

## Ahead of the curve

**Assure dairy buyers and consumers about your social responsibility with farm employees**

By Richard Stup

Today's consumer is increasingly aware and concerned about how the workers who produce the products they buy are treated. They want to know that farm owners and managers treat employees in a socially responsible way. Dairy farms are under particular scrutiny because of the long work hours and large numbers of foreign-born employees prevalent in the industry. At this time, at least three dairy-focused programs seek to set standards for socially responsible employee management in the dairy industry.

- **Milk with Dignity.** Farms, mainly in Vermont, that supply product for Ben & Jerry's Ice Cream can participate in "Milk with Dignity," a standards program that is closely aligned with the worker advocacy group Migrant Justice. The program features a payment premium that is passed through producers to employees and a third-party audit by Milk with Dignity staff. ([milkwithdignity.org/milk-dignity-code-conduct](http://milkwithdignity.org/milk-dignity-code-conduct))

- **Fair Trade USA.** Fair Trade USA, an established, social-

value marketing brand in products such as coffee and clothing, is currently evaluating and piloting the adaptation of their existing standards for agricultural production in the U.S. dairy industry. A premium from the sale of products under the Fair Trade USA label would be captured and passed through to employees and possibly producers. ([fairtradecertified.org/business/standards/dairy](http://fairtradecertified.org/business/standards/dairy))

- **Farmers Assuring Responsible Management**

**(FARM):** Workforce Development Module. The latest module in the dairy industry-led FARM standards focuses on good human resource management and the well-being of dairy employees. The program addresses employee management comprehensively and emphasizes self-audit by farms and second-party audit by milk buyers. ([nationaldairyfarm.com/dairy-farm-standards/farm-workforce-development/](http://nationaldairyfarm.com/dairy-farm-standards/farm-workforce-development/))

This article is not intended to compare, criticize or promote any of these three social

responsibility standards, nor does it address every issue found in the standards. The point is to increase awareness among dairy producers about difficult or unfamiliar social responsibility issues that milk buyers, processors, retailers, and ultimately consumers, may be pondering. Dairy producers should critically assess their own management practices and how to prioritize improvements to get "ahead of the curve" on social issues. Producers are in a much better position when they can say, "Yes, we're already doing that," rather than learning about a new issue when another party identifies it as a management shortcoming.

### **EMPOWERMENT**

This term means different things in different contexts but in social responsibility standards it's often about having control over how marketing premiums are distributed. The standards that include premiums require frontline workers to have substantial control

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over premium distributions. When a premium is not in play, empowerment refers to employees having a “voice” in matters that concern them at work. Employees often have good ideas that can improve the business. Progressive managers understand this and create opportunities for employment input and even participation in how some decisions are made at work. Employee participation leads to employee commitment, which leads to stronger performance - a beneficial cycle for both managers and workers.

### **COMPENSATION CLARITY**

A major concern frequently cited by worker advocates is also an offensive term to most employers: “wage theft.” Paychecks, with their complex calculations and long lists of deductions, are confusing for managers and employees alike. It’s understandable when a worker earning \$12/hour, works 60 hours in a week, and expects weekly pay close to \$720, but gets a nasty surprise when his take home is closer to \$550. Dissatisfaction and thoughts of wage theft can easily spring from this scenario. It is imperative for employers to communicate clearly with employees about wages, bonuses, and other compensation they receive. This includes sharing an

example paycheck and showing the effect of taxes and other deductions. Employers should also take time to communicate details about and the value of other benefits such as health insurance, housing, and retirement.

### **COMMUNICATION ABOUT EMPLOYMENT POLICIES**

Employers need to communicate about a host of employment-related policies and procedures: from time reporting, to calling in sick, to disciplinary practices. These policies are often gathered in an employee handbook. In this era of social responsibility, it is time for farm employers to invest time and effort into an employee handbook and a clear, repeatable onboarding program for new employees. Make sure to provide handbooks and onboarding in ways that consider employees’ possible language and literacy needs. This might mean providing translation and offering verbal discussion of important policies.

### **REGULATORY COMPLIANCE**

Laws vary from one state to another, so standards mention the expectation of compliance with existing labor and workplace safety laws. Specific laws include those covering: wages, work hours, and required benefits

like worker’s compensation and non-discrimination. Rules regarding children and youth labor are familiar to farm employers but also represent an area of concern. Finally, some social responsibility standards mention compliance with laws against more nefarious activities such as forced labor, indentured servitude, and human trafficking. To most farm employers these terms might seem like dark chapters from past centuries, nevertheless, they sometimes surface even today in the context of agriculture. When the public hears of dairy farm employees who may work 70-plus hours per week, live on the farm where they work, and can’t travel freely because of their undocumented status, they begin to imagine a forced labor situation. Our industry must directly address these unfounded criticisms, strongly reject any such activities, and reassure the public that employees can come and go as they wish, at any time.

### **DISCRIMINATION AND HARASSMENT**

Sexual harassment is a societal focus in recent years and studies show that immigrant workers are more

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vulnerable than domestic workers. Sexual harassment is one of many forms of employment discrimination under the jurisdiction of the federal Equal Employment Opportunity Commission and is also enforced by state authorities. Producers need to have strong anti-harassment policies in place, effective training for all employees, and a clear mechanism for employees to report any incidents or concerns.

### **COLLECTIVE BARGAINING**

The collective bargaining concept is about groups of workers, rather than individuals, who negotiate with employers so they have strength in numbers. Formal unionization of farm workers is legal only in a few U.S. states, but some social responsibility standards require employers to allow a form of collective bargaining anyway. Employers can get ahead of this issue through excellent human resource management practices, strong communications with employees, and an “open door” policy for career and workplace improvement discussions. Employees feel less need for bargaining strength when they know they are treated well, can talk with management anytime, and get a welcome reception.

### **FARM-PROVIDED EMPLOYEE HOUSING**

The quality and capacity of farm-provided employee housing varies widely in the dairy industry. The standards address issues such as space per worker, cleanliness, safety, and privacy. Occupancy issues such as tenants' rights, the right to host visitors, and procedures for termination of occupancy are also addressed. Employers who provide housing should consider having an outside party evaluate their housing objectively to identify any weaknesses that employers may simply have grown accustomed to. Problematic housing units may require active focus of management, including establishing regular inspections, scheduled cleaning, and procedures to report and complete repairs and maintenance.

### **HOURS WORKED AND SCHEDULED DAYS OFF**

Farm employment has a reputation for long hours – sometimes temporary and sometimes ongoing. Excessive work hours tend to decrease quality and performance, reduce safety, and impair the health and well-being of employees. Consider implementing policies that limit how many hours employees can work per day and per week and

mandate that everyone takes at least one full day off each week. Everyone needs time to rest on a daily basis, and to get away from work regularly, to meet recreational and family needs.

### **SICK LEAVE**

The COVID-19 pandemic cast sick leave in a new light. The public is highly aware of the potential economic harm that can befall lower-income workers who do not have paid sick days. Employers are suddenly aware that a lack of paid sick days can drive infectious and highly contagious employees to come to work anyway. Consider implementing a policy to provide at least five days of paid sick leave per year to encourage good health for individuals and your workforce.

### **WORKER GRIEVANCE PROCESS**

The term “grievance” comes from union labor relations and indicates a formal, work-related complaint procedure. Social responsibility standards call for employers to provide a more or less formal process where workers can have their concerns heard without fear of retaliation. For employers, there is little downside to

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establish such a policy. It is far better for management to learn about a problem and address it immediately than to have it fester over time and become a crisis. Consider situations such as an off-color joke that develops into sexual harassment, an employee confused about a paycheck that results in a complaint to the labor department, or a known safety hazard that goes uncorrected until it results in a fatality. Employees who feel empowered, whether through an informal “open door” management style or a formal grievance procedure, can raise

these issues early rather than allowing them to become major issues. In any case, management must follow through to listen, communicate decisions, and take prompt actions to encourage employee confidence in the grievance process.

### **CONCLUSION**

Many dairy managers are already “ahead of the curve” regarding socially responsible human resource management. They recognize the critical importance of engaged and high-performing employees to the success of the business. For those producers, a few adjustments

to terminology and a few new policies to formalize existing good practices may position your business for full compliance with emerging standards of social responsibility. Others may need a more thorough overhaul of human resource management and these emerging social responsibility standards should be the “handwriting on the wall” that prompts needed improvement actions. ■

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