

Canadian
Agricultural
Safety Week
Mar. 8-14, 2006

FACT SHEET #2

THE CANADIAN FEDERATION OF AGRICULTURE
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Hiring the Right People

An important part of effective farm management is hiring and keeping quality farm labour. With the farming population in constant decline, this often means competing with non-farm employers for skilled workers. There are a number of things that should be considered in the hiring process to help ensure that you don't just fill the position, but rather hire the right person.

"Farm safety is MY business." is the theme of this year's Canadian Agricultural Safety Week (CASW) campaign, March 8-14, 2006. The campaign emphasizes the personal and professional responsibilities of farm managers for their own safety as well as that of their workers. This risk management theme gives a special focus on youth aged 15 to 29 who make up a significant portion of new farm workers. CASW is delivered by the Canadian Federation of Agriculture (CFA) and Canadian Agricultural Safety Association (CASA) in partnership with Farm Credit Canada (FCC) and Agriculture and Agri-Food Canada (AAFC).

No two people are alike so it makes sense that workers will differ in capabilities, work habits, attitudes, personality, ambitions and willingness to accept responsibility. Likewise, each farm business is unique in the way it is organized, managed, and what labour needs are required. Therefore to attract and select suitable labour it may require you to update the wage and benefit package offered. If these updates result in increased costs, then it is the goal of labour management to use workers in a manner that justifies the increased costs.

Effective labour management frequently requires better organization of tasks and setting of priorities by the farm manager as well as some flexibility to accommodate employees. For example, it would be far more economical to have your full-time worker earning a competitive salary do the more highly skilled and laborious work such as planting and harvesting. Hire a seasonal student or part-time retired worker at minimum wage to do the more routine tasks like painting the fence or tidying the barn or shed.

It is also important to look for hired help in the right places. If you are looking for full-time help you could place an ad in the local farm publication and community newspapers, talk to your neighbours and let people know through word-of-mouth what type of work you have available, or put a poster with a job description and contact information at the local feed store, machinery dealer, sale barn, and other local agri-businesses.

If you are looking for seasonal or part-time help then perhaps you could talk to a local high school councillor about the job expectations and ask if they know of any students that would be suitable, or post an ad or request a student placement with the nearest agricultural college. Likewise, you may be interested in hiring an older person who is retired but still seeking seasonal or part-time work. Word-of-mouth is always effective and you may also consider posting a job notice at local stores, post offices, and churches.

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Hiring the Right Help continued ...2.

“Hiring the right people means accurately accessing each candidate’s knowledge and experience in your area of agriculture,” says John Ryan, President and CEO of FCC. “Hiring workers with appropriate skills will help protect you from costly risks to your operation and incalculable risks to health and safety.”

Before interviewing a prospective employee, prepare a list of questions about the various skills you need in a worker. Then use a conversational style of interviewing to evaluate the candidate’s skill levels as you and the candidate walk around the farm. For example, ask the prospective employees what they would do if the combine plugged or if a cow was having trouble calving. Perhaps ask them to fill the tractor with fuel and give a choice between diesel fuel and gasoline. Make it clear that inexperience is not a bad thing as long as the worker knows to ask for advice.

Employees add a number of responsibilities, liabilities and legal requirements to an employer. Be sure to check with your provincial labour relations office to ensure you meet all requirements with regard to taxation, worker compensation, medical insurance, work visas, worker protection standards, minimum wage, benefits, driver’s license, and child labour laws.

Money is a big consideration in labour management but there are other important considerations as well such as benefits and incentives. Whatever “wage package” you offer an employee, be sure it is clear, measurable, in writing, and commensurate with experience. Ask yourself these questions:

- Is the wage offered competitive with those of industry and other agricultural employers?
- What would it cost to train and hire someone to replace a worker?
- How should employees be paid – by the hours, week, or month? What about overtime?
- What does a competitive fringe benefits package look like? (i.e. housing, utilities, meat, medical insurance, holidays, paid training, etc.)
- What should my incentive plan be? (i.e. related to production, profits, or unspecified bonus?)

Employees also desire good “mental wages” such as recognition and respect from the employer. On the other hand, the employers want employees to show initiative and pride in their jobs and to contribute to a profitable business. Offering a pleasant and conscientious work environment could be one of the most effective profitability tools on your farm.

The CFA along with FCC, CASA, and AAFC want to remind Canadian farmers that “*Farm safety is MY business.*” means that hiring and keeping good farm workers is an important part of risk management and farm management.

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(For cost table see below.)

**IN TIMES OF INTENSE COMPETITION AND LOW PROFIT MARGINS,
LOSS CONTROL MAY CONTRIBUTE SIGNIFICANTLY MORE TO PROFITS**

This table shows the dollars of sales required to pay for different amounts of costs for incident losses such as injury, illness, damage or theft. The amount of sales required to pay for losses will vary with the profit margin., i.e. if an farm's profit margin is 3%, it would have to make sales of \$333,000 to pay for \$10,000 worth of losses.

YEARLY INCIDENT COSTS	PROFIT MARGIN				
	1%	2%	3%	4%	5%
\$ 1,000	100,000	50,000	33,000	25,000	20,000
5,000	500,000	250,000	167,000	125,000	100,000
10,000	1,000,000	500,000	333,000	250,000	200,000
25,000	2,500,000	1,250,000	833,000	625,000	500,000
50,000	5,000,000	2,500,000	1,667,000	1,250,000	1,000,000
100,000	10,000,000	5,000,000	3,333,000	2,500,000	2,000,000
150,000	15,000,000	7,500,000	5,000,000	3,750,000	3,000,000
200,000	20,000,000	10,000,000	6,666,000	5,000,000	4,000,000

SALES REQUIRED TO COVER LOSSES

A twelve-year study by the Canadian Agricultural Injury Surveillance Program found the average cost for each agricultural workplace fatality was \$275,000, while injuries followed by permanent disability were \$143,000. The cost of each hospitalized incident averaged \$10,000, and non-hospitalized incidents were \$700. The total cost to the Canadian economy for agricultural injuries is estimated at between \$200 and \$300 million annually.