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FARM COMMONS

## Background

- Goal for project: Establish practical, legal, and financial feasibility of potential solutions to problems experienced by farm owners and farm workers
- Part of a team focusing on collaborative and labor-pool based solutions in the Northeast

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## Goals

- Goal for today: Understand your thoughts and feelings around potential solutions.
- Part 2 of a series of focus groups

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## Introductions

- Your facilitator: Rachel Armstrong
- Your local partner: (Your name here!)
- You! (Participants briefly introduce themselves, building on print bio distributed beforehand)

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## Our time together today

- I will present several "solutions" - you share whether/why/how that solution is valuable to you.
  - You give feedback via survey, AND
  - We discuss together.
- There is no right or wrong answer- your thoughts and feelings are the answers
  - You have opportunities to "modify" your survey responses as we go

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## Let's Go!

- Does everyone have their survey open?
- Please enter contact information box.
- Questions?

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## CORE VALUE PROPOSITION

FOR A HYPOTHETICAL NEW BUSINESS IN THE NORTHEAST: "ENTITY X"

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## There's a new business in town

- "Entity X" offers to solve these problems for you:
  - **Recruit and screen potential workers**, providing a ready supply of reasonably skilled farm workers willing and able to perform the basic functions of farm work including specialty crop production and livestock production
  - Do the paperwork necessary to hire and pay them in accordance with the law, including **handling all aspects of payroll and associated costs and all tax related filings**
  - Handle routine administrative issues like **scheduling, requests for time off, timecard maintenance**

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## There's a new business in town

- Continued...
  - **Provide human resources support** in terms of resolving disputes between workers, letting poor performing employees go, and documenting such interactions
  - **Manage legal compliance** issues like securing workers' compensation and handling unemployment benefit claims
- You would still need to provide training in the specific operations of your farm.
- You would follow specific rules/processes to request workers; receipt of workers would be subject to availability.

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## Is this a valuable solution?


- Please complete Question 1 in your survey.

Ignore issues of cost and logistics for now- we will get to that. Just assess it's value to you.



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## Discussion

- Why did you respond the way you did?


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## Let's reflect.

- Please affirm/modify your response to Q1 in the survey.



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## COST

**TO DELIVER THE CORE VALUE PROPOSITION**

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## Cost of Solution

- To offer this service, Entity X charges you (the farmer) a **per-hour fee** for each hour worked by the employees you utilize. With those revenues, Entity X pays the worker wages and all other associated costs with the business.
- Entity X charges you (the farmer) more than you would have paid the worker per hour as Entity X needs to cover its tax, legal, insurance, and overhead costs.


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## Willingness to pay?

- Please complete Question 2 in your survey.



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## Discussion

- Why did you respond the way you did?

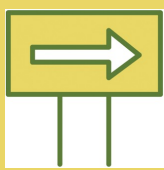
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## Let's reflect.

- Please affirm/modify your response to Q2 in the survey.



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## THANK YOU

**LET'S GO DEEPER BY**  
**BUILDING ON THE BASIC BENEFITS AND COST PROPOSED**

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## Unemployment Insurance

- Let's say that Entity X ALSO made unemployment benefits available to workers.
  - Workers could receive about half their wage over the winter, if they can't find other work.

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## Unemployment Insurance

- Could prevent loss of workforce year-over-year
- May lead to reduced recruitment and training costs for farms
- May lead to workforce with stronger managerial potential

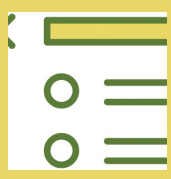
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## Is UI of value to you?

- Please complete Questions 3 and 4



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## Discussion

- Why did you respond the way you did?

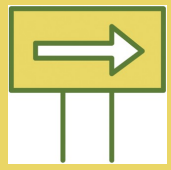
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## Let's reflect.

- Please affirm/modify your responses in the survey.



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## Overtime Pay

- Let's say that Entity X paid overtime to workers for all hours worked over 40 in the week.
  - Whether the individual worked overtime on your farm or on another farm, any time the worker spends over 40 hours per week, they would receive 1.5x their wage for the overage.
  - You would not pay the overtime yourself- Entity X pays the overtime.

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### Overtime Pay

- Could benefit you if it leads to more satisfied or rested workers
- Could benefit you if it leads to stronger season-over-season retention,
  - which reduces training costs and
  - May increase managerial capacity of workforce


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### Is overtime of value to you?

- Please complete Questions 5 and 6.



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### Discussion

- Why did you respond the way you did?


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### Let's reflect.

- Please affirm/modify your responses in the survey.



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### Insurance Savings

- Let's say that the business provided workers' compensation insurance.
  - You would not have to purchase workers' comp or other insurance yourself (for those workers).


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### Is workers' comp savings of value?

- Please complete Questions 7 and 8



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### Discussion

- Why did you respond the way you did?


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### Let's reflect.

- Please affirm/modify your responses in the survey.




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### FYI

- Entity X would likely be required by law to provide UI insurance, overtime, and workers' compensation to all workers.
  - Good risk management would demand it.



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### Social Values

- Let's say that the business was organized as a worker-owned cooperative with
  - demonstrated standards for worker conditions and
  - workers exercised democratic control over management operations.

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### Social Values

- This could benefit individual farms if it offers a marketing advantage and/or
- This could benefit individual farms if they could charge a premium for their product as a result.
- May open up more opportunity for workforce development and training support.


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### Is capturing social values of value?

- Please complete Question 9 and 10



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## Discussion

- Why did you respond the way you did?

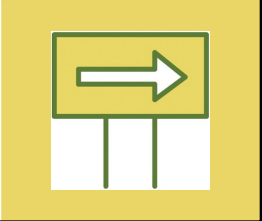
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## Let's reflect.

- Please affirm/modify your responses in the survey.



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## CONTROL AND BENEFITS

DOES LEADERSHIP AND FINANCIAL RETURN ADD VALUE?

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## Ability to lead decision-making

- Let's say you had the opportunity to provide leadership to Entity X.
  - You assist in setting rules for how farms request workers, how workers are allocated, the extent and type of training provided, etc.
  - This is unpaid leadership, ie, as a board of directors member
  - You would serve with other farmer-leaders
  - Day to day operations handled by a paid manager- your role would be oversight ONLY

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## Ability to lead decision-making

- You could influence Entity X to better meet your needs.


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## Is ability to lead of value?

- Please complete Questions 11 and 12



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### Discussion

- Why did you respond the way you did?

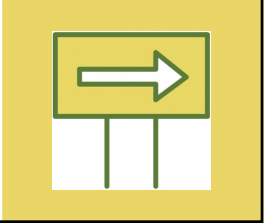
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### Let's reflect.

- Please affirm/modify your responses in the survey.



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### Opportunity to receive dividends

- Imagine Entity X is profitable
  - Takes in more from hourly fees than it spends on wages and overhead.
  - This likely requires expanding into market for labor in commercial landscaping or home gardening (Entity X is unlikely to be profitable serving farms alone).

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### Opportunity to receive dividends

- Entity X could be organized such that profits are distributed to member-farmers in the form of dividends (as determined by leadership).
  - Dividends are distributed in proportion to usage of Entity X. (Farmers that sourced more hours of labor from Entity X receive a larger dividend).


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### Is potential to receive dividends of value?

- Please complete Question 13



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### Discussion

- Why did you respond the way you did?

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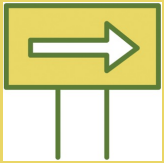
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### Let's reflect.

- Please affirm/modify your responses in the survey.



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### Opportunity to see return on investment

- Imagine Entity X creates opportunities to invest such as
  - Creating equity or ownership opportunities that return a share of profits to the owner (you)
  - Creating lending opportunities that return interest to the lender (you)

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### Opportunity to receive dividends

- Profitability would likely still depend on ability to serve non-farm markets (commercial and home landscaping) with labor solutions.


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### Is potential to receive return on investment of value?

- Please complete Question 14



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### Discussion

- Why did you respond the way you did?

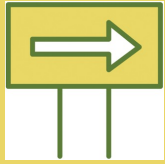
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### Let's reflect.

- Please affirm/modify your responses in the survey.



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## PUTTING IT TOGETHER

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**RANKING OUR PREFERENCES**

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## What is Entity X?

- We've been exploring the forms Entity X could take:
  - A worker-owned cooperative
  - A farmer-owned cooperative
  - A private business

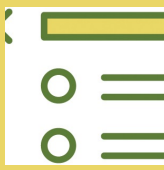
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## Ranking the options

- Please complete Question 15



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## LEGAL MECHANICS

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**ENTITY X CREATES ADDITIONAL LEGAL OBLIGATIONS FOR FARMS THAT PARTICIPATE**

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## Enforceability of OSHA

- If your farm sourced labor from Entity X, your farm would need to comply with state and federal OSHA requirements that may include:
  - Identifying safety hazards specific to your farming operations and training workers in health and safety practices to address those hazards
  - Establishing a system for recording and reporting worker injuries and illness
  - Establishing a system for providing personal protective equipment and training workers in the proper use of protective equipment
  - Providing field sanitation facilities on your farm

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## Enforceability of OSHA

- Entity X would also provide guidance and assistance in complying with OSHA, for example by
  - Providing template procedures and forms
  - Managing communications with agencies
- Note: OSHA otherwise becomes enforceable against farms when they have more than 10 employees


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## Effect on willingness to participate?

- Please complete Question 16



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## Discussion

- Why did you respond the way you did?

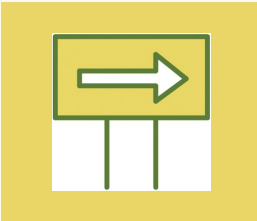
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## Let's reflect.

- Please affirm/modify your responses in the survey.



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## Registration as a Farm Labor Contractor

- If your farm sourced labor from Entity X, your farm may need to comply with specific federal rules, including:
  - Verifying that Entity X maintains current registration as a farm labor contractor
  - Verifying that employees have been provided with written information about workers compensation insurance and the specific conditions of the work they will perform on your farm
  - Posting information on your farm about worker rights and legal protections
  - Taking specific actions if you become aware that a worker is not being properly paid

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## Registration as a Farm Labor Contractor

- Entity X would also provide guidance and assistance in complying with these rules, for example by
  - Providing template procedures and forms
  - Managing communications with agencies


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## Effect on willingness to participate?

- Please complete Question 17



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**Discussion**

- Why did you respond the way you did?

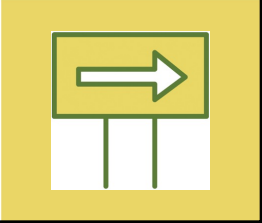
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**Let's reflect.**

- Please affirm/modify your responses in the survey.



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