

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

March 20, 2003 LB 608

closely with it. Another analysis revealed that from August of '98 to '99, 75 percent of our employees that were leaving, they were leaving for new jobs with better pay, and they were our long-term employees. Of that 75 percent, 36 percent were five-year or longer employees; 39 percent were one- to five-year employees. That means 75 percent of the employees that said they were leaving due to wages were our long-term employees. After looking at this analysis, we decided to do a wage analysis of regional competitors in the job market. Why are they leaving? Other people pay more money. We were paying \$8.20 per hour to start at that time, exactly what Senator Landis was talking about. The local competitive wage analysis was done, showing other manufacturers in the area, and even a few of the fast-food restaurants. All other local companies had a higher starting wage. Local manufacturer wages were ranging from \$8.84 to \$14.75. Even local restaurants we checked were higher. McDonald's was \$8.50; Burger King was \$9.00. So we saw our position there. Our base wage after one year went up to \$9.70. We kept working our Project 600 program. We then did another analysis, performed within the meat industry, and even with competitors that we don't compete with these manufacturers for our employee base. This analysis revealed that the mean average starting wage was \$8.36 an hour, when...while we went up to \$9.70, with a mode average of \$8.00, exactly what Senator Landis was talking about. However, when we looked at base pay after one year, the industry mean average was \$10.84, the mode had gone up to \$10.40; while we were paying only \$9.70. It meant Farmland needed to go up. So we did. And at that time, we increased pay over a period of three years. We did reinvestment during that time. We started a scald conversion. We were a "dehyde" operation; we went to scalding. That was a real expensive thing we did. Carcass cooler addition remodeling. We added a sausage line. JBO, which is the Japanese Breakout Operation we started; that was on night shift. We started CO2 stunning operation, which was seen as a more humane and certainly a better way to stun our animals. Bradman Lake sausage line and belly converting line. And all that is just shorthand for, we did a lot more reinvestment. We used LB 775 dollars. The economic benefits: kill went from...we went from 8,000 head a day to 10,000 head a day; 26 percent increase. Our "fab" production, that's fabrication lines, we're doing.. we