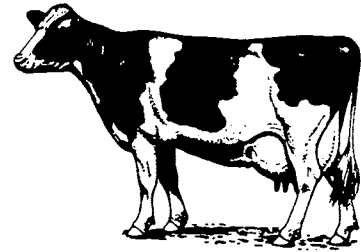


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Dairy Update

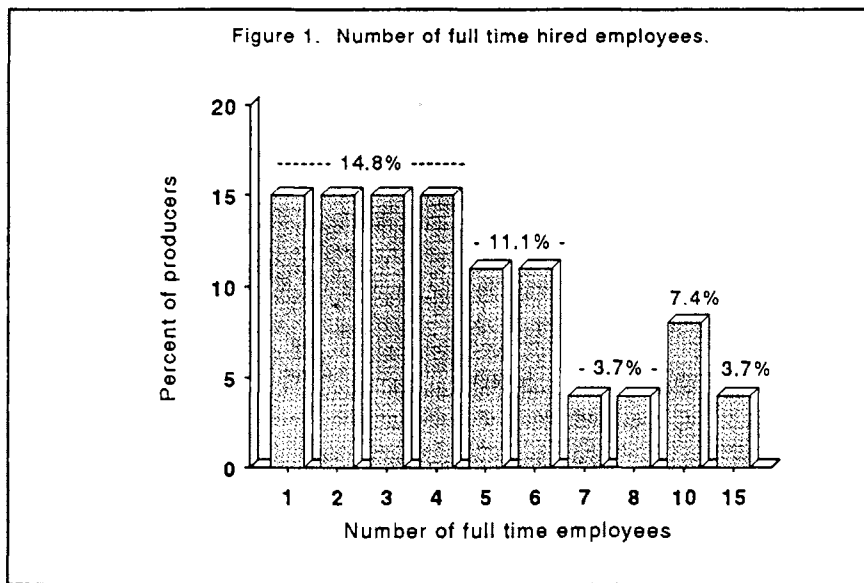
Hired Dairy Farm Labor

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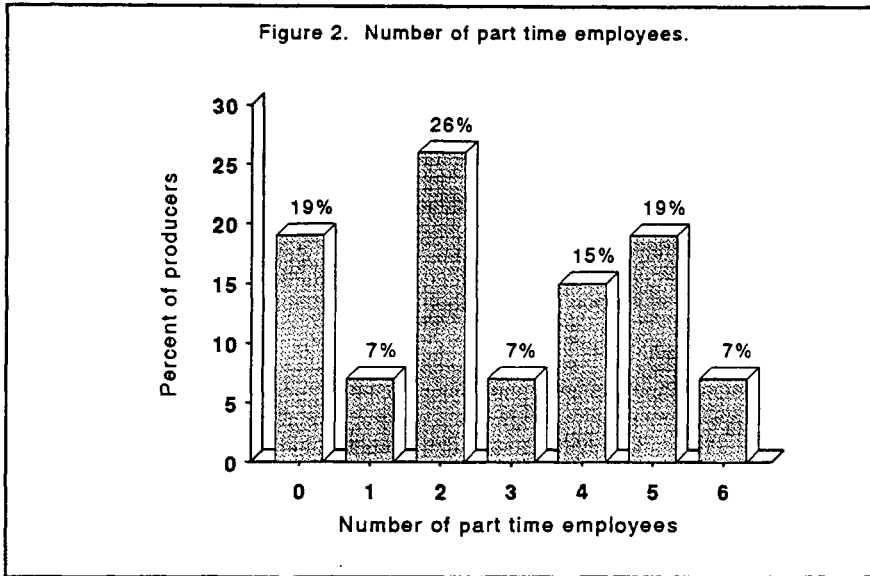
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Hired dairy farm labor was studied on 29 large dairy farms (130-1,010 cows) in Michigan and Wisconsin using a survey. Areas studied were: number of hired employees (full and part time), usage of job descriptions and performance evaluations of hired employees, process of hiring new employees, incentive bonuses, and major problems associated with hiring and maintaining hired dairy farm employees.

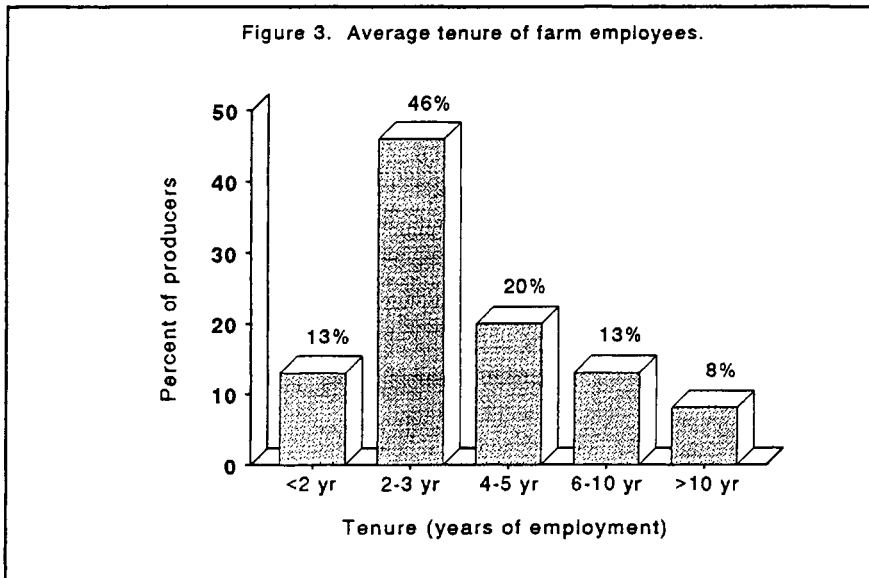
It is obvious in the survey results that large dairy farms employ many hired full and part time employees both for the dairy and field cropping enterprises. Figure 1 shows the number of full time hired employees (family owners not included). This represents 123 full time equivalents on all farms or an average of 4.6 full time hired persons per farm to handle dairy and field work responsibilities. Figure 2 shows the number of part time employees.



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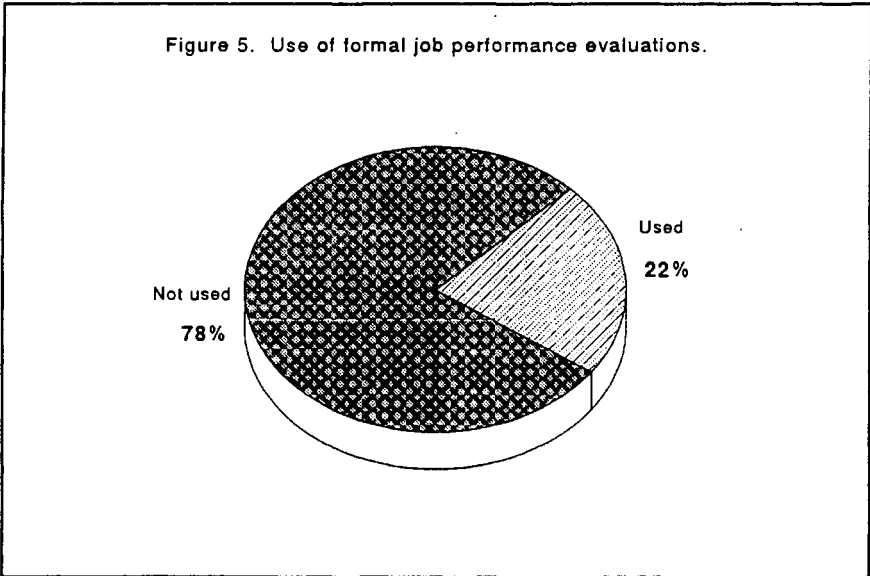
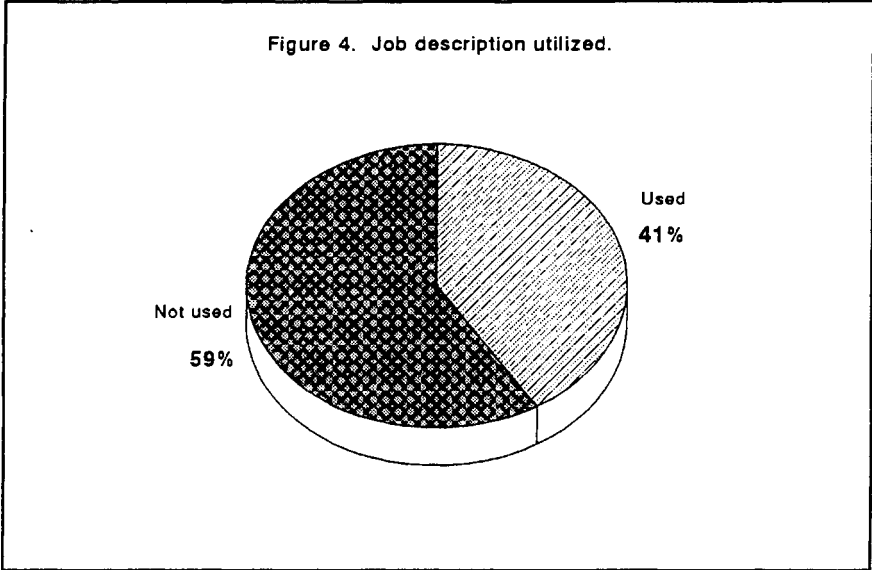


The average tenure of full time employees was included in the survey. The data shows a great variation in tenure of employees. Although not documented with survey data, it is evident that some owners are more skilled in hiring, motivating and maintaining top performing employees on the farm. This merits a special study but it is evident that farms do vary greatly in ability to attract and maintain employees. Also, it would be a good study to interview employees about reasons for moving on to other positions. Figure 3 provides survey data on tenure of employees on farms surveyed.



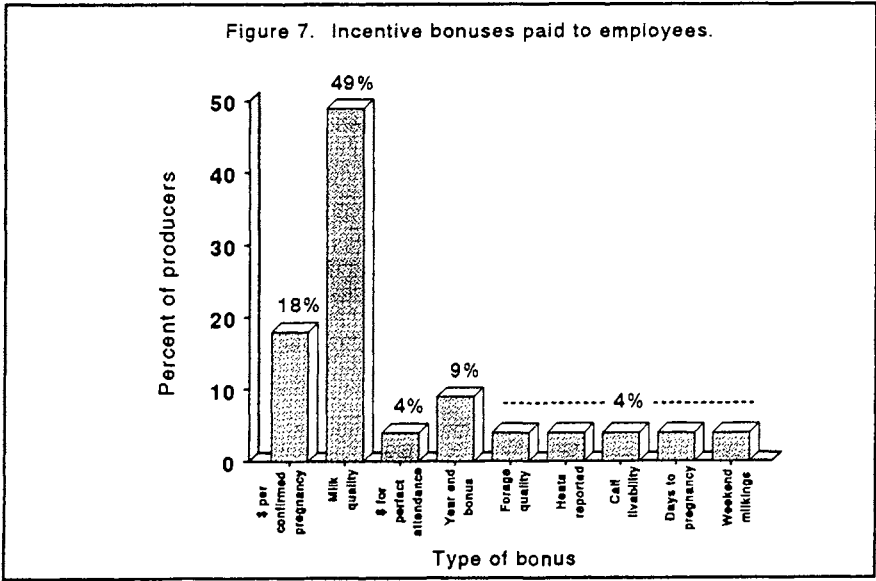
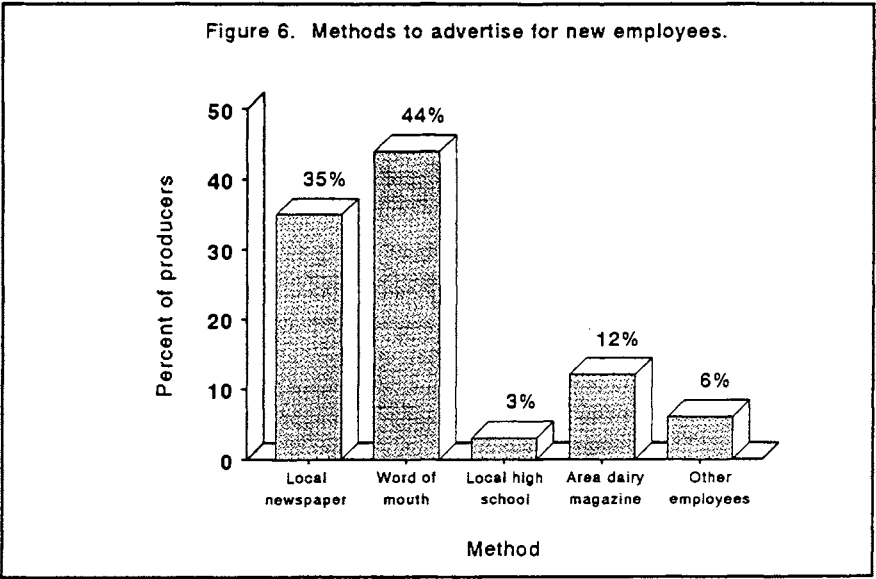
Job descriptions and job performance evaluations for hired farm labor were used on 41% of farms surveyed. A number of farm owners reported they should develop job descriptions and

formal performance evaluations but had not done it as of time surveyed. Figure 4 documents the use of job descriptions by farms surveyed while Figure 5 summarizes the usage of formal employee performance evaluations.



Methods of advertising for new employees was studied in the survey. Farm owners were asked to provide all methods to advertise for new employees; therefore, some owners surveyed gave a number of ways to recruit new employees. Word of mouth was most often mentioned followed by local newspaper to recruit new employees. Figure 6 summarizes different methods large herd owners in Michigan and Wisconsin follow to recruit new employees.

Incentive bonuses were studied in the survey to look at frequency of usage and type of incentives large dairy owners may provide hired help. Two-thirds of the farms surveyed offered one or more incentive bonuses while one-third offered no incentive bonuses. Incentive bonuses on some farms were multiple and were paid under different methods. The most frequently reported incentive bonus was for milk quality where 40% of those surveyed paid bonuses based on milk quality premiums. Eighteen percent of farm owners surveyed paid a dollar figure on each confirmed pregnancy while a few herd owners paid for heats reported and days to pregnancy. Figure 7 provides a listing of different incentive bonuses reported by owners.



Is dairy farm labor a real problem? This question was put before dairy owners of large herds in both Michigan and Wisconsin. Thirty-seven percent responded with a yes and 63% said it wasn't a real problem. Those responding with labor as a real problem listed the following concerns about labor: finding top people, boredom, communications, incentive to work, working on weekends, animal husbandry interest, reliability of people, being tactful but firm, and keeping good performers. One herd owner surveyed felt he had no real problem with labor on his farm, but felt farm labor was a real problem in the Michigan dairy industry.

Wages of hired farm employees were not included in the survey; however, it was discussed with some herd owners surveyed. It is apparent many plans are available in a broad array of packages by large herd owners. In discussion, it appeared that \$5.50 to \$6.00 per hour is a common starting wage while \$7.50 to \$8.50 per hour is paid to employees remaining for longer periods. Fringe benefits (health and life insurance) increased as employees remained on the job beyond one year.