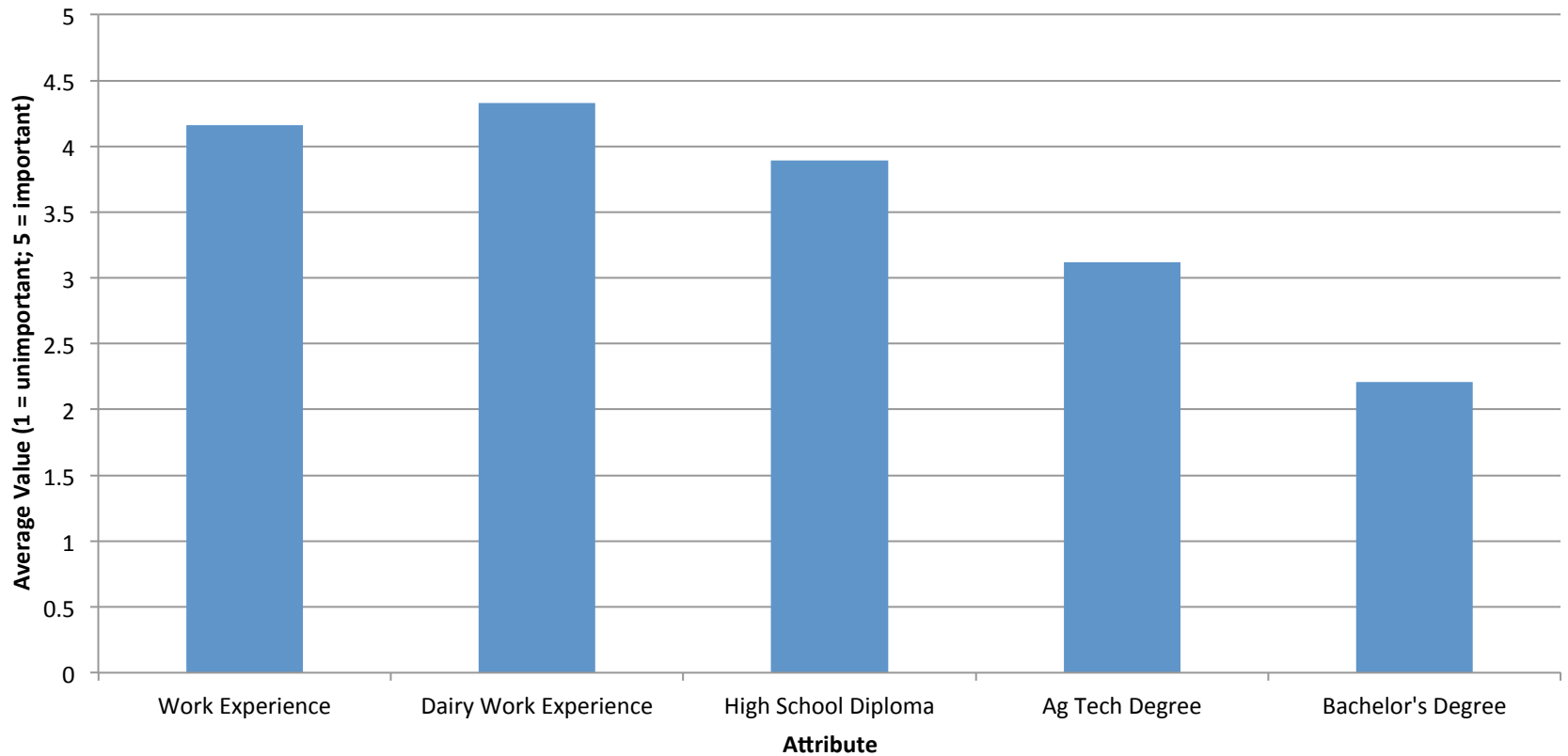


# Entry Level Employee Analysis

- Many farmers will consider a non-high school graduate.
- Some work experience is preferred, but many farmers are willing to train their own workers, a finding supported by the focus group discussions.
- Education beyond high school is generally not required for entry level employees.

# Preferred Experience and Education of Herdsman

## Work Experience and Background of Herdsman



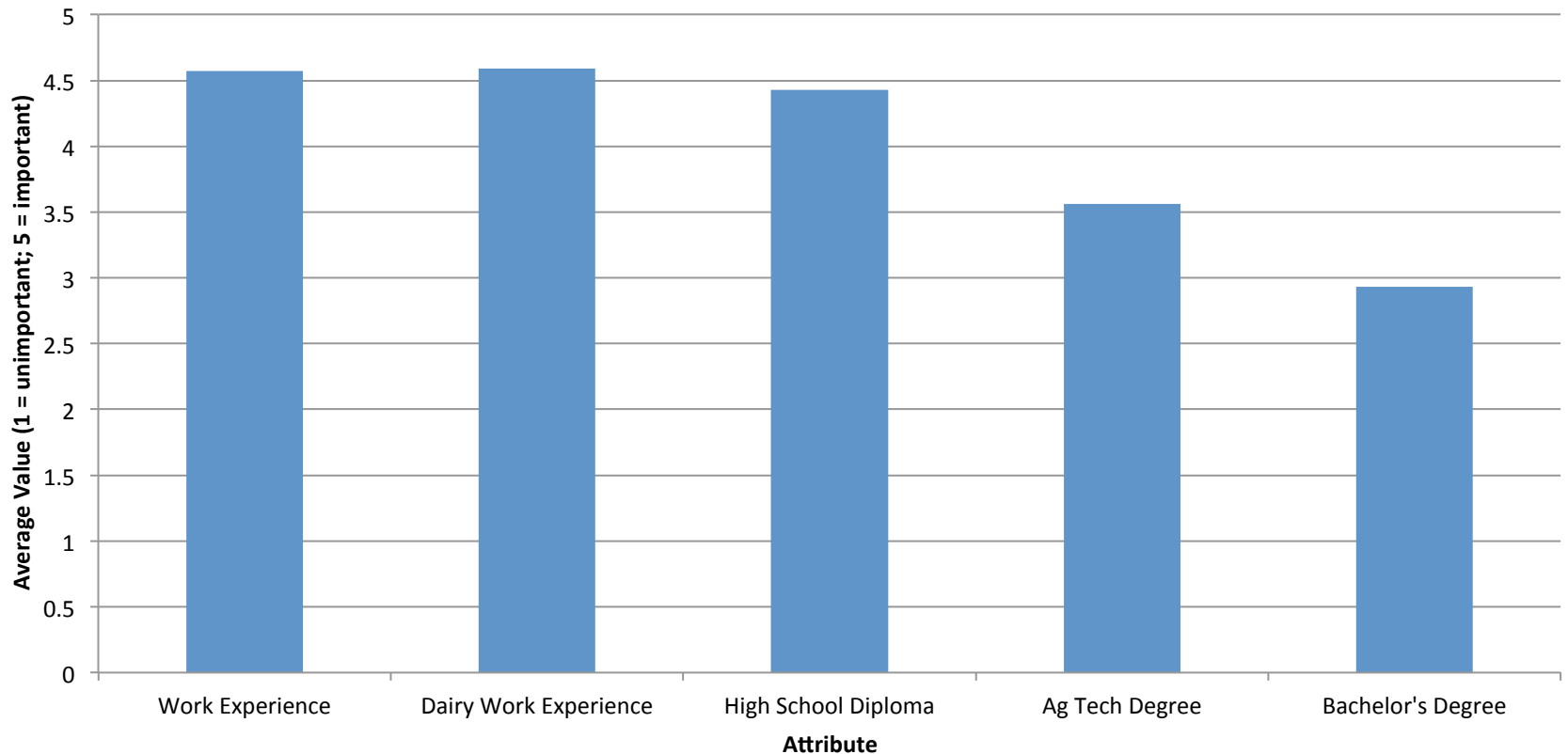
# Herdsmen Discussion

- Experience, especially dairy experience is important for herdsmen positions.
- A high school diploma is also important.
- Farmers perceive entry level and herdsmen positions as jobs that require on the job training with a minimum of additional education.
- There is support for programs that would provide education that would not take two years to complete – e.g. short courses.



# Preferred Experience and Education of Managers

## Desired Experience and Background of Managers



# Manager Discussion

- Farmers see this position as requiring work experience.
- Education is more important for this position than for the herdsman or entry level position.
- Nonetheless, it appears that a high school graduate can obtain a manager position which often pays in excess of \$45,000 and often includes health care and vacation.

# Conclusions

- At current wages and benefits, there does appear to be a shortage of qualified applicants.
  - This seems to be a bigger issue for the smallest farms.
- Wages for new hires are usually less than \$10.00 an hour; housing, vacation and bonuses are the most common benefit.

# Conclusions cont.

- Most skilled workers make between \$10.00 and \$15.00 an hour.
- Health care, vacation and bonuses are the most common benefits offered.
- Managers generally make more than \$40,000 a year; health care, vacation and bonuses were the most common benefits offered.

# Positions Needed

- Half the farms surveyed anticipate hiring additional workers.
- Milkers were the dominant need.

# Difficulty Finding Workers

- 41% of farmers surveyed found it difficult to find workers.
- Lack of work ethic and basic life skills were the major hurdle.

# Training and Education

- Most farmers willing to train workers themselves.
- There is interest in educational programs that would not take two years to complete such as short courses that focus on a specific skill or topic.

# Recommendations

- Create an internet based job bank.
- Increase the level of awareness about job openings and career opportunities in the industry especially for potential employees without a farm background.
- Standardize job title and responsibilities to make recruitment easier.