

SOME LABOR MANAGEMENT PRACTICES ON FLORIDA DAIRY FARMS ¹

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Dairy products produced in Florida during 1965 had a value of \$86,338,000 (The Farm Income Situation, United States Department of Agriculture, Economic Research Service, August 1965). This, coupled with the fact that there were 586 dairies in the State with an estimated annual payroll of \$16,012,560., indicates that the dairy industry is of substantial importance to the economy of the State. With the increase in farm wage rates and the decrease in supply of farm labor, labor has become an important problem to most dairymen. A survey of the labor situation on Florida Dairy Farms was made in the spring of 1967, and the management practices covered in this report are from data collected.

Dairies covered in this survey were all located south of the Suwannee River. To draw the sample, the dairies were listed on cards according to size of operation and area of the State. The four areas were Northeast Florida, Central Florida, Tampa Bay, and Southeast Florida. These are referred to throughout this report as Areas 1, 2, 3, and 4 respectively.

By eliminating dairies with less than 125 cows, those dairies with only one hired man were not considered. A dairyman working with one hired man would likely not have the same labor problems encountered by larger dairies, and would not contribute greatly to a study of management problems.

In the spring of 1967, there were 62 dairies in Area 1 with 125 or more cows, 45 dairies in Area 2, 117 in Area 3, and 96 in Area 4.

¹ The material presented here is from unpublished data from a forth-coming Thesis by the author.

The first item many think of when discussing management practices is weekly wage scale (Table 1).

Table 1. Existing wage paid by dairymen per week, by areas, Florida 1967

	Area 1	Area 2	Area 3	Area 4
	\$	\$	\$	\$
Minimum*	35	25	38	30
Maximum	130	150	172	170
Average	77	86	96	39

*Includes wages paid for some part-time help.

The data in Table 1 reflects only cash wages paid. They do not take into account fringe benefits; such as milk furnished, utilities paid, housing furnished, etc. These are all additions to labor revenue and will be considered when the final report is made on the survey.

The wage scales (Table 1) are more meaningful when considered together with hours worked per week (Table 2).

TABLE 2. Hours worked per week by labor hired on dairy farms by areas, Florida 1967.

	Area 1	Area 2	Area 3	Area 4
	\$	\$	\$	\$
Minimum*	24	28	36	18
Maximum	77	84	77	84
Average	55	58	55	48

*Includes part-time help.

The data in Tables 1 and 2 must be combined to get the picture of hourly wage scales in the four areas. Dividing the average weekly pay scale by the average number of hours worked gives the hourly scale by areas: Area 1, \$1.40/hour; Area 2, \$1.48/hour; Area 3, \$1.75/hour; and Area 4, \$1.85/hour.

Some dairymen in all areas paid bonuses to their employees (Table 3).

Table 3. Bonuses paid to employees by dairymen by area, Florida 1967.

	Area 1	Area 2	Area 3	Area 4
	\$	\$	\$	\$
Minimum	0	0	0	0
Maximum	757	1,000	1,000	260
Average	135	157	161	133

Here again, no fringe benefits were taken into consideration. Table 3 reports only cash bonuses paid. Some of these are paid weekly, some annually; but in order to compare bonuses paid, all bonuses were computed to an annual value per worker. The higher figures reported as maximum bonuses paid in Table 3 were bonuses paid to hired management. All bonuses paid on all dairies were calculated, including dairies that paid no bonus to arrive at the average bonus paid per hired worker by areas.

Nothing has been said about efficiency of labor or the basis for paying bonuses as yet. One measure of efficiency on dairy farms is the number of cows maintained per worker (Table 4).

Table 4. Number of cows on dairy farms, per worker, by area, Florida 1967*

	Area 1	Area 2	Area 3	Area 4
Minimum	37.6	29.8	26.0	38.0
Maximum	71.0	73.0	93.8	38.1
Average	47.2	43.1	56.6	60.9

* These data include management also.

No consideration was given in preparing Table 4 of the number of acres of forage maintained on the various dairies. This influenced the number of cows per worker, and will be considered in the final analysis of labor practices.

Rate of pay is certainly not the only factor influencing labor efficiency, for if the size of dairies in the four areas were considered, it may be that economies of size are just as important as pay scale in affecting labor efficiency. The size of dairies, as measured by the number of cows maintained, varied considerably over the four areas (Table 5).

Table 5. Number of cows per dairy, by area, Florida, 1967.

	Area 1	Area 2	Area 3	Area 4
Minimum	138	162	137	211
Maximum	1,151	1,331	1,345	1,750
Average	420	503	450	763

It might be well at this point to give more consideration to size of dairy and labor efficiency before going into more detail on labor practices (Table 6). The dairies were divided into groups as follows: Small 125 but less than 500 cows, medium 500 but less than 750 cows and large 750 and more cows.

Table 6. Distribution of small, medium and large dairies, average number of cows, and cows per worker, by area, Florida, 1967

	Area 1		Area 2		Area 3		Area 4	
	Freq.	Ave.# Cows/ Cows Worker	Freq.	Ave.# Cows/ Cows Worker	Freq.	Ave.# Cows/ Cows Worker	Freq.	Ave.# Cows/ Cows Worker
Small	8	274 50	6	232 48	18	363 39	4	370 57
Med.	3	568 52	0		2	702 61	7	620 57
Large	1	* *	3	1,045 41	3	1,026 63	6	1,191 64

*Since there was only one large dairy surveyed in Area 1, the data was deleted in this table. This was done to avoid divulging information from an individual, for the survey was of a confidential nature. All that can be said is that there were over 750 cows on this dairy and that cows per worker were less than the other data shown for the area.

These data indicate that there is a difference in the effect of size on labor efficiency. Generally in both Area 1 and 2, after a dairy became larger than "medium sized" labor efficiency suffered. In Areas 3 and 4, the larger the dairy the greater the labor efficiency. There was a valid reason for this, not attributable as much to labor management, pay scale or skill of worker as to efficiency of plant. On the average, in both Areas 3 and 4, dairy barns are newer. There has been quite a large out migration of dairy farmers from the urbanized areas in both Area 3 and 4. Here the owners had operated older dairy barns at one location, over time had seen changes which could increase milking efficiency. When high land prices forced the sale of the older locations, they moved and were able to incorporate these changes in barns built at new locations.

On the other hand, many barns in the other two areas were designed for a specific number of cows, and are being used for a much larger herd. In other words, dairymen in Areas 1 and 2 were milking in older barns for the most part, which were designed to efficiently handle fewer cows than were being milked in them at the time of the survey.

One important measure of satisfaction in employer-employee relations is the length of service of employees (Table 7).

Table 7. Length of employment of dairy farm employees, by area, Florida 1967.

	Area 1 years	Area 2 years	Area 3 years	Area 4 years
Minimum	.02	.02	.02	.02
Maximum	15	20	40	29
Average	2.8	4.9	5.0	4.1

In no area did the average length of employment exceed 5 years. There were few exceptions to the case where there had not been a new employee hired during the week the farm was visited. Generally, the worker hired had been employed on another in the same area -- sometimes next door.

A study of labor management practices necessitates going to individual dairy records. Even then, the complete story is often difficult to reveal. An effort will be made to explain the circumstances without divulging enough data to single out any particular operation.

For instance, there was a dairy operating in a dairy barn which was quite an old building. This facility, however, was renovated as late as 1965, with an effort made to increase efficiency. Over the past five years this herd was increased by 75 cows with no additional labor. This operator was still only handling 43 cows per man, but this represented an increase from

30 cows per man. The average salary on this dairy was \$111.50 per week and the week constituted 5½ days with an average of 10.4 hours per day. The average length of employment was 4 years, with a range of from 1 week to 15 years.

This operator had no set procedure for raises; however, he gave one week vacations with pay after one year of employment. He furnished housing, part of the utilities, milk, and did, on occasion, make personal loans. He had two men who did not live on the farm, and he gave them a housing allowance.

The bonus was paid on production. He paid 8 cents per gallon for all milk over 600 gallons per day. This was divided equally among the crew and was paid weekly. He felt that this had helped increase production, and said that since he fed cows individually according to production that there was less risk of over feeding than would normally be expected from paying a bonus based on production.

This operator had no formal management training, but thought that people were more efficient if they were totally aware of what was expected of them; consequently, he had an on the job training program for new men. A new employee stayed "in training" until both he and the operator felt he was ready to perform the job on his own.

This operator stressed that the most important factor in increasing efficiency was selecting the "right" man to begin with. He stated that at times he had turned down new applicants when he was carrying the load himself, because in his opinion they would not have fit into his operation. One point really stood out when this dairy's operation was studied. The operator, in judging the general attitude of his employees, placed their ratings as excellent, out of a choice of excellent, good, fair, and poor. He also made an observation

that merits passing along -- dairy work isn't the most pleasant work available, and with mounting competition from other industries it will behoove the dairyman to make his job as pleasant as possible -- within reason of course.

Another dairyman in the study had increased his herd by 100% over the past 5 years, while increasing his crew by 20%. His crew ~~was~~ handling 50 cows per man at the time of the survey. This operator based salary increases on length of employment as well as efficiency. His supervisors were promoted from the ranks. In other words a new employee who came to work on the clean-up crew could expect to have the opportunity to become a supervisor if he applied himself. This operator felt that morale and efficiency of his crew had improved since he had begun to promote supervisors from the ranks instead of hiring outside supervisors.

Actually, when the schedules of the individual dairies were studied it was evident that there were almost as many different labor practices as there were dairies. Many of these were similar, but all varied in one way or another.

In summary it could be said that labor practices varied from dairy to dairy. Salaries ranged from one dollar per hour to slightly over two dollars per hour. Bonuses varied from none to one thousand dollars per man per year. In most cases the higher bonuses were correlated with hired management, who shared in the profits of the dairy. In other instances, there were dairymen who paid high bonuses to the entire crew based on production, bacteria count, etc. Some dairymen based salaries and bonuses not only on efficiency, but also on length of employment. Some of the dairymen surveyed felt that this had had some effect on lowering rate of turn-over in crews. Most dairies furnished housing -- either on or off the farm; and the trend appeared to be toward better housing. Better housing was being contemplated, for most operators felt that it paid to put a little more into housing in order that the workers' family

would be more satisfied. Vacations with pay were increasing and length of vacations were normally tied to length of employment.

Most dairymen interviewed felt that labor is going to become more of a problem in the future, and most were consciously trying to do something about it. While automation is not solving all of the problems, capital invested in efficient machinery which makes the job easier, tends to make labor more productive. This is not the answer to all labor problems and most dairymen felt that labor management training for operators and supervisors would be of great assistance. They also felt that labor should be trained to do a more effective job. Some had built parlors in order to extend the useful life of milkers who had been with them for a long time, and who had become too old to milk in a stanchion barn. They figured that the investment would pay off if it allowed them to utilize the older employee in a parlor vs a new employee in the old barn.

These were just some of the adjustments and practices in the use and management of labor on dairy farms in Florida. This summary has of necessity been brief, however, it may give an insight to the problems -- past, present, and future -- of the dairy operators in the state; and at least give them an opportunity to look for better ways in which to secure, train, and maintain adequate help on their farms.

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