

Back to Basics:

Ranch Labor: Part 1 of a 3 part series

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In the process of producing calves the average Northeastern Nevada Cow-Calf operation spends approximately 20 percent of its total operating budget on ranch labor. This equates to \$72 on a per head basis. Labor represents the second largest expense in producing western calves surpassed only by feed cost (UNCE Fact Sheet 07-08). Recruiting and retaining qualified labor is one of the biggest challenges facing ranches in the west. The “going rate” for agriculture labor is a frequently asked question.

In pursuit of the “going rate” answer, UNCE conducted a ranch labor survey in 2002 and repeated that same survey in August of 2007. Unfortunately, the return rate for the 2007 survey was too small to statistically analyze on its own. In this issue of *Back to Basics*, recognizing the limits of statistical analysis on these data points, let’s discuss the results of the combined 2002 and 2007 survey. Prior to combining 2002 data with the 2007 survey data, dollars from the 2002 survey were adjusted by 3 percent annually to compensate for inflation over the five year period.

Table 1 shows the number of Nevada ranches responding to the survey and the corresponding number of cattle on inventory 1 year and older.

Table 1: Number of Cattle 1 Year or Older from 68 Ranches					
Less than 100	101 to 300	301 to 600	601 to 1000	1001 to 2000	2001 or more
8 (12%)	14 (21%)	19 (28%)	9 (13%)	10 (15%)	8 (12%)

The first section of the survey elicited information relative to salaries. Table 2 lists the average monthly salary and the minimum and maximum salary that was reported by the respondents to these combined surveys.

Position	Average Salary	Minimum Salary	Maximum Salary
Manager	\$2,400	\$1300	\$5,000
Cow boss	\$1,700	\$1,200	\$3,000
Cowboy	\$1,400	\$1,000	\$2,100
Mechanic	\$1,700	\$1,000	\$2,500
Irrigator	\$1,600	\$900	\$2,100
Laborer	\$1,300	\$700	\$2,500
Cook	\$1,300	\$850	\$1,100
* Day Worker	\$100/day	\$50/day	\$10/hour

*Provide own horse and transportation

Table 3 shows the percentage of employees receiving certain benefits (i.e. housing, utilities, health insurance, vehicle, meat, retirement, vacation, and other).

	Housing	Utilities	Health	Vehicle	Meat	Retirement	Vacation	Other
Manager	81	75	47	63	63	13	50	3
Cow boss	100	94	44	50	63	13	50	19
Cowboy	90	84	42	23	65	16	48	16
Mechanic	62	54	47	23	46	0	31	15
Irrigator	89	73	36	41	50	9	32	9
Laborer	73	57	24	30	57	3	24	11
Cook	100	75	50	0	75	0	25	0

The overall performance rating for employees was an 8 (1 being poor and 10 being excellent). The average turnover rate for employees varied among the different positions. Table 4 shows the respective turnover rates.

Position	Rate	Position	Rate	Position	Rate
Manager	7 years	Cow boss	6 years	Cowboy	3 years
Mechanic	4 years	Irrigator	5 years	Laborer and Cook	2 years

Table 5 shows the number of full and part time employees reported. Respondents were asked if their part-time employees worked more or less than 150 days during the year. Thirteen ranches (24 percent) employ workers more than 150 days during the year and 42 ranches (76 percent) employ part-time workers 149 days or less.

Although not shown in a table, twenty-six ranches (38 percent) have relatives working for them and 42 ranches (62 percent) do not employ relatives. Respondents were not asked who the relatives were, only that they employed some relatives.

Number of Employees	1 – 4	5 – 9	10 – 19	20 – 49
Full-Time	49	7	3	1
Part-Time	50	8	0	2

For additional input into these surveys, respondents were asked the major limitation they face concerning agriculture labor management. A total of 53 ranches responded. The responses have been categorized into the following five areas:

- unable to pay the competitive wages and benefits offered by other industries
- language and communication problems
- small pool of laborers skilled in agriculture work
- recruitment, motivation, and lack of problem solving skills of new hire's
- labor and immigration laws
- unable to offer health insurance to employees due to un-affordability

The purpose of this survey was to gather data concerning compensation and benefits that are currently being provided to Nevada ranch employees. While the low return rate precludes making any generalizations to the overall ranching community in Nevada, the results are useful in describing the compensation and benefit packages provided by the individual ranches that responded to the survey.

That is enough for this month. As always, if you would like to discuss this article or simply would like to talk cows do not hesitate to contact me at 775-738-1721 or at torellr@unce.unr.edu By the way, I am not looking for a ranch job at reported average wages, benefits, working conditions and hours expected to work.

REFERENCES

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