



DIBS

**Dairy
Issue
Briefs**



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Plummeting prices in the dairy industry are creating critical cash-flow and long-term survivability issues on Ohio's 3,328 dairy farms. Cost-cutting decisions must be made with full awareness of both short and long-term production and economic consequences. OSU Extension's Dairy Working Group, a collaboration of OSU Extension Educators and Specialists discuss:

Reducing costs to improve short term cash flow

Non-Cash Compensation Alternatives for Dairy Employees

In times when money is tight, it is often difficult to reward employees for their performance in the form of cash. So, what things can dairy employers do that don't cost a lot of money, but still let employees know their work is appreciated and valued?

Many employers would be shocked to learn that good wages and job security are not necessarily the ultimate motivators. A study conducted by George Mason University showed the top three motivators for employees were interesting work, appreciation, and feeling in on things. Surprisingly, good wages only ranked 5th. Bottom line, you won't know what motivates your employees until you ask!

In no particular order, here are a few suggestions you can use to show employees that their work is appreciated and valued:

1. Thank your employees for the work they do and their dedication to the farm. It's really a no-brainer, but it's one thing many employers don't do often enough. Best of all, it doesn't cost a penny!
2. Most employees love food! Inviting employees in for lunch each day (or occasionally) can go a long way to improving employee morale. A great home-cooked meal is always more enjoyable than a peanut butter and jelly sandwich.
3. Allow employees to use farm equipment for a few evenings or weekends for their personal use. Maybe they need to plow a garden, use a welder, or borrow a farm truck to haul debris.
4. Because of labor demands, it is often difficult to do, but consider allowing employees to have time off, and be more flexible in scheduling.

5. Provide the opportunity for employees to use fuel or farm commodities.
6. If there is an employee(s) with a particular skill that could benefit the farm, and they desire additional training, pay their registration fees. Encourage them to receive additional training.
7. Provide theme or amusement park tickets to employees to spend time with their families for a few days.
8. Consider providing employees with shirts and/or hats with the farm name.
9. Ask your staff about ways you can improve the working environment for them. Eliminating employee dissatisfaction with unsafe equipment, unreasonable rules and policies, and conflict with co-workers can help employees enjoy their work more.
10. Many employees would appreciate health insurance coverage, but the cost is often high. An alternative might be a Health Savings Account (HSA). Money can be deposited into the account to provide coverage for employees and may be more affordable to the employer.



Bottom Line: Your local Extension Educator can help assist you as you develop an employee management plan. Call you local Extension office today. Specific questions can be asked to the Ohio Ag Manager team by emailing: ohioagmanagerinfo@ag.ohio-state.edu.

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