

LABORING OVER LABOR



PHOTO: GREG LATZA

Chad Olsen and Luke Nibbe

Olsen Custom Farms focuses on recruitment, retention and management to keep their foreign work force happy and their combines running.

BY AINE GIANOLI

From Oklahoma into Saskatchewan and back home to Hendricks, Minn., the custom harvesting crews of Olsen Custom Farms cut about 120,000 acres each year. Nearly 180,000 additional acres are harvested with combines that the business rents to farmers who prefer to run their own machines.

With U.S. labor shortages, recruiting operators and staff willing to shuttle a fleet of 30 combines and related equipment across North America from May to November is no small feat. Typically, most of the employees who sign on for the custom harvesting crews' nomadic existence come from South Africa.

"If we could find people with experience from around our area who would work for nine months out of the year, we wouldn't need to seek foreign help," says Travis Olsen, the company's financial manager. "Understandably, most people are looking for 12-month employment, so the foreign help really makes the harvest season work for us."

Olsen brushed up on his own labor management skills as a 2008 DTN scholarship recipient for The Executive

Program for Agricultural Producers (TEPAP). The course is administered by Texas A&M and teaches mid-career producers a wide range of advanced agribusiness skills, including human resources management.

"The ability to attract and retain skilled labor is becoming more of an issue," stresses Danny Klinefelter, ag economist with Texas AgriLife Extension and director of TEPAP.

The program's human resources sessions are among the topics that garner the most attention from attendees. The sessions are designed to help producers improve employee recruitment, retention and motivation. "The No. 1 reason people leave their jobs in this country is because of their relationships with their managers," says Klinefelter.

RECRUITING FOREIGN WORKERS. Founded by Travis' older brother Chad in 1992, Olsen Custom Farms isn't just a custom harvesting business. Chad and his wife, Pam, farm a 5,000-acre grain operation near their hometown of Hendricks, Minn. They also haul pigs and raise alfalfa to sell to a local dairy. In 2006 they launched a formal combine rental business.

Olsen Custom Farms employs 30 seasonal and 10 full-time employees, a work force hard to imagine back when the Olsens were growing up on their parents' 80-acre hobby farm.

Key employees also include shop and crew foreman Luke Nibbe, a skilled mechanic and people manager celebrating his 10th anniversary with the company. Chad's brothers—Travis, an accountant, and Corey, a diesel mechanic—also joined the growing business.

The business hires nearly 20 workers in their early to mid-20s from South Africa each year through the H-2A program. The program is a way for agricultural employers to legally bring foreign workers to the U.S. to perform seasonal jobs.

Hiring migrant labor isn't easy. By law, H-2A employers must pay the prevailing wage rate for their area, which is always higher than federal minimum wage. The employer also must provide workers' compensation insurance and reimburse the employee for transportation costs from their home country to the job.

Working with an employment agency, Chad discovered his office manager Amanda Lozinski, who sorts through piles of paperwork each year. She records the number of seasonal South African employees to be hired, the work experience required, an explanation of what the workers will be doing in the U.S., and pay requirements for them. Once approved for visas, the workers arrive in the spring and stay for eight to 10 months.

Custom harvesting would be impossible without them, Nibbe adds, since a labor force willing to spend the entire summer on the road can't be found locally. Plus the Olsens' extended harvest rules out college students who once opted for summer jobs.

"The toughest challenge our employees face is probably the long hours during harvest . . . and being away from friends and families," Travis says. Last year, he started a harvest tour diary on the farms' web site "to try to minimize the distance gap.

Their retention rate is good. This year, nine of the 17 South Africans Olsen Custom Farms has hired have worked for the Olsens before.

Full-time employees receive health care coverage as part of their benefits. Seasonal workers purchase their own coverage in South Africa. They also earn stipends to purchase groceries.

Temporary workers don't accrue vacation, though the company does pay for some time off. Last year,

for example, the Olsens rented a tour bus and took the entire crew to Moline, Ill., to tour the assembly line at the John Deere combine plant.

"We've been told by our employees that they are motivated with 'thank you's' and 'atta boys' more than anything. If they are doing their job well, they like to be told that—as we all would. We also make them feel included in many of our family activities: Easter dinner, Thanksgiving dinner and our kids' birthday parties," Travis says.

KEEP CHANNELS OPEN. Communicating with someone from another country and culture can be tough at first, he adds, but making the effort to communicate clearly



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with employees pays. “Last year, before all the guys went home, I conducted an exit interview with everyone individually,” says Travis.

“All the comments, both good and bad, were posted on our web site with their permission. Olsen Custom Farms received some constructive criticism, and now we've implemented some changes in response to those comments.

“When we find quality people with great character and positive attitudes, we want to do whatever we can to keep them on board. We want them to be proud and have a little gleam in their eye when they say, ‘I work with Olsen Custom Farms.’” ●



DTN and *The Progressive Farmer* will offer two half-tuition scholarships to attend either the first- or second-year session of TEPAP in January 2009 in Austin, Texas. For more information, visit tepap.tamu.edu. To learn more about Olsen Custom Farms, or to read what their South African employees say about working for them, go to www.olsencustomfarms.com.