

Teagasc Dairy Expansion Seminar - Labour Management for Expansion, October 13th 2014

Recruiting and Retaining Labour

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Increasing Need For Labour

- Average Farm Size Increasing Steadily
- 15,654 specialist Dairy Farms with 1,070,755 cows in 2010 (Source CSO Census of Agriculture)
- This gives an average herd size of 68 cows
- Food Harvest 2020 targets a 50% increase in national dairy output – through increasing cow numbers and yields.
- Just a 20% increase in national cow numbers will see the average herd size increase to over 80 cows (80 Livestock Units)

Increasing Need For Labour

- In a recent Teagasc survey of 500 Dairy farms, where 1800 hours = 1 Labour Unit, the average herd size per labour unit is 55 livestock units.
- This means that the average Irish dairy farm has a current requirement of 1.24 labour units per annum, rising to 1.47 with just a 20% increase in cow numbers
- A requirement of 1.24 to 1.47 labour units means farmers require additional labour but not one full time unit – so what are the options?

More Labour – The Options

- Family
- Employing Directly (On Books)
- Black Market
- Taking on a Student
- Using Contractors to reduce time on routine tasks
- Contract Rearing Heifers
- FRS

Using Family Labour

- Familiar with your farm
- Nearby, cheap (or free!)
- Can be difficult for them to refuse
- Often do not have the skills/experience/interest
- Difficult for you to criticise/mentor
- Covered by Insurance
- Not always available when needed

Employing Directly

- Tax Deductible
- Control over who you hire and when you hire them
- Control over what you pay them (Flat rate Vs Incentive for SCC, Litres produced, tonnes feed/cow/yr, calving interval, calves alive @ 28 days etc)
- May be already trained/require further training
- Employment law can be tricky – need to be very careful
- Recruitment and selection is time consuming
- Administration (paperwork) is time consuming or costly if you get someone else to do it
- Not always flexible/available

Dabbling in the Black Market

- Control over who you hire and when
- May be already trained/require further training
- Cheap?? Or perceived to be Cheap? Reality is often different – Liability!!
- Not Tax Deductible
- Insurance Issues – make sure you have cover
- Problems around employment law and Revenue
- Disputes often arise because of hours worked
- Not always flexible/available

Taking On a Student

- Pay student rate
- Control over when you use them – though not always
- May be already partially trained
- Insurance Issues – need clarity with Insurance Company
- Lack of Experience
- Will require time - training and supervision
- Record keeping of learning may be required

Using Agricultural Contractors

- Increasing your use of Agricultural contractor will save time on routine tasks such as slurry spreading, topping pastures, fertiliser spreading, feeding silage in Winter etc.
- Reduces fuel, maintenance and depreciation costs
- Not always on call at a moments notice
- You may have a tractor lying idle anyway
- May be more expensive taking all factors into account

Contract Rearing

- Saves time on calf rearing
- Frees up shed space
- Frees up grazing platform for increased cow numbers
- May be expensive relative to the alternative
- May already have an under-utilised 'out-farm'
- Increased cow numbers always equal more work but do not always equal increased profits

Using FRS

- Trained, Experienced Staff
- Services designed by farmers for farmers (Co-op Structure)
- One monthly invoice – reduced paperwork
- Tax deductible
- You don't need to worry about labour law, entitlements etc – FRS takes care of this
- Fully Insured – Public and Employer Liability
- Flexible – if your regular operator is on holidays/sick there is a replacement available

Using FRS

- The labour you need – when you need it, ideal for most farmers who do not require full-time help - flexible
- Impartial advice on employing farm labour – free consultations and quotations
- Member Benefit Scheme – Peace of Mind – unforeseen cost of illness/accident
- Can be perceived as expensive by some
- Operators do make mistakes and there have been occasions where FRS have had to dismiss operators – thankfully these have been few in number
- Insurance cover for damage to property being worked on
- Other Services include Pregnancy Scanning, Hoof-care, Freeze-branding, Fencing.



Advice on the Recruitment Process

- If you decide to go down the route of direct employment, the following points are relevant
- Assess your needs – When do you need help most? Which tasks do you want to ‘outsource’? What is your budget?
- Get your mindset ready for employment – mentoring, delegating, time management, having realistic expectations – do not expect somebody to do what you do to the same standard all of the time.
- Design your ‘job specification’, take time with this and do it correctly, this should give a brief description of the job and tasks required and the ideal skills and experience required.



Advice on the Recruitment Process

- Advertise – you have many options, online jobs boards; noticeboards in co-ops, farm stores, marts etc; Newspaper. Word your advert carefully as you want it to be attractive to the right candidate while discouraging unqualified candidates (this will save on screening later).
- Select the most suitable CVs/the best candidates from a brief phone conversation and meet face to face.
- Don't be afraid to bring another family member/adviser/friend in on the interview as they may ask questions that you forget to ask or may pick up on something that you don't, second opinion (someone to blame!)



Advice on the Recruitment Process

- Check references and qualifications – do not take these at face value. Watch out for gaps in employment history.
- Set up a trial milking/days work with no obligations on either party.
- Set out both of your expectations at the outset – this will help avoid confrontations later and can help with employee retention.
- Seek advice – financial (your accountant), legal (your solicitor or a qualified HR consultant) and practical (a farmer with past experience)
- Agree terms and conditions – rates of pay, hours, what is included/excluded – e.g. accommodation, food, transport etc.
- Draw up a basic contract of employment to protect your rights as well as that of your new employee, include a probation period – legal requirement.



Retention = Communication

- Keeping the right employee is as important as finding the right one and is far cheaper than repeating the recruitment process.
- Agree terms and conditions at the outset – managing expectations is very important.
- Stick to agreements and timeframes.
- Align your needs with that of your employee –if they wish to train and progress you should find this out and facilitate it as they may stay longer.
- Time off – agree in advance and be flexible, people need to relax and illness does occur from time to time.
- Acknowledge success and reward it where possible, encourage learning from failures – become an invaluable mentor.
- There will come a time when your employee will want to move on, and if you have treated him/her right you will find the recruitment process much quicker and easier next time round (hopefully through referral)

Final Words of Advice

- Be careful on expansion – more cows do not mean more profits – the average Irish dairy farmer will need to be milking 140 cows to earn the average industrial wage, those in the top 10% only need 50. (Source Prof John Roche, IFJ August 2014)
- Gear up for more efficient labour use – look at farm layout, roads, buildings, can you do anything to improve efficiency with minor adjustment?
- Make sure your farm is a safe and comfortable place to work for everybody – legal requirements
- Upskill – Every occupation now includes ‘Continuous Professional Development’ – why should farmers and their workers be any different? Why not enrol in FRS/Teagasc/AHI milking course?

One Final Word

Use Technology to save time – Try Herdwatch!

herdwatch^{ie}
mobile herd manager





Thank You!

More Information on

www.frsnetwork.ie

www.herdwatch.ie