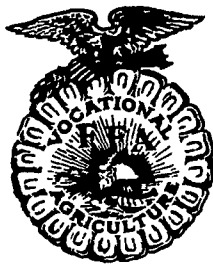


From Local Ag Teachers:



Thoughts in Passing



The article for this week was prepared by Glenn Weber, teacher of agriculture at Manheim Central High School.

The Trouble with Farm Labor
As the size of the average farm business increases, labor management has become an increasingly popular subject. The goal of labor management, of course, is to increase the returns to the farm operators through hired labor. In other words, hired labor must be productive enough to produce more income and be willing to do it for a lesser rate so that the operator can make money from the deal.

In all fairness, one must realize that the farm operator assumes 100 percent of the risk as well as provides his employee with the opportunity to make a living. Even so, farm hired labor has been a limiting factor in the expansion of many farming operations and a headache to many area farmers.

To further clarify, let us look at

the labor market in which the farmer is having to compete. No longer do farmers enjoy a captive labor market in the farm community as they did years ago.

Five major factors account for this change. First, the mobility of the rural population has increased rapidly and potential farm workers now find that it's just as convenient to drive to the city or nearest town for a job as it is to work for their neighbor in his expanding farming operation.

Secondly, the mass communications media has altered the desires and ambitions of the rural labor market. Potential farm workers are discontent with anything less than the "American Standard" way of life as portrayed by TV and other media.

Thirdly, our public educational systems have been emphasizing training and employment opportunities in other areas than agriculture. Fortunately vocational agriculture continues to train and encourage em-

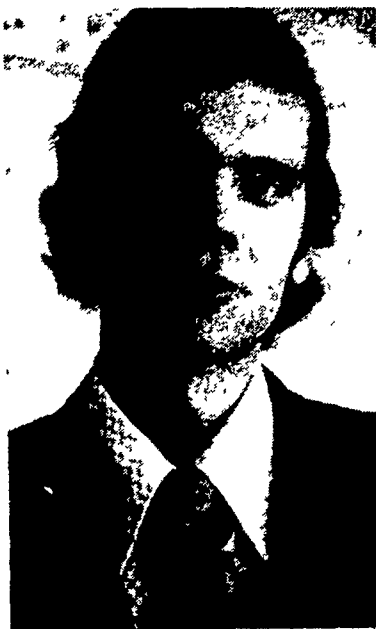
ployment in agriculture.

Fourth, industry has moved into rural Lancaster County with its non-agriculture working conditions. Higher wages, shorter working hours, fantastic fringe benefits, and the liberal terms of employment of these industries are attracting farm workers away from the farm.

Finally, there are just fewer and fewer farms. Farming is no longer a dominating industry in many areas and people tend to overlook agriculture as an employment opportunity. All this leaves the farmer in a competitive bind. He's no longer fishing for labor in a pond alone, but there's other fishermen offering more attractive bait.

The big question then is how to compete in the labor force to attract and maintain profitable farm labor. Let's consider three basic provisions of a competitive farm employment package.

First, pay and payment arrangements. To attract farm labor one must be willing to pay a



Glenn Weber

competitive hourly rate with what other employers are paying for the same job. This is in contrast to the idea that you pay farm labor on the basis of what you can afford. Employers should set a fixed work week with his employees and stick with it or pay overtime. Remember that it is usually more desirable to give whole days off instead of time off during a working day to compensate for odd working hours which are common in farming. An ideal situation is when pay can be in the form of an incentive

plan. Remember, however, incentive pay must be directly related to performance, must encourage economical production, and must be understood by the workers. Sharing farm profits is not always a good idea because workers may not understand how they can help increase profits. There are just too many factors affecting profits to make them motivating as a good incentive plan. Payments to hired labor should be made on a weekly basis with regular reevaluation of an employees performance and pay increments.

Secondly, a competitive farm labor package should include certain fringe benefits. Experts estimate that 25 percent of the cost of labor results from fringe benefits to employees.

Fringe benefits should include the following items:

1. Vacations that are agreed upon in advance and not the reward for good performance. Remember that an accumulation of vacation time gives one a good reason for staying with you.

2. Sick leaves that are accumulative gives employers a sense of security and should be understood by all parties.
3. Insurance and retirement protection for workers and family gives an employee a deep sense of security and a reason for staying with the job. In addition, it will protect the employer from making a difficult decision in the event of an accident.

One should remember that housing on the farm is sometimes a forced rental situation and not always a fringe benefit to the worker but a fringe liability. It is usually much better to give farm labor a choice of housing arrangements rather than require him to live in one of the employers houses.

Thirdly, the employment package should make provisions for good working conditions. Remember these following considerations:

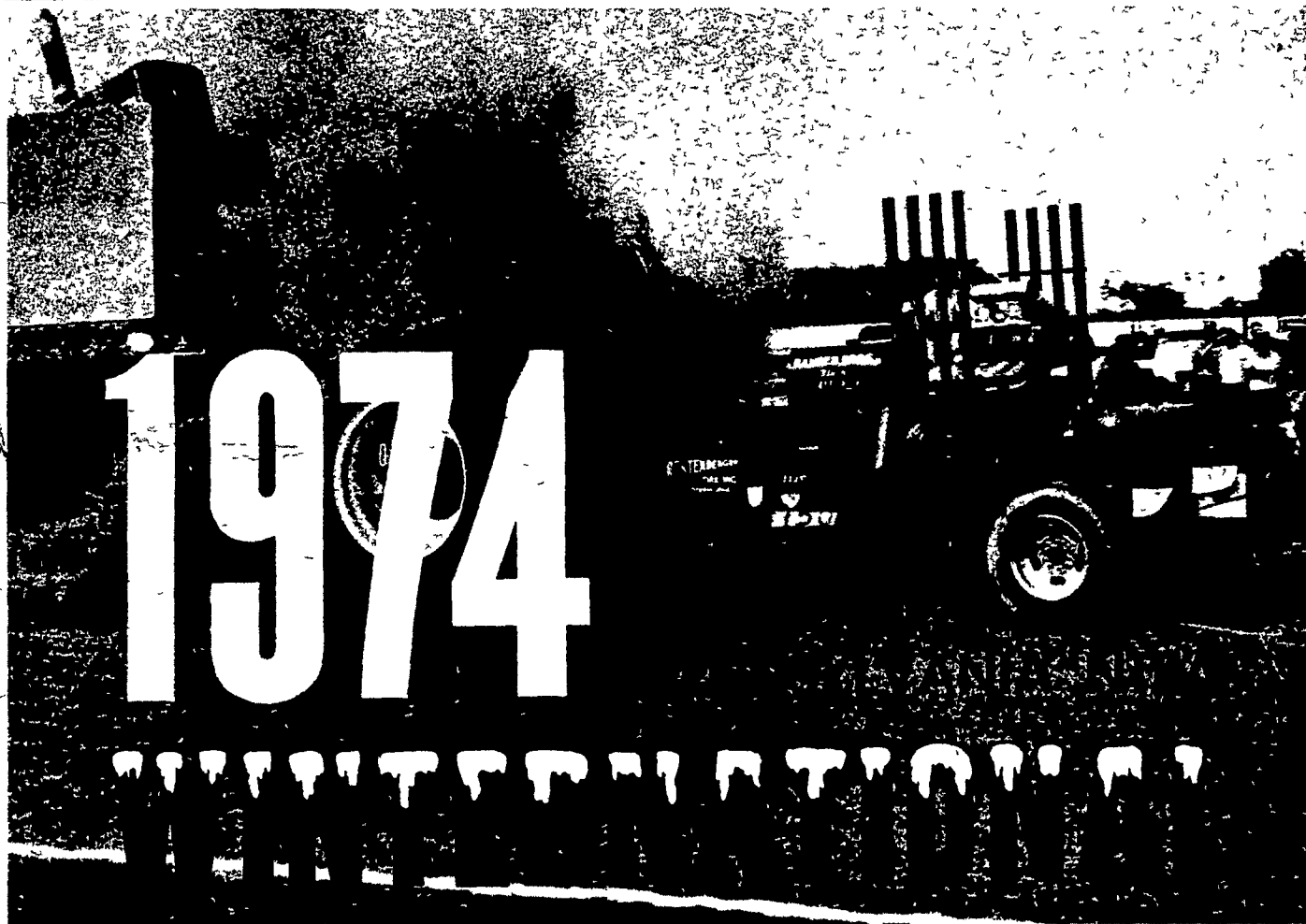
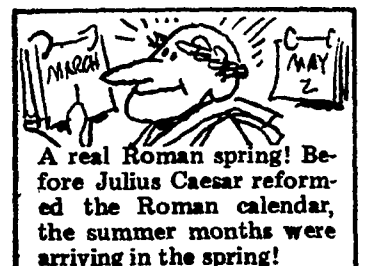
1. Automation is often very economical and can reduce physically demanding labor and dangerous farm jobs.
2. Keep equipment in good repair. Nothing is more discouraging than working with inferior equipment. Expect equipment to break down and don't become frustrated because of it.

3. Remember that in working alone one tends to dwell on the disadvantages and problems of a job. Be conscious of this fact and arrange jobs so that an employee must not spend long periods alone.

4. Be careful in the relationship with your employees. Supervision can be accomplished without threat. Respect is the key to good supervision. Manage by reward. And be specific in pointing out any wrong and always follow by explaining exactly how the employee can correct the fault.

5. A team feeling is important. Promote the idea that you and he are both working for the same common goal and that it's a winning team.

Pay arrangements, fringe benefits to the employee and the working conditions of the job are all important considerations in a competitive employment package and will make the difference in farm labor management.



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