

# Sustainable Farming Association



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@johnmesko #adjust2015



# Mission

- » The Sustainable Farming Association supports the development and enhancement of sustainable farming systems through farmer-to-farmer networking, innovation, demonstration, and education.



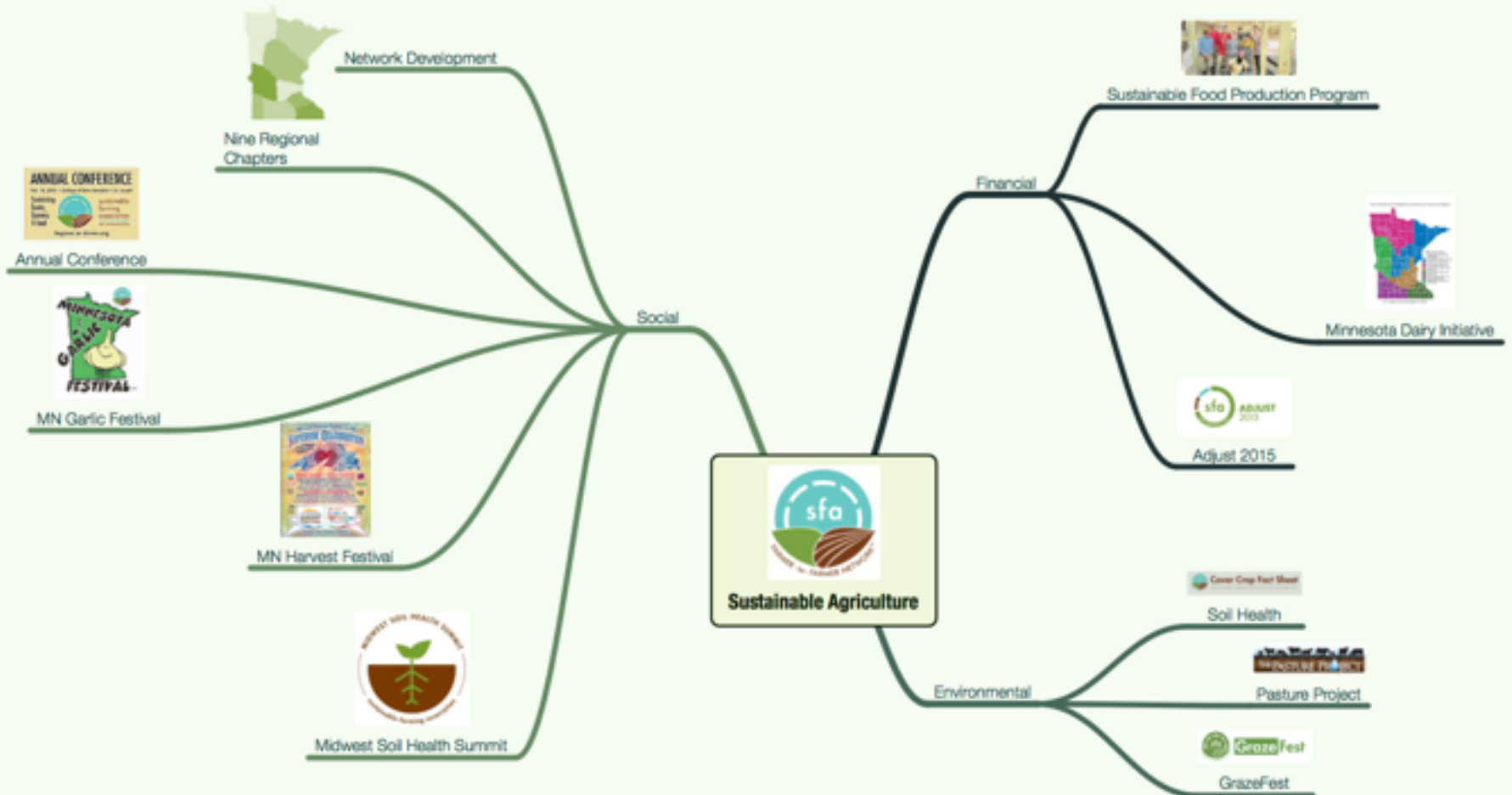
# SFA Connections



# Sustainability

- » **Financial:** Sustainable Agriculture is only sustainable if farmers can make an adequate living.
- » **Environmental:** Leaving the land in as good or better condition over the long term.
- » **Social:** Stronger communities, stronger relationships and families.

# SFA Work



# Adjust 2015

- » NCR-SARE Funded Project
- » Surveyed ~200 farmers
- » Interviewed ~40 farmers and farm families.
- » Determine the range and causes of farm difficulties, especially new businesses.
- » Develop add-on curriculum to support beginning farmer education.

# Adjust 2015

- » 71 % of respondents intended their farm business to provide a full-time income
- » 54 % make less than 25 % of their net income from the farm, and 33 % make less than 10 % of their net income from farming
- » About 69 % of respondents are not satisfied with their farming income



# Adjust 2015

» 62 % of respondents are not able to pay salary or wages to themselves / family members on the farm.



# Adjust 2015

- » 75 % of respondents have changed goals since they started farming.
- » 3/4 original business plan did not predict farming experience, while 18 percent rated plan as "not accurate at all"



# Adjust 2015

» “The reality of how hard it is to take on all that (we planned/dreamed) and to build our business from the ground up has been a shock. I admire people who have gone before us and set up great farm businesses, especially the people who have done so without a partner. There are just so many hurdles to get over when starting a farm business.”

# Employee Management

- » Your control over production on your farm is achieved through the work of people.
- » How these individuals are selected and managed makes all the difference.
- » Protect yourself and your employees.

# Employee Management

» Hiring

» Management

» Evaluation

» More resources



# Employee Management

## » Hiring

- What kind of farm workers are you looking for?
- What do you need to know about employment law?
- How do you recruit and interview?

# Hiring

- » Employment law is complicated
- » Outline expectations & priorities clearly
- » A capable, fair, and productive team makes for lighter, more sustainable work

# Hiring

## » Identify your farm's needs

- Is running an efficient business your priority?
- Is new farmer education a priority for you?
- What are your markets? What scale are you working at? What are your goals?





# Hiring

- » How do you know what type and how many farm workers you need?
- » Have strong financial management mechanisms and a solid business plan

# Hiring

- » **Employees: workers compensation, taxes, insurance, and more**
- » **Independent contractors/work crews**
- » **Interns/apprentices**
- » **Volunteers**

# Hiring

- » Interns and apprentices must primarily be learning & receiving college credit, not serving the operation or efficiency of the farm
- » Apprentices and interns are technically different – but in the end, if they are doing farm work, they are all employees

# Hiring

- » Independent contractors
  - Brings his/her own tools
  - Sets own schedule
  - Determines the means/tasks to be done
  - Able to earn profit and suffer loss
  - Can offer same service to others
  - Hired for a project, not working on core tasks

# Hiring

## » Work crews

- Often comprised of a group of workers that moves from location to location
- Does the crew leader has the proper certification?
- The IRS scrutinizes independent contractor positions and serious penalties may be issued if a farm misclassifies workers as such

# Hiring

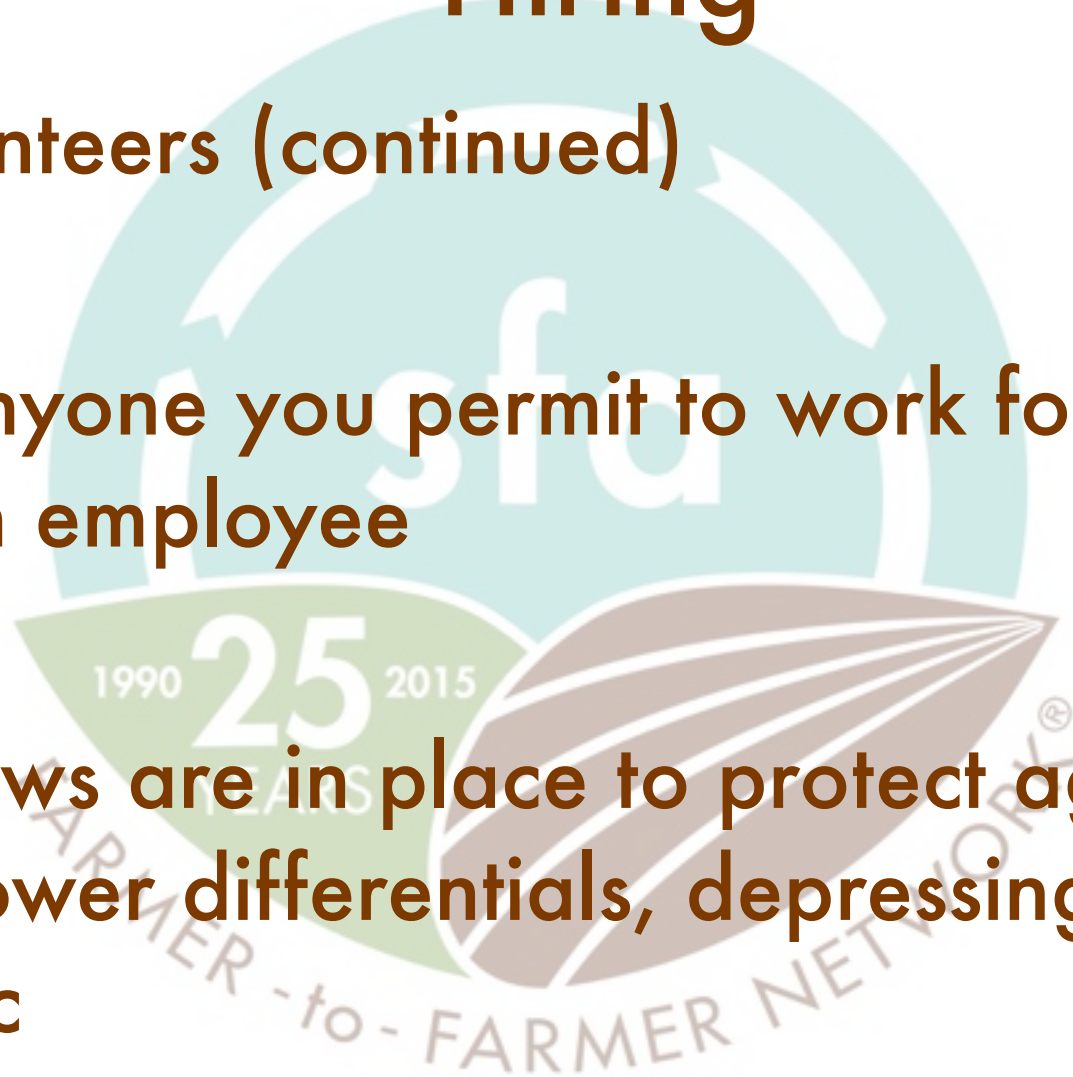
## » Volunteers

- Strictly educational (legal) interns can be considered volunteers
- Under law, volunteers for a for-profit business are always considered employees
- For non-profits, courts may find that to be the “economic reality” as well

# Hiring

## » Volunteers (continued)

- Anyone you permit to work for you is an employee
- Laws are in place to protect against power differentials, depressing wages, etc



# Hiring farm employees

- » Understand responsibilities for paying minimum wage and providing workers' compensation.
- » If relying on an agricultural labor exemption from either, make sure the tasks fit the definition of "agricultural labor."
- » Even if exempt from providing workers' compensation, make certain injuries will be covered by an insurance policy



# Hiring farm employees

## » Employee policies

- Minimum wage laws
- Payroll taxes
- Discrimination in hiring
- Workers compensation

# Hiring farm employees

- » Identify your state's farm employment law
  - MN requires minimum wage of \$8/hr
  - WI requires minimum wage \$7.25/hr

# Hiring farm employees

- » What is ag labor and what is not?
  - IS Planting, weeding, harvesting, etc.
  - NOT value-added, agri-tourism, processing, or commercial activities

# Hiring farm employees

## » Worker's compensation

– Do you have to purchase it in MN?

Maybe

– If you paid \$8000 or more in wages over the previous year

Yes



# Hiring farm employees

## » Worker's compensation in WI

- If you have 6 or more employees on any 20 days in the previous calendar year, you would need to purchase it on the 21<sup>st</sup> day



# Hiring farm employees

- » If you're in MN, and under \$8000, you still need insurance for worker injuries
- » A commercial policy often covers temporary/seasonal workers



# Hiring farm employees

## » Federal payroll taxes

- Medicare and social security (aka FICA)
- Both employee & employers taxed
- Owed as soon as you pay one individual \$150 in one year, or total payroll above \$2500 in one year

# Hiring farm employees

## » Federal income taxes

- Withheld from earnings
- Rate depends on W-4 and wage
- Withhold when FICA is owed





# Hiring farm employees

## » State income tax

- Withheld from earnings
- Rate depends on W-4 and wage
- Owed generally same times as FICA
  - MN same as FICA
  - WI do not have to withhold for agricultural employees (they still have to pay it, but employer doesn't need to withhold)

# Hiring farm employees

- » Federal unemployment insurance/tax
  - Contributes to a fund for persons unemployed without fault of their own
  - Rate depends on several factors (~1-10%)
  - Owed, if during calendar quarter of the previous year or this year you:
    - Paid wages of \$20,000 or more, OR
    - Employed 10 or more individuals for some portion of the day during 20 different calendar weeks

# Hiring farm employees

- » State unemployment insurance/tax
  - Owed, if during calendar quarter of the previous year or this year you:
    - Paid wages of \$20,000 or more, OR
    - In MN, employed 4 or more individuals for some portion of the day during 20 different calendar weeks”
    - Most states: employed 10 or more individuals for some portion of the day during 20 different calendar weeks

# Hiring farm employees

» Recruit

» Interview



# Hiring farm employees

## » Recruit

- Identify people that will be a good match for you and your business
- Effective communication with potential hires can increase the efficiency of the hiring process and ultimately make for a better working relationship

# Hiring farm employees

## » Recruit

- Write an accurate and detailed job description that includes:
  - Job title and responsibilities
  - Nature and location of your farm
  - Salary/pay grade
  - Deadline & how to apply
  - Qualifications

# Hiring farm employees

## » Interview

- Develop a list of questions
- Be consistent with how you ask each candidate to ensure easier comparisons

# Hiring farm employees

## » Interview

### – Sample questions:

- Open-ended

- How would you describe your ideal job?

- Informational

- How has your education/experience prepared you for this position?

- Situational

- How would a friend describe your strengths and weaknesses?



# Hiring farm employees

## » Interview

– Illegal questions, as collected by [CISA](#)

Area of inquiry	Legal	Illegal
Age	If applicant is a minor, you may require proof of age.	About the age, age group, or DOB
Residence	You may request current address and phone number for the purpose of contacting	Whether the applicant rents or owns their home.

# Hiring farm employees

## » Illegal interview questions continued

Area of inquiry	Legal	Illegal
Disabilities	You may ask if an applicant is able to carry out all tasks related to their work.	General questions about whether applicants are disabled.
Gender/sex	Inquiry about sex and gender is permissible only when a bona fide occupational qualification exists.	Sex is a bona fide occupational qualification only for jobs such as locker attendants.

# Hiring farm employees

- » Record keeping: Pay stub
  - Rate of pay and amount paid for each pay period
  - Hours worked each day and week
  - Additions to or deductions from wages
  - Date of payment and pay period covered by each payment

# Hiring farm employees

- » If you hire people from out of state, you need many more details including, but not limited to:
  - Crops and kinds of activities
  - Transportation, housing and costs charged for these and other benefits
  - Existence of strike, slowdown, or interruption at the place of employment
  - Many more

# Employee Management

» Hiring

» Management

» Evaluation

» More resources



# Employee Management

## » Management

- It takes time and effort to develop the skill set and policies involved in managing employees
- Set up expectations early
- Be organized
- Communicate

# Employee Management

- » Letter of hire
- » Employee handbook
- » Training and organization



# Employee Management

## » Letter of hire

*Welcome to Cate Farm!*

*We appreciate your hard work and want to have clear policies so that both employer and employee understand each other and mutually benefit. Work at Cate Farm is diverse, ranging from greenhouse seedling production, greenhouse tomato culture, planting, weeding, & harvesting field crops, to building and repairing farm infrastructure. Employees are often called upon to do different and sometimes tedious jobs in all kinds of weather. Be prepared for hard physical labor.*

*Job training will be done by Richard, Sally, or Pete. It is important to remember that no matter how simple, tedious, or insignificant a task may appear, everything that you do is important to the overall success of the farm. Farming is production work. The farm earns money by what is actually produced and sold. Since production per hour or day is very important, employees are expected to work quickly and efficiently, and keep up with the pace set by the employers, or work quickly on their own.*



# Employee Management

## » Letter of hire (continued)

*Conversation during work is a benefit of farm work, but please be aware of keeping your hands moving while you talk. Efficient production is critical to the success of the farm. Paid time is work time. On a farm, there is rarely nothing to do. If a task is completed before another task is assigned, make use of your time by doing a job on the packhouse bulletin board, such as cleaning up, weeding ends of rows or greenhouses, or making tomato boxes. Employees may be asked to work around machinery and should exercise caution when doing so. No one will drive a tractor unless trained by Richard. Farm vehicles will be driven by regular employees only.*

*At Cate Farm, we ask that you:*

- Be on time, and be ready to work at designated hour.*
- Bring a water bottle, lunch, and appropriate clothing for the weather.*
- Keep track of your hours on a Cate Farm timesheet.*
- Telephone if you are unable to make it to work.*

# Employee Management

## » Letter of hire (continued)

*Paydays are the 15th and last day of each month for regular employees, and the last day of the week for temporary employees.*

*There will be no alcohol or drug use while working on the farm.*

*On the job, it is expected that all employees will behave appropriately and cooperate with other employees and people on the farm. Employees are expected to keep work areas and fields clean by picking up trash and tools associated with the work.*

*If you have an issue or problem on the job, please bring it to the attention of Richard or Sally.*

*We want to make things work for all concerned.*

*We are cooperatively minded and strive for a harmonious workplace.*

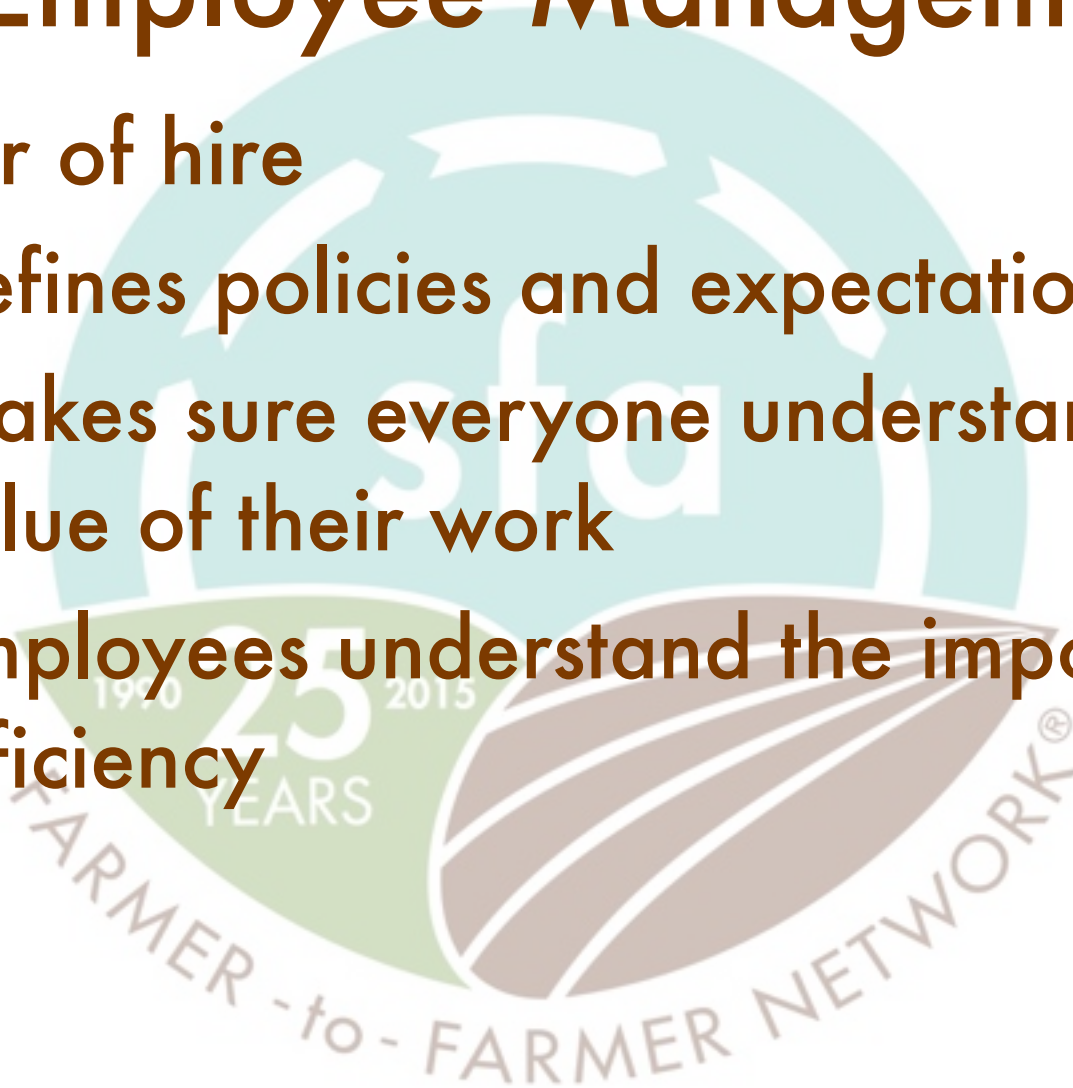
*Thanks for your help,*

*As prepared by the [CISA](#) team*

# Employee Management

## » Letter of hire

- Defines policies and expectations
- Makes sure everyone understands the value of their work
- Employees understand the importance of efficiency



# Employee Management

## » Employee handbook

- Recruits employees that want the work you are offering
- Establishes consistent, clear policies that protect you and your employees
- Sets clear expectations from the start
- Makes your life easier

# Employee Management

## » Employee handbook

– Employee must make sure:

- Policies are enacted consistently
- It doesn't become a contract

– Length: ~3-10 pages

- Sample: [Farm Commons](#) & [UofM](#)
- How often do you get paid?
- What do the days look like?

# Employee Management

- » Employee handbook
  - General farm info
  - Personnel policies
  - Expectations of the work place
  - Terms of employment
  - Benefits
  - Discipline & conflict resolution
  - Legal Statements

# Employee Management

## » Organization

- Define everyone's schedule (yours too!)
- Monitor farm practices with [log sheets](#)
- Timesheets will help now & next year

## » Training

- Get everyone started on the same foot
- Clearly model specific tasks, define leaders, and what level of input you want in the field

## » Good communication

# Employee Management

» Hiring

» Management

» Evaluation

» More resources





# Employee Management

## » Evaluation

- Be prepared to talk to employees who aren't meeting minimum expectations
- Provide employees with feedback (formal, written evals or regular, casual check-ins)
- Give positive feedback often so employees know they are meeting your expectations

# Farm Employee Management

## More Resources

- » Farm Commons' [Templates & Guides](#)
- » CISA's Labor Law [Tipsheets](#)
- » PFI's [Templates](#) and [Farminars](#)
- » UVM's [Handbook Factsheet](#)
- » Food Alliance's [Positive Practices](#)
- » UC Berkeley's Ag Labor [PDF Book](#)
- » ISU's Recourses for [HR and more](#)

The background features a large, light blue circular logo with three white arrows forming a clockwise cycle. Below this is a green leaf-like shape containing the text '1990 25 YEARS' and a brown leaf-like shape. The text 'FARMER -to- FARMER NETWORK®' is written in a light grey font along the bottom edge of the logo.

# Thank You!

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