



**Retrainee - Job Creation  
Training Proposal for:  
U.S. Farm Systems**

**Small Business ≤ \$50,000**

**ET15-0438**

**Approval Date:** April 14, 2015

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

**CONTRACTOR**

- Type of Industry: Manufacturing
  
- Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 75
  - Worldwide: 77
  - Number to be trained: 85
  - Owner  Yes  No
  
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 2%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$49,920
- In-Kind Contribution: \$82,500



## **SUBCONTRACTORS**

- Development Services: Strategic Business Solutions, LLC of Visalia assisted with development services for a flat fee of \$3,490.
- Administrative Services: Strategic Business Solutions, LLC of Visalia will assist with administration for a fee not to exceed 13% of earned funds.
- Training Vendors: To be Determined

## **OVERVIEW**

U.S. Farm Systems (U.S. Farm), [www.usfarmsystems.com](http://www.usfarmsystems.com), is a manufacturer of pumps, agitators, and separators for the dairy industry. U.S. Farm originated in Wisconsin in 1979 as a distributor for Canadian businesses. In 1983, the Company relocated to Goshen, California, and began providing pumping services to the dairy industry nationwide. In 1987, the business again relocated to Tulare, eventually adding a second and third location in Stanislaus County. U.S. Farm has grown into a worldwide distributor of dairy farm equipment, with outreach to China, Mexico and Saudi Arabia.

### **Need for Training**

U.S. Farm has been experiencing growth at a rate of 25% over the last 5 years. In order to keep up with customer demands and industry regulations, U.S. Farm is adding 22,000 square feet to their Tulare location. U.S. Farm also purchased new equipment for Tulare, such as Universal Robotics Welding, Conveyors, Hoists, Cranes and Computer Assisted Machinery Software.

In the previous ETP Agreement, U.S. Farm focused its training efforts on inventory control, Lean Manufacturing principles, team building, process analysis, quality control, and related occupational skills. The current proposal will focus on the newly purchased machinery, and will incorporate the administrative group, increasing their sales and customer service skills. Advanced safety training will also be provided in an effort to insure a safe and efficient workplace.

### **Retrainee - Job Creation**

U.S. Farm has committed to hiring 10 new employees (Job Number 3) as needed for the expansion of the Tulare facility and operation of the new machinery.

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees and newly-hired employees subject to a lower-post-retention wage. The Company represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

### **Productive Lab**

U.S. Farm will train 8 Production Workers on Universal Robotics Welding Equipment. This training will be at a much slower pace than regular production and will provide significantly

higher defects as trainees gain proficiency. The training will be conducted by an internal subject matter expert. The trainer will first demonstrate how to use the equipment and then supervise trainees using the equipment. The training will be conducted at the Tulare facility and the trainer will attest to the trainee's competency once training is completed. Training will be under constant supervision with a 1:3 trainer-to-trainee ratio. PL training will be capped at 10 hours per trainee.

### **Training Plan**

**Business Skills:** Training will be offered to Administration Staff, Sales Representatives, Managers, Supervisors, and Maintenance Workers. Topics will include Sales Account Development, Customer Service and Strategic Planning to increase customer service satisfaction and increase sales.

**Commercial Skills:** Training will be offered to Maintenance Workers to increase skills regarding maintenance and repair of machinery. This will ultimately increase productivity and facility efficiency. Topics will include Centrifugal Pump Repair and Installation, to increase the facilities effectiveness.

**Computer Skills:** Training will be offered to Supervisors, Administrative Staff, Sales Representatives, Managers, Production Workers, and Engineering Technicians to increase internal software knowledge. Topics will include Intermediate/Advanced training in Microsoft Office products and Computer Assisted Machinery Software, to enhance production output and increase product management efficiency.

**Manufacturing Skills:** Training will be offered to Production Workers, Maintenance Workers, Shipping Staff, and Engineering Technicians to increase production knowledge and efficiency. Topics will include Materials Handling Equipment Training and Production Equipment Safe Operation and Maintenance, to increase production output and create a safe working environment.

**Continuous Improvement:** Training will be offered to all trainees specific to their job duties to increase efficiency in the workplace. Topics will include Leadership, Teambuilding, and Quality Control Training, to increase productivity and reduce production errors.

### **High Unemployment Area**

U.S. Farm is requesting the HUA wage modification for the 13 trainees in Job Number 1 and the 10 trainees in Job Number 3. Tulare and Stanislaus counties qualify for High Unemployment Area (HUA) status based on unemployment exceeding the state average by at least 25%. However, the Company is not asking for a wage modification for 62 trainees in Job Number 2 (Job Creation).

U.S. Farm is requesting a two year term for this agreement. U.S. Farm is requesting a longer term because they are hiring 10 new employees over the next year. The longer term will allow newly hired employees to complete all training during the term of this agreement. A longer term will allow U.S. Farm to compensate for any lost training due to the construction of the facility addition.

### **PRIOR PROJECTS**

The following table summarizes performance by U.S. Farm under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET09-0211	Tulare	08/10/2008- 08/09/2010	\$161,200	\$62,478 (39%)

U.S. Farm's prior performance was negatively affected by several factors. U.S. Farm did not have a formalized training plan, or a training coordinator to monitor delivery; and training hours were not adequately integrated into the work schedule. Training fell behind because the Company needed to increase production due to customer demand.

For the current proposal, U.S. Farm has developed a formalized training plan and identified a training coordinator to monitor progress. U.S. Farm has reconfigured employee schedules to integrate training, significantly decreased their hours per-trainee, consistent with the prior project performance in the interest of creating an agreement that will best meet their company needs.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Sales Account Development
- Customer Service Training
- Strategic Planning
- Financial Strategies/Accounting Principles

**COMMERCIAL SKILLS**

- Centrifugal Pump Repair and Installation
- Automatic Controls and Gauges Calibration and Repair

**COMPUTER SKILLS**

- Concept System Software Training
- Computer Assisted Machinery Software Training
- Microsoft Products Training

**CONTINUOUS IMPROVEMENT**

- LEAN Processes
- Quality Control
- Leadership Training
- Teambuilding
- MSSC Training

**MANUFACTURING SKILLS**

- Production Equipment Safe Operation and Maintenance
- Materials Handling Equipment Training
- Confined Space Training
- Height Training (Fall Protection)
- Combustible Dust Suppression
- Hazardous Materials Handling, Clean-up, Containment, Spill Prevention

**OSHA**

- OSHA 10 / OSHA 30

**Productive Lab Hours**

0-10

Trainees may receive any of the following:

**MANUFACTURING SKILLS**

- Production Equipment Safe operation and Maintenance (Ratio 1:3)

**E-Learning Hours**

8-60

**BUSINESS SKILLS**

- Sales Account Development
- Customer Service Training
- Financial Strategies/Accounting Principles

**COMPUTER SKILLS**

- Concept System Software Training
- Computer Assisted Machinery Software Training
- Microsoft Products Training

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. PL is capped at 10 hours per-trainee.