



# CHRISTIANSON

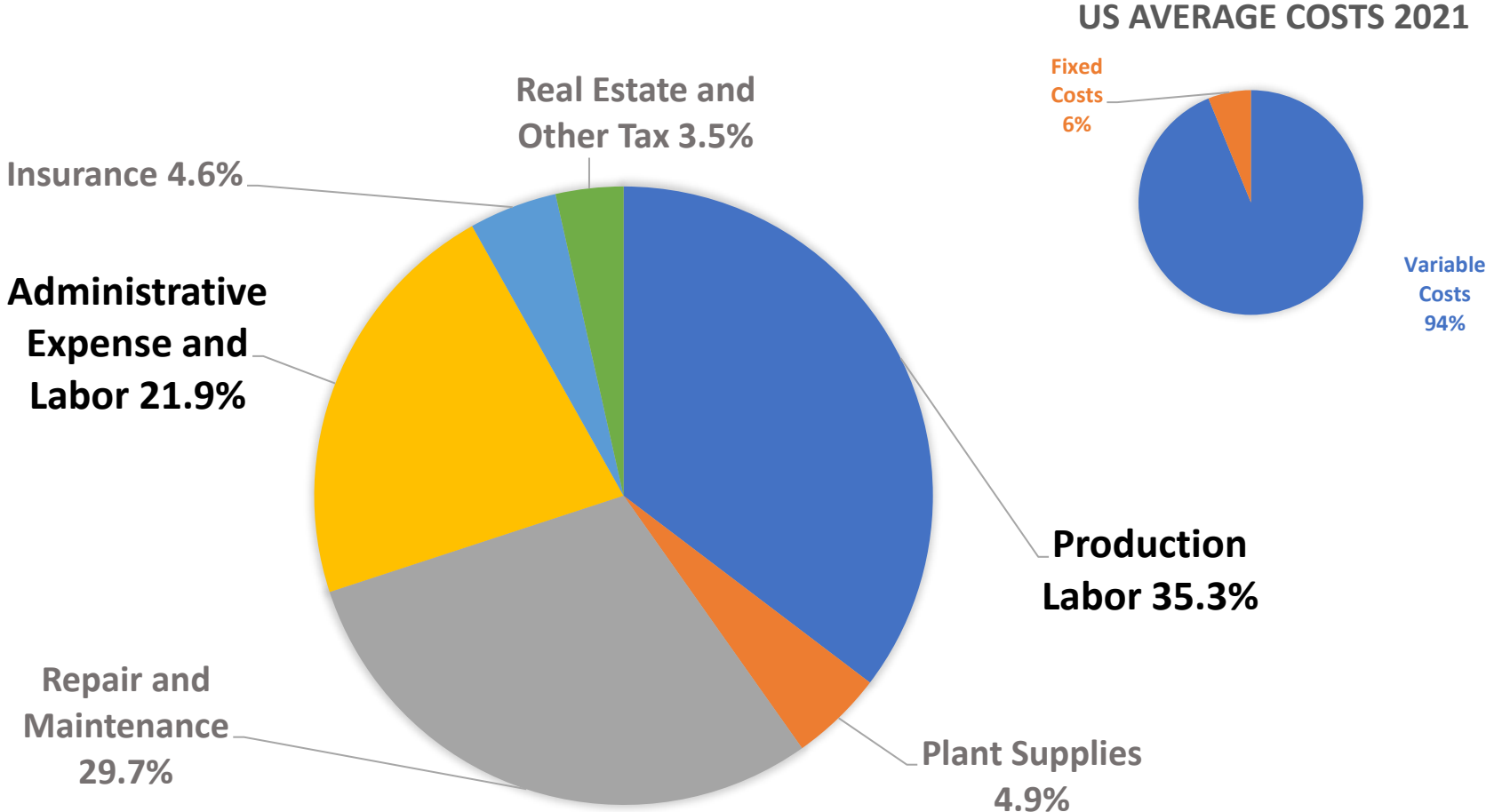
*Benchmarking*

## Strong Team, Strong Performance: The Ethanol Workforce in 2022

2022 ACE Conference  
Connie Lindstrom, Senior Biofuels Analyst,  
Christianson Benchmarking

*Creating clients for life*

# The Increasing Value of Employees

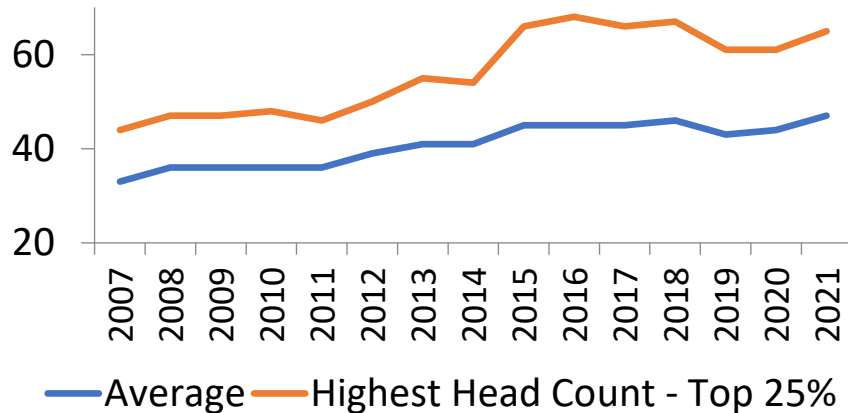


ALL US FIXED COSTS: \$.13/GAL (LABOR \$.07)

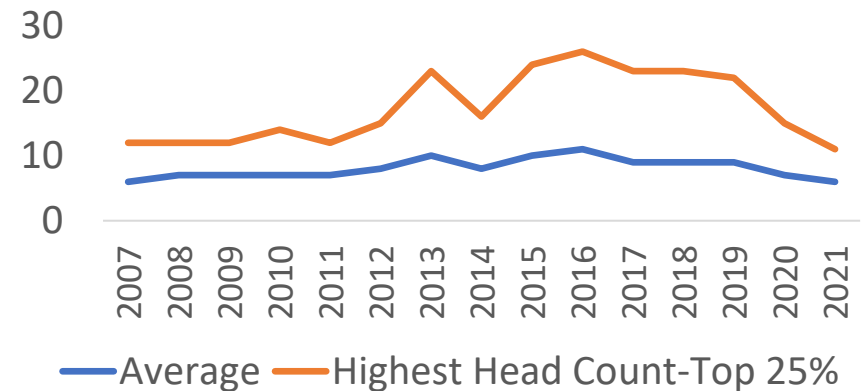
# The Increasing Value of Employees

- > Annual labor survey conducted since 2007.
- > 2021: high interest; participation up 27% over 2020.

## Production Labor Head Count Per Plant



## Administrative Labor Head Count Per Plant



# Workforce Trends: Expanding Roles

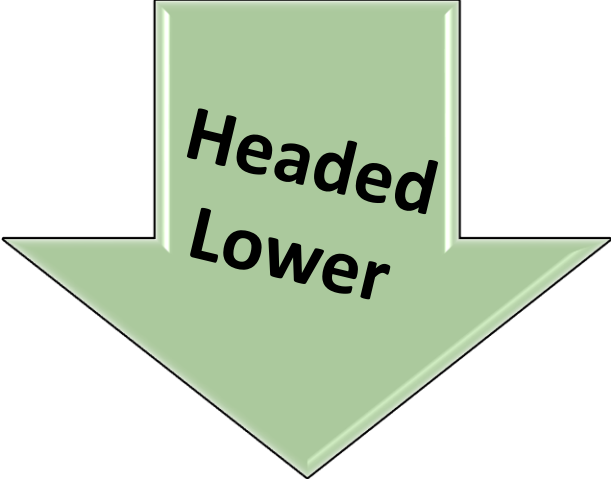
- Many overlapping job titles or combined roles (43 separate job titles listed in our survey for 2021)
- In-house administrative functions somewhat more spread across multiple plants (smaller number of employees managing more plants/staff)
- More management services and consultant outsourcing in organizations of all sizes

# The Increasing Value of Employees



**On  
the  
Rise**

Efficiencies and automated processes  
Ethanol production and yield  
Regulatory complexity  
Advanced profitability strategies



**Headed  
Lower**

Downtime hours (Average 2.7% in 2021)  
Overall US unemployment rates  
Performance difference from plant to plant

# Why Do Employees Leave?

30% of employees surveyed are currently considering quitting

REASON GIVEN BY EMPLOYEES WHO QUIT WITHIN THE PAST SIX MONTHS	PERCENTAGE
Toxic Company Culture	62%
Low Salary	59%
Unhappy with Management	56%
Lack of Healthy Work-Life Balance	49%

Source: FlexJobs Survey, Feb-March 2022

# Workforce Trends: Salaries

## Most Common Ethanol Plant Jobs—Average Base Wage

Job Title	2019	2020	2021	1-Year % Increase
Production Worker	\$21.98	\$21.65	\$22.29	2.96%
Lead Production Worker	\$26.74	\$27.82	\$28.83	3.63%
Shift Supervisor	\$29.85	\$29.66	\$30.64	3.30%
Maintenance Worker	\$25.39	\$26.34	\$26.67	1.25%
Ethanol & Grain Shipping Worker	\$21.40	\$21.31	\$21.56	1.17%

Wages increased **4%** in the overall US market for the same 12-month period (ending Dec 2021). Largest percent increase in 20 years.

Sources: Christianson Ethanol Labor Survey, US Bureau of Labor Statistics

# Workforce Trends: Benefits

## Most Common Benefits

Benefit	How Often Is it Offered?
Health Insurance	65% full, 33% self-insured
Dental Insurance	100%
Vision Insurance	81%
Short & Long-Term Disability Insurance	100%, 98%
Retirement (Roth, Simple, 401K)	100%
Paid Time Off (Vacation and Sick Leave)	100% respectively

Source: Christianson Ethanol Labor Survey



# Workforce Trends: Bonuses

## Bonuses & Incentives

Bonuses Offered?

**85%** of plants offer some type of cash bonuses

Incentive Plan Offered?

**92%** of plants offer an incentive plan:

- 79-83% of these are tied to an overall financial or plant performance metric
- 42-48% are tied to team or individual goals

Source: Christianson Ethanol Labor Survey

# Workforce Trends: Turnover

- Average Plant Manager tenure: 10.6 years (vs 9 years in 2016).
- Average GM/CEO tenure: 11.6 years (vs 10 years in 2016).
- Average production employee: 5.9 years (vs. 5.5 years in 2016).

	2016	2021
Production Turnover	19.55%	26.67%
Administrative Turnover	16.85%	26.09%

2021 US Voluntary Turnover Rate: 25%; total turnover 57.3%

Sources: Christianson Ethanol Labor Survey,  
US Bureau of Labor Statistics

# Workforce Trends: Turnover

- Employees staying longer, but increased competition for qualified employees, especially high-level administrators
- Regionally, increased competition for workers

	2012	2016	2021
Signing Bonuses Offered	3%	43%	63%
Relocation/Moving Pkg	29%	61%	65%

Source: Christianson Ethanol Labor Survey

# Keys to a Quality Workforce

1. Brand yourself as a great employer (and your town as a great place to live).
2. Show your employees their own path to success by providing high-quality training.
3. Pay correctly, and plan for turnover to avoid succession scares and growing pains.





**CHRISTIANSON**

*Benchmarking*

**Thank you!**

Connie Lindstrom, Sr. Biofuels Analyst  
[clindstrom@christiansoncpa.com](mailto:clindstrom@christiansoncpa.com)

*Creating clients for life*