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# Employer and Training Needs: Report 4 Agriculture

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Report Number Four



AGRICULTURE

# EMPLOYER AND TRAINING NEEDS

PREPARED FOR METROPOLITAN TECHNICAL COMMUNITY COLLEGE



Center for Applied Urban Research

university of  
nebraska   
at omaha 

AGRICULTURE

by

Joan V. Holley

AGRICULTURE, INCLUDING CHEMICALS,  
CO-OP AND AGRI-BUSINESS MANAGEMENT

Purpose of the Study

Metropolitan Technical Community College offers four programs in Agricultural Technology. The purpose of this study is to determine the employer and training needs in agricultural fields related to three of these four courses of studies: Agriculture Business Management, Agriculture Cooperative Management, and Agriculture Chemicals Technology.

The Programs

The 1979-80 catalog of the Metropolitan Technical Community College describes these two-year associate degree programs in Agricultural Technology:

Agricultural Business Management--The necessary knowledge and understanding of agriculture as a business is the focal point of this program. Emphasis is given to general agriculture and agriculture-related courses coupled with management, finance, economics, and marketing courses. Upon the completion of the program, students may serve as farm managers, farm management consultants, agriculture product salespeople, or agriculture marketing technicians.

Agricultural Chemicals Technology--This program is designed to prepare students for employment and advancement in this chemical-related occupation, especially in the selection, use and application of agricultural pesticides, herbicides, fertilizers, and growth regulators. Trained technicians may serve as agricultural chemical products sales and service persons, chemical equipment sales and service persons, production and control technicians, specialists, applicators, and management consultants.

Agricultural Cooperatives Management--Development and advancement of knowledge and skills in this highly specialized agricultural marketing field is the goal of this program. Upon completion of the program, students may serve as grains processors, inspectors, buyers, and in other related agricultural cooperative occupations.

Study Design and Execution

Participating in this study were officials in farm management companies, agricultural cooperatives, agricultural chemical companies, and other

businesses with agricultural markets. Informal interviews were conducted to identify organizations which employed the largest number of agricultural technicians in each of these categories. The survey instrument constructed for the previous employer and training needs studies was administered to these employers over the telephone and during personal interviews. The findings of this research are presented here, followed by a conclusions section.

### Findings of the Study

#### Agricultural Cooperative Management

The Cooperative Business in Eastern Nebraska. Farmland Industries and Land o'Lakes were identified as the two main cooperatives in eastern Nebraska. Three others were found, but one was a dairy cooperative, the Mid-America Dairy, and the other two were extremely small. Interviews were held with officials of the home offices of each of the large cooperatives, as well as with the managers of most of the agricultural co-op branches in Douglas, Dodge, Washington, and Sarpy Counties.

The Farmland Industries official in the company home office in Lincoln, Nebraska, said that his agricultural cooperative business is the 86th largest corporation in the United States and is associated with the fourth largest exporter of American grain. He described the holdings of the company, which included 20 feed mills, steel fabricating plants, lubrication plants, phosphate mines, oil wells, and oil refineries. He estimated that between 180 and 210 Farmland agricultural cooperatives are operating in Nebraska.

The main office of Land o'Lakes is in Fort Dodge, Iowa, with agricultural cooperative branches throughout seven midwestern states. The personnel manager of Land o'Lakes said that about 400 employees work in the Lincoln office and approximately 7,000 at all other facilities. He estimated that about 50 Land o'Lakes cooperatives were located in eastern Nebraska. The Land o'Lakes representative emphasized, "Cooperatives are big businesses." He explained that even a small branch like the one in Mead, Nebraska, has more than \$10,000,000 in sales annually.

Opportunities for Employment. The cooperatives officials described the various levels and categories of managerial positions in the industry. In the home offices executive managers and assistant managers are employed, as well as managers who head the various service and product divisions.

Each local cooperative also has over-all managers, and some have managers who head the different categories of services and products.

The manager of the Wahoo Farmers Union Cooperative Oil Association said that he had 52 persons working in the facility plus some additional part-time assistants. The Wahoo co-op has a manager, with department managers in the areas of feed, chemicals, petroleum, and fertilizer. The interviewee said that the co-op business has a low turnover rate and that most of his employees had been with the company 15 to 20 years. The Wahoo Farmers Union Cooperative has six branches: Ashland, Ceresco, Cedar Bluffs, Prague, Valparaiso, and Yutan. Each of these smaller co-ops also has a branch manager. Working in all of the co-ops, including the Wahoo facility, are station attendants, delivery persons, and employees who assist farmers in the application of the co-op products. The number of managers and other employees working in the cooperatives varied according to the size of the branch. The official of the Land o'Lakes cooperatives said, "A typical cooperative would have about 10 or 12 persons working in it." The manager of the Farmers Union Cooperative of Gretna, a smaller branch, said that he had four assistants: two who applied the products and two involved in selling and making recommendations to farmers.

Education/Training Recommendations. "Give me a good sharp farm kid right out of high school," used to be one of the main hiring adages of the co-op managers, according to one of the officials. He concluded, "That day is gone forever." Both of the main office interviewees emphasized the relationship between the advances in technology and the increased complexity of the tasks in agricultural cooperatives. Explaining the present problem of the lack of professionalism in the cooperative business, one official said, "Some of the older managers may have to go by the wayside." Both of the large cooperative representatives also emphasized the need for cooperative managers to have a strong background in accounting, business, and economics. The accounting skills would be necessary to perform such tasks as projecting the pay-back for bank loans. One of the officials said he would like to have the co-op managers use modern marketing techniques, such as grain hedging and selling on the futures market. He also reported that agricultural cooperatives are beginning to install computers and that the managers should know how to utilize these machines. While discussing the necessary managerial skills and knowledges, the Land o'Lakes executive

commented:

A few years ago a truck driver could begin with the co-ops and know that if he worked hard and stayed with the company long enough, he might get to be the manager some day. Unfortunately, that just isn't true any more.

The managers of the branch cooperatives also talked about the need for other employees who were knowledgeable in different areas related to the work of the industry. He said that technology has affected even the jobs of the blue-collar workers who must know about the feed, how to mix and apply chemicals, how to treat grains to preserve them, and how to market farm products. One co-op manager said, "Salesmanship is important, too, but these guys really have to know about viscosity, octanes, and which pesticides are dangerous."

Because of the importance of these various knowledges, both cooperative companies sponsor in-service educational programs. The manager of the Fremont Farmers Union Cooperative Association said that he usually has his employees attend three-day programs conducted by Land o'Lakes in Fort Dodge. Other cooperative managers talked about the mini-courses held in Grand Island and other places that are initiated by the Farmland Industries.

To obtain better qualified managers and other cooperative employees, Land o'Lakes has hired four recruiters to visit both two- and four-year institutions with agriculture-related programs. This company representative said that a two-year program like the Metro Tech course of studies is good preparation. He has found that graduates of two-year programs receive specialized training and usually are ready to begin applying their knowledge. The personnel manager for Farmland Industries said he worked closely with the schools that have agricultural programs at Norfolk, Hastings, Milford, and Curtis. He also said that he visited the Agricultural College at the University of Nebraska several times a week. Dana College in Blair had contacted him recently about assisting them in establishing a new agricultural program of studies. The manager of the Wahoo cooperative mentioned that the students from the Milford 18-month program have been working with him for three years. He said, "Those young people out of there are pretty sharp. We've hired some of them." Almost all of the cooperative managers said that the program at Metro Tech included the necessary studies. One of the cooperative executives suggested including information about cooperative philosophy and law.

## Agricultural Chemicals Technology

The Industry in the Omaha Area. Since no specific listing is made for agricultural chemical companies in the Omaha metropolitan telephone book, informal interviews were conducted to determine which chemical companies experimented with, produced, or marketed agricultural chemical products. Eleven of these firms were identified in this area.

Each of the chemical companies appeared to have its own distinctive type of operation. A & L Midwest Agricultural Laboratories Inc. does not sell or manufacture a product but focuses entirely on the analysis of soils, fertilizers, and plants. This company has field representatives who work with farmers, helping them to interpret the results of various procedures and products. The Standard Chemical Company is primarily concerned with animal nutrition, producing liquid feed in the Omaha plant. Salespersons for this company are independent contractors who sell the products mostly to feed lot owners and managers. Allied Chemical Company packages plant food, and their sales are confined to retail dealers. The Amick Farm Supply Company does not sell the product to retail dealers or customers but specializes in a custom fertilizer application service.

Employment Opportunities. Four of the 11 chemical companies are branches of national companies, with some of the employees being hired in other cities and transferred to the Omaha facilities. For instance, the 16 salespersons needed in this area by the Shell Chemical Company were hired in Atlanta, Georgia, and the salespersons at Elanco Products Company, a division of Eli Lilly & Company, were all recruited in Indianapolis. In Omaha, Elanco hires primarily unskilled factory production workers.

As each company has a distinctive operation, each company also has different personnel requirements. Company positions listed by the agricultural chemical study participants included two Ph.D. nutritionists; a chemical and a mechanical engineer; several graduate and masters degree chemists, agronomists, and agricultural specialists; different levels and types of managers; agricultural technicians; production workers; salespersons; and product applicators.

A & L Midwest Agricultural Laboratories Inc. employed 10 or 11 agricultural technicians. The manager said that the Metro Tech two-year program would be a good preparation for these positions but that a great many candidates apply for these jobs already. Also, he said that the



turnover in these jobs was about three per year, although the starting salary was only about \$4.00 an hour. The manager said, "A flood of four-year biology graduates from Nebraska colleges and universities are seeking these jobs." He regretted that action is not taken to reduce the number of biology graduates.

Most of the companies employed salespersons. The Kaiser Chemical Company, a subsidiary of the Kaiser Aluminum Company, had about five salespersons, and the Allied Chemical Company had about 40 salespersons on the staff. The Standard Chemical Company had a total in all their branches of several hundred salespersons who market the Standard products. The salaries of these selling positions ranged from \$15,000 to \$25,000 a year.

Within the agricultural chemical company organizations were a variety of managerial positions. Standard Chemical employed the largest number of managers. Nationally, Standard Chemical had four regional managers, 90 to 95 division or state managers, as well as sales managers in each of the divisions or states. In all of the companies the managerial salaries were related to the extent of the responsibility of these managers, with the salaries usually beginning at about \$25,000. The division sales managers at Standard Chemical received \$32,000.

During the interviews, many of the agricultural chemical company officials commented about the low turnover in their firms. The Elanco representative said, "We've only hired two new people in eight years." The co-owner of the Amick Farm Supply Company said, "Most of our people have been here for years." However, all but one of the interviewees said that when job openings did occur not enough qualified persons applied.

Education/Training Recommended. Most of these agricultural chemical company officials had not had any experiences with two-year agricultural chemical technology graduates and were not oriented toward thinking of this background as a preparation for employment in their firms.

The Allied Chemical Company personnel managers said that the firm has hired salespersons with experience in the field or four-year agricultural program graduates. Last year, a company representative went to Iowa State University and interviewed 20 agricultural program seniors; one-half of these students were then chosen to compete for three company openings. The personnel manager also stated that if the salesperson does not have an agricultural degree, he should have a farm background to enable him to work

with the farmers. While most of the salespersons have four-year degrees, the company also has in-service training programs to assist these employees with sales techniques and to help them understand the company products. Most of the managers of the firm have been promoted to these positions from within the company.

Similarly, other agricultural chemical companies mentioned on-the-job training for unskilled persons working in production and then a preference for four-year program graduates for other positions in the company.

### Agricultural Business Management

In the Omaha metropolitan telephone book, eight local firms are listed under the heading, "Farm Management Service." Interviews were held with officials of four of these farm management companies. Interviews were also conducted with representatives of some of the agricultural products companies located in the Omaha area.

Farm Management. The vice-president of the Farmers National Company said that his firm is one of the largest in the nation, employing 60 farm managers. The LeDioyt Land Company employed 10 farm managers, and John P. Claassen Inc. had three farm managers on the staff. These three companies were identified by all the farm management interviewees as the three largest firms of this type in the area. The fourth firm participating in this study, Doane Agricultural Service Inc., is a national company with offices in 18 states, employing 40 to 50 farm managers. The Omaha branch has one farm manager.

Describing the position of farm manager with his company as a "really tough job," the vice-president of Farmers National said that each employee manages 25 to 30 farms in specific areas of the Midwest. The job involves working with the tenants of these farms to insure the maintenance of a good production level, as well as to require high physical maintenance standards for the farm home and grounds. He said that the present managers are older, mature individuals with four-year college degrees. Receiving \$20,000 to \$35,000 base pay, the farm managers' main profit comes from the additional farm real estate transactions within his assignment area.

Reiterating this idea, the officer of the LeDioyt Land Company said, "The real money in farm management comes from sales since the manager has access to the listings in his area." Starting salaries with LeDioyt are from \$10,000 to \$20,000 per year. The interviewee said that most of the

employees had been with his company for many years and commented, "We only seem to lose employees through retirement." The farm management representative maintained that entering the profession has two requirements: 1) a farm background which would enable the manager to know the hazards of farming and how to confront them, and 2) a degree in farm management or other agriculture program. He strongly recommended that Metro Tech include real estate classes in the farm management program so that the students would receive real estate licenses when they are graduated.

The farm managers employed by John P. Claassen Inc. all have four-year university degrees. The manager of the Omaha branch of the Doane Agricultural Service Inc. has a four-year farm operations degree from Iowa State University. He predicted that the farm management business will become increasingly more sophisticated, with computers being utilized soon to operate farm properties more efficiently. With this increased specialization and computerization will come the need for more highly trained farm managers, according to the Doane representative.

Agricultural Products Companies. These firms were identified in the Omaha metropolitan telephone book under the headings "Feed Dealers" and "Farm Equipment." The companies listed under the heading "Fertilizer" were contacted during the research for the Agricultural Chemicals Technology section of this study.

Five farm equipment dealers were interviewed. All of these employers stated that the important qualifications for being a salesperson in their businesses were a farm background and the ability to sell a product. Most of these interviewees also mentioned that advancement to managerial positions came from within the company. For instance, the representative of the John Day Co. said that a manager in their company would typically have been working at the counter, in purchasing, or in the warehouse for many years. The low employee turnover was referred to by all of the interviewees. The John Day Co. representative said that some of the salespersons had been there for 30 years or more. The Bush Hog-Eaton representative said that most of the salesmen are in their 50's, with the youngest being about 40.

The salaries for salespersons were from \$12,000 to \$50,000 and the salaries for managers from \$16,000 to \$40,000. The manager of the Morrissy Implement Company said, "Since the salesmen work on commission, actually the sky's the limit."

Although 12 listings are under the heading "Feed Dealers," several of these are small owner/manager businesses that do not have a need for trained employees. Walnut Grove Products and Ralston Purina are the largest employers in this job category.

Ralston Purina is a national corporation with headquarters in St. Louis, and employing 73,000 persons. The branch in this area employs about 21 salespersons, who receive from \$20,000 to \$53,000 annually. The personnel manager said that she thought that only one of their salespersons did not have a four-year college degree. Within the company also are many categories of managerial positions. She said that many promotions are from within the company. The division sales manager receives a salary of about \$60,000 a year. Discussing the qualifications for the positions in the company, she commented, "It's better if employees are born on a farm rather than just having an agricultural education." This personnel manager also said that there never are enough qualified job applicants for company openings.

The Walnut Grove representative described the various managerial positions with the company, such as managers in the home office, regional managers, and division managers. She said that the salespersons for the company have to "hard sell" since they are not selling to dealers but rather to the farmers. Not all the Walnut Grove salesmen have four-year degrees, and she related that some were formerly good customers who appeared to have "sales potential." The Metro Tech course of studies was viewed as good preparation for these jobs by the Walnut Grove representative.

### Conclusions

#### Common Characteristics of Agricultural Business Employers

In each of the job areas related to the Metro Tech programs in agricultural technology, employers emphasized the need for persons with farm backgrounds in addition to having specialized training. Evidently, they perceive that farm experience would provide employees with a basic understanding of the farming business, as well as assist them in relating more effectively to farmer customers. Employers in each of the program areas also mentioned the job stability in their businesses.

Characteristic of this employment category is a positive attitude toward the future of the industry and the increasing need for better qualified employees. Many employers participating in this study expressed an interest

in the future changes in the industry that will be caused by further adaptations of technological advancement to farming businesses. These changes, such as an increased use of computers, will have implications for the cultural technology programs of Metro Tech.

#### Agricultural Cooperative Management

Of the three agricultural technology programs offered by Metro Tech, the two-year program in Agricultural Cooperative Management would prepare graduates for the most career opportunities. The impact of technology on the farming industry has increased the complexity of the jobs in the agricultural cooperative business. Persons with knowledge and skills in business, accounting, economics, and agricultural technology are being sought to fill the positions vacated by older-style managers and other employees. The research indicated that the salaries paid by the large cooperative firms are fairly high. Managers of eastern Nebraska cooperatives have had positive experiences with graduates of two-year agricultural programs and indicated that a program such as the Metro Tech course of studies would be a good preparation for agricultural cooperative work.

#### Agricultural Business Management

Employment opportunities appear to be more limited in the farm management field which was listed as an employment possibility in the Metro Tech catalog for graduates of the Agricultural Business Management program. The research indicated that the Metro Tech graduate would need to be exceptionally mature and capable to obtain one of the few farm management positions available locally. However, after securing the job, the farm manager probably could have a lucrative life-time career managing and selling farm properties. This program also prepares the graduate for work with agricultural product companies. In the Omaha area, some feed and fertilizer companies hire managerial and salespersons.

#### Agricultural Chemicals Technology

The agricultural chemical company officials in Omaha were not familiar with the Metro Tech Agricultural Chemicals Technology program and were accustomed to hiring unskilled production and applicator persons or four-year degreed persons with chemical engineering, nutrition, and agronomy backgrounds. Several also used advanced-degree employees. Strong competition exists for the few agricultural technician jobs. However, all of

these companies do have managerial positions within the organizations and some employ salespersons. Establishing a working relationship with these chemical companies, Metro Tech could assist them in perceiving roles within their organizations for two-year agricultural chemical technology graduates. With additional courses in management, graduates of the Agricultural Chemical Technology program also could seek employment as the chemical division managers of agricultural cooperatives.