FARM Workforce Development Evaluation Preparation Guide

2020-2023
Version 1

U.S. dairy farmers have a lot to be proud of when it comes to labor. The dairy industry provides over 125,000 jobs to hired workers, not to mention the family employees who make their living through dairying. Dairy farms provide stable, year-round employment with competitive wages in rural communities. But, they face key challenges:

- Labor shortages and competitive labor market — how can a dairy become the employer of choice?

- Safety outcomes have been improving across all of agriculture, but the industry still experiences tragic fatalities and injuries — how can dairy farms improve?

- Customers and consumers are eager to learn more — how can dairy's story be shared?

The FARM Workforce Development Program, established in 2018, encourages best practices in HR and safety. The program focuses on developing sustainable management processes and procedures to encourage positive human resources (HR) and safety outcomes on dairies.

HR and safety management will look different from one farm to another based on individual needs. By referencing and using the FARM HR and Safety Manuals, templates and other resources, the second-party evaluation tool operationalizes the FARM Workforce Development materials – supporting dairy farmers and managers in their continuous improvement journey.

FARM encourages policies and processes to be recorded in writing when applicable and shared with employees. For example, an employee handbook's content should be shared during new employee orientation. FARM also provides a framework for good communication and creating a positive workplace culture through recommendations like holding staff meetings, checking in with new employees, and developing grievance procedures.

FARM Workforce Development

Governance

The FARM Workforce Development Program is formally revised every three years.

Legend:
- Guidance, Input & Ambassadorship
- Approval
- Recommendations
- Farmer Representation within Group

NMPF Board of Directors

60%

NMPF Executive Committee
The NMPF Executive Committee reviews recommendations from the Task Force for adjustments to the program. Such recommendations are subject to approval from the NMPF Board of Directors.

80%

NMPF Workforce Development Task Force
The FARM Workforce Development Task Force is composed of farmers, co-op and processor staff, and other subject matter experts from across the country. They guide program development and strategic direction.

Pilot Program
FARM received feedback from dairy farmers through a second-party evaluation pilot program conducted in 2019 and 2020. Through this pilot, FARM participants implemented the evaluation tool with 45 dairy farms to gain feedback about the tool and implementation.

Open Comment Period
FARM also held a 45-day public comment period from December 6, 2019 through January 20, 2020 to solicit feedback from a wide range of dairy stakeholders.

30%

Farmer Advisory Council
Dedicated producers serving a three-year term who provide guidance and input for consideration in FARM's ongoing and future development. Members work to champion FARM within other organizations, communities and throughout the industry.

100%

Why FARM Workforce Development

In 2019, the Center for North American Studies (CNAS), part of Texas A&M University, conducted a nationwide labor survey. Results showed dairy farmers are already committed to HR and safety management in several ways. For example:

Dairies offer various non-wage benefits, including paid vacation leave and housing or a housing allowance.

Surveyed dairies use a variety of methods and processes to ensure accurate employee pay. For example, 83% of dairy employees work on a farm that uses electronic time tracking.

Nearly half of surveyed dairies take steps to provide their workers with a sense of community. They hold social events at work, inform workers of local events and introduce workers to neighbors. Some farms even provide recreational facilities like soccer fields.

However, we also saw opportunities for growth in the results. For example:

The average turnover rate for surveyed dairies was 38.8%. While this is lower than the national average turnover for the private sector (47.1%)[1], it is still higher than ideal, especially given how hard it can be to fill open positions. In fact, replacing an employee can cost about 33% of a worker's annual salary.[2]

Only about 14% of surveyed dairies report offering management and supervisory skills training.

Dairies are underutilizing pre-employment screenings, which can help ensure high-quality candidates are selected.
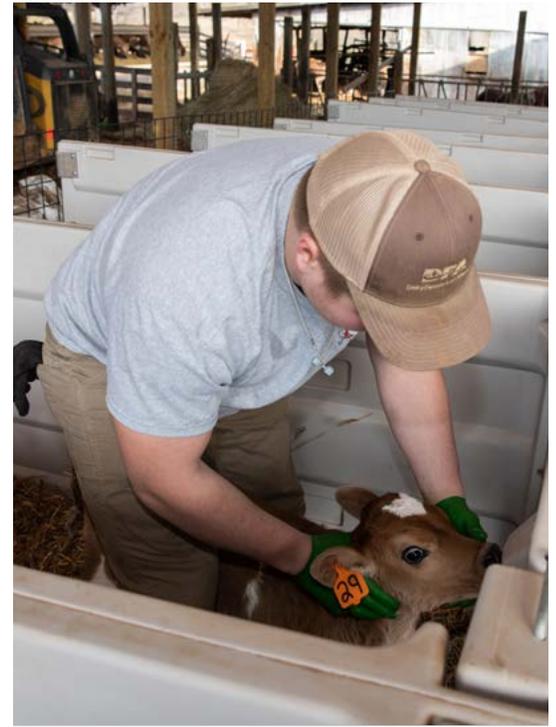
These areas for growth are important. Superior HR and safety management can help reduce employee turnover, attract high-quality employees, reduce insurance premiums and more. Even farms without hired employees can benefit from reviewing their safety programs – everyone, family member or hired employee, should go home safely at the end of the day. The FARM Workforce Development program area is designed to support all dairy farms to do that one next thing to enhance their HR and safety management practices.

[1] Employee separations includes employees that quit, were laid-off, or were discharged (i.e. fired). Does not include retirements or other separations. National average from Bureau of Labor Statistics 2019 Job Openings and Labor Turnover Survey.

[2] Work Institute. 2017. Retention Report. https://cdn2.hubspot.net/hubfs/478187/2017%20Retention%20Report%20Campaign/Work%20Institute%202017%20-Retention%20Report.pdf

How to Prepare for a Workforce Development Evaluation

Have the following documents on hand if they are in use on your farm. Print out blank copies of forms so that you do not reveal sensitive employee information.

- Summary of how job candidates are selected (i.e., selection criteria)

- New employee orientation and onboarding checklist

- Employee handbook or code of conduct

- Anti-discrimination and harassment policy (if separate from the employee handbook)

- Grievance process description (if separate from the employee handbook)

- Training records (e.g., training log, sign-in sheets, etc.)

- Blank forms to document performance issues (i.e., progressive disciplinary action)

- Employee housing inspection checklist

- Employee housing agreement

- Written safety plan and program

- Safety walkthrough checklist

- Safety training checklist
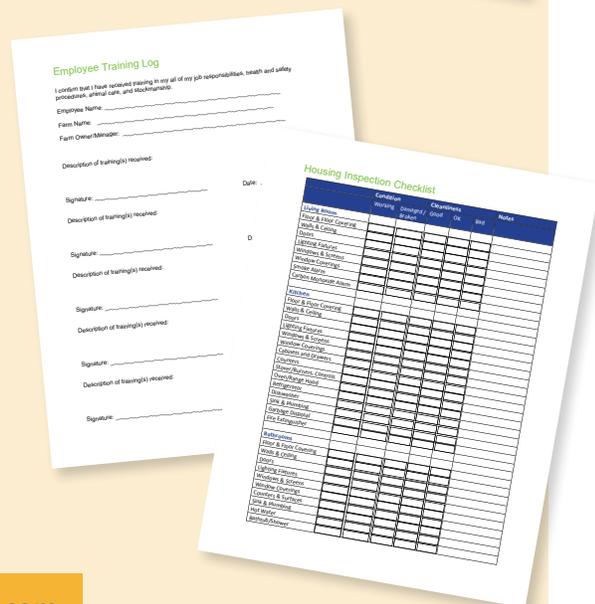
Review all resources to aid in preparing at: nationaldairyfarm.com

1   Review FARM State & Federal Fact Sheets
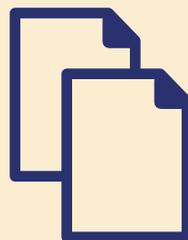
2   Collect Documents

3   Evaluation

Second-Party Evaluations

The Workforce Development evaluation tool is not a set of standards – it is a best practice assessment guide. The goals of the evaluation tool are to help farms:

- Learn about HR and safety management best practices

- Identify which practices might be useful for their farm

- Track improvement over time

By performing on-farm evaluations, the industry can also provide important assurances to supply chain customers, dairy buyers and retailers. Dairy buyers and retailers are eager to learn more about on-farm labor practices. The FARM Program is taking proactive measures to provide this insight by offering a second-party evaluation tool. This tool will serve as the industry's voice to communicate that dairy is passionate about providing safe and thriving work environments for employees and family members. FARM also has regular conversations with dairy customers to share dairy's labor story and encourage FARM Workforce Development recognition.

What Happens During a Second-Party Evaluation?
An evaluator visits the farm and reviews each human resource and safety best practice from the evaluation tool with the dairy owner or manager. The evaluation tool explains why each best practice is valuable and how a farm can implement the practice on their operation. It suggests resources, such as templates, that can assist with the next steps.

What Farms Complete Second-Party Evaluations?
FARM participants (the co-op or processor through which the farm is participating) determine how many farms and which farms complete the second-party evaluaton. Participating farms may undergo a second-party evaluation at a frequency determined in collaboration with the FARM Program participant. Evaluations must be scheduled in advance and are not to be conducted unannounced.

Who Conducts Second-Party Evaluations?
FARM's network of second-party evaluators implement the evaluation tool on behalf of FARM participants. Second-party evaluators complete and pass a training course, which will be launched in early 2021.

Does the Evaluation Result in Any Corrective Action Plans?
No. The FARM Workforce Development Version 1 evaluation focuses on voluntary best practices. While these practices are beneficial for HR and safety outcomes, there is no penalty for not adopting any of the best practices. Farms vary in terms of how many best practices they adopt. Many farms only implement a few best practices; they will answer "no" to many evaluation questions during their first evaluation — this is a normal starting place.

During an Evaluation, a Certified Second-Party Evaluator will:	
Observe	▪ Visually inspect an area (e.g., location of records, first-aid kits, employee restroom) ▪ Observe safety resources in employee housing (e.g., functional fire extinguisher)*
Review	▪ Read through provided documents
Interview	▪ Ask the farm management and employees about a certain policy or practice ▪ The evaluator may ask permission to interview one of your employees. If no one is available or the evaluator cannot communicate easily in a common language with the employee, the interview will not be conducted

* This can only be done with permission of the housing occupants. If permission is not granted or if the owner/manager prefers, this component of the evaluation can be completed through the interview with the owner/manager.

The topics below are covered in the Workforce Development Version 1 Second-Party Evaluation Tool:

Human Resources

Recruitment and Hiring
- References and background checks
- Documenting the employee selection process
- Conducting and documenting a new employee orientation with suggested topics of employee handbook, wages, grievance procedure, etc.
- Checking in with new employees
- Employee access to onboarding materials

Employee Communications
- Staff meetings
- Grievance procedure
- Employee training
- Employee handbook or code of conduct

Managing Employee Performance
- Disciplinary process

Compensation Benefits
- Timekeeping system with employee and manager verification

Working Conditions
- Share work schedules in advance
- Tracking rest and meal breaks

Discrimination and Harassment
- Written policy, including how to report complaints and non-retaliation

Recordkeeping
- Maintaining personnel files
- Accessibility of payroll records

Housing
- Routine inspections
- Signed written housing agreement

Laws and Regulations

- Has FARM state and federal legal fact sheets and appropriate staff have reviewed them

Safety

Regulatory Context
- OSHA safety poster or state equivalent

Working Conditions
- Essential facilities: restroom facilities with locks, clean drinking water, rest areas
- First-aid kits

Safety Management
- Written safety plan or program. Evaluation contains list of recommended topics to cover.
- Procedure for reporting safety concerns
- Routine safety inspections
- Process for managing hazards or risks
- Tracking safety incidents and near misses

Safety Training
- Initial safety training. Evaluation contains recommended list of topics to cover.
- Routine refresher training and retraining following an incident
- Documenting training

Housing
- Fire extinguishers, smoke alarms, carbon monoxide detectors
- Emergency contacts and phone numbers

Privacy

Payroll records, personnel files, medical care records and other files contain personal information about employees and the dairy business. FARM Workforce Development does not require or recommend that evaluators attempt to view personal and private information.

Legal Compliance

Legal compliance is an important baseline for business operations. However, verifying legal compliance is part of proper legal and regulatory channels, not the role of the FARM Workforce Development evaluator or evaluation tool. FARM Workforce Development provides information about relevant laws and regulations through federal and state fact sheets that are updated annually. The FARM Safety and Human Resource Manuals provide more details on specific compliance topics. But, as demonstrated through the second-party evaluation tool and suite of resources, the program's focus is to promote best practices to help U.S. dairy farms be "employers of choice" in rural America.

Program Expectations

Dairy Farmer

- Respond to evaluation questions honestly
- Provide documents that the evaluator requests to the best of the farm's ability
- Show evaluators requested locations or items for observation

Evaluator

- Complete the FARM Workforce Development evaluator training
- Be familiar with the relevant FARM resources available to farmers, including the HR and Safety Manuals
- Follow all safety guidelines and employ proper biosecurity protocols as set by the individual farmer
- Maintain and safeguard confidentiality of the dairy farm's information
- Properly communicate evaluation expectations
- Upload evaluation information into the FARM database
- Be polite and courteous

After the Evaluation

Evaluation Feedback

The FARM Program values feedback as it influences future standards and processes. After participating in an evaluation, we encourage all dairy farmers and managers to complete a feedback form found on our website: nationaldairyfarm.com/evaluationfeedback.

FARM Database Access

All dairy farms and evaluators have access to review their completed evaluations within the password-secured FARM database. Contact your second-party evaluator to create an account.

Resources

FARM works with industry partners and vendors to create pertinent resources to help meet FARM Workforce Development standards.

Resources
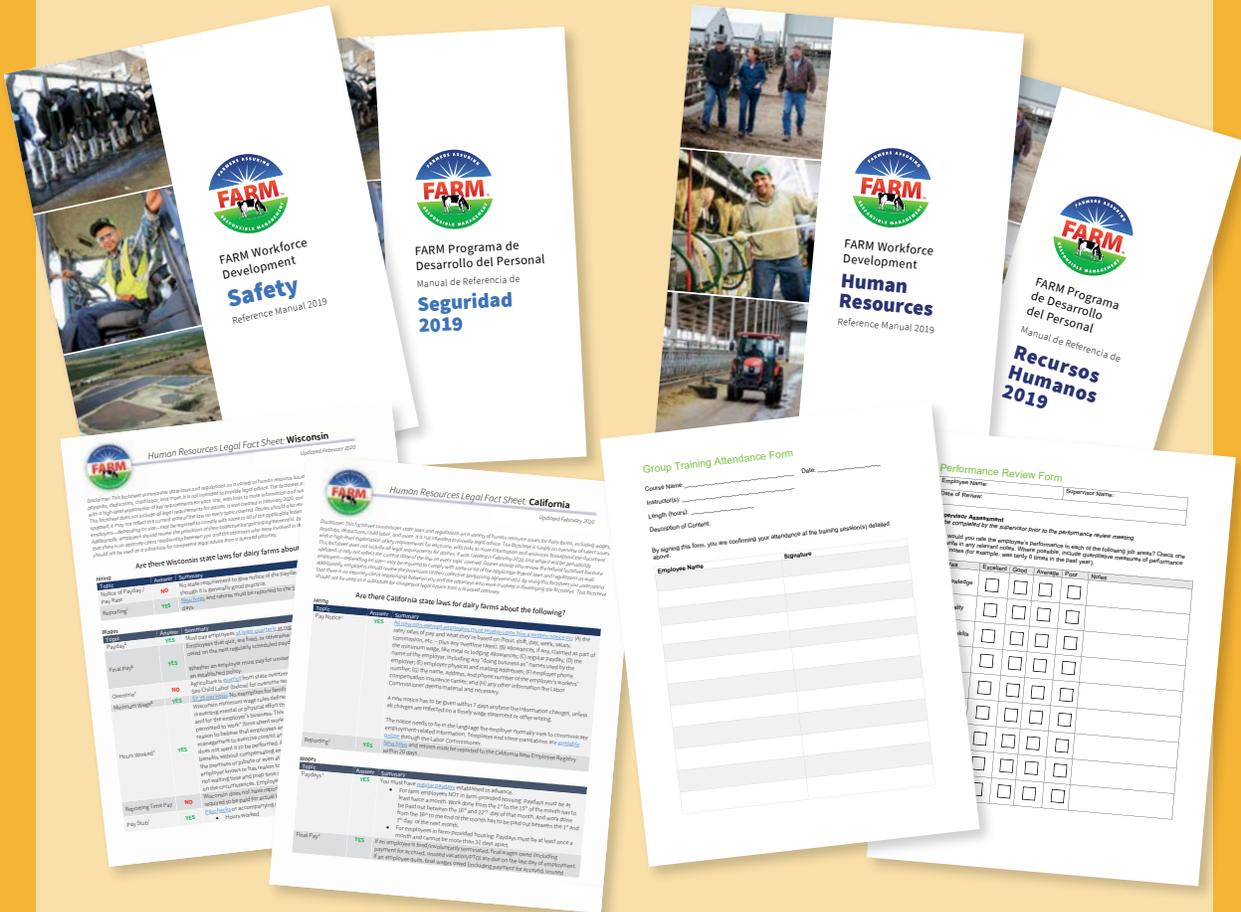
Stakeholders and subject matter experts from the entire dairy value chain worked together to create educational materials for U.S. dairy owners and managers. This suite of educational materials helps farmers who are interested in basic human resources and safety tools, enabling them to increase employee engagement.

Learn more: nationaldairyfarm.com