



**KELLOGG**  
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PROGRAMME



# **Navigating Sheep and Beef Manager Retention**

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I wish to thank the Kellogg Programme Investing Partners for their continued support.



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## Executive Summary

### A Challenge for the NZ Sheep and Beef Industry: Retaining Skilled Farm Managers

Attracting and retaining skilled sheep and beef farm managers is a critical challenge for New Zealand farm owners. Despite high demand, many experienced managers are leaving the sector, driven not only by better pay elsewhere but also by limited ownership opportunities, unclear career progression and unsupportive workplace dynamics.

Through an interview process conducted with farm owners, current farm managers and former farm managers that have left the industry, this report investigates the core retention issues, focusing on the difficulty of farm ownership, misaligned employer-employee expectations and the need to understand current farm manager motivations. While there are several themes obtained from these interviews, three main and interconnected themes were sighted:

1. It is clear from the interviews that participants believe wages in sheep and beef management are lower than in other industries, making it hard for managers to build savings and secure their financial future. This, combined with a lack of clear career progression, inconsistent job titles and pay expectations, contribute to discontent.
2. Workplace dynamics significantly impact job satisfaction. The demanding nature of farming often leads to a poor work-life balance, with long and often inflexible hours being a major source of frustration for the majority of managers, especially those with families. A positive work environment, built on trust, clear communication and feeling valued, is crucial. The absence of this was a key reason former managers left.
3. The sharp rise in land price makes traditional farm ownership almost impossible for new entrants. While alternative equity models are proposed, they often lack clear, repeatable structures and have been met with scepticism in the sheep and beef sector, unlike in dairy.

Despite these challenges, a successful case study demonstrates that separating land ownership from the farm's operating business can create viable equity partnerships, allowing managers to buy into the operating business directly. Crucially it addresses the entry and exit concerns around fluctuating livestock prices, the livestock buy-in prices are set at market value but the exit prices are set using the previous five-year average, reducing the risk of one of the partners strategically exiting when prices are high.

To address these issues within the sheep and beef sector, this report recommends that farm owners proactively invest time into their staff, understand their goals and help improve financial literacy, while planning for succession with innovative equity partnership models. Additionally, understand the benefits of workforce stability, as it reduces the significant costs associated with high staff turnover.

Farm managers should more clearly communicate their aspirations to farm owners and financial lenders, seek roles with clear progression, prioritise work-life balance and strategically build personal wealth.

Finally, the industry must establish clearer employment standards (like defined job titles and pay scales), as well as actively promoting well-structured equity partnerships. Consideration should be given by government to support equity partnerships through government-backed loan guarantees or tax incentives. Implementing these changes is vital for ensuring a stable and rewarding future for the managers within New Zealand's sheep and beef sector.

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## 1.0 Introduction

The New Zealand sheep and beef sector relies significantly on its farm managers for operational success and productivity. However, effectively retaining these skilled professionals has become a notable challenge within the industry.

Historically, achieving farm ownership was a central career aspiration for many in New Zealand agriculture. Yet, present day high land values and various economic pressures mean that this traditional pathway is increasingly difficult for farm managers to achieve. This report aims to explore the multifaceted reasons behind the departure of farm managers from the New Zealand sheep and beef industry. It investigates whether the limited availability of clear pathways to ownership or equity partnership participation, alongside aspects such as financial incentives, career development and workplace culture, contributes to this retention issue. This analysis seeks to understand these contributing factors and identify potential strategies to foster more stable and rewarding long-term employment relationships within the sector.

## 2.0 Objectives

This report aims to explore whether the absence of a clear and achievable pathway to ownership or equity participation is a significant contributor to the loss of farm managers from the sector. It seeks to understand the deeper drivers behind career decisions, what initially attracts individuals to the role, what they enjoy and what ultimately causes some to leave. Highlighted in this analysis is the role that job satisfaction, recognition, career development and financial incentives play in a manager's long-term commitment to the industry.

To inform this work, perspectives were gathered from three groups: farm managers who have exited the industry, current farm managers and farm owners who employ managers. The questions explored a range of topics including motivations for entering the industry, frustrations experienced on the job, future aspirations and the perceived value of incentive-based reward models. Farm owners were asked to reflect on their own retention strategies and if retention is perceived as a wider industry issue.

By drawing out the common themes and key differences in these perspectives, this report aims to identify not only the challenges but also the successful approaches being used by proactive farm businesses with good employee retention. These insights will be used to provide recommendations to help farm owners, farm managers and the industry tackle these challenges, providing clearer employment and potential ownership pathways for managers.

### 3.0 Literature review

#### 3.1.1 Background: The Critical Role of Experienced Farm Managers

New Zealand's sheep and beef sector is a vital part of the national economy, contributing significantly to GDP and export revenues (MPI, 2024). With thousands of farms covering a large portion of the agricultural land, the industry's productivity relies heavily on experienced farm managers (Beef + Lamb NZ, 2024). Unlike farm owners, managers operate farms on behalf of landowners (Careers NZ, 2025). Their role involves complex operational management, including livestock and pasture optimisation, financial oversight, staff supervision, and implementing sustainable practices (Baker Tilly Staples Rodway, 2018). As the agricultural landscape grows more complex due to consumer demands, technology, and global markets, the expertise of seasoned managers becomes increasingly indispensable for navigating challenges like climate change and ensuring regulatory compliance (Baker Tilly Staples Rodway, 2018).

#### 3.1.2 The Retention Challenge: Ownership Barriers and Industry Pressures

Traditionally, farm ownership was the ultimate career goal in New Zealand agriculture (Shadbolt & Martin, 2003). However, high land values relative to sheep and beef farming returns create significant capital barriers, making ownership difficult, especially without family equity or in complex succession scenarios. This contrasts with the dairy sector's historical sharemilking pathways (Shadbolt & Martin, 2003).

Simultaneously, the industry faces pressures like persistent skilled labour shortages (Federated Farmers, 2024), fluctuating commodity (Beef + Lamb NZ, 2024), rising input costs, regulatory complexities, and low farmer confidence (Federated Farmers, 2024). This environment makes retaining experienced managers challenging. Facing limited ownership prospects and industry volatility, managers may lack sufficient long-term career and wealth creation opportunities beyond a salary, risking the loss of valuable talent (Redmond, 2020).

#### 3.1.3 Aim and Scope of the Literature Review

This literature review examines strategies used in the New Zealand sheep and beef industry to retain farm managers when traditional ownership pathways are limited. It focuses on the specific context of this sector, exploring financial and non-financial retention methods, and alternative progression models like equity partnerships, share farming and leasing. The analysis primarily uses industry reports, government publications, academic sources and career information relevant to New Zealand.

### 3.2 The Experienced Farm Manager in the New Zealand Sheep and Beef Sector

#### 3.2.1 Defining the Role and Required Competencies

Farm managers in the NZ sheep and beef sector handle diverse responsibilities essential for farm success. They manage daily operations, including complex livestock and pasture management, financial tasks like budgeting and record-keeping, staff supervision and infrastructure maintenance. Ensuring environmental compliance is also increasingly important (Careers NZ, 2025). Progression from entry-level roles involves gradually taking on these comprehensive duties (Beef + Lamb NZ, 2025).

Effective managers need extensive knowledge of animal husbandry and pasture management, strong business and financial skills, technical proficiency with machinery, and practical abilities. Essential soft skills include problem-solving, adaptability, planning, communication, and leadership (Careers NZ, 2025). Understanding agricultural technology and sustainable practices is also becoming crucial (MPI, 2021). Typically, reaching a manager position requires significant practical experience (often 5+ years) and relevant qualifications (Careers NZ, 2025).

### **3.2.2 Career Pathways and Progression**

The sector offers a structured career path, starting from Farm Assistant/General Hand, progressing through Shepherd and Head Shepherd roles to Stock/Block Manager, Farm Manager and ultimately Operations/Business Manager. The Farm Manager role involves significant business supervisory responsibility, overseeing production, stock, environment, staff and budgets. The highest level, Operations/Business Manager, is a strategic role overseeing entire farm operations, potentially multiple farms (Beef + Lamb NZ, 2025). Notably, this senior role description acknowledges that individuals "may be responsible for multiple farms or be a part/full owner of the business" (Careers NZ, 2025). This explicitly recognizes that top-tier management careers exist within the industry structure without necessitating traditional land ownership, making manager retention in non-owning roles a pertinent issue.

### **3.2.3 Industry Environment: Workforce and Economic Context**

The sheep and beef workforce are predominantly male and older than the national average, with the average age of farm owners now sitting at 58 years of age (NZ Herald, 2024). This sector has lower ethnic diversity compared to other sectors, though Māori representation is around the national benchmark (Muka Tangata WDC, 2024). The sector employs thousands directly contributing to a larger red meat and wool workforce. While many farms are owner-operated, employed staff are common, though average business size is small and overall employment numbers have slightly declined recently.

The sheep and beef sector faces a significant hurdle- persistent skilled labour shortages. These shortages are so severe that Federated Farmers considers them nearing a "crisis point," a situation worsened by recent visa scheme changes (Federated Farmers, 2024). This makes it incredibly difficult to recruit new talent, which highlights the importance of retaining existing, experienced managers. The broader benefits of employee retention for any business, such as those outlined in the diagram illustrating the '10 benefits of employee retention' (Figure 1), are directly applicable to farm operations.

Economically, the sector navigates a volatile landscape. Fluctuating profitability, high input costs, debt pressures for some, depressed wool prices, and climate impacts like drought all contribute to low farmer confidence (Beef + Lamb NZ, 2025). This economic uncertainty likely influences managers' decisions to stay or leave, potentially leading them to seek roles with greater security or more defined financial advancement opportunities beyond just their salary.

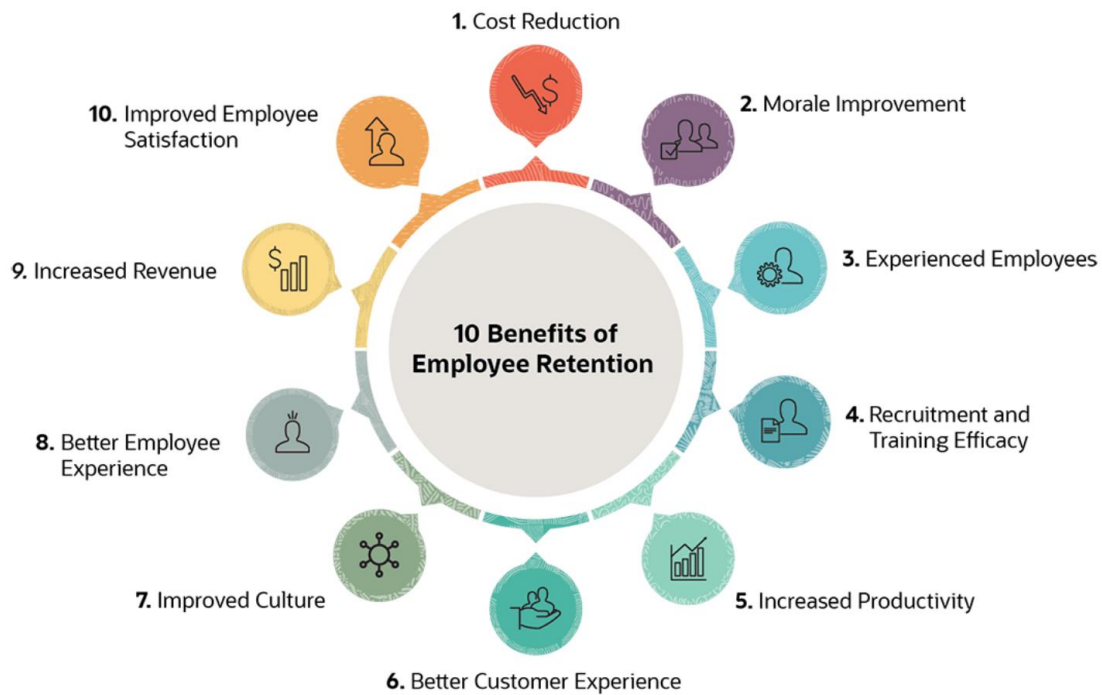


Figure 1. Marc Holliday, 2021 10 Benefits of Employee Retention (<https://www.netsuite.com/portal/resource/articles/human-resources/employee-retention-benefits.shtml>)

### 3.3 Factors Influencing Manager Retention and Departure

#### 3.3.1 The Ownership Aspiration and Barriers

Farm ownership remains a strong aspiration in NZ agriculture, representing autonomy and security (Redmond, 2020). However, the high capital required for land and stock in the sheep and beef sector presents a major barrier, especially compared to the dairy industry's historical sharemilking ladder (Redmond, 2020). Limited land availability and the scale needed for viability further increase the entry threshold (Shadbolt & Martin, 2003).

#### 3.3.2. Reasons for Departure: Beyond Lack of Ownership

Managers leave for reasons beyond ownership barriers. A key factor is the perceived lack of pathways for wealth creation beyond a standard wage (Beef + Lamb NZ, 2025). Ambitious managers feel unable to build meaningful equity, even when alternative structures like equity partnerships are attempted but fail to deliver tangible benefits from their perspective (Redmond, 2020). Other contributing factors include poor work-life balance due to long hours and isolation (Careers NZ, 2025), negative workplace environments (poor leadership, lack of recognition, poor communication), limited professional growth opportunities (Baker Tilly Staples Rodway, 2018) and the stress of industry pressures (economic volatility, labour shortages, regulations) (Federated Farmers, 2024).

#### 3.3.3. Motivations for Staying (Non-Ownership Factors)

Despite challenges, non-ownership factors are crucial for retention. Intrinsic job satisfaction (working with animals/land, outdoor lifestyle, autonomy) is a motivator (Careers NZ). Competitive remuneration, including significant non-cash benefits like accommodation and vehicle use (forming a 'total package value'), is important (Federated Farmers-Rabobank, 2024). A positive work environment – feeling valued, good team culture, clear communication, effective leadership – is critical (Baker Tilly Staples Rodway, 2018). Opportunities for professional development, training and career progression also act as

powerful retention tools (Beef + Lamb NZ, 2025). Alignment between manager and owner values fosters commitment (Redmond, 2020). However, the persistence of managers leaving due to lack of wealth creation despite rising salaries suggests that competitive pay alone isn't enough for ambitious individuals seeking asset growth (Federated Farmers-Rabobank, 2024). This highlights the need for effective alternative equity-building models.

### **3.4 Financial and Non-Financial Retention Strategies**

#### **3.4.1. Financial Compensation and Benefits**

Competitive pay is essential. Average sheep/beef farm manager salaries saw a significant 22% increase between 2022 and 2024, reaching \$88,381, outpacing average national wage growth (Federated Farmers-Rabobank, 2024). General averages are cited around \$78,000 (Careers NZ, 2025). Non-cash benefits (accommodation, utilities, vehicle, meat) add substantial value, contributing significantly to the 'total package value' (TPV), which averaged \$76,296 for sheep/beef roles in 2024 (Federated Farmers-Rabobank, 2024). Performance-based incentives like bonuses or profit-sharing are also potential tools (Redmond, 2020).

#### **3.4.2. Cultivating a Positive and Supportive Work Environment**

Non-financial aspects heavily influence retention. Effective, supportive leadership that avoids demotivating behaviours like excessive supervision is crucial (Baker Tilly Staples Rodway, 2018). Open communication, clear roles, regular feedback, and team meetings are vital (Baker Tilly Staples Rodway, 2018). Industry bodies like B+LNZ offer workshops to improve these skills (Beef + Lamb NZ, 2025). A strong team culture where individuals feel valued and respected is critical (Baker Tilly Staples Rodway 2018). Addressing mental wellbeing is also important (Farmers Weekly, 2022). Achieving reasonable work-life balance through efficiency systems (e.g. Lean Farm), setting boundaries, and scheduling time off is increasingly recognised as necessary despite farming's demands (DairyNZ, 2023). Good management practices directly impact performance and commitment (Baker Tilly Staples Rodway, 2018).

#### **3.4.3. Professional Growth and Development**

Investing in manager development is a key non-financial strategy. Providing upskilling opportunities benefits the farm and signals employer investment in the manager's career (Baker Tilly Staples Rodway, 2018). This includes on-the-job training, mentoring, and formal qualifications supported by organisations like Primary ITO and B+LNZ (Beef + Lamb NZ, 2025). Effective managers also develop their own staff. Advisory boards can offer strategic exposure (Baker Tilly Staples Rodway, 2018). This focus provides career progression which is valuable when ownership pathways are limited.

### **3.5. Alternative Pathways for Equity Growth and Career Progression**

Alternative business models are crucial for retaining managers when traditional ownership is difficult to attain. Key options include equity partnerships, share farming, and leasing.

#### **3.5.1. Equity Partnerships (EPs)**

**Definition and Structure:** EPs involve individuals pooling capital, skills, and resources to operate a farm business, often via a company structure with shares proportional to investment. Profits are distributed per agreement after salaries (Beef + Lamb NZ, 2025). EPs suit various scenarios like succession, retaining managers, or attracting investors (Landify, 2024).

**Benefits:** EPs offer managers a path to equity/ownership otherwise unattainable (Redmond, 2020). Pooled resources can boost profitability and enable growth. Ownership stakes can increase over time, incentivizing performance (Beef + Lamb NZ, 2025). Landowners gain access to capital, can release equity, reduce workload, and secure skilled management (NZAB).

**Risks and Challenges:** EPs face standard agricultural risks plus partnership issues like poor communication, misaligned values, or personality clashes. Owner resistance to change, insufficient profitability, and complexity/cost of setup and exit (especially with land value appreciation) are hurdles (Redmond, 2020). Landowner barriers include reluctance to cede control, perceived complexity, and difficulty finding suitable partners (Landify, 2024). Critically, EPs in sheep/beef reportedly often fail to meet managers' equity growth expectations (Beef + Lamb NZ, 2025).

**Success Factors:** Success relies on compatible partners with shared values, open communication, clear legal agreements (defining roles, profit/loss sharing, entry/exit), a business plan, demonstrated profitability improvement, and robust governance (Redmond, 2020).

**Equity Building for Managers:** Managers build equity via initial capital/asset contribution, increasing ownership percentage over time (often performance-linked or through profit reinvestment, recognizing "sweat equity"), and potentially further capital contributions (Redmond, 2020).

**Examples/Case Studies:** Concrete examples of non-family manager equity growth in sheep/beef EPs are scarce in the literature compared to dairy sharemilking. Ongoing research (Beef + Lamb NZ, 2025), examples of aspiring partners (NZAB), family transition case studies (Beef + Lamb NZ, 2025), and large-scale incorporations (Whangara Farms) exist, but detailed non-family manager cases are lacking. The gap between EP promotion and reported manager dissatisfaction suggests implementation challenges specific to the sheep/beef sector (Redmond, 2020).

### **3.5.2. Share Farming**

**Definition and Structure:** Two independent businesses operate on the same land: the landowner (provides land/infrastructure) and share farmer (provides stock/plant/labour). Income/costs are split per a formal contract. It's much less common in NZ sheep/beef (<2%) than dairy (24-30%). Success requires trust and a clear agreement (Shadbolt & Martin, 2003).

**Models:** Variations include basic input/output splits and "equity share farming" where profits are reinvested for an equity stake (AHDB). Dairy sharemilking models (Variable order sharemilking vs. Herd owning sharemilking) offer insights. A 2003 study noted that there are sheep and beef models involving land vs. stock/plant splits (often 50/50) or share farmers buying a percentage of stock/plant (Shadbolt & Martin, 2003).

**Benefits:** Share farmers build equity (mainly livestock) without buying land, gain performance-linked rewards, develop skills and share risk. Landowners secure labour/management, potentially increase performance, release capital, reduce involvement and gain output-linked income (Shadbolt & Martin, 2003).

**Risks and Challenges:** Finding compatible partners, setting fair terms, complex agreements, potential disputes, sufficient farm scale (7500+ stock units suggested), minimum term requirements (5-7 years suggested) potentially hindering land sale, livestock value risk and landowner reluctance are challenges (Shadbolt & Martin, 2003).

**Equity Building for Share Farmer:** Equity grows primarily through owning and improving the livestock herd. Equity models allow building a direct stake via profit reinvestment (AHDB). It's a vehicle for leveraging skills to build assets (Shadbolt & Martin, 2003).

**Examples/Case Studies:** A 2003 study provides interview insights (Shadbolt & Martin, 2003). Andy Tripp's operation is mentioned. A B+LNZ factsheet includes a case study (Beef + Lamb NZ, 2025). Federated Farmers offers templates, mainly dairy-focused (Federated Farmers, 2024). The low adoption rate suggests sector-specific barriers like longer production cycles,

income variability, different capital structures or cultural factors make agreements more complex than in dairy (Shadbolt & Martin, 2003).

### 3.5.3. Leasing and Other Arrangements

**Leasing:** A tenant (lessee) rents land/infrastructure from the owner (lessor), running an independent operation, keeping revenue, paying costs and maintaining assets. Leases are typically 3-5 years with renewal options and fixed or variable rent (DairyNZ, 2023). It requires significant lessee capital for stock/machinery and doesn't typically build equity *in the land*. It's often seen as a step *after* share farming (Shadbolt & Martin, 2003).

**Contract Farming:** Agreements for finishing stock or supply contracts (e.g., fixed-price wool contracts, specific meat programs) offer income certainty or premiums but aren't direct equity pathways.

### 3.5.4. Comparative Analysis of Alternative Partnership Models

Feature	Equity Partnership (EP)	Share Farming (Land/Stock Model)	Share Farming (Equity Model)	Leasing
<b>Key Feature</b>	Pooled capital/skills, shared ownership (shares)	Two separate businesses, shared output/costs	Two businesses, share farmer buys % assets/business	Tenant rents land/infrastructure, runs own business
<b>Manager Equity Potential</b>	Builds equity via share ownership, profit reinvestment, performance-linked increase, capital gain	Builds equity primarily via livestock ownership	Builds equity via livestock + % share in business	Builds equity in own stock/plant, NOT land
<b>Risk Allocation</b>	Shared based on equity	Shared based on cost/income split	Shared based on cost/income split & equity	Tenant bears operational/market risk
<b>Suitability for Sheep/Beef</b>	Promoted, but uptake/success debated	Low uptake (<2%), complex	Low uptake, complex	Common, requires high capital
<b>Key Challenges</b>	Partner conflict, Exit complexity, Landowner resistance, Ensuring manager equity growth	Relationship breakdown, Insufficient scale, Landowner reluctance	Complexity, Stock valuation risk, Landowner reluctance	High tenant capital, No land equity gain

Table 2. Comparative Analysis of Alternative Partnership Models

## 3.6. Supporting Structures: Policy, Industry, and Research Initiatives

### 3.6.1. Government Role and Workforce Strategies

Government (mainly MPI) influences the sector through strategic objectives (export growth, sustainability, biosecurity, skills attraction) (MPI, 2024). Initiatives like the Food and Fibre Skills Action Plan address workforce challenges (MPI, 2021). Workforce Development Councils (WDCs) like Muka Tangata analyse needs and build skills pipelines (Muka Tangata WDC, 2024). Policies on environment and immigration also impact operations (Federated Farmers, 2024). However, there's little evidence of specific government policies targeting alternative equity models for manager retention in sheep/beef; the focus seems broader (entry-level training, general skills).

### 3.6.2. Industry Body Contributions (B+LNZ, Federated Farmers, etc.)

Industry bodies provide crucial support. B+LNZ offers data, advocacy, R&D, and farmer support, including career pathway info, resources on EPs/share farming, leadership funding, practical workshops (e.g., communication) and planning tools (Beef + Lamb NZ, 2025). Federated Farmers focuses on advocacy and provides practical resources like contract templates and salary benchmarking (Federated Farmers, 2024). Primary ITO delivers formal training (Primary ITO, 2025). Rural advisory services offer specialized support for business structures and management (NZAB).

### 3.6.3. Food & Fiber CoVE (Centre of Vocational Excellence)

#### The Food & Fibre CoVE Employer Toolkit: Supporting Workforce Retention and Development

The Food & Fibre Centre of Vocational Excellence (CoVE) plays a crucial role in addressing challenges within the New Zealand food and fibre sector's workforce, particularly concerning employee retention and skill development. In response to critically low retention rates, especially during the first 12 months of employment, the Food & Fibre CoVE has developed and piloted a comprehensive **Employer Toolkit** (Food & Fibre CoVE, n.d.a, 2025). This free, accessible, and practical online resource is specifically designed for employers, managers, and supervisors within the primary industries to enhance job satisfaction and reduce attrition by addressing key drivers of employee turnover.

The genesis of the toolkit lies in research conducted by the Food & Fibre CoVE, which identified mental health challenges, misaligned job expectations, and poor employee-manager relationships as significant factors contributing to employees leaving the sector (Food & Fibre CoVE, n.d.a, 2025). The high cost associated with replacing staff (estimated at 30% to 200% of an employee's annual salary) underscores the economic imperative for improved retention strategies, which the toolkit aims to support (Food & Fibre CoVE, n.d.a, 2025).

The Employer Toolkit is structured around several key themes, providing practical guidance and resources across a range of vital areas:

- **Attracting and Onboarding:** Strategies for finding the right individuals and ensuring a smooth, supportive induction process for new hires. This includes guidance on buddy systems and hands-on training (Food & Fibre CoVE, n.d.b, 2025).
- **Workplace Wellbeing & Culture:** Emphasizing the creation of a positive, inclusive environment that boosts job satisfaction. This section offers insights into fostering social connections, providing constructive feedback, and promoting an open-door policy (Food & Fibre CoVE, n.d.b, 2025). Case studies highlight both challenges and successes in improving workplace culture (Food & Fibre CoVE, n.d.c, 2025).
- **Māori Cultural Confidence:** Recognizing the growing demographic of Māori within the food and fibre sector, the toolkit provides guidance on incorporating elements of Te Ao Māori (the Māori world) into daily work practices. This aims to enhance relationships with Māori employees and enrich overall workplace practices, fostering a more respectful and inclusive environment (Food & Fibre CoVE, n.d.a, 2025).
- **Mentorship & Coaching:** Guidance on developing employees through effective mentoring and coaching, crucial for skill development and supporting younger generations and new entrants to the workforce (Food & Fibre CoVE, n.d.b, 2025).
- **Training & Development:** Support for ongoing learning, including formal, informal and semi-formal learning pathways. This section helps employers identify and align training opportunities with both employee career goals and business objectives (Food & Fibre CoVE, n.d.d, 2025).

- **Employer Obligations:** Clarity on meeting legal and employer responsibilities to prevent costly legal issues and ensure compliance (Food & Fibre CoVE, n.d.b, 2025).

The toolkit has been co-designed with industry stakeholders and integrates Te Ao Māori concepts throughout its content (Farmers Weekly, 2025). It is presented in a "snackable" format, available as a website, printable PDF and audio podcasts, allowing users to access information in a way that suits their preferences (Farmers Weekly, 2025). By providing actionable advice and practical tools, the Food & Fibre CoVE Employer Toolkit serves as a significant national initiative to strengthen the human capability within New Zealand's vital food and fibre industries, promoting more stable, productive, and satisfied workforces. Its emphasis on a holistic approach to employee welfare and development positions it as a key resource in current discussions around agricultural workforce sustainability.

#### **3.6.4. Relevant Academic Research Streams**

Universities like Lincoln and Massey contribute through education and research. Lincoln hosts the Kellogg Rural Leaders Programme, producing applied research on succession, EPs, and related issues (Redmond, 2020). Massey offers expertise in agriculture, agribusiness and animal science. Repositories like AgEcon Search hold relevant economic research (Shadbolt & Martin, 2005). A synergy exists where industry bodies provide practical tools, while academic/leadership programs often drive deeper analysis and innovation on complex issues like EPs (Beef + Lamb NZ, 2025).

### **3.7. Synthesis, Research Gaps, and Future Directions**

#### **3.7.1. Synthesis of Findings**

Retaining sheep and beef farm managers is critical. Traditional ownership pathways are difficult due to capital barriers (Redmond, 2020). Coupled with industry pressures, this creates a retention risk, with managers leaving due to a lack of perceived wealth creation opportunities beyond salary (Beef + Lamb NZ, 2025). A multi-faceted approach is needed: competitive compensation is essential but insufficient alone (Federated Farmers-Rabobank, 2024). Non-financial factors like a positive work environment (leadership, communication, culture), professional development and work-life balance are crucial (Baker Tilly Staples Rodway 2018). Alternative models like EPs and share farming offer potential equity pathways but face practical challenges in the sheep/beef sector, including reported failures of EPs to meet manager expectations and low share farming adoption. Success hinges on partner compatibility, clear agreements, profitability and trust (Redmond, 2020).

#### **3.7.2. Identified Research Gaps and Inconsistencies**

**Data on Alternative Models:** Lack of quantitative data on prevalence, structures and financial outcomes (especially manager equity growth) of non-family EPs/share farming in sheep/beef.

**Landowner Perspectives:** Need for targeted research on landowner motivations, perceived risks and barriers to equity-sharing with non-family managers.

**Quantifying Non-Financial Impacts:** Limited research quantifying the relative impact of specific non-financial factors on experienced sheep/beef manager retention decisions.

**Model Adaptation:** Need for research on adapting successful models (e.g., dairy sharemilking) or developing bespoke models for sheep/beef's unique economics.

**Evolving Manager Expectations:** Deeper understanding needed of current/upcoming managers' expectations regarding careers, wealth creation, work-life balance and partnership structures.

**Viability Thresholds:** Need for economic modelling to determine minimum farm scale/profitability for sustainable partnership models in sheep/beef.

Salary vs. Wealth Creation Disconnect: Further investigation needed into why managers leave citing lack of wealth creation despite rising salaries.

### **3.7.3. Implications and Future Directions**

Industry Practice: Need for transparency and potentially standardized frameworks for EPs/share farming in sheep/beef. Continued focus on non-financial management best practices. Enhanced facilitation services for partnerships.

Policy: Consider targeted policies to incentivize alternative equity models. Refine workforce strategies to focus on mid-career manager retention. Address broader farm viability issues.

### **3.8. Conclusion**

Retaining farm managers is crucial for the NZ sheep and beef sector. Traditional ownership is increasingly difficult, leading managers to seek alternative wealth creation pathways.

Competitive pay is necessary but insufficient; non-financial factors like work environment, development opportunities and work-life balance are critical. Alternative models like EPs and share farming offer potential solutions but face implementation challenges specific to the sector. Future success requires innovation, including refining equity models, promoting best management practices, better partnership facilitation and potentially targeted policies.

Addressing research gaps on model effectiveness, landowner perspectives and manager expectations is vital for creating sustainable and rewarding long-term careers for the managers essential to the industry's future.

## 4.0 Report Methodology

### 4.1 Literature Review:

There is a great deal of information about career pathways for sheep and beef farm managers. A significant amount of work has been done by Beef and Lamb New Zealand (B+LNZ) in this space. The B+LNZ Knowledge Hub (Beef + Lamb NZ, 2025) provides resources that explore potential options for farm managers: Equity Partnerships, Leasing, and Share Farming, along with the advantages and disadvantages of these different options.

Other key contributors to the literature review include the 2020 Kellogg report conducted by Matt Redmond (Redmond, 2020), which investigated opportunities for younger farmers to grow their equity within the agricultural industry, there is also the book *Farm Management in New Zealand* written by Nicola Shadbolt and Sandra Martin (Shadbolt & Martin, 2003) that focuses on the skills, knowledge, business structures and practices that farmers need to be successful.

The information that is less readily accessible is the actual desire and uptake of these pathways by farm owners and farm managers. It is also unclear if this impacts on farm manager retention within the New Zealand sheep and beef industry. The literature review revealed a lack of available data on the actual number of farm managers leaving the industry, further research is needed to identify any missing links by conducting interviews with relevant stakeholders.

### 4.2 Semi-Structured Interviews:

Given the complexity of this research topic, it was critical to gather the perspectives of a wide range of stakeholders in the sheep and beef industry. Three groups were identified to provide information most relevant to the retention of farm managers.

#### 1. Former Farm Managers

- Participants were required to have significant prior experience as sheep and beef farm managers.
- They had to have transitioned to a career outside of farm management within the past five years.
- Selection focused on individuals willing to share detailed reflections on their reasons for leaving the industry.

#### 2. Current Farm managers

- Participants are currently managing a sheep and beef farm and possess varying levels of experience, from newly appointed to highly experienced managers.
- The selection aimed to capture diverse perspectives on the opportunities and challenges within the industry.

#### 3. Farm owners:

- Participants included farm owners who employ managers and professionals supporting farm owners in employment.
- Insights were gained into the employer-employee relationship

Questionnaires were carefully designed to gather valuable insights from the interviews while making participants feel at ease sharing their experiences and views on the industry.

Interviews were conducted over two months through face-to-face meetings, online video calls and phone calls. These interviews were recorded, transcribed and categorised into the one of the three relevant interview groups. Once all the interviews were completed a

thematic analysis process was conducted. To help with the large amount of information to analyse, these transcriptions were run through Gemini AI to gather the common/reoccurring themes within the groups interviewed and reviewed by the writer. Special attention was given to any unique or unconventional ideas raised by interviewees, even if they did not align with common themes. These insights were documented and analysed individually to ensure that innovative or out-of-the-box perspectives were not overlooked, as they could provide valuable contributions to understanding the challenges and opportunities within the industry.

To protect participant confidentiality, several measures were implemented. All participants were provided with detailed information about the study's purpose, methods, and intended outcomes, and informed consent was obtained before conducting interviews. To ensure anonymity, identifiable information was removed from transcripts and analysis, with references to specific farms, locations, or other identifying details generalised. Participation was entirely voluntary, with participants assured they could withdraw at any point without consequences.

The analysis of the data gathered will refer back to the initial question of how to retain sheep and beef farm managers. It was important that the writer of this report took an impartial approach when conducting the thematic analysis, this is to maintain the credibility and authenticity of the responses of the interviewees.

## 5.0 Analysis and results

The following sections provide the results from the interviews conducted during this research. The results explained in this section and will be expanded later in the report.

### 5.1. Insights gathered from interviews

Following a thorough thematic analysis of the data collected from all interviews, four recurring themes emerged. These themes were evident across all three groups interviewed, suggesting that these issues are not exclusive to managers but are widely recognised throughout the sheep and beef industry. Additionally, the interview process included a case study of an equity partnership, which provided insights into the farm owner's thought process and the implementation of such partnerships.

#### **Lack of Clear Career Progression and Financial Reward**

A consistent theme is the perception that financial rewards (including wages) and the pace of personal wealth accumulation in sheep and beef farm management are less attractive than in alternative sectors. This makes it difficult for managers to build savings and secure their financial future.

The lack of clear career progression pathways is a significant concern, highlighted by current managers and contributing to the departure of former managers who felt they had limited opportunities to advance. This absence of structured routes to greater responsibility and skill development in areas such as business and financial insight can lead to feelings of stagnation and limit long-term career commitment.

The financial rewards associated with farm management in the sheep and beef sector were frequently perceived as less competitive compared to opportunities in alternative industries outside of agriculture, when comparing jobs at a similar 'management level'. Former farm managers explicitly mentioned financial barriers to career advancement and the unattainability of ownership due to limited wealth accumulation through wages as key factors in their decision to leave. This financial ceiling creates a significant challenge in attracting and retaining ambitious individuals who seek competitive remuneration and the ability to build a secure financial future.

#### **Farm Manager Motivations and Personal Drivers**

Managers in the sheep and beef industry are primarily motivated by their enjoyment of working with animals and being outdoors, the companionship of working dogs and the intellectual challenge and satisfaction of achieving clear animal performance targets.

The strong desire for ownership was overwhelmingly expressed of current managers, this highlights its importance as a long-term personal and professional goal. However, when managers perceive a lack of clear and achievable pathways to ownership or when the financial rewards of management do not align with their aspirations for building a future in the industry, their initial passion can wane. The feeling of "working for someone else" without a tangible prospect of greater involvement and reward, including ownership, can diminish motivation to invest long-term in a management role.

While there is general agreement that target-based incentives could benefit the industry, concerns about the complexity of implementing a fair system due to external variabilities were commonly raised by interviewees. Additionally, it was noted that incentives don't always work as intended and, in some cases, can act as a demotivator if perceived as unfair or misaligned with the realities of farm management.

#### **Workplace Dynamics**

The interviews consistently revealed that the demanding nature of farm management profoundly impacts workplace dynamics and the ability to achieve a healthy work-life

balance. This theme directly addresses questions about what managers enjoy and what frustrates them, as well as owners' strategies for retention.

For both current and former managers, the challenges posed by long and often inflexible working hours were a significant source of frustration. The majority of both current and former managers explicitly mentioned difficulties in achieving a healthy work-life balance, particularly as family responsibilities increased. This suggests a growing expectation among farm managers for greater flexibility and a shift away from the traditional "work all the time" mentality.

Beyond hours, the quality of the work environment itself emerged as crucial. Managers highly valued feeling genuinely valued and respected by their employers, experiencing open and transparent communication and operating within a foundation of mutual trust. Equally, the absence of these positive attributes, such as perceived lack of support, limited autonomy or feeling undervalued, was a significant contributing factor to dissatisfaction.

The absence of trust, autonomy and feeling valued was cited as a factor in the departure for former managers, underlining their critical role in nurturing a supportive and engaging environment that encourages long-term commitment. Owners, recognising this, highlighted strategies such as providing autonomy, involving managers in decision-making and acknowledging non-tangible benefits as key to retention.

High staff turnover significantly burdens New Zealand sheep and beef farms, incurring costs beyond just recruitment and training. During the interviews it was highlighted that the true cost of replacing an employee can be 20% of the following years production. Frequent personnel changes disrupt productivity, lower morale and farm performance due to lost knowledge. This churn leads to increased recruitment and training costs, reduced productivity from new staff and a loss of critical farm-specific knowledge. Addressing high staff turnover isn't just about saving money, it's about building a stable, skilled and motivated team through competitive pay, positive workplace cultures, clear career development and better work-life balance. Recommendations such as establishing mentorship programmes and creating platforms for sharing experiences directly contribute to improving workplace dynamics.

### **Ownership Pathways**

Across all groups, a central issue identified is the absence of clearly defined and accessible career progression pathways that ultimately lead towards opportunities for ownership or significant equity within the sheep and beef industry.

The lack of a structured route to greater financial stake and operational control, particularly in comparison to the dairy sector, represents a significant impediment to long-term career aspirations. The unattainability of ownership was a major catalyst for leaving the industry for former managers. For current managers, the strong desire for ownership underscores the importance of creating realistic and transparent pathways to achieve this goal. The development of innovative models for shared ownership, leasing arrangements with equity potential or facilitated transitions for retiring farmers without family successors are potential strategies to address this critical need and foster long-term commitment to the sheep and beef sector.

Issues around ownership pathways, career progression, financial rewards, personal motivations and workplace dynamics all impact retention and job satisfaction. The following sections provide a deeper understanding of these themes, setting the stage for recommendations to address these challenges and drive industry-wide improvements.

## 5.2 Key Themes

### 5.2.1 Lack of Clear Progression and Financial Reward

A consistent and significant concern raised by interviewees across all groups is the perception that financial rewards, including wages, and the pace at which personal wealth can be accumulated in sheep and beef farm management are considerably less attractive than in alternative sectors. This disparity creates challenges in attracting and retaining skilled managers who seek financial security and career advancement.

#### Low Wage Environment:

Data from SEEK NZ indicates an average annual salary range of \$130,000 to \$150,000 for managerial positions across New Zealand (SEEK NZ, 2025). In contrast, the average salary for a management role within the sheep and beef industry is \$97,435, as reported by Fed Farmers Remuneration survey (Federated Farmers, 2024), highlighting a significant disparity. Notably, **17 of the 19** people interviewed identified this wage gap as an issue that is forcing farm managers to leave the industry to better-paying opportunities elsewhere.

It is widely understood that this is an issue the industry faces to retain skilled staff. The main reason stated is because of the low and fluctuating profitability of sheep and beef farms in New Zealand, driven by various external factors, including volatile global commodity markets, increasing compliance costs and environmental regulations. These pressures make it difficult for farm owners to forecast revenue reliably, further restricting their ability to offer higher salaries.

#### The employment ceiling:

The presence of an "employment ceiling" creates uncertainty for motivated and ambitious sheep and beef farm managers. Unlike sectors such as dairy, which offer more defined progression models like contract milking and sharemilking (Figure 4). The sheep and beef industry presents fewer obvious or accessible opportunities for managers to advance beyond working for wages (Figure 3).

The equity partnership model is often viewed with scepticism unless they are clearly structured with viable entry and exit strategies. Several employers interviewed mentioned they would consider a partnership "with the right person". A further complexity exists for farm managers around moving for a better job or staying in an area to build networks that are crucial for future equity opportunities.

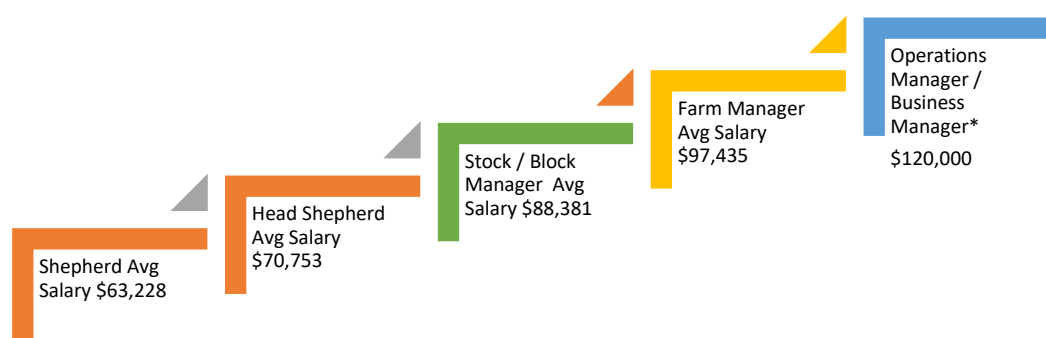


Figure 3. A typical New Zealand Sheep and Beef Career Pathway and wage range ([www.flipsnack.com/fedfarm/remuneration-survey-2024-vtnyn3pd1j/full-view.html](http://www.flipsnack.com/fedfarm/remuneration-survey-2024-vtnyn3pd1j/full-view.html))

\*Operations Manager / Business manager: Typically involved in larger-scale or corporately owned enterprises, this role may oversee multiple farms or include part or full ownership of the business. These positions are often found within farm businesses that are part of a broader corporate structure, where a single entity manages more than one farming operation.



Figure 4. A Typical Pathway in New Zealand DairySource (<https://godairy.co.nz/why-dairy-farming/dairy-farming-roles/>)

As shown in these the wages comparing sheep and beef to dairy are similar if not slightly higher in the sheep and beef industry, the difference are the well-structured progression options beyond the management level.

### Lack of Clarity Around Job Title

An interesting point raised by two of the managers who decided to leave the industry was the lack of a clearly defined criterion for what constitutes a farm manager. In the sheep and beef industry, management roles can be broadly categorised into positions such as Stock Manager, Block Manager and Farm Manager. However, there is considerable ambiguity surrounding the specific responsibilities associated with each role, particularly regarding financial accountability.

This lack of clarity extends to pay expectations for these roles and how they correlate with the size of the farm business and the level of responsibility required. For example, larger operations may require managers to oversee complex budgets, staff and compliance

processes, while smaller farms might focus primarily on operational duties. Despite these differences, pay structures often do not adequately reflect the varying levels of responsibility.

One interviewee highlighted this inconsistency, noting,

*“You’ll visit a shepherd that holds more responsibility than a stock manager down the road.”*

This quote underpins the disparity in how roles are defined and compensated, contributing to confusion and dissatisfaction among farm staff.

This lack of role definition can have a cascading impact on career progression and employee retention. Without clear pathways and corresponding pay scales, motivated individuals struggle to understand how to advance within the industry. It also leads to frustration when responsibilities exceed expectations without a corresponding increase in recognition or compensation.

Introducing standardised role definitions and pay frameworks across the industry could address these concerns. Clear job descriptions and transparent expectations tied to the scale of responsibility and business size would provide consistency, helping both employers and employees align on expectations. Furthermore, standardised frameworks could assist in benchmarking salaries, making the industry more competitive and attractive to skilled managers.

### 5.2.2 Farm Manager Motivations and Personal Drivers

Understanding the core motivations and long-term aspirations of farm managers is crucial for addressing the retention challenges within the sheep and beef industry. This section explores these drivers, as well as perspectives on performance-based incentives.

#### **Motivations:**

Current farm managers emphasised their genuine enjoyment of working with animals and the opportunity to work outdoors as primary motivations for their roles. These sentiments were echoed by former managers, who noted that these were aspects they missed most after leaving the industry. Additionally, having a team of working dogs was frequently mentioned as a source of personal satisfaction.

Managers also highlighted the intellectual and physical challenges of sheep and beef farming as a key motivator. Having clear and achievable targets (either personal or set by the employer) for animal performance was also a motivating factor, with many describing a strong sense of accomplishment when such goals were met.

#### **Incentives:**

During the interviews, each interviewee was asked about their perspective on having a target-based incentive process as part of the remuneration package for a farm manager. There were varying levels of interest and experiences from the interviewees, the most common comment that came through was the complexity of implementing a fair incentive system for both the manager and owner.

It was highlighted that the constant variabilities of weather, stock prices and the rise of on farm costs make it difficult set and achieve targets. Despite these challenges, most interviewees acknowledged that a well-designed incentive model with clear and achievable targets could benefit the sheep and beef industry. Interestingly, no one referenced the Beef and Lamb NZ ‘Performance Incentive’ factsheet or the ‘Performance Incentive Agreement & Schedule’ available on the Beef and Lamb Knowledge Hub (Beef + Lamb NZ, 2025), suggesting these resources may be underutilised or not well known.

### **Long Term Vision:**

Both current and former managers overwhelmingly stated that they do not wish to remain career managers.

Three main aspirations were mentioned in the interviews:

1. A desire to be involved in a well-structured equity partnership
2. To get into a position to purchase a smaller block of land to farm themselves (with income supplement by, as one interviewee talked about casual employment or fencing contracting)
3. To leave the industry completely and pursue a different career.

When discussing the farm manager salaries and farm ownership opportunities, one quote from a rural professional interviewed stood out.

*"For a lot of sheep and beef guys the money is just not there, if you want build up a capital base for the future you've just got to go find another way of doing it".*

### **5.2.3. Workplace Dynamics**

Beyond the structural and financial challenges, the day-to-day workplace dynamics significantly impact the job satisfaction and retention of farm managers in the sheep and beef industry. This section explores the key aspects of workload, work-life balance, and interpersonal relationships.

#### **Demanding Workload:**

It is generally understood that sheep and beef farming isn't a 9 - 5, five days a week occupation. Certain times of the year long hours are required to "get the work done" during seasonal peaks over lambing, calving and weaning. Additionally, weekend work is often unavoidable, as livestock still require feeding and checking regardless of the day of the week.

For sole managers, these demands can be particularly challenging, as there is no one to share the workload or implement a weekend rotation. It was noted that this can make the manager feel tied to farm, leading to the possibility of burn-out. Some of the employers interviewed highlighted that they appreciated these demands on managers and account for this by providing time off in lieu for extra hours worked. In comparison, the dairy industry often employs relief milkers to provide regular time off for farm managers and staff, something notably lacking in many sole-manager sheep and beef operations.

#### **Work-Life Balance/Flexibility:**

The concept of work-life balance has gained increasing importance across industries and agriculture is no exception. This shift is particularly relevant to the sheep and beef industry in New Zealand, where 64% of farm managers fall within the 25-49 age bracket, as reported in the Federated Farmers Remuneration Survey (Federated Farmers, 2024). This age group overlaps significantly with the average age of starting a family in New Zealand, which is 31.5 years (Science Media Centre, 2025).

This demographic alignment underscores the increasing importance of flexible employment conditions that accommodate family life. As more partners return to the workforce after having children, the need for shared childcare responsibilities further highlights the demand for work arrangements that prioritise balance. For many farm managers, the inability to secure time off, especially on weekends, has been a source of frustration and a key factor in their decision to leave the industry.

One telling reflection from interviewees who exited farm management was the relief of "getting my weekends back." This sentiment, echoed by three individuals, underscores the

value placed on having regular, predictable time to dedicate to family and personal interests—something the current structure of sheep and beef farming often struggles to provide.

### **People: The Foundation of Success or Frustration**

The relationships between farm owners and managers are critical to the success of any sheep and beef operation. When these relationships are built on clear expectations, trust and mutual respect, they foster a positive working environment that benefits both parties. Conversely, when expectations are mismanaged or communication breaks down, the result is often frustration, disengagement and ultimately, staff turnover.

Two stark examples from interviews with managers who left the industry illustrate how mismanaged expectations can lead to negative experiences:

**A. Lack of Promised Support:**

A young manager was given the opportunity to oversee a larger farm with multiple staff members. Acknowledging their need for guidance, they sought assurance from the farm owner that support would be provided early in their employment. However, when this support failed to materialise, the manager faced undue pressure, leading to a strained relationship with the owner and a growing sense of disillusionment.

**B. Unrealistic Incentives:**

An experienced manager accepted a position that included target-based incentive payments as part of their remuneration. However, the targets set by the owner were significantly above industry norms and virtually unachievable. This created frustration for the manager, who felt demotivated and undervalued, ultimately prompting them to leave the role.

These examples underline the importance of setting realistic and mutually agreed-upon expectations from the outset.

Positive experiences hinge on how well people are managed, supported and valued within their roles. Several key drivers for success emerged from interviews:

- **Clear and Open Communication:** Establishing regular check-ins and fostering an environment where both parties feel comfortable voicing concerns can prevent misunderstandings and build trust.
- **Realistic Goal Setting:** Performance incentives and targets should be ambitious yet achievable, reflecting industry standards and recognizing the external factors (e.g., weather, market volatility) that influence outcomes.
- **Support Systems:** Owners should ensure that managers, particularly those taking on new or expanded responsibilities, have access to mentorship, resources and guidance to succeed in their roles.
- **Recognition and Valuation:** Managers are more likely to remain engaged and committed when their efforts and achievements are acknowledged and rewarded.

### **"People Leave Managers, Not Jobs"**

A recurring theme from the interviews was the profound impact that interpersonal dynamics have on job satisfaction. Many managers who left the industry did so not because of the nature of the work but because of challenges in their relationships with their employers. These insights reinforce the critical role that people management plays in shaping a manager's experience and by extension, their decision to stay or leave.

One of the farm owners interviewed found that psychometric testing (DISC profiling) was a valuable tool for creating a well-balanced team. Both owners (husband and wife) completed their own DISC profiles which was analysed by an independent advisor. This then was integrated into their employment process. The profiles from the potential candidates are analysed by the independent advisor and identifying who was the best fit for their team. This process has been invaluable, it's been crucial in developing their cohesive and collaborative team.

DISC profiling is a behavioural assessment that helps individuals understand their natural communication and work styles by categorizing them into four main types (Figure 5): Dominance, Influence, Steadiness, and Conscientiousness. This tool is widely used in across New Zealand businesses to enhance self-awareness, improve communication, build stronger teams, and develop more effective leaders by recognising and appreciating diverse behavioural tendencies.

Investing in strong, supportive and transparent relationships between farm owners and managers is essential for a positive workplace culture.

The Four Quadrant Model

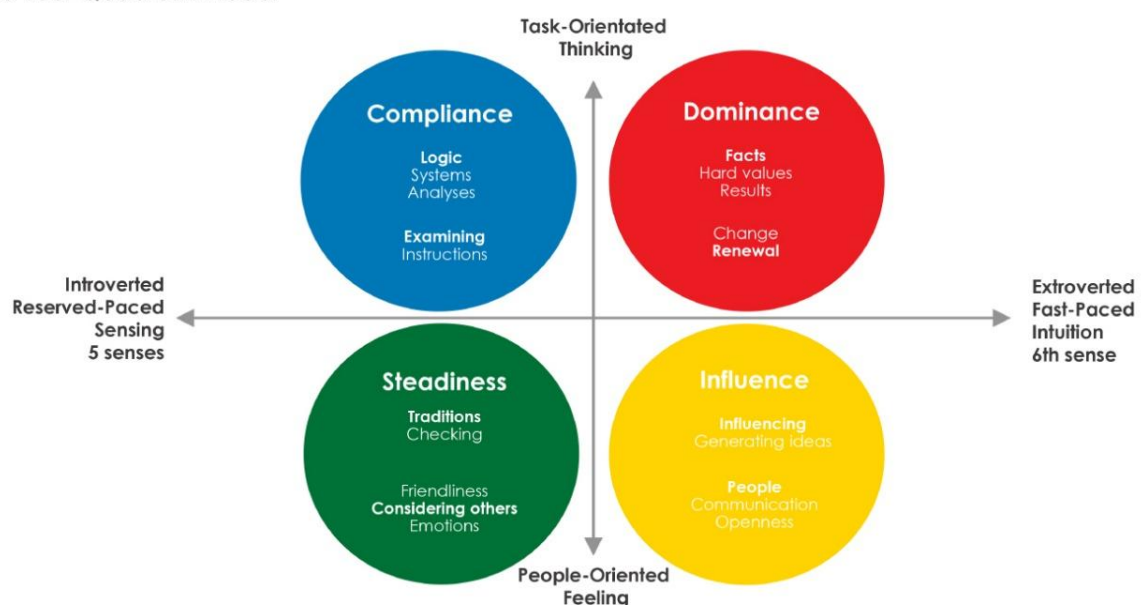


Figure 5. DISC is a behavioural tool, an assessment of a person's natural behavioural tendencies in the work environment. (<https://www.chapmaner.co.nz/extended-disc-behavioural-assessment-tool/>)

#### 5.2.4. Ownership Pathways

The aspiration for farm ownership or a meaningful stake in the business is a significant driver for many entering or progressing within the agricultural sector in New Zealand. However, as this section will outline, significant barriers exist within the sheep and beef industry, hindering these aspirations and demanding innovative solutions, particularly through the proactive development and promotion of robust equity partnerships.

### Land price increase:

It's always been challenging to acquire a sheep and beef farm of sufficient scale to be economic, but this issue has been severely amplified by the large-scale conversion of traditional sheep and beef land in New Zealand to other industries, such as dairy farming and carbon farming. From 2002 to 2021, land prices rose 240%, from \$3,200/ha to just under \$11,000/ha (Figure 6). These major factors, largely out of the control of the sheep and beef industry, have created a critical supply and demand imbalance for suitable land. Existing landowners, who've seen significant equity growth in their land assets, are now effectively outcompeting new entrants to the market.



Figure 6. *Property Brokers Rural*, Feb 2022, *Price increases for sheep and beef land highlighting the spikes in prices.* (<https://www.propertybrokers.co.nz/news/record-prices-continue-for-large-scale-hill-country-30-up-year-on-year>)

To purchase even an entry-level sheep and beef farm, aspiring farmers must navigate immense financial hurdles. The cost of a modestly sized farm easily exceeds several million dollars. With typical lending criteria requiring a minimum equity contribution of 60%, a buyer would need at least \$1,800,000 in capital for a \$3 million farm. Even once the land is acquired, achieving viability poses further challenges. A farm must generate sufficient income to cover operating costs, service debt, and provide a reasonable return on investment. This necessitates scale, operational efficiency, and favourable market conditions – factors that are increasingly difficult to align given rising costs, environmental compliance demands, and fluctuating commodity prices.

For new entrants, these barriers create a daunting environment. Without substantial external funding, inheritance, or crucially, access to well-structured equity partnerships, the pathway to farm ownership remains largely out of reach for most aspiring farmers. This reality underscores the urgent need for innovative solutions, such as collaborative ownership models, improved access to financing, and targeted industry initiatives that specifically champion equity partnerships as a primary solution to address the growing inequity in land ownership opportunities.

### The missing link in Equity Partnerships:

A fundamental structural issue within the sheep and beef industry lies in effectively linking ambitious farm managers with potential equity investment opportunities. Part of this stems from the absence of a standardised, repeatable "Owner Lead" equity partnership model. While resources are available on the Beef + Lamb NZ Knowledge Hub (Beef + Lamb NZ, 2025) outlining equity partnership structures and farm ownership transition, these are generally focused on within-family succession rather than facilitating partnerships with external equity managers. This gap highlights a critical area where targeted recommendations can make a

significant difference. The lack of appetite for engaging in these equity partnerships from existing farm owners may, in part, be attributed to a deficit in business acumen or a lack of foresight to recognise and capitalise on such opportunities for growth and succession.

To bridge this gap, as articulated in the discussion on promoting and supporting equity partnerships, the industry must actively facilitate and network opportunities. This includes supporting or funding platforms like "Landify," which are designed to connect "established farmers looking for options to step back in a way that meets their family's needs" with "the next generation of farmers who want to step into business and land ownership but are consistently priced out of the open market for leases and farm purchases" (Landify, 2025). Furthermore, increasing the number of industry events specifically designed for these connections, perhaps as structured "meet and greet" sessions or workshops, would be highly beneficial in overcoming this "missing link."

It's also crucial to expand and rethink existing equity models, providing more clarity on how farm owners can "keep their farm in the family" while still creating partnerships that are "fairer" to all involved. This speaks directly to the need for repeatable and transparent models that build confidence.

### **The Dairy Industry Model:**

The dairy industry was consistently referenced within all interview groups as having a clear framework to achieve ownership. Ownership in this case can mean herd ownership, business ownership (excluding land), and also full farm ownership. While it's unclear if this is drawing managers away from sheep and beef farming, what was brought up time and again was the perception that the dairy industry has been proactive in addressing the challenges of moving from management to ownership. To further this point, there was an obvious scepticism around share farming options or equity partnerships in the sheep and beef industry, with the perception that they've been tried but more often than not, have failed. This scepticism underscores the critical need for robust, well-supported, and transparent equity partnership models in the sheep and beef sector.

To counter this scepticism and build confidence, the recommendations for financial and legal support are particularly relevant. Exploring the possibility of government-backed loan guarantees specifically for establishing equity partnerships would reduce the financial risk for both incoming and outgoing partners, addressing a key apprehension. Additionally, investigating potential tax incentives for establishing and maintaining these partnerships could further encourage their adoption, especially when they facilitate succession and new entry into the industry. Providing clear and standardised templates or guidance for legal agreements related to equity partnerships would also make the setup process less daunting and potentially reduce legal costs, directly addressing concerns about the perceived complexity and risk of these arrangements in the sheep and beef sector.

### **5.2.5. Case Example: A Structured Approach to Equity Partnership**

A New Zealand sheep and beef farm has successfully brought two key managers into an equity partnership. This case shows how a well-planned approach can help address some industry challenges and encourage long-term commitment.

#### **The Situation:**

The farm owners were looking at future options for their intensive 500ha owner-operated sheep and beef farm. As the owners felt like they "weren't getting any younger", three options were considered: Sell the farm and go and do something else, employ a manager to take over the day-to-day management of the operation or get bigger through leasing to achieve enough scale to employ a management team that could potentially get some form of 'buy-in' to the business.

They didn't feel comfortable selling the farm, they were concerned about employing a manager as they were worried about manager turnover and how that may impact production, so they went down the path of growing the business and looking to bring on two equity managers.

Through thoughtful evaluation of the desired skill set and motivations, they successfully identified two individual candidates within their community who aligned with their values and objectives

### **Farm Scale:**

A key factor enabling this partnership was the size of the farming operation (500ha owned and 550ha leased, running more than 10,000 stock units). Both the owner and managers felt this scale was necessary to generate enough income to support multiple management roles and provide genuine opportunities for growth, offering something more significant than just running a smaller, independent farm.

### **The Approach:**

The owner separated the land ownership from the farming operation. An operating partnership was formed, which owns the stock and plant and leases the land. This structure makes it more accessible for managers to buy into the business without needing the significant capital required for land purchase.

### **Building the Partnerships:**

The owner was flexible in how the two managers entered the partnership. One manager had a connection to a leased block the owner took on, a structured timeframe was put in place where the manager worked for the owner for a period. There was a clear agreement that a stake in the operating business would be offered to the manager to secure a longer-term lease on the managers family block. The owner also helped this manager plan financially to be able to invest.

The second manager's entry was based on both parties' good reputations and an owner having a clear financial model to propose. The owner facilitated a loan for the manager to buy shares in the operating company, to be repaid from future profits. This manager valued the owner's proven integrity and the practical nature of the equity model, which avoided the need for a large capital outlay. The owner remains willing to help facilitate further equity growth.

For one of the managers, the owner's willingness to share information, offer a path to equity and show appreciation was a key difference from previous negative experiences.

### **Financial Strategy and Future:**

The owner borrowed funds to invest in developing the leased land, aiming to boost productivity and profitability for the operating company and its partners from the outset. Initial equity stakes for the managers were set as a starting point of 5-10% each, with the potential for managers to increase their share over time to a limit of 20% each. The long-term goal is for the operating business to grow further, potentially by taking on more leases or even investing in land in the future.

Clear plans for valuing stock when partners enter or leave were also important for fairness, the stock are bought in at market value but the exit value is taken from the average price over the previous five years. This approach provides security for all the partners involved as it reduces the risk of one exiting if stock prices rise significantly, this has the potential to provide a solution for the industry as a whole, when relating to the scepticism around equity partnerships.

### 5.3. Conclusions of Analysis

The insights gathered from interviews conclusively demonstrate that the New Zealand sheep and beef industry faces a significant challenge in retaining its farm managers. Four key, interconnected themes consistently emerged across all stakeholder groups: a lack of clear ownership pathway, insufficient financial reward, limited career progression and demanding workplace dynamics. These issues, further exacerbated by factors like the high cost of land and at times confusing role definitions, collectively contribute to job dissatisfaction and a concerning trend of managers leaving the industry for more promising opportunities. While the presented case study offers a compelling example of a successful equity partnership, it underscores the need for broader, industry-wide solutions to address these fundamental challenges and secure the long-term viability of the sheep and beef workforce.

## 6.0 Recommendations

Highlighted in this report are the challenges facing sheep and beef farm managers: limited ownership opportunities, insufficient pay, unclear career paths and demanding work across all the groups interviewed, therefore underlying the fundamental problems causing dissatisfaction and turnover. While one successful equity partnership offered a potential model, addressing these widespread issues requires a coordinated and comprehensive plan. Based on these findings, the following recommendations target specific groups within the industry with practical strategies to move forward.

### 6.1. Farm Owners

#### 6.1.1. Investment in your People:

- Investment doesn't always mean money. Taking the time to truly understand an employee's values and expectations builds trust early on. Examples include:
  - Conducting in-depth initial conversations that go beyond just farm procedures to discuss the manager's career goals, family commitments and personal interests.
  - Having regular, informal check-ins which are not just focused on the operational activities on the farm.
  - Actively listening and demonstrating empathy when managers raise concerns or share personal updates.
  - Incorporating questions about work-life balance and personal well-being into performance reviews.
- Farm owners should establish clear roles, especially for managers, to prevent confusion and maintain trust by providing clarity from the start.
  - Have a clear job description outlining responsibilities and decision-making authority.
  - Reviewing and updating job descriptions annually to reflect changes in the farm operation or the manager's evolving skills.
- Recognising the need for farm managers to build wealth for future ownership.
  - Encourage opportunities to explore off-farm investments or attend financial upskilling courses.
  - Connect managers with experienced individuals (within or outside the industry) who have successfully built personal wealth who may help mentor.
  - Share your own learnings.
- Offer opportunities for managers to learn the financial aspects of the farm operation they work in. This provides valuable learning and can empower managers to identify potential improvements and missed opportunities within the business.
  - Start with small scale budgets – e.g. budgeting a project within the farm, or R&M, cropping etc.
  - Include managers in the process of creating annual budgets for their areas of responsibility and the overall farm.
  - Encourage the involvement in the local discussion group.

#### 6.1.2. Workplace Environment:

- Implement strategies to mitigate the pressure of long and inflexible working hours, particularly for sole managers.
  - This could involve exploring options for shared workload or weekend rotations.
  - Proactively assess peak workload periods and consider employing additional temporary staff or contractors to alleviate the burden on the manager. Use the 'relief milker' model for the sole manager.
  - While time off in lieu is appreciated, it doesn't address the immediate stress and lack of personal time.

- Recognise the demographic shift and the increasing importance of work-life balance, especially for managers with young families.
  - Be proactive in discussing and implementing flexible work arrangements where feasible. For example, offering more predictable weekend time off or encouraging them to be involved in their kid's activities, allowing them to finish early on a set day etc.
  - Demonstrate an understanding of the manager's personal needs can significantly improve job satisfaction and reduce the likelihood of them seeking roles with better work-life integration.
- Cultivate a positive working environment by prioritising open and honest communication from the outset.
  - To enhance workforce stability and reduce the significant costs associated with high staff turnover, engage with the Food & Fibre CoVE Employer Toolkit. This comprehensive resource provides practical strategies and tools to foster positive workplace cultures, improve employee satisfaction and support skill development, ultimately benefiting both staff and farm profitability.
  - Ensure that job expectations, including workload, responsibilities and performance targets, are clearly defined and mutually agreed upon.
  - Provide the promised support and resources necessary for the manager to succeed, especially when taking on new challenges or larger roles.
  - Utilise psychometric testing / DISC profiling to understand your employee's communication style, personality, values etc.

### **6.1.3. Long Term Planning and Succession Options:**

- With the average age of farm owners now sitting at 58 years old, at some point there is going to be the need for farm owning families to consider their succession options. If no one in the family wants to take over the day to day running of the farm, plans need to be put in place.
  - Clear and honest communication is needed within the family to understand all points of view and each individual's expectations.
  - Start this process as early as possible.
  - Utilise a trusted mediator/outside voice to document the discussions and manage any conflicts.
- An obvious solution for a farm owning family with no successor is to sell up and move on, however the example of the case study in this report highlights how the land asset can be separated from the operating business, providing a secure, long-term asset for future generations.
  - Explore the option to bring in outside expertise in the form of a farm manager or potential equity manager.
  - An initial period of 2-3 years should be considered for the family and manager to build relationships and trust before equity buy in (in the operating company) is offered to the manager.
  - Making sure expectations and values between partners align from the outset is critical to the success of any enduring equity partnership, this includes clear entry and exit strategies.
- The benefits in the success of the equity partnership model are two-fold.
  - The land asset can remain within the family to support current and future generations and the connection to land is not lost.
  - This option provides an opportunity for an aspiring young farming family to secure their long-term future in the industry and their financial security.

## 6.2. Farm Managers

### 6.2.1 Have Clear, Well Communicated Expectations:

- Be open and honest with your employer about your long-term career goals and your desire for ownership or an equity partnership. This can help them understand your motivations and potentially create opportunities for you.
- When considering a job, prioritise a role that will offer structured career progression, opportunities for increased responsibility and potential for equity or ownership in the future. Inquire about long-term plans for management and succession.
- While farming can be demanding, make work-life balance a priority.
- Don't wait for opportunities to come to you. Actively research and explore different equity partnership models, share farming arrangements and leasing options. Consider platforms like Landify to connect with farm owners.

### 6.2.2. Upskill Yourself:

- Proactively seek opportunities to enhance your skills in areas beyond core farming practices. This includes business management, financial literacy, leadership and technology. Look for courses, workshops or mentoring programs offered by industry organisations.
- Actively cultivate relationships with farm owners, rural professionals and other managers. Networking can open doors to opportunities for advancement, partnerships and knowledge sharing.
- Develop your leadership and communication skills. Employers value managers who can effectively lead teams, manage resources and communicate clearly.
- Develop a strong understanding of farm finances, including budgeting, financial reporting and profitability analysis. This knowledge is essential for both management and potential ownership roles.
- Find experienced individuals (within or outside the industry) who can provide guidance and support as you navigate your career path.

### 6.2.3. Invest and Build Wealth:

- The non-cash benefits often included in a farm manager's package (accommodation, utilities, vehicle, meat) reduce living expenses significantly. This effectively means a larger portion of actual wage can be directed towards savings and investments, accelerating wealth accumulation.
- Recognise the monetary value of these benefits and account for them in their overall financial planning, understanding that they are 'saving' that money which can then be invested.
- By actively managing investments and building wealth, managers that demonstrate sound financial abilities and a proven track record of saving and investing, make themselves a more credible and attractive partner for farm owners and lenders.
- As noted in this report, land prices and the capital required for ownership are immense. Building a substantial capital base is the most direct way to meet the significant equity contribution required for an equity partnership.
- A strong financial position provides managers with greater negotiating power when structuring equity agreements, allowing them to secure more favourable terms or a larger initial stake.

## 6.3. Industry and Government

### 6.3.1. Investment in Ongoing Research:

- The research findings and recommendations from this report are just a starting point for further investigations.
  - More investment and resources from industry bodies like Beef + Lamb New Zealand and Federated Farmers will be crucial in order to expand depth and breadth of this complex topic.
  - The sooner the appropriate resources are available to farm owners and farm managers, the sooner they can implement changes to farm businesses.
- There is acknowledgement that it is difficult to quantify the financial implications of losing experienced sheep and beef farm managers.
  - MPI and Stats NZ could apply their resources and capabilities further understand these impacts. This will help to reinforce to the sheep and beef industry the importance of this matter, prompting industry leaders to advocate for better outcomes.
- The Agri-banking sector should see this as an opportunity to invest in the future of New Zealand agriculture
  - Get alongside and help to support young managers to grow their wealth which will open up opportunities for these managers in the future.
  - Early investments by young managers creates good financial habits and establishes the financial literacy required to make informed decisions if partnership or ownership opportunities arise.

### 6.3.2. Provide Clearer Industry Employment Standards:

- A crucial step in improving farm manager retention is setting industry standards for job titles for managers.
  - The key responsibilities for a Stock Manager, Block Manager and Farm Manager need to be defined and benchmarked.
  - The key is the difference between Block Manager and Farm Manager, a suggestion is that a Block Manager is responsible for all aspects of running a farm except for setting a budget and doing the financials, while a Farm Manager is responsible everything.
  - Stock Managers are involved in all aspects involving stock feeding and management, but matters such as organising contractors, setting overall policies and the financials lay with the farm owner.
- If job titles are properly defined and standardised it will help set pay brackets and pay expectations for managers.
  - Currently this information is available through a substantial paid subscriptions through a Wairarapa based agricultural consultant or Federated Farmers.
  - The industry needs to work together to remedy this situation by allowing easier access to these through remuneration surveys.

### 6.3.3. Promote and Support Equity Partnerships:

- Facilitation and Networking
  - Support or fund the development and promotion of platforms (like Landify) that connect farm owners seeking succession or investment with potential equity partners (both managers and external investors).
  - Increase the number of industry events specifically designed to facilitate connections between farm owners and potential equity partners. These could be structured "meet and greet" sessions or workshops focused on finding compatible partners.
  - Expand and rethink existing equity models that are currently promoted by industry, finding more clarity how farm owners can 'keep their farm in the family' while still helping the next generation through partnerships that are 'more fair' to all parties.

- Consider funding or supporting independent facilitators who can help farming families and potential partners navigate the complex discussions involved in establishing equity partnerships, including aligning goals and values.
- Establish mentorship programs where experienced equity partners guide those looking to form new partnerships.
- Create platforms for sharing experiences, lessons learned and best practices related to equity partnerships within the sheep and beef community.
- Financial and Legal Support
  - Explore the possibility of government-backed loan guarantees specifically for establishing equity partnerships, reducing the financial risk for both incoming and outgoing partners.
  - Investigate potential tax incentives for establishing and maintaining equity partnerships that facilitate succession and new entry into the industry.
  - Provide clear and standardized templates or guidance for legal agreements related to equity partnerships, making the setup process less daunting and potentially reducing legal costs.
- Policy and Advocacy
  - Work towards developing some level of industry-wide best practices or guidelines for equity partnership agreements to provide a framework and build confidence.
  - As per the case study in the report, the entry and exit strategies are crucial in terms of stock buy in and exit prices. Advocate for the buy in prices to be market value but the exit price to be set as an average of the previous five years.
  - Ensure that government and industry succession planning programs actively promote and support equity partnerships as a viable option.
  - Identify and address any policy or regulatory barriers that might currently hinder the formation and success of equity partnerships in the sheep and beef sector.

## 7.0 Limitations of this study

While this report offers practical recommendations to improve farm manager retention in the New Zealand sheep and beef sector, there are several limitations that should be considered when interpreting its findings and applying its suggestions:

### 7.1. Limited Research Period

The primary limiting factor was the short time frame available to carry out the research. As a result, the depth and breadth of engagement with the wider industry were constrained. Retention is a complex, multifaceted issue influenced by economic, social, generational and regional factors. While this report highlights key themes from those interviewed, a more comprehensive investigation, over a longer period, would strengthen the evidence base and potentially surface further insights not captured here.

### 7.2. Sample Size and Geographic Representation

A total of 19 interviews were conducted, with 13 participants based in the Wairarapa region. While every effort was made to expand the network, particularly through Beef + Lamb New Zealand, to include voices from across the country, the final sample leaned heavily on existing, relatively close contacts. This limits the geographic spread and diversity of perspectives included. Given that farm systems, workforce challenges and employment practices can vary between regions, further input from other parts of the country is necessary for nationwide applicability.

### 7.3. Anecdotal and Qualitative Evidence Base

The recommendations in this report are grounded in qualitative data, mainly one-on-one interviews and practical experience from interviewees, rather than robust quantitative research. While qualitative data is essential for uncovering context, perceptions and lived experience, it cannot provide a statistically representative view of the sector. The absence of survey data or broader workforce analytics limits the ability to generalise findings across all farming businesses.

### 7.4. Author's Position in the Industry

The author is a current sheep and beef stock manager with over a decade of management experience. This position provided valuable insight into the daily realities and frustrations farm staff may face and enabled direct access to interviewees within the industry. However, there is also the potential for unconscious bias in selecting interviewees, interpreting data and forming conclusions. Every effort has been made to remain objective and to balance lived experience with external perspectives, but the influence of personal context should be acknowledged.

### 7.5. Economic and Operational Constraints

Several of the recommendations, such as performance-based incentives, paid development opportunities and enhanced recognition programs, require resourcing, whether in time, money or management capability. Not all farms are currently in a position to implement such measures. Smaller businesses, highly leveraged operations or those dealing with significant seasonal volatility may struggle to apply some of the initiatives outlined. This does not diminish their value, but rather highlights the need for adaptable solutions that can be scaled or tailored to fit each business context.

### 7.6. Cultural and Generational Diversity Not Fully Explored

The report touches lightly on motivational factors but does not fully explore how retention challenges or solutions may differ for younger workers, Māori employees, migrant staff or those from diverse cultural backgrounds. Nor does it unpack how generational expectations around work-life balance, communication or leadership style influence engagement and

longevity in the sector. These are important dimensions that warrant deeper exploration in future work to ensure that strategies are truly inclusive.

While these limitations highlight areas for further research and development, they do not undermine the practical value of the insights gathered. This report is intended as a starting point, a foundation on which the industry, farm owners and farm managers can build more robust and inclusive strategies for improving retention across the sheep and beef sector.

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## 9.0 Appendices

### 9.1. Interview Questions

#### 9.1.1. Questions for managers that have left?

1. What attracted you to the sheep and beef industry?
2. What did you enjoy most about farm management?
3. What frustrated you most about farm management?
4. What was the main catalyst for leaving the industry?
5. Looking now from the outside in, do you have any ideas on what would've made you stay?
6. Do you have any advice for current sheep and beef farm managers?

#### 9.1.2. Questions for current sheep and beef managers?

1. What attracted you to the sheep and beef industry?
2. What do you enjoy most about farm management?
3. What frustrates you most about farm management?
4. What are your future aspirations within the industry and how do you plan to make them a reality?
5. Does the financial incentive model interest you?
6. Have you got any other ideas that would help motivate farm managers to stay in sheep and beef farming?

#### 9.1.3. Questions for farm owners that employ managers?

1. Do you see an issue or a risk within the industry of retaining experienced farm managers?
2. What strategies do you currently have in place to ensure the long-term retention of your farm manager?
3. How do you assess and support your farm manager's career development and job satisfaction?
4. Are there specific benefits or incentives you offer to encourage your farm manager to stay long-term?
5. Does the financial target/incentive model have any appeal to you to reward good performance?