

Employee Wage Rates and Compensation Packages on Kansas Farms

2019-2020 Survey of Labor Practices on KFMA Member Farms



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1

Labor Management on the Farm

- Labor is an important resource
 - Drives many decisions
 - Main purpose of machinery/equipment and now today, technology, has always been to make labor use more efficient
- Farm size continues to increase
- Agriculture is a unique industry—those working together are often family members, needed skill set can be very diverse
- Most farm managers have very little training in managing human resources



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2

Labor Management on the Farm

- Currently, in nearly all industries, it is difficult to get individuals hired to fill needed positions
- Agriculture is no different
- For many farm managers, determining the appropriate time to hire an employee can be difficult – the need for additional labor may be there before sufficient income is available
- It's hard to overstate the value of long-term, quality employees to a farm operation



3

Survey and Study

- Survey of KFMA Member Farms with employees – 2019-20
- Similar survey completed in 2001-02, 2008-09, 2013-14
- Purpose was to explore labor management practices on Kansas farms
- The most recent survey results include data from 248 employees on 109 farms (survey completed with 283 employees, 133 farms)



4

Employee Status

- Full-Time
 - Employee who works more than 1,800 hours per year (average more than 35 hours per week)
- Part-Time
 - Employee who works 12 months per year but fewer than 35 hours per week
- Seasonal
 - Employee who works fewer than 12 months per year – often harvest or planting work



5

Employee Competency

- Level one
 - Employees with little to no experience or having no advanced skills; tasks assigned require very little training or experience
- Level two
 - Some experience and/or specialization; perform some tasks that require training; no supervisory or decision-making authority
- Level three
 - Very skilled in at least one area; decision-making and some supervisory authority is limited to specialized areas



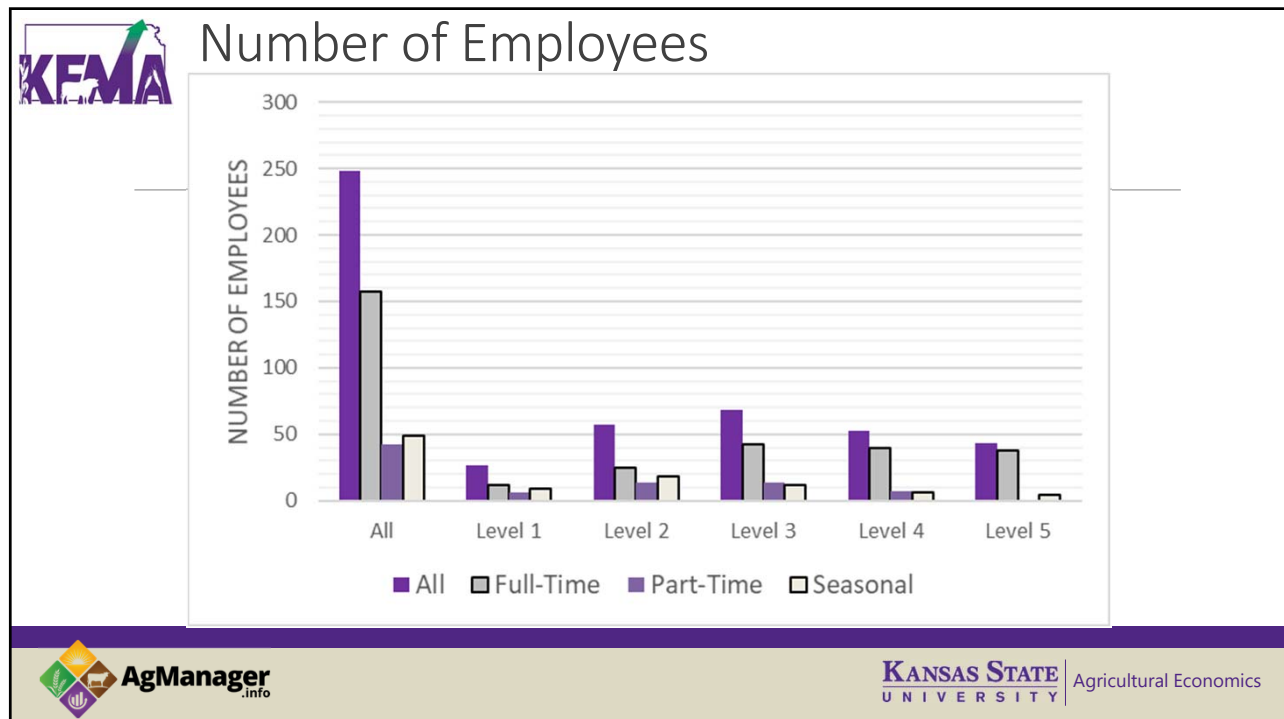
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Employee Competency

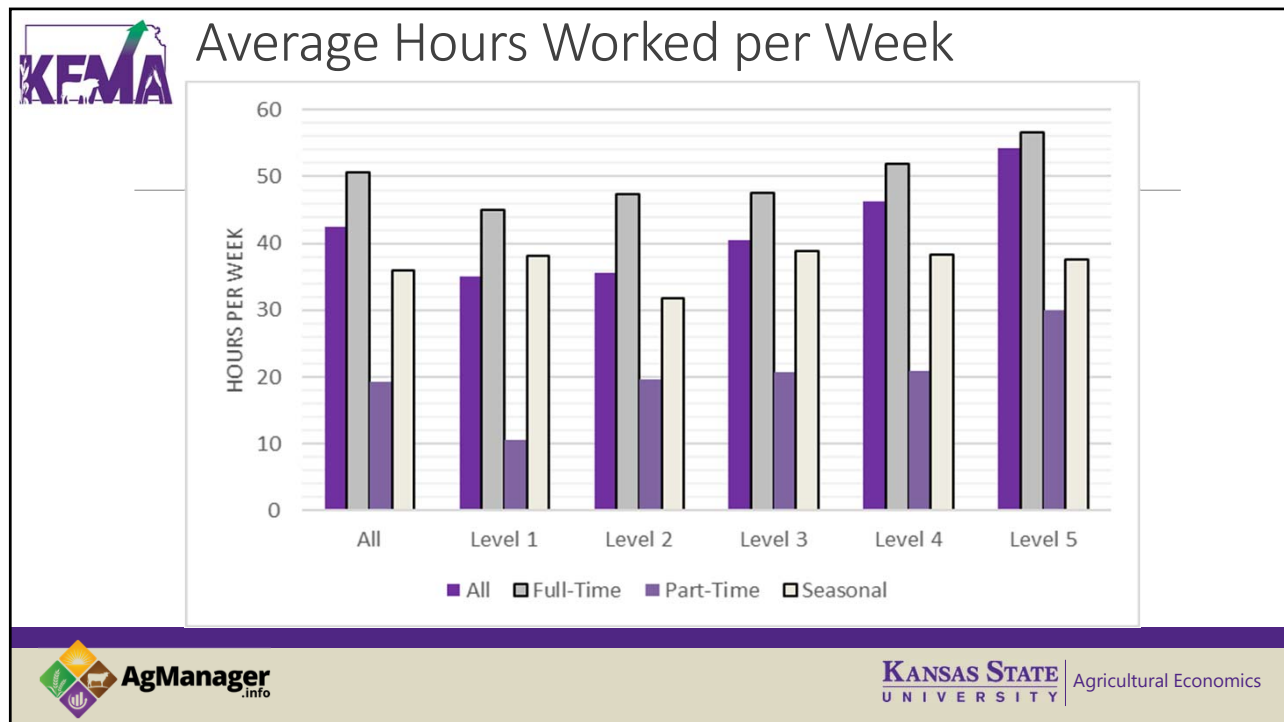
- Level four
 - Highly skilled in many areas; may make decisions that impact entire operation; large supervisory authority
- Level five
 - The most skilled and qualified employees; complete authority over employees and a high level of decision-making authority over the operations of the farm



7



8



9

Some Employee Demographic Information

- 12 percent own part of the business
 - 44 percent of level five employees
 - 0 percent of levels one and two; 3 percent level three
- 35 percent are related to the business owner
 - 57 and 63 percent respectively of levels four and five
 - Only 7 percent of level one
- Average age of 38 years
 - Range from 12 to 80 years of age
 - Steady increase from 25 for level one to 47 for level five
- Average years experience with farm, 11.3; steady increase across skill levels from 1.3 to 21.1 years



10

Benefits

- Many farm families have individuals working off-farm jobs largely due to the value of the benefits
- Employees working for a farm often have the same needs
- For employees receiving benefits, these can be a substantial share of the total compensation
- Benefit types vary greatly between farm employers
- While many different benefit types are represented in this group of farm employers, individual employers often have a limited number of benefit options



11

Benefits

- It is important to think through the type and level of benefits to be made available
- Benefits provided should fit the situation for both the employer and employee
- Consider communicating with employees regarding the type and level of benefits available
- Benefits provided can range from common benefits found in many industries to ones that are very specific to agriculture or to the individual farm



12

Employees with benefits of some type

	All competency levels	Level one	Level two	Level three	Level four	Level five
All	69%	44%	58%	78%	77%	77%
Full-Time	86%	92%	92%	86%	88%	79%
Part-Time	45%	0%	43%	57%	57%	100%
Seasonal	37%	11%	22%	75%	33%	50%



13

Common Employee Benefits

These benefits are common among many employers in multiple industries

- Health insurance
- Retirement program
- Profit sharing
- Bonuses
- Vacation and sick leave



14

Common Employee Benefits

	Health Insurance	Retirement Program	Profit Sharing	Bonuses	Vacation Leave	Sick Leave
All	20%	9%	4%	26%	30%	14%
Full-Time	28%	14%	6%	36%	46%	20%
Part-Time	4%	1%	0%	4%	2%	2%
Seasonal	0%	0%	0%	2%	0%	2%



15

Agriculture Specific Benefits

These benefits are related special situations unique to agriculture

- Housing
- Utilities
- Farm products
- Personal use of vehicle
- Use of equipment, buildings or other facilities



16

Farm Specific Benefits

	Housing	Utilities	Farm Products	Vehicle	Equipment
All	12%	8%	29%	12%	13%
Full-Time	16%	10%	43%	17%	18%
Part-Time	3%	1%	2%	2%	1%
Seasonal	0%	1%	0%	0%	1%



17

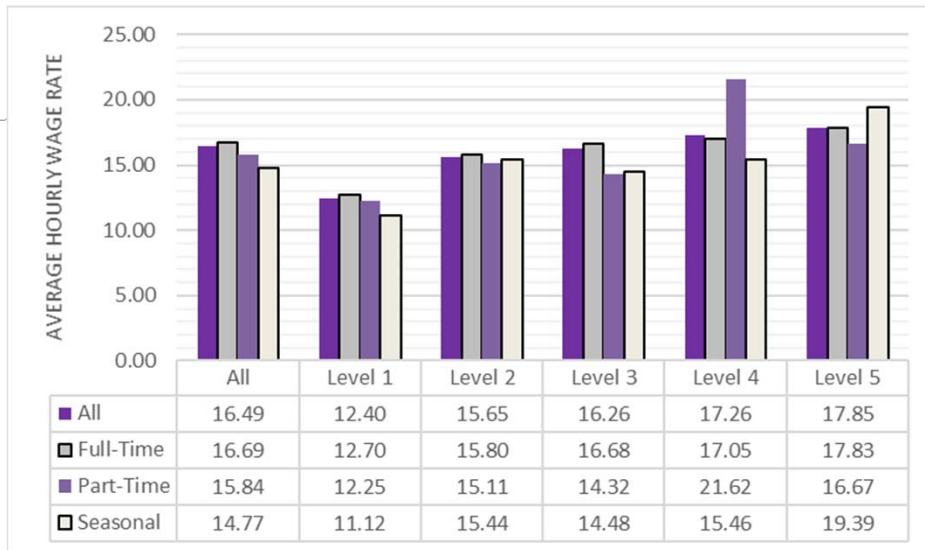
Overtime

- 12% of full-time employees receive overtime
- Nearly 1 of 5 level three and level four employees
- Overtime applies after an average of 44 hours
- Range of 40 to 60 hours (higher hours with lower competency levels)



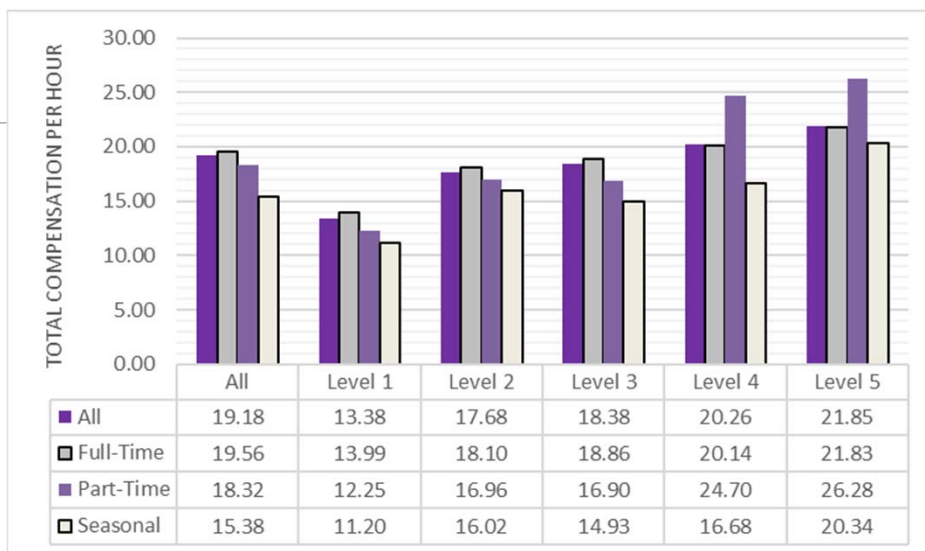
18

Average Wage Rate – Hourly and Salaried

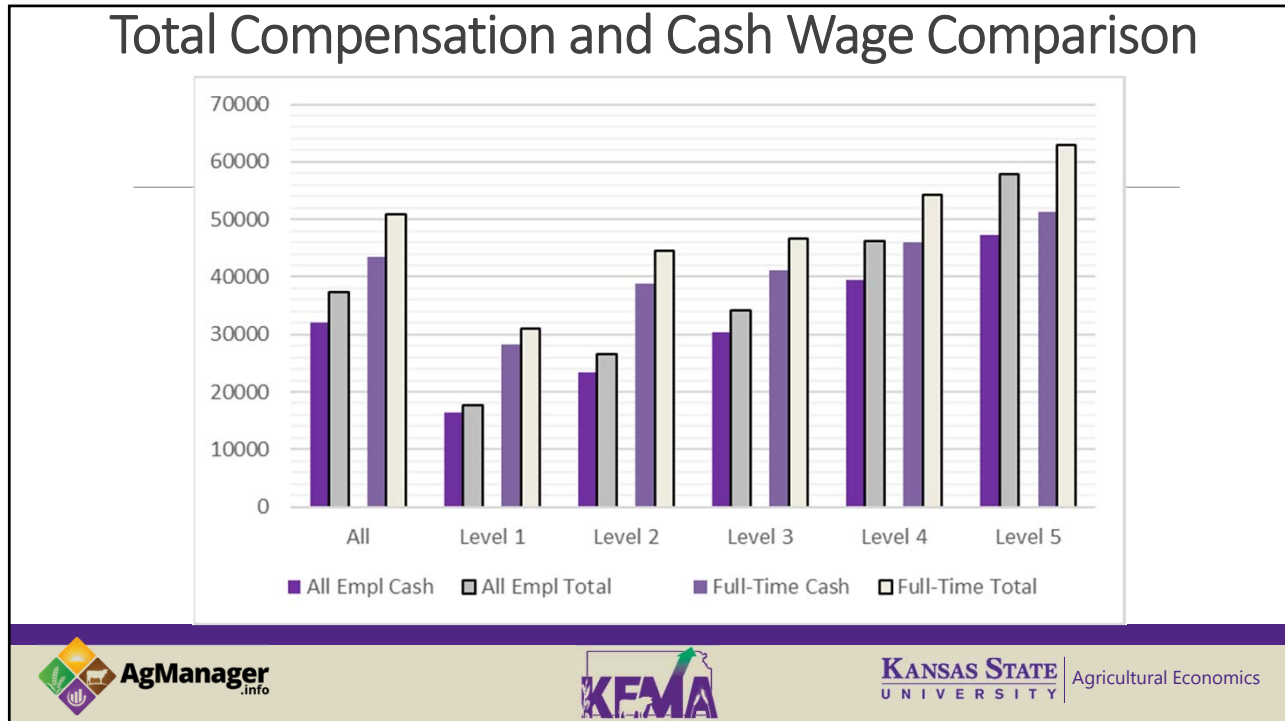


19

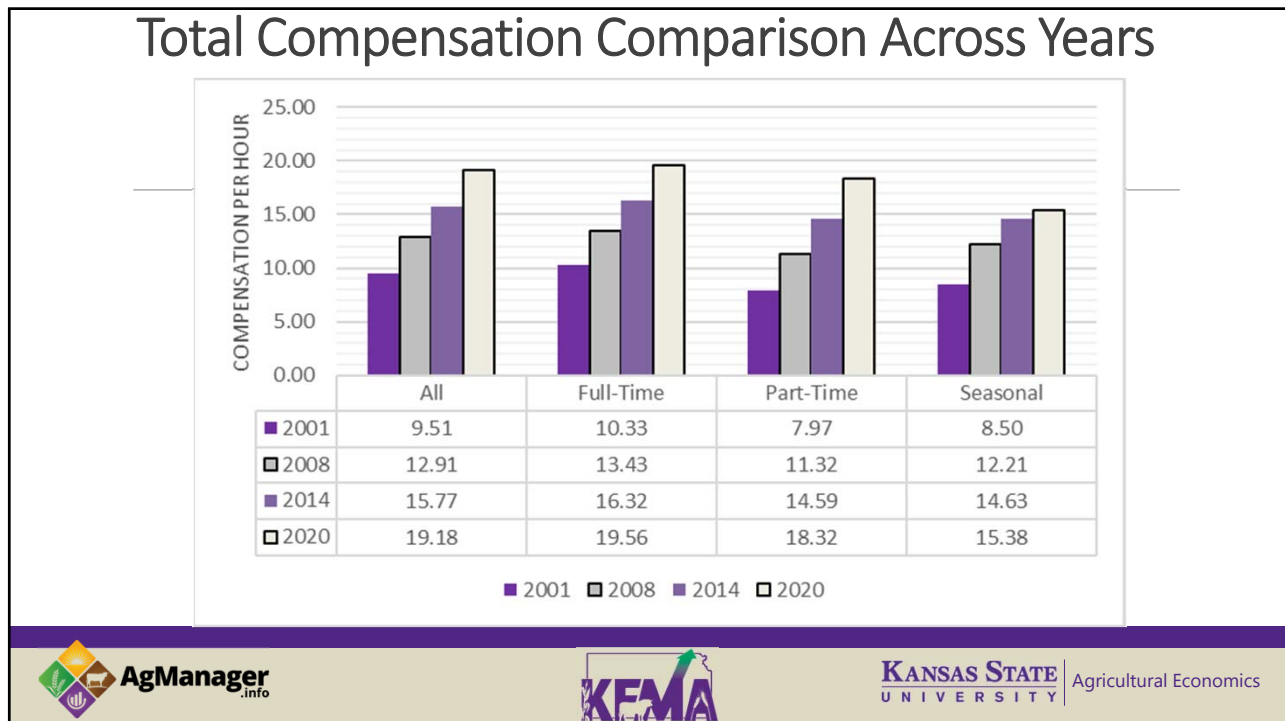
Total Compensation per Hour



20



21



22

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