



**KELLOGG**  
RURAL LEADERSHIP  
PROGRAMME



## The Struggle is Real

Attracting and Retaining Young New  
Zealanders to Dairying

Kellogg Rural Leadership Programme

Course 38 2018

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## Executive Summary

For as long as I can remember the dairy industry has struggled to attract and retain people. There are varying reasons for this and these have all culminated in the position the dairy industry currently finds itself in. I am hugely passionate about the dairy industry and have experienced firsthand these staffing issues. This is what has led me to investigate this issue.

The chosen focus for this report is to understand why the dairy industry struggles to attract and retain young New Zealanders. Looking at this from an urban point of view, a short online survey was conducted in four different high schools, to gain insight into what their perception is of dairy farming, how they feel about dairy farming, and would they consider a job in dairy farming.

One of the major themes to come through from the survey was that students had little to no knowledge of what was involved in a dairy farming career. While this was disappointing, it was identified as an area of opportunity. With the correct strategy, real in roads can be made in this area. A surprising result from the survey, was that 22% of respondents would consider a job in dairy farming. This was a surprise given the survey was taken in urban high schools.

A change in attitude towards rosters and hours of work was identified as being an important part of making dairy farming attractive. Moving towards a five days on two days off roster will help to reduce the hours worked each week and make the dairy industry much more appealing.

Changing how employment packages are structured was also identified as being a great way to make the dairy industry very attractive. Valuing all additional benefits, such as accommodation, at market rates will make employment packages far more attractive and competitive.

Attracting and retaining young New Zealanders to the dairy industry will require changing traditional attitudes behind the farm gate towards employment and embracing a new way of thinking when it comes to managing people working on dairy farms. Without change, the industry will be doomed to repeat the mistakes of the past.

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- Finally, to my wonderful wife Samantha. I would never have been able to complete the course or the project without your love and support. I know that it puts extra work on you when I do my extra-curricular activities and I couldn't do it without you.

## Forward

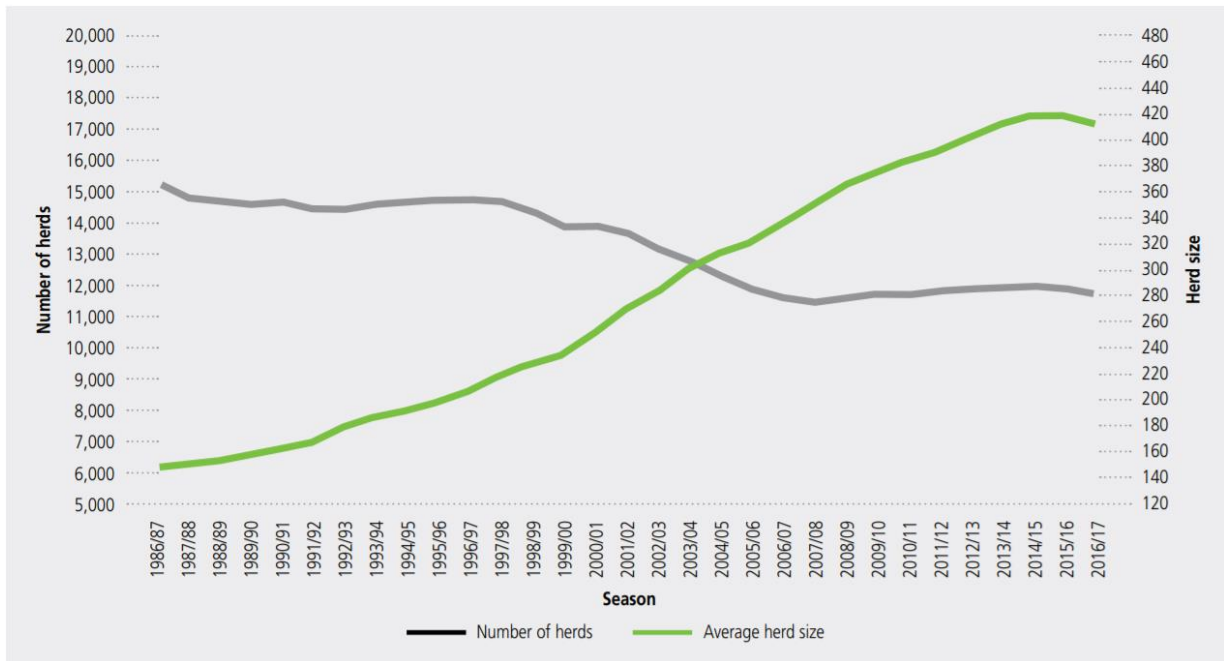
I was born and raised in the dairy industry. My parent's dairy farmed for the first 15 years of my life. Following study at Massey University, I began a career in the dairy industry. As I began to move up the career ladder to my current position as farm manager on a large scale dairy farm in Canterbury, I became more and more aware of the shortage of good quality staff on-farm. In my experience, most staff on farms in Canterbury are from overseas. I would like to note that I have no issue with foreign staff, rather the opposite. I have tremendous admiration for people who are willing to move to another country, often English being their second language, to make a better life for themselves and their families. I do however find it very disappointing that there are so few New Zealanders choosing a career that I believe offers tremendous opportunities. This is what has motivated me to research this topic, as it is something that I am very passionate about and would like to see change in the future.

## Introduction

The New Zealand dairy industry is often referred to as the "back-bone" of the New Zealand economy. This title is well justified as it earned \$13.4 billion in export revenue in 2016-2017 and contributes \$7.8 billion or 3.5% to New Zealand's GDP. It also employs over 47,000 people with 33,760 of those people employed on farm (DairyNZ, Quick stats about dairying - New Zealand, 2017) (NZIER, 2017). Dairy farming is very important to the regional economies of New Zealand. This is highlighted in regions such as Waimate, Otorohanga and Southland, where dairy provides one in five jobs (NZIER, 2017).

However, for long as I have been apart of the New Zealand dairy industry, staffing has always been an issue. New Zealand dairy farmers are well renowned for their ability to always innovate, utilise new technology and continuously improve their farm business. They are however not well known for people management and investing in this area. This is counter-intuitive, as people are a huge part of a dairy farming business, both in terms of wages and also their influence on the overall productivity of the business, particularly on large scale farms. Dairy farmers will happily call in experts for help with pasture management, animal health and breeding and yet still seem reluctant to get help when it comes to human resource management. This reluctance has contributed to the position the industry currently finds itself in.

The average size of a dairy herd has continually increased in the last 30 years as illustrated in Graph 1 below.



Graph 1. Source: <https://www.dairynz.co.nz/media/5788533/nz-dairy-statistics-2016-17-web.pdf>

As herd sizes have increased, the requirement for on-farm staff has also increased. In 1986/1987, with an average herd size of 140 cows, a single person (typically the farm owner or sharemilker) would be able to run the farm without any other staff. In comparison with 2016/2017, where the average herd size increase to over 400 cows, which would possibly need two additional on-farm staff. This illustrates how important people management has become on the modern New Zealand dairy farm.

Graph 1 above however does not show the major shortfall in the number of staff needed on-farm in the future. A 2014 study by the Ministry for Primary Industry (MPI) identified that by the year 2025 the dairy industry would need an extra 2,300 workers (MPI, 2014), (Industry, n.d.) not including replacing the natural attrition of current staff. This is a major challenge for the dairy industry, however once we have attracted the staff, retaining them has proven to be a real challenge. The poor retention rates in the dairy industry are evident in the Primary Industry workforce study (MPI, 2018). It shows that within three years of entering the dairy industry, 33% of the staff remain in the industry. This means that two thirds of the people that we do attract into the industry have moved on to something else within three years.

This attraction and retention of people to the dairy industry has always been a problem and this suggests that previous strategies haven't not been overly successful. The dairy industry needs to change how they attract and retain people if it does not want to continue repeating the issues of the past. The attraction of New Zealanders to the dairy industry has become of even higher importance, with the current government's immigration policies and tightening of visa rules and regulations.

## Aims and Objectives

The aim of this report is to explore the issue of attracting and retaining young New Zealanders to the dairy industry. I acknowledge that young New Zealanders are not the only source of staffing but for the scope of this report, it is where I will focus.

The objective of this report is to research what information is currently available around the staffing issues in the dairy industry. I will also look to gain an understanding of why young New Zealanders do or do not choose dairy farming as a career. This will be done with an urban focus. The reason for the urban focus is that 86% of the New Zealand population live in urban areas (Worldometers, 2018). Over four million people live in urban areas and if the industry is able to attract just a sample percentage of this population to the industry. Then it will go a long way to helping resolve our staffing issues.

After analyzing the survey results, I will then compare these with the information collected from the literature review and then make recommendations based on these comparisons. The recommendations will be aimed at the dairy industry and my hope is that they can be shared throughout the industry and begin to change how the industry attracts and retains young New Zealanders.

## Literature Review

### **Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020**

Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020 is a refresh and revision of previous industry strategies in 2004 and 2009. The strategy was developed to provide the wider industry, government and public organisations with clear objectives, goals and commitments from the dairy industry around the major challenges and opportunities it is currently facing.

The strategy identified ten objectives that the dairy industry needs to address in order to become competitive and be recognised as being responsible. Two of these objectives are identified as *Talented People – Attract, develop and retain highly skilled and motivated people throughout the industry* and *Work Environment – to provide a world-class work environment on-farm*.

These two objectives are not a new issue for the industry and have been identified in past strategies. One of the points noted in the Talented people objective is that “few new entrants are attracted from New Zealand’s urban centres (DairyNZ, 2013)”.

The strategic approach details the importance of stimulating demand for a career in the dairy industry in the school system, with focus on student’s part way through their secondary schooling. This focus also extends to teachers, principals and careers advisors, as they have a large impact on a student’s decision making process. The other point of note is that the

retention of talented people will rely on the industry demonstrating the great opportunities and value a career within the industry has.

Within the strategy a table of responsibilities was identified and a duty of care for people employed on and around dairy farms with the key areas of concern being:

- Highly demanding farm work environment and long hours, particularly during calving
- Health and safety issues arising from physical nature of the work
- Farming attitudes and work culture

The research notes that some dairy farm employers accept that hardship, in particular long hours and poor time off, is part of a career in the industry that will then deliver strong economic growth (building equity through herd ownership or contract milking) and make up for the early hardship. If the industry is to attract and retain young New Zealanders, employment conditions (long hours and poor time off) need to change to attract more people to the industry.

### **Dairy Tomorrow, The future of New Zealand dairying. The dairy industry strategy 2017-2025.**

Dairy Tomorrow, the future of New Zealand dairying is a refresh of the Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020. This refresh was completed in 2017 due to the continual evolution of the requirements on the dairy industry and the ever-changing demands, both on-farm and externally. “The aim of the refresh was to bring all relevant factors together toward a shared vision for the future of sustainable dairy farming in New Zealand” (DairyNZ, Dairy Tomorrow, The future of New Zealand dairying, 2017).

There are five fundamentals identified which create the framework for this strategy and all ideas and initiatives are derived from these fundamentals. One of the fundamentals identified is that the industry take responsibility for our people, animals and the environment, and will not tolerate failure to comply with the rules that protect them.

Under this fundamental is a commitment from the industry to build great workplaces for New Zealand’s most talented workforce. This commitment is done through a change in mindset of evolving the dairy industry to become an attractive place to work rather than a place where you must “pay your dues” to achieve economic growth. There are five goals underneath this commitment which are:

1. By 2025, ensure all farm businesses have best employment practices and quality work environments operated by vibrant and proficient farm teams.
2. By 2020, implement people initiatives to inspire, attract, grow and retain dairy talent.
3. Ensure everyone gets home safe and well every day.



4. By 2020, implement new programmes to support and integrate new entrants into the sector and our rural communities.
5. By 2020, implement programmes to build and sustain our governance and management skills-base through diversity and leadership.

These five goals build on the objectives in the Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020, but drill down more and really put some detail around how these changes will be achieved. It has been identified that the changes around attracting and retaining people in the industry are long term changes that will take time to implement. This highlights the challenge of changing peoples long held views on employment within the dairy industry.

## Past Kellogg Reports

### **Tony Dowman 2017, “Recruitment for the future, Making the dairy industry the industry of choice”**

Tony Dowman examined whether there was a misalignment in the priorities of prospective employees (Generation Z) and employers. Tony used surveys to gain an understanding of the characteristics and what it important to employers and Generation Z. This was done to gain an understanding of what each group saw as a priority when considering employment in the dairy industry.

One of the limiting factors of this survey is that Generation Z people surveyed were Primary Industry Trades Academy students. This would create some biased in their answers and may not give a true reflection of what Generation Z feel are important in employment in the dairy industry. The potential for biased comes from the group of students already having a favourable view of the primary industry as they are enrolled in a primary industry course. Their view is more likely to line up with current employers in the industry, as they want to be part of the primary industry in the future. The other potential for biased is in the small sample size of only 24 people.

The key findings from the project were that there was not much misalignment between employers and Generation Z when considering Generation Z’s top three priorities for employment. The project identified that the misalignment lay between what Generation Z prioiritise and the current realities of a career in the dairy industry, where long hours and poor rosters exist. This was identified as what was creating a barrier for the dairy industry to become the industry of choice. The key recommendations of the report were for farming systems to adapt and evolve. This would be done through:

- Roster
  - Put people first
  - Set a new standard for rosters. twelve days on two days off is no longer acceptable, consider five days on two days off.
  - Respect individuals time off

- Consider shifts rather than one person doing everything
- Hours of work
  - Cap work hours to 50 hours per week or eight hours per day using shifts
  - Have flexibility when considering time off
  - Consider changing farming system to once a day
- Remuneration
  - Value all accommodation and benefits appropriately
  - Pay above minimum wage
  - Understand the true cost of labour (overtime or extra labour)
- Attraction
  - Understand what is important to generation Z and commit to changing
  - Tell a good story and demonstrate this
  - Good accommodation, good facilities and good banter
  - Use technology to assist with management, not to just save on labour

These recommendations are very powerful and would make a major change to the dairy industries employment issues.

### **Stuart Taylor 2016 “The dream that made us”**

Stuart Taylor studied the structural changes in the New Zealand dairy industry and how these impact dairy farmers and people employed in the industry today. Using storytelling, Stuart was able to show the perspectives of several different individuals. The different perspectives of each person described what the dairy industry used to be built on.

Stuart predicts three possible outcomes for the dairy industry if the farm labour issues are not addressed. Each of these outcomes results in forced change for the industry rather than the industry evolving to have improved working conditions and becoming a career of choice.

As part of the research project a survey was conducted. The survey explored the hours that employees were working. Some of the key findings were:

- 98% of people surveyed worked more than eight hours per day
- 17% had only one break during the day of up to one hour
- 54% of get one and a half days off per week on average

The findings from this survey were very similar to the issues identified in the Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020. Where work hours were a key consideration for employees and were a major reason for making dairy farming unattractive. These long hours are creating a barrier for new people entering the industry and are also making it hard to retain people within the industry.

Some of the practical solutions/recommendations for the dairy industry included:

- Changing to hourly rates rather than a salary. To help ensure transparency around always paying at least minimum wage, especially when working long hours.

- Valuing additional benefits, such as accommodation, at market rate will allow employees to make a fair comparison when comparing pay rates.
- Changing the attitude of farmers towards spending money on a human resource professional. Understanding that this is a great investment and will help to get the best out of the team on farm.

One of the statements that had an impact on me and has a lot of relevance to my project was “the market for people has changed because the expectations of people have changed. We need to change so we attract and keep the best people. We cannot just sit waiting for good people to come to us.”

### **Jason Rolfe 2015 “Stoking Secondary School Students’ Interest in Primary Industry Study”**

Jason Rolfe’s project looked to understand what information about a career in the primary industry was being given to the future generations, the knowledge careers advisors had around the opportunities within the primary sector and what was preventing students from taking a career in the primary industry. Jason undertook this research through a survey of careers advisors in Taranaki and Auckland. Careers advisors can have a major impact on the career path a student takes and thus it is very important to gain an understanding of their perspective.

Some of the key recommendations were to:

- Rebrand agriculture and horticulture secondary school subjects with the aim to change the perceptions and stigma currently held around these subjects. Eg change to Animal and Plant Science, Agribusiness Studies
- Introduction of a rural ‘taster course’ at year nine and ten, to create awareness for students around the realities of a career in the Primary sector.
- Improving the use of social media to promote careers in the primary industry. The use of social media was of importance in urban schools as students receive a lot of information about careers in other industries but not as much from the primary industry.

These three recommendations are of importance to my project as they focus directly on attracting people to a career in the primary industry.

There were several barriers identified that were preventing students from taking up a career in the primary industry which included:

- Lack of knowledge of individual roles in the industry
- “Lazy” attitude of the current generation of students. E.g the work is too hard
- Gateway programmes were not paid work, unlike trade apprenticeships which were paid as they trained
- Early mornings on a dairy farm put a lot of students off and the weather was seen as “crap”

- Perception that farming is for losers or agriculture is for dummies
- Perception of a lack of career progression within the industry
- News articles portraying the industry in a poor light. Students don't want to be associated with that.

These barriers have importance for my project as these have also been identified in other literature I have looked at and are a consistent theme. If these barriers to don't get addressed, then the primary industry will continue to have the same problems attracting and retaining people.

The last statement in this project was very powerful "Attracting people to our industry is only one part of the cog, once they are in the industry we need to look after and retain them."

## Methodology

To gain an insight into what urban students' perceptions of dairy farming were, how they feel about dairy farming and whether they would consider a job in dairy farming, a short survey was conducted. This survey was created using surveymonkey and distributed to students at Christchurch Girls Highschool, St Margarets, Shirley Boys Highschool and Glendowie College. All survey answers were kept completely anonymous and students were encouraged to be completely honest with their answers.

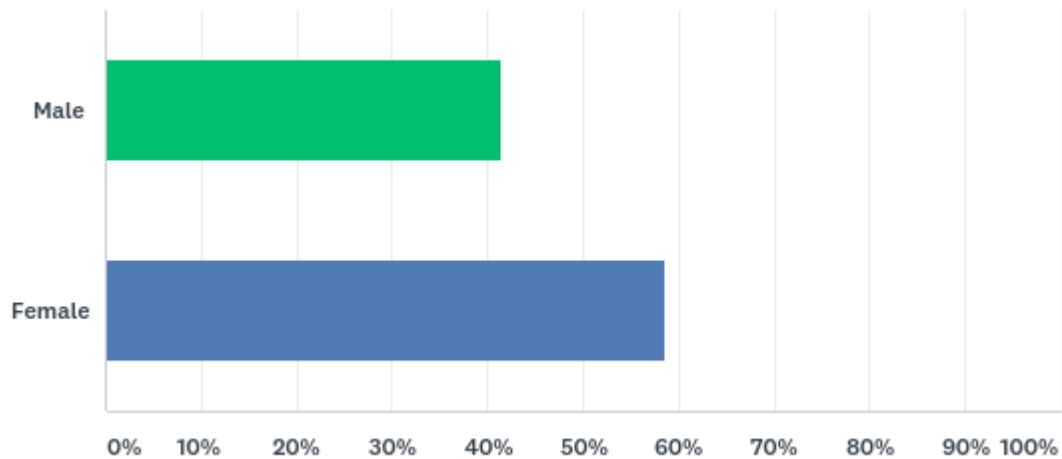
The survey was made up of nine questions, both quantitative and qualitative, and it took respondents an average of four minutes to complete. The survey was designed to be quick to complete as to get the highest completion rate and maximum number of responses. There was a total of 176 responses. I believe with this number of responses, it will give an accurate representation of what urban students feelings are towards a career in dairy farming.

Thematic analysis will be used for all the qualitative questions to identify key themes and then these themes will be explored. I will then discuss my own opinions which will be formed based on the results of the thematic analysis.

## Results and Analysis

### Gender

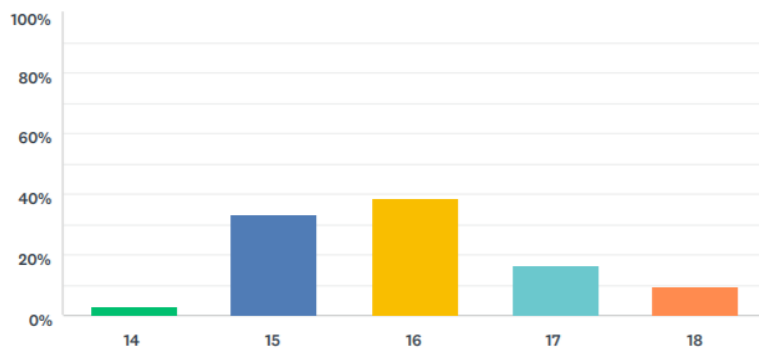
The proportion of females completing this survey was slightly higher (59%) in comparison with males (41%). This is neither a positive or negative and should not create any biased. The higher female responses is possibly due to two of the schools being all girls schools (Christchurch Girls Highschool and St Margarets). One of the schools is an all-boys school (Shirley Boys Highschool) and the final school is mixed gender (Glendowie College).



Graph 2. Gender Response

### Age

There were 176 completed survey results. Of all the respondents, 64.21% are of an age where they have the potential to leave school and enter the workforce. While these students will potentially have more information about careers after leaving school, the other 35.79% of students will be entering the workforce in the future and thus it is important to consider their responses as well.

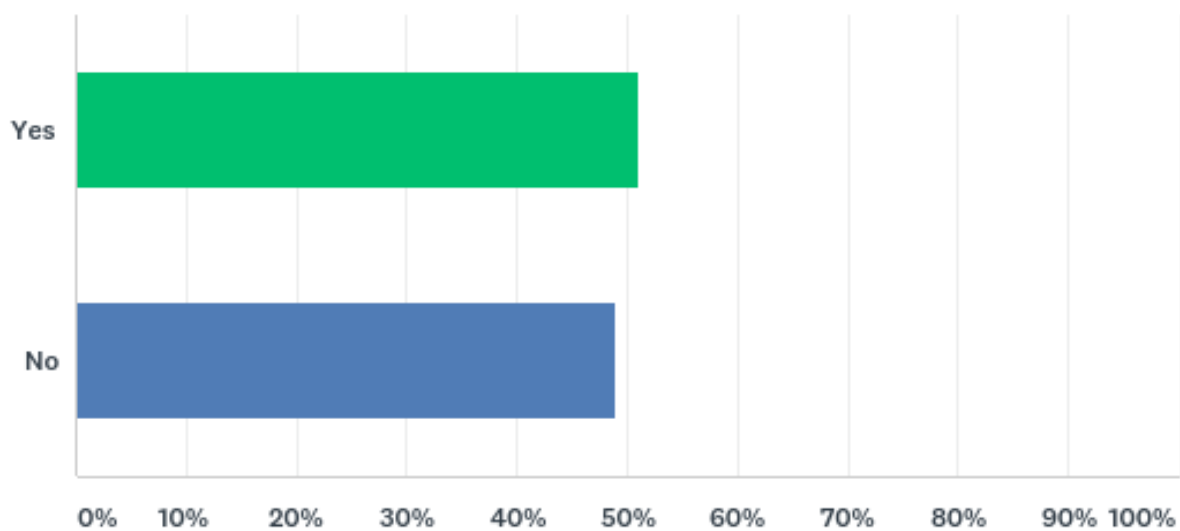


ANSWER CHOICES	RESPONSES	
14	2.84%	5
15	32.95%	58
16	38.64%	68
17	16.48%	29
18	9.09%	16
TOTAL		176

Graph 3. Age

### Time spent on a dairy farm

The results were surprising to me, given that 51% of students had spent time on a dairy farm. The result was surprising given that the survey was carried out in urban schools. This has the potential to create bias either way, as students who had spent time on a dairy farm, depending on their experience, could have either a very positive or negative view on a career in dairy farming. It would have been interesting to understand more about how much time these students had spent on a dairy farm. Understanding whether the time spent was a visit and how often, or whether their family owned or ran a dairy farm. It would have been interesting to analyze these results to see if the attitude towards a career in dairy farming was influenced what sort of time they had spent on a dairy farm.



Graph 4. Time spent on a dairy farm.

### What do you think of when you hear “dairy farming”?

The words “cows, milk and farm” were the three major themes that came up when asked this question. These words were consistent across all genders and age ranges. Over 100 responders associated with “cows”, which was the most popular response. In all the external research I conducted, this was a consistent theme across similar surveys, regardless of whether they were conducted in rural or urban areas.

Another consistent theme to come across was that of “hard work, long hours and early mornings”. 16% of students associated dairy farming with these themes. These themes were consistent with what Tony Dowman found in his research. This perception indicates that there are immediate barriers in attracting these respondents to a career in dairy farming.

farmers Calves dairy sheds Hard work Fonterra  
 work dairy products milk lots COWS big  
 farm good early mornings products  
 animals People think producing

Figure 1. What do you think of when you hear dairy farming word cloud

A small section of respondents had a negative view of dairy farming. This was illustrated with responses such as “abuse, rape torture” “ruining of environment, ruining of waterways” “never getting time off” “cruelty to cows”. It is important to acknowledge these responses when considering my research topic. These students are extremely unlikely to take a career in the dairy industry. I feel that it is important to note these responses as I believe that it gives an accurate representation of the portion of people who will hold this view of dairy farming.

**What do you know about a career in dairy farming?**

The major theme that came through here is that 36% of students knew very little or nothing about a career in the dairy industry. This was not an entirely surprising result given the survey was conducted in urban schools. There is the potential that this figure is slightly high, given that students may have said they knew nothing, so they can skip through survey quickly. It is very hard to determine how much influence this has had. Knowing nothing about a career in dairy farming is not necessarily a negative, as this indicates they do not have any preconceived views on the industry and are thus potentially open to learning more about a dairy farming career.

really early milk know hard work also much  
 early mornings Nothing cows lot job  
 work dairy farmers farm people milk cows  
 involves dairy good

Figure 2. What do you know about a career in dairy farming word cloud.

Again, consistent with the previous question, is the theme that a career in dairy farming is “hard work and early mornings”. This theme is consistent through the survey and the current literature available. These perceptions present barriers that will need to be addressed.

A surprise for me, was that only one response stated, “that only dumb people do it”. Background discussion I had with people in the initial stages of my research, within and around the industry, suggested that this was a perception students held of dairy farming. That it is a last resort career and for “drop-outs”. The survey results suggest that this is not the case. Whilst this could be an anomaly, I believe that given the sample size, that this potentially does reflect the wider student populations view of a career in dairy farming.

**What are the three most important things to you when looking at a future career and why are each of these things important to you?**

The purpose of this question was to gain an understanding of what students felt were important to them and then compare how this would suit to a potential career in the dairy industry. There were three very clear themes in this area. The most common theme was enjoyment. 30% of respondents stated that this was the most important thing to them when choosing a future career. There were several reasons behind this, but the most common response was “did not want to be bored, so that I enjoy the work and it’s important to enjoy what you are doing as you will be spending a large amount of your time doing it”.

The second theme was they must have an interest or be passionate about what they are doing. 20% of respondents said that if they were not interested or passionate about what they were doing they were unlikely to choose that career and would also not last in the career. This theme is very important for my project as it is a central part of retaining people in the dairy industry.

The third theme to come through was money/pay/salary. 18% of respondents said that how much they were paid was important to them as it would allow them to live a certain lifestyle. I believe that this would also have an impact on whether they choose a career and ultimately how long they would stay in that career. This is an important point to note for my project.

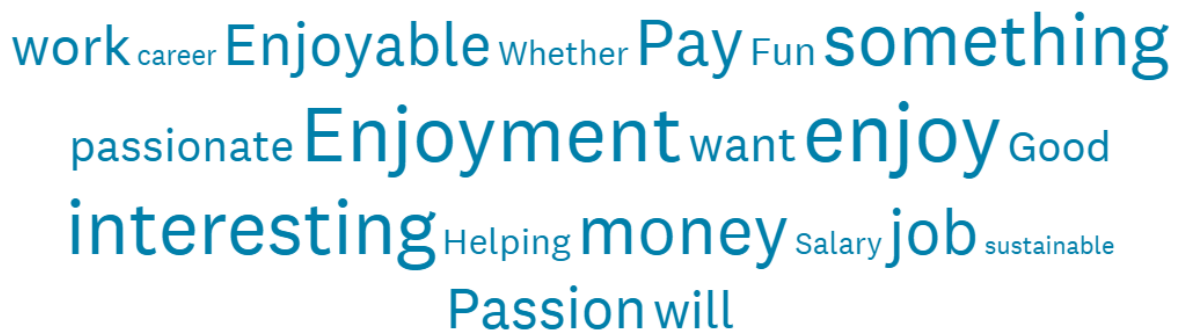


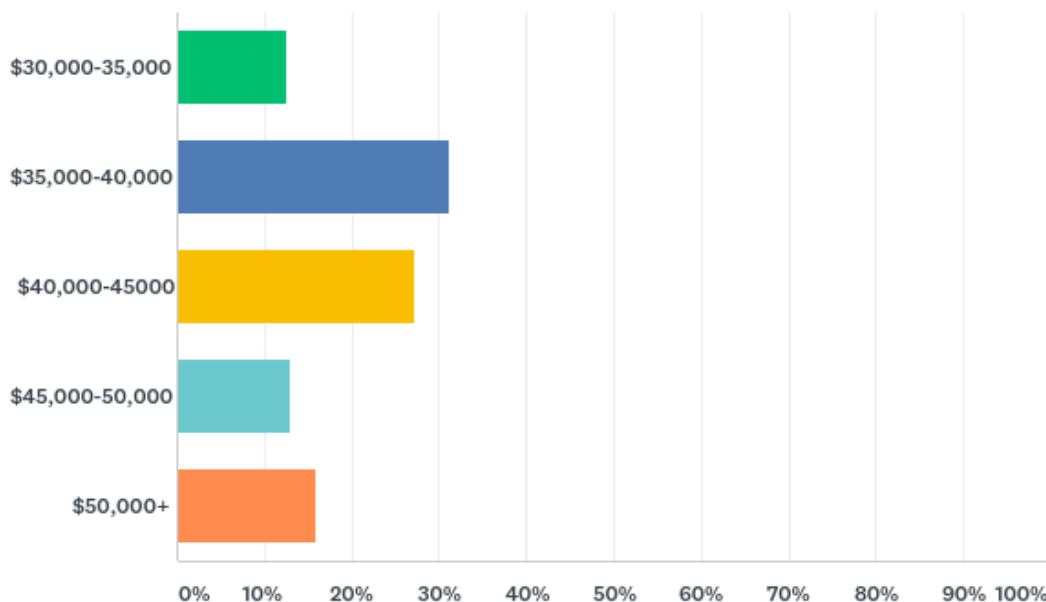
Figure 3. Three most important things to you when looking at a future career word cloud



One interesting point of note was there was a small portion of students (5%) that stated that it was important to them that a career they choose had a positive impact on either people, the community or the environment. This reflects this generations changing view and increased awareness of the impact they are having outside of just themselves.

**How much do you think a person starting a dairy farm position gets paid?**

This question was designed to gauge where respondents perceptions were on how well paid people were when beginning in the industry. 56% of respondents thought that people were paid between \$35,000 and \$45,000 with 31% of those students saying people starting out began on \$35,000-\$40,000 per year. All the other options were split relatively evenly, between 12-15%. Salary is a very interesting part of a dairy farming position, as many staff are given a house to live in while working on-farm. An extra question would have interesting as to get an understanding of what extra financial benefits people think there are while working on a dairy farm.



Graph 5. How much do you think a person starting a dairy farm position gets paid?

**Would you consider a job in dairy farming?**

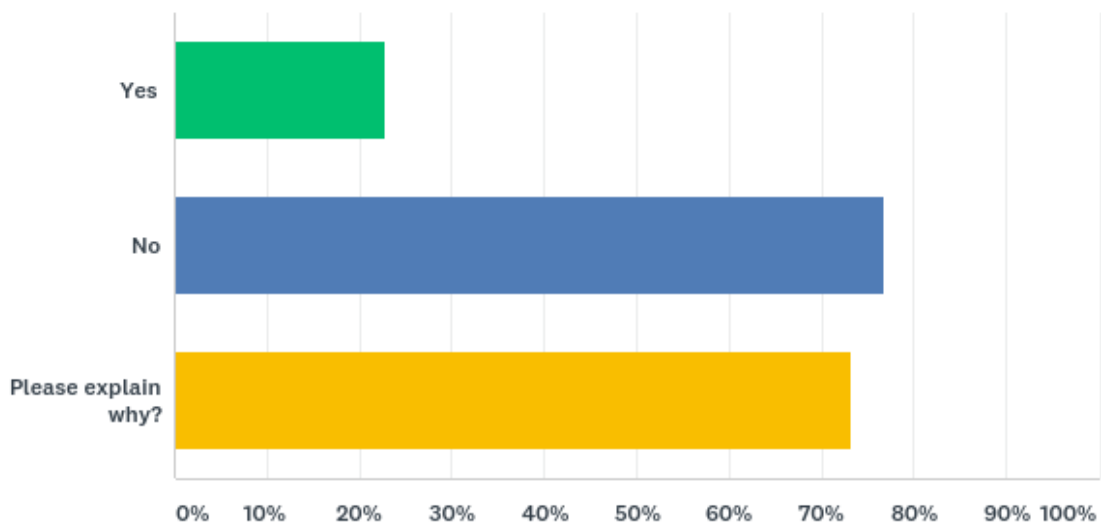
Respondents were asked if they would consider a job in dairy farming and to please explain why they gave their answer. Surprisingly, 22.7% of respondents said they would consider a job on a dairy farm. The result was a surprise to me as I did not expect the result to be this high, especially given that it was taken in urban schools. There were different themes around why they would consider a job in dairy farming. These include:

- Love being outdoors
- Family has a background in dairy farming and have grown up farming
- Love to work with animals

- Looks like a fun and interesting job
- If I marry a dairy farmer

Over 77% of respondents said they would not consider a job in dairy farming. The responses here give a very powerful insight into what some of the barriers and issues that the dairy industry faces in attracting more people to the industry. These include:

- Fundamentally disagree with farming animals e.g vegan or vegetarian
- Have no interest in living on a farm
- Have no interest in farming
- Hours are too long
- Isolation
- Want to work indoors
- Prefer to live in the city
- Early mornings
- Don't know anything about the industry
- Hard manual work



Graph 6. Would you consider a job in dairy farming?

## Discussion

The objective of this report was to gain an understanding of why the dairy industry struggles to attract and retain young New Zealanders. The results of the survey have given a good insight into why urban student do or do not choose a career in the dairy industry. One of the very surprising results was that 36% of respondents knew little to nothing about a career in the dairy industry. This is a disappointing result and suggests that current strategies, in terms of advertising opportunities that exist within the industry, have not been successful. There is a real opportunity here for the industry to attract these people to the industry with the

correct strategy. It is clear that current strategies have not been effective and these need to be reviewed and changed. A larger emphasis on the use of social media should see more effective advertising. This was also supported in the literature I reviewed.

There will always be a portion of the population that will fundamentally disagree with dairy farming. It is important to realise that there is nothing that the industry could do to change these people's views and it would be futile to spend time, money and resources trying to convert these people to considering a career in the dairy industry. It is prudent that the industry spends its resources wisely and targets the correct audience. The portion of respondents who felt this way was very small which was a surprise. Based on the current portrayal from mainstream media, I expected this to be much higher. This is a very encouraging result and suggests that the public's feelings towards dairy farming isn't as negative as I thought.

Hard work, early mornings and long hours were a consistent theme when respondents thought of dairy farming, what they knew about a career in dairy farming and why they would not consider a job in dairy farming. These results were very evident in all of the literature I reviewed. It is very clear that these issues must be addressed if the industry wants to become an industry of choice. With the amount of literature available recommending that long hours and poor rosters are a thing of the past, I believe that the issue lies behind the farm gate.

Industry bodies seem to be very clear around what changes need to be made, however the message does not seem to be making it through to farmers behind the farm gate. There are certainly farmers out there that are making changes, Stuart Taylor and Tony Dowman's projects are proof of this, but until the entire industry changes, it will continue to have issues attracting and retaining staff. This is an extremely challenging issue to address as it is changing a behavior. The industry must spend more resources in this space. Again, clearly strategies are not successful otherwise, as illustrated in the Making Dairy Farming Work for Everyone, the Strategy for Sustainable Dairy Farming 2013-2020, where approximately 50% of rosters are either twelve days on two days off or eleven days on three days off.

Having a passion or interest in the career someone chooses was a very clear theme. This is a challenging area for the dairy industry to address. There will always be a portion of people who are very passionate about an industry and will choose to do this as a career regardless of what an industry does in terms of recruitment. The area of potential lies in creating an industry that looks interesting to people. If the dairy industry can do this then it will potentially be able to attract and retain these people.

A very interesting area for the industry to address is that of pay/salary. 18% of respondents identified this as one of the three most important things to them when considering a future career. This is an area where I personally believe that the industry sells itself short. An employment package on a dairy farm typically consists of three parts:

- Salary

- Accommodation
- Other benefits- meat, milk, power, firewood, etc

Salaries are very easy to measure and compare, whether this is an hourly rate or an annual salary. Accommodation on-farm has traditionally been part of a dairy farming job and has previously been called a “free house”. The supply of accommodation has been considered a necessity for dairy farming due to early mornings and distance from main centres. With the evolution of employment and financial regulations, free houses are a thing of the past. Currently common practice is for a nominal rent value to be determined and then added on top of the employee’s salary. This makes up the employees’ total package, excluding other potential benefits. The determination of this nominal rent value is a point of interest. Typically, this nominal value has been under market rate as to reduce the total tax to pay for an employer. The downside of this approach is that it under values the total employment package.

I believe that for too long the industry has been under valuing the total employment package to avoid paying a small amount of additional tax. The difference between valuing the rent at \$100 per week vs \$200 per week is \$5,200 annually. When considering this, a person starting their dairy farming career with a salary of \$40,000, would have a total package of \$50,400 annually if rent was increased to market rate. This change would certainly increase the attractiveness of a career in dairy farming when a person with no experience can start on a wage of over \$50,000 annually. Additional benefits, such as meat, milk, firewood and power should also be valued and included in salary packages as to reflect the true value a job in dairy farming. This has not been done in the past as it will result in the employer having to pay additional tax. This change in the salary structure was also supported in the literature I reviewed.

Another consideration, which cannot be included in a salary package but should be emphasised, is the potential savings that can be made from living on-farm. Employees do not have to drive to work, saving on petrol and repairs and maintenance on their car. Additionally, with having their breaks in their own house they are less likely to purchase their food from a bakery or take away store as they would be if they had a job in town. Explaining these extra benefits has the potential to make a career in the dairy industry more attractive.

Most dairy farmers pay an annual salary to employees. A shift away from an annual salary towards paying an hourly rate will ensure transparency. The risk around paying an annual salary is that at busy times of the year there is the potential to slip below the minimum wage. Paying an hourly wage ensures that this will not occur.

When asked whether respondents would consider a career in dairy farming the results were very insightful and powerful. Over 22% of respondents said they would consider a career in dairy farming. This was a very encouraging result and higher than I was anticipating. Given that the survey was conducted in urban schools I was expecting the results to be much lower. If this figure is used and the applied across the number of students leaving high school in

2017, which was 56,835 (Education, 2018), then this would mean there are potentially 12,503 school leavers that are interested in a career in dairy farming. Given the limited scope, only taking in 4 schools, of my survey this figure is more than likely high. Even if the percentage was reduced to only 15%, then there are potentially 8,525 students that are interested in a career in dairy farming. The industry must do a better job of targeting these students as they are the most likely to join the industry.

The reasons given for why respondents would not be interested in a career in dairy farming were very useful and give a great insight into current issues and barriers the industry needs to address to attract more young New Zealanders to dairy farming. While some of the reasons given will prove to be nearly impossible to address, fundamentally disagree with dairy farming. Other reasons such as long hours, early mornings, hard manual work and don't know anything about the industry can certainly be addressed.

## Conclusions

The dairy industry has and will continue to be a corner stone of the New Zealand economy. This is illustrated with the dairy industry contributing to 3.5% of New Zealand's GDP. With the importance that the dairy industry has to the New Zealand economy, it is vital to the health of the industry that staffing issues that have long plagued the industry are addressed and remedied.

Staffing has become of even higher importance with the increase in the average herd size over the past thirty years. This increase in the number of staff on-farm has seen a shift away from the traditional 150-200 cow one person farm, to a two to three person operation for 400 cows. This shift has seen a spotlight placed on the importance of people management and clearly identified that there is a great deal of improvement needed in this space.

A high level of staff turn-over on dairy farms has been attributed in part to long hours, poor time off and early mornings. These issues have not been addressed well in the past and have created the situation the industry currently finds itself in. The dairy industry has struggled to attract and retain New Zealanders and this has led to an increase of immigrant workers. With the current governments immigration policy, foreign workers are no longer a viable long-term staffing solution.

One area of disappointment, but real opportunity, is to increase the understanding young New Zealanders have of the dairy industry. One of the overwhelming themes to come through the survey was that they had little to no understanding of what a career in the dairy industry entailed. This is a reflection that current strategies have not been effective, and a rethink is needed.

Attracting and retaining young New Zealanders to the dairy industry certainly has the potential to address the current staffing issues. To attract these young New Zealanders the dairy industry needs to be seen as an attractive industry to work in. Industry bodies, such as DairyNZ, are very clear around the employment conditions that need to change in order for

this to occur. Behind the farm gate this message is either not getting through or is proving very slow in uptake. Understanding that what has been done in the past, in regard to work rosters, hours of work and time off, cannot continue if the industry wants to see real change. If changes do not occur behind the farm gate, then the dairy industry will continue to experience the same staffing issues it currently has.

Changing the way salaries are structured is a key component in making the dairy industry an attractive career choice. The traditional undervaluing of additional employee benefits, such as accommodation, meat and milk, to avoid paying extra tax is not doing justice to how financially beneficial a dairy farming job can be. This is having the effect of turning people away from dairy farming, as when they compare salaries across different industries, dairy farming does not compare favourably. Another consideration is a shift towards hourly rate to ensure total transparency around pay rate.

Change is needed on all dairy farms within the industry if dairy farming is to become attractive to young New Zealanders. Without change, the industry will continue to experience the same issues it has had in the past.

## Recommendations

Everyone who employs people in the dairy industry has an important part to play in making the dairy industry an attractive place to work. My hope is that the following recommendations stimulate conversation within the industry that will ultimately lead to the dairy industry becoming a preferred choice when people choose a career.

### **Advertising strategy rethink**

We must do a better job at reaching young New Zealanders and getting information about the dairy industry in front of them. The use of social media will be critical in improving the information that is available. The current generation use social media more than any other and the dairy industry must capitalise on this.

### **Rostered time off**

To compete with other industries, the dairy industry must improve the rosters offered. Most other industries offer five days on two days off and the dairy industry must move towards this. This will put the industry on a level playing field. The improved roster will also help to address the long hours worked each week.

### **Salary**

Salaries need to evolve to show the true value of the employment package offered. First, a change to hourly wage will be very productive. This will ensure that every employee is paid at least minimum wage. The second is a shift to value additional benefits at market rate, especially the accommodation. This will give a true representation of what someone can earn, particularly those beginning in the industry.

## Utilise professionals

Increasing the use of a human resource professionals on-farm, particularly for farmers that struggle in this area. There needs to be an attitude change from farmers, towards the use of human resource professionals. Acknowledging that this is an investment rather than a cost will prove to be very positive in the long term.

## Next steps

Conducting a more wider reaching survey of young New Zealanders in urban schools will give a better understanding of the true trends and themes. One of the limitations of my survey was that it was only in four school, expanding this would give much more reliable data.

Changing some of the questions and adding others in would also give more useful data. Gaining a better understanding of what would be effective ways of advertising the dairy industry would be useful.

I think that is very important that I do everything that I can as a dairy farmer to “walk the walk”. Adopting the recommendations on my farm and then telling others how these changes have impacted our business is important. I feel these recommendations would be hollow if I was not doing them myself. Change will begin one farmer at a time.

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## Appendices

### Survey questions

1. Are you male or female?
2. Age?
  - a. 14
  - b. 15
  - c. 16
  - d. 17
  - e. 18
3. Have you spent any time on a dairy farm?
4. What do you think of when you hear "Dairy farming"?
5. What do you know about a career in dairy farming?
6. What are the 3 most important things to you when looking at a future career?
7. Why are each of these things important to you?
8. How much do you think a person starting a dairy farming career gets paid?
  - a. \$30,000-\$35,000
  - b. \$35,00-\$40,000
  - c. \$40,000-\$45,000
  - d. \$45,000-\$50,000
  - e. \$50,000+
9. Would you consider a career in dairy farming?
  - a. Yes
  - b. No
  - c. Please explain your answer