

PREPARING FOR A CHANGING WORKFORCE

Farmers and co-op managers face a challenge hiring and retaining qualified employees.

By Joel Schettler



Many young people looking to begin their careers or change jobs will find employers eager to hire them, despite the recent downturn in the nation's agricultural economy. In this competitive environment, farmers, co-op managers and other agribusinesses report it is increasingly difficult to hire reliable, qualified employees. And when they do find good employees, retaining those employees presents a new set of challenges.

Contributing to this challenge is the increasing global demand for food, says Jeff Goettl, manager of organizational development, CHS Aligned Solutions. "That drives supply-chain integration and consolidation, which places increased emphasis on relations at the farm gate. The result is demand for people."

Demand for food will not only require hands-on production, but it will also challenge the next generation's brightest minds to develop technologies and sustainable practices that keep fields productive for future generations.

Replacing Boomers

Fewer college graduates are entering the ag field at a time when they are most needed. A 2013 USDA study found an average of 57,900 jobs requiring bachelor's degrees in food, agriculture, renewable natural resources or the environment will open up every year between 2015 and 2020. Yet 39 percent of those jobs will remain unfilled.

"One often overlooked factor is that baby boomers are retiring at a rate of 10,000 per day, according to Census Bureau data. That's more than 3.6 million a year," says Goettl. "That just puts more pressure on the market."

Today's unemployment rate of 4.7 percent is near the 2005 level prior to the recession. Compounding the problem, fewer than 20 percent of farmers are younger than 44 years old, while more than half are 55 and older, according to USDA 2012 farm census data. >

> Only 1.73 percent of all bachelor's degrees awarded in 2012 were in agriculture and natural resources, according to the National Center for Education Statistics.

"The supply of graduates is falling short of demand," says Goettl, whose group provides member co-ops with leadership placement services and sourcing tools, such as online recruiting and applicant tracking.

"We may need to look in other places besides schools of agriculture," he says. "We may need to hire the best talent and invest in technical training, or work to generate interest in agriculture at a younger age."

Nontraditional Students

While agriculture may be having a tough time filling vacancies, it isn't necessarily due to falling college enrollment, says John Klatt, assistant dean of the College of Agricultural & Life Sciences at the University of Wisconsin-Madison.

Enrollment in each of that college's programs has grown steadily since 2006, he says,

as it has at other colleges of agriculture across the country. Klatt speculates that one reason cooperatives and other ag companies might have trouble finding applicants is they expect graduates to have farming backgrounds.

Agriculture students who didn't grow up on family farms may graduate with the necessary content knowledge, says Klatt, but they might lack practical experience. And that can be important in some positions, particularly sales account managers. "The credibility and trust [when dealing with customers] is going to be more difficult to establish if they can't talk the talk."

Out of necessity, companies are beginning to look beyond the pool of graduates with farming backgrounds. And, as more nontraditional students enter agriculture, UW-Madison and other schools are providing them with hands-on learning activities, such as student groups, internships and community gardens, to round out their campus experiences.

Some agriculture disciplines have clear-cut career tracks, says

Klatt, which give students three or four entry-level positions for which they will be highly trained at graduation — even without growing up on the farm. Students in the UW-Madison dairy science department, for example, will complete an internship or two and will get to know the industry well, he says. Students pursuing other majors may not have the same clear industry connections.

"Awareness is a challenge," he says. "Students come out of high school and they know about engineers and accountants, but they don't know a lot about the ways they can apply their interest in science to agriculture. We need to help them understand that if they like statistics, there are opportunities in agriculture to work on big data. If they like biology and chemistry, there are opportunities to work in science or plant genetics rather than human genetics. It takes a while for them to get used to those ideas."

Increasing Awareness

Like many entering the industry from outside agriculture,



Like many who didn't grow up on farms, David Williams knew little about co-ops before becoming CEO of Agland Co-op in Wolf Point, Mont.

David Williams hardly knew what a co-op was in 2011 when he became CEO of Agland Co-op in Wolf Point, Mont. "I just don't think a lot of people pay much attention to our industry unless they grew up on a farm."

Williams brought a fresh perspective to his cooperative after a career as CFO and CEO in other industries. "I like to say money is money and people are people, but I knew I would have a steep learning curve on co-op finance, which is totally different."

Attracted to the rural lifestyle, Williams left his hometown of Seattle for life in northeast Montana. But bringing someone from outside the area to an entry-level position could be a tougher sell, he says, especially if that potential employee has a young family.

"Geographically, the co-op world is challenged unless you happen to be close to a good-sized city," says Williams. "If you are near Bozeman or Billings, I think you can get some to give it a shot. But if you are in a town of 500 or 1,000 people with no amenities, that's tough."

In January 2012, Agland Co-op formed a joint venture LLC with CHS to sell agronomy

inputs and services. "One of the biggest advantages of the partnership is access to people," says Williams. "That's huge. If you don't have the right people in the right positions, you can't service your patrons."

It's a different conversation with potential employees when you can talk about training and advancement opportunities they wouldn't have at other rural locations, says Williams. "It's good to be able to tell somebody, 'This might not be your dream destination, but you are going to get your foot in the door to work toward a management position. And then you will have the opportunity for upward mobility to possibly move worldwide, because CHS is so big.'"

Less Traditional Recruiting

Rising demand for skilled workers will cause cooperative leaders and even farmers to recruit in less traditional ways, says Goettl.

"We limit our options when we say that we have to get somebody off the farm. Our perceptions of who we need to find may need to change." The pool of candidates will become more diverse with regard to race, gender and even age.

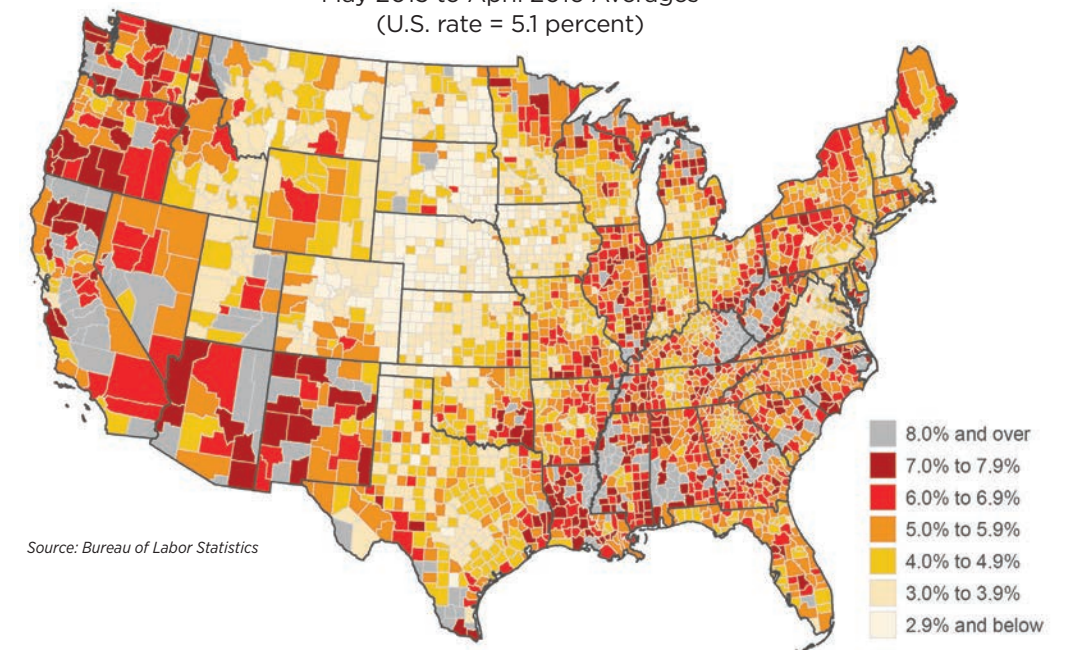
"For some of these jobs, we may be looking at people who have been retired for four or five years. Some may return to work on a part-time basis," says Goettl. "On the West Coast, we find the Hispanic influence is huge. We're also seeing more women taking on leadership roles. So I think we have to be careful not to limit our view of who can do the job."

Most cooperative leaders have experienced some hiring difficulties, says Agland Co-op's Williams, and know they will likely have to recruit outside their geographical regions.

"The better this industry self-promotes, the better off we'll all be," he says. "Too many people are retiring, and that's going to leave a vacuum. Fortunately, I think as an industry, we are being proactive and are looking forward." ■

Unemployment Rates by County

May 2015 to April 2016 Averages
(U.S. rate = 5.1 percent)



Source: Bureau of Labor Statistics

MILLENNIALS ON THE JOB

Hiring qualified employees in rural America is difficult; retaining them is even more important. But managing younger employees may require bridging a generation gap.

By 2025, millennials — those born in the 1980s and 1990s — will make up as much as 75 percent of the global workforce. And they have different working styles and preferences than previous generations. According to a 2014 Bentley University study, 77 percent of millennials would prefer to end the traditional 9-to-5 workday. Yet many of them (51 percent) prefer conversing in person over texting (14 percent).

In the past six years as energy general manager at Centra Sota in Buffalo, Minn., Howard Reinhard has managed a workforce of 18 people, including fuel truck drivers, sales professionals and other service personnel. He learned much about employee retention and management over a decade as an owner of fast-food franchises in rural Minnesota, managing young people in a field known for high turnover. Through it all, Reinhard learned about the job satisfaction wants and needs of younger employees.

• **Leverage technology.** "The younger generation brings a lot of new thinking into the

workplace, especially with social media, texting and communicating." He's noticed some respond to email messages more slowly than to text messages. "They want it in an instant, so they can take care of it and move on to the next thing."

• **Invest time in their careers.** "How do you deal with younger people who want more? It's a learning curve for them, but when we hire them, we build out one-year and five-year goals to achieve. If there is something that comes out in the interview process that they're capable of achieving, they see that. We show them the big picture that they can achieve over time."

• **It's about more than money.** A good job in a rural community can be an advantage, says Reinhard. "One of my employees was commuting an hour and a half to a job in the Twin Cities. Now he commutes less than five minutes to work. You have to put a value on those three hours on the road each day away from your family. Family time is more important than making a whole bunch of money."

• **Be flexible.** "You need to adapt. If you stay old school, you're going to miss a lot of what's happening out there."

Looking to hire or to find a new position? Visit the CHS Member Cooperative Career Center at chsmembercooperative.catsone.com/careers/.

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As energy general manager at Centra Sota in Buffalo, Minn., Howard Reinhard, right, manages a staff of 18 people.