

DairyNZ 



# GREAT FUTURES IN DAIRYING

**GREAT PEOPLE**  
**GREAT JOBS**  
**GREAT WORKPLACES**

Our plan for a resilient workforce  
**2022-2032**

# STRATEGY

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# FOREWORD

## We are delighted to present the Great Futures in Dairying plan 2022-2032.

Dairy farming is a critical sector to New Zealand, providing 37,000 on-farm jobs for Kiwis, as well as trade, income and investment opportunities.

Dairy contributes over \$20 billion in exports to the economy each year. It is also an important driver of economic activity across regional New Zealand, accounting for more than 5% of the GDP in seven regions in 2019 (and more than 10% in four of those).

However, despite its success, like many in the primary sector, dairy needs to build a more resilient workforce. This has been driven by both global and domestic workforce trends.

We are already taking steps to attract, retain and grow capable and skilled on-farm workers, and the progress we have made already speaks to the qualities of innovation, hard work, strength, and determination which the New Zealand dairy farming sector is renowned for.

Nevertheless, this plan highlights the need to be proactive, and calls for the sector as a whole to undertake on-farm workforce changes. This will require a cultural shift and change in focus from attracting new talent to the sector, to supporting the productivity of our people, looking after the capable and skilled workforce we already have, and significantly improving workforce retention. Attracting new talent to the sector remains important as it will realise some workforce gains, however this will be less effective than the outcomes we will achieve from retaining our current workforce.

In putting together this plan, the sector has risen to the occasion and come up with a wide range of ideas. These ideas continue to value the mahi done by everyone on farm, while looking to technology and productivity innovation as key pillars for workforce resilience.

We have taken a sector view when considering the economics of this plan, but we appreciate every farming business is different. The implementation of this plan's initiatives on individual farms will differ depending on their unique business priorities and dynamics.

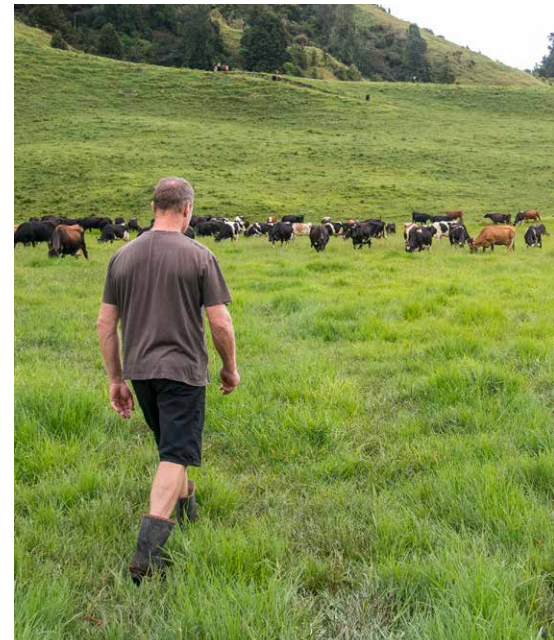
We sincerely thank everyone who has contributed to the development of the Great Futures in Dairying Plan 2022-2032. This includes farmers and those who support them, and the project team for their work bringing this plan together.

The success of New Zealand's dairy sector will require the collective effort of sector stakeholders, farm business owners, and leaders, to adapt and create the necessary changes to build a resilient workforce. We look forward to taking this journey with you to build a sustainable and thriving dairy sector for tomorrow.

**Tim Mackle**  
Chief Executive | DairyNZ



*The sector has risen to the occasion to come up with ideas, and these ideas continue to value the hard work done by everyone on farm, while looking to technology and productivity innovation as key pillars for workforce resilience."*



# SUMMARY

**The dairy sector contributes over \$20 billion in exports to the economy each year. The success of dairy is critical to New Zealand and the businesses and people who work in the sector.**

Yet, the sector is struggling to attract and retain enough people to meet its needs. Dairy farms are experiencing critical staffing shortages – estimated to be around 4,000 people nationwide – and this is impacting on job satisfaction, wellbeing, and business performance.

While the challenges facing our workforce are not new or unique, the dairy workforce shortage has intensified with New Zealand’s borders being closed due to the global COVID-19 pandemic and the resulting lack of migrant employees to fill job vacancies.

## Three key problems underpin the workforce shortage:



**It is not keeping enough people with the right skills**



**The dairy sector is heavily reliant on people to operate**



**It is not attracting enough people (specifically the right people)**

For many years, the sector has struggled to attract Kiwis to farming roles, and dairy farmers have recruited international employees as valuable partners to solve the shortage. While an international workforce will always be an important part of dairy’s future, we must solve the systemic issues in our sector to attract and retain New Zealanders.

This significant and long-term demographic workforce trends the sector needs to deal with include:

- New Zealand’s population growth slowing down dramatically since 2012. Projections suggest it will continue to do so, albeit at different rates in different regions.
- An aging workforce when there is already a shortage of workers 20-30 years old.
- Urban drift, which is seeing rural people absorbed by urban centres. This is a huge problem for the dairy industry given its history of attracting rural rather than urban people to take up dairy roles.
- The increased range of career options workforce participants can choose from.
- Competing with other sectors for the same people.

## We need to re-energise and reposition the sector

The population and workplace challenges facing the dairy sector build a strong case for repositioning the sector to make sure we are all working together and doing the right things that will materially impact the supply and retention of capable and skilled people working on our dairy farms. This is vital for the wellbeing of everyone working in dairy, and we know it is achievable because 30% of dairy farming businesses say they have enough staff and can source staff when they need to.

In creating this plan we engaged widely with farm owners, farm team members, dairy companies, sector bodies, interest groups, and banks, along with government agencies across the primary industries, social development, immigration, and education.

This sector-wide initiative has resulted in three proposed focus areas. For some, this new direction may be contentious, and we know it will require a sector-wide mindset shift around how dairy sets up and leads its businesses and people, and ultimately, creates a people centric, productive and more sustainable workforce.

To support productivity, workforce retention, and position the sector strongly in a highly competitive job market, the changes we are proposing will require us to be creative, bold, and committed.

## Proposed focus areas for the dairy sector are:



With substantial demographic and technological changes on the way, dairy employers will need support to address the workforce issues, changes, and challenges they face. This will include assistance support with risk assessments, along with appropriate incentives to take action.

The plan will not be easy or cost-free. But the cost and, more importantly, the toll on farmers - will be far greater if we do nothing to address workforce attraction, retention, productivity and growth.



*There is no silver bullet to solve our workforce issues - it will take a number of initiatives, some big and some small to make the changes required."*





PART ONE  
**CONTEXT &  
CHALLENGES**



# THE CASE FOR CHANGE

The success of the dairy sector is critical to New Zealand, rural communities, and the businesses and people who work in them. Yet, the sector struggles to attract and retain enough people from the New Zealand workforce to meet its needs.

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New Zealand dairy is a **\$20 billion export industry**

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Around **37,000 people work on dairy farms**

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There were **11,034 dairy herds** across the country in 2020/2021 with a total of **4.9 million milking cows** producing **1.95 billion kg of milk-solids<sup>^</sup>**

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We're short of about **4,000 people\***

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One third of dairy farms need an extra **1.7 people** on average\*

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## Staffing shortages will likely increase

in coming years if we do not act now

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### A workforce shortage affects our people and farming businesses:

- Stress levels increase and wellbeing decreases
- Health and safety risks increase
- Productivity declines
- Animal welfare is jeopardised
- Lack of time puts longer term business planning and progress at risk
- Work in other critical areas is delayed (e.g. environmental progress)
- Work enjoyment is compromised
- Longer work hours decrease the time available for friends, family, and the things we enjoy doing



*We need a culture change in the industry."*

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<sup>^</sup>New Zealand Dairy Statistics 2020/2021.

\*DairyNZ employer survey, November 2021.

### **Securing a resilient workforce before it's too late**

Making conscious decisions today that positively impact on our workforce will ensure we have a strong, diverse and thriving sector in the future. We need to retain our uniquely New Zealand approach that has resulted in generation after generation of successful farmers along with carefully looking at new approaches to attract New Zealand citizens and residents into the dairy sector. We need a pipeline of new entrants coming in, and we need to invest in their training and experience so they can master the job, have great careers, stay in our sector and meet our overall workforce needs.

### **The workforce talent pool is shrinking**

There is a real danger that there will simply not be enough people in New Zealand to meet the needs of dairying businesses in the future.

#### **There are three main reasons:**

1. Lower birth rates leading to a declining pool of 19- to 39-year-olds, which make up a high proportion of on-farm staff
2. Urban drift – more people choosing to live and work in urban centres
3. More career options for everybody

Other barriers to attracting people to on-farm roles include: the physical nature of the work, transportation requirements to and from work, wanting a support network living nearby, and the attractiveness of the workplace compared with other work environments.

Workforce shortages are affecting much of the New Zealand food and fibre industry and we are often competing with each other, as well as urban employers, for employees.

#### **We must:**

- Work collaboratively across the food and fibre industry to increase the talent pool
- Create a unique employment proposition for dairy

### **Customer expectations are changing**

Both international and New Zealand dairy product consumers expect our products to be produced using ethical and sustainable labour practices.

While the sector performs strongly against many international labour standards, including modern slavery positions, to meet international guidelines (Ethical Trading Initiative), there are two high-risk areas that need special focus:

- Hours of work (regular work weeks shall not exceed 48 hours and employers shall allow employees at least 24 consecutive hours of rest for every seven-day period or an absolute minimum of two days off every fortnight)
- Payment of minimum wage for every hour worked (and usually a premium for any hours worked above 48 hours per week)

### **COVID has shone a spotlight on the workforce shortage**

We estimate the pandemic has increased the dairy sector workforce shortage by around 2,000 people, and some of this gap will close as the border reopens. However, changes to immigration policy mean immigration levels are unlikely to return to pre-COVID-19 levels.

The pandemic has highlighted the difficulties the dairy sector has in finding local employees willing to work in the environment and locations that our farming businesses operate. Even at the height of COVID-19 uncertainty in 2020, with predictions of ballooning unemployment, staff shortages persisted and worsened.

### **The dairy brand is under scrutiny**

The dairy sector faces challenges in maintaining a positive reputation, despite gains made across a wide range of areas including environment, animal welfare, and workforce. The attractiveness of working on dairy farms is inextricably linked to brand reputation, so supporting initiatives that build trust and pride in the sector will be a critical part of this plan.



# WHY CHANGE NOW?

The dairy sector's long-term success will be determined by what we do now together.

## **Delaying change will increase the cost to the sector**

Change is inevitable, so we must be proactive and transformational. If we avoid or delay change, it will take longer to adopt strategies that ensure a resilient dairy workforce in the medium and long term. Delaying will mean the sector will experience and pay for, an even bigger 'shock' when change is forced upon us.

## **Without change the workforce deficit will continue to increase**

The sector will also continue to lose people and may lose the wins it has just made through residency changes. Without change the dairy farming sector will also have a smaller and weaker base from which to maintain and grow the quality of its workforce.

## **The sector will lose competitive advantage**

The dairy sector is New Zealand's largest primary producer employer and enjoys some of the best attraction and retention rates across the food and fibre industries. However, all of the food and fibre industries are identifying ways to respond to workforce challenges. Delaying taking action runs the risk of dairy losing its competitive advantage, both in retaining its existing workforce and attracting new people from the talent pool that would consider working in food and fibre industries.

## **Costs will increase regardless of the gains a change now would bring**

Many farms will need to increase their workforce investment in response to current labour market signals. Steps to become more competitive should be bundled with approaches to grow employee productivity to mitigate some of the risk and impact on profit that cost increases inevitably bring. Also, collaborating and moving together as a sector around cost increases, workforce productivity opportunities and other workplace experience factors, will position our sector as a great place to work where enjoyable experiences can be found.

## **Without change, a workforce shortage continues to affect people and farming businesses**

The pain felt now by the dairy sector's people and farming businesses will persist and have wider consequences if we don't act now. Ongoing workforce issues will affect stress, wellbeing and overall work satisfaction; health and safety will be put at risk; productivity may decline; there will be less time for business planning; work in other critical areas e.g., the environment, will be delayed; and we will have less time for the things we enjoy in life. In short, continuing to make short term adaptations puts our farming businesses collectively at risk.



*Acting now means the dairy sector gets on the journey, because this will take time."*

# OUR VISION

The workforce vision for the future of the dairy farming sector is:

**'Great futures in dairying: great jobs, great people, great workplaces'**

**Our vision is to create thriving and vibrant workplaces for dairy farming's passionate and skilled people, built on the foundation of a positive culture that values people.**

**This Great Futures in Dairying Plan:**

- Describes the dairy workforce challenges getting in the way of this vision and outlines what can be done to fix them
- Identifies and gathers the people and organisations willing to act
- Creates opportunities for the sector as a whole to collaboratively develop solutions that will work for farmers and their businesses.

A reposition by the sector, for the sector, ensures we can attract and retain a workforce that allows dairy farming businesses to be thriving, resilient, safe and fulfilling places to work.



*A shortage of people exists despite past and present efforts of the dairy farming sector, government departments and private sector organisations. History tells us that there are unlikely to be quick fixes to address this challenge."*

**This plan provides the template for the dairy farming sector reposition.**



Many of the building blocks for the reposition are in place. Now we need a collective, coordinated, and sustained effort to put people first in decision-making on farm.





# SETTING THE SCENE: NEW ZEALAND WORKFORCE TRENDS



New Zealand's population is expected to grow by 1 million people by 2048



Fertility has dropped dramatically from 2.1 children per woman in 2012 to 1.61 in 2020



By 2043, 50% of working age Kiwis will identify as Māori, Pacific peoples or Asian



By 2048, the average age in New Zealand will be 6.5 years older than today



Population changes are expected to vary widely by region



The 20-30 year old age group (a significant part of the dairy workforce) has been steadily declining over the last 10 years

## Population forecasts for New Zealand and selected critical dairy regions

### Total Population

Year at 30 June	2018	2023	2028	2033	2038	2043	2048	Change
<b>New Zealand</b>	4,900,600	5,222,400	5,460,500	5,679,000	5,876,400	6,055,800	6,215,800	27%
<b>Waikato</b>	475,600	510,800	535,900	558,700	579,300	598,100	615,100	29%
<b>Taranaki</b>	121,200	126,700	130,200	133,000	135,200	137,000	138,300	14%
<b>Canterbury</b>	622,800	661,300	689,900	716,000	739,700	761,300	780,500	25%
<b>Southland</b>	100,500	103,800	105,700	107,100	108,000	108,400	108,300	8%

## Urban drift will reduce the number of rural people entering dairy

Figure 1 (below) shows that the population is predicted to grow in urban areas and decrease in rural areas. Urban areas will continue to attract labour resources that rural New Zealand needs. This is particularly challenging given we know there is a strong correlation between the 'rurality' of where a student's parents live and their tendency to go into the food and fibre industry. For example, more than 50% of 2018's new student entrants were not from a major urban centre, and this group were more than three times as likely to enter the food and fibre industry than their peers.

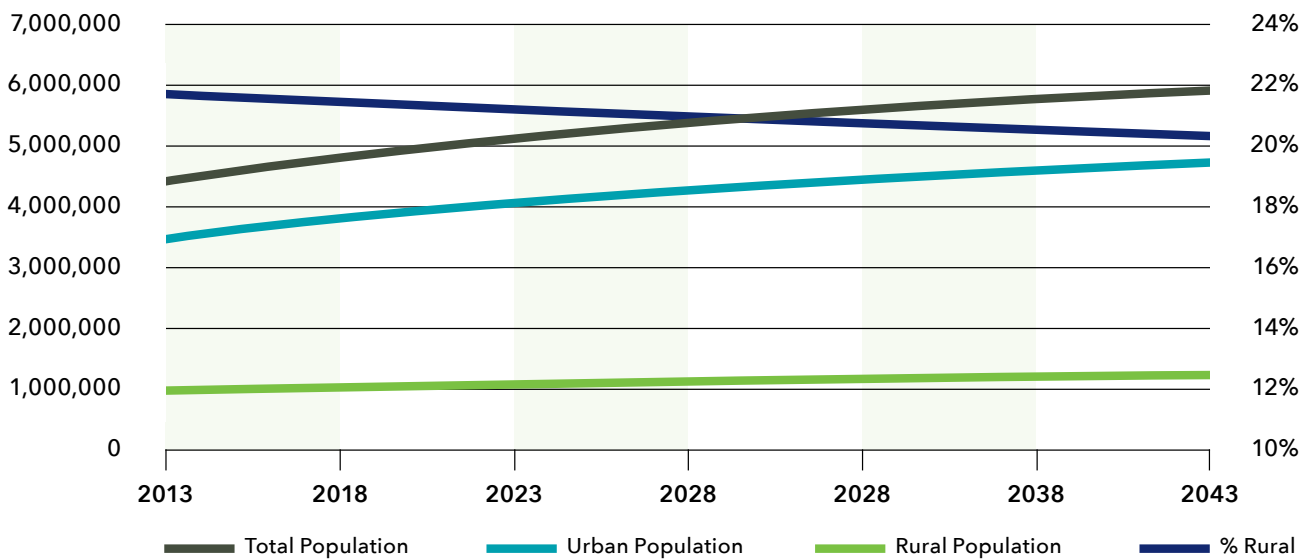


Figure 1: Predicted trends in New Zealand's rural-urban population

## A greater variety of career options will reduce the number of people considering dairy

In the past, fewer occupation options were available, and choices were usually influenced by things like urban or rural location, regional choices, socioeconomic background, and gender.

Trends such as urban drift, growing education, globalisation, and technological developments amongst others, are:

1. Increasing the total number of occupations; and
2. Improving accessibility to different employment options, e.g., via remote working.

The end result is fewer people considering working in on-farm dairy roles.



*More and more farmers' kids aren't coming back on farm, so the people coming in aren't used to the lifestyle or the compliance."*

## Student demographics and the type of tertiary education they pursue are also changing:

- Total enrolments in agricultural studies are down in 2022
- More females are studying agriculture
- Construction roles and studies are attracting more male enrolments
- Most agriculture tertiary students are pursuing off-farm careers

# THE DAIRY FARMING WORKFORCE

The dairy farming sector<sup>1</sup> is a major employer and source of economic productivity for New Zealand, with a total workforce size of about 37,000 people.

- The workforce size has remained relatively stable over the past decade
- About 67% are male and 33% are female
- The ethnic make-up is: 67% European; 13% Māori; 1% Pacific; 17% Asian, MELAA<sup>2</sup> and other ethnic groups
- The employer / self-employed to employee ratio is about 40:60<sup>3</sup>
- Up until border closures, 40% of new entrants were international workers
- Southeast Asia makes the largest contribution to work visas (mainly the Philippines)

Role	2022 Q2	2040 Q2	Change
Farm Assistant	12382	12329	-53
Herd Manager	6191	6164	-27
Operations Manager	15259	15083	-176
Farm Manager	1470	1449	-21
Business Owner	6954	6818	-136

Table 1: Modeled workforce size (demand)

The dairy demand will remain reasonably static over the next 18 years without action (see Table 1).

<sup>1</sup> In this plan, the dairy farming sector refers to the on-farm dairy workforce, not dairy processing

<sup>2</sup> Middle Eastern, Latin American and African ethnicities.

<sup>3</sup> Estimate based on census data where respondents self-declare their occupation and industry.

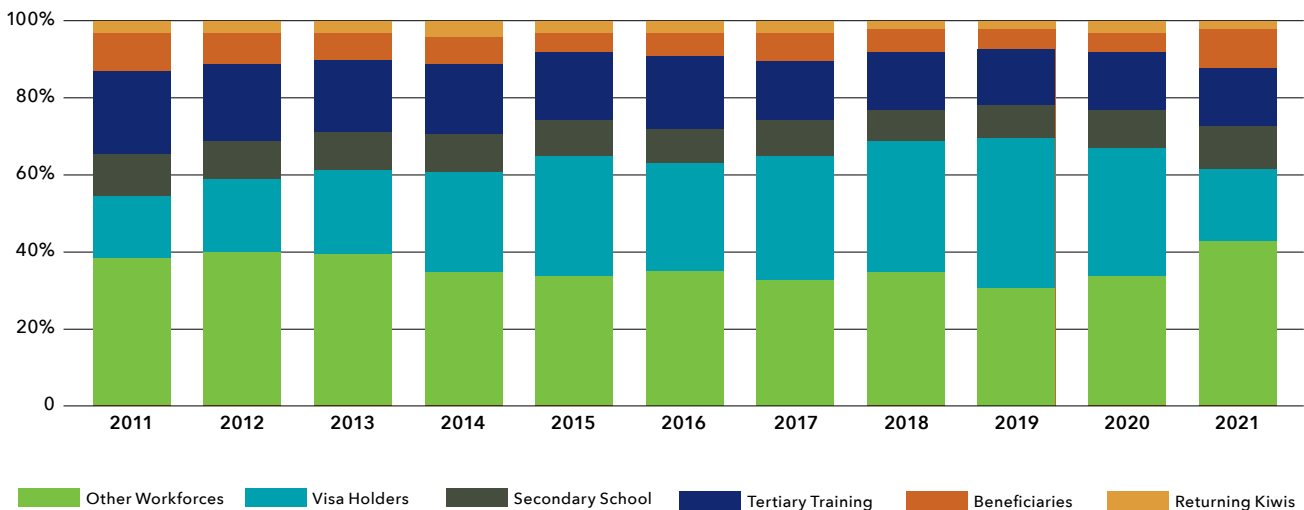


Figure 2: New entrants to the dairy farming workforce by year & source (Stats NZ IDI)



# THE CURRENT SHORTAGE OF PEOPLE

DairyNZ conducted an employer survey in November 2021 which indicated the extent of the dairy sector’s workforce shortage.

- The dairy farming sector is short of about 4,000 people
- 3,500 farms (about a third) need on average 1.7 people extra each
  - Farms with 700 or fewer cows, 1.2 extra people
  - Farms with more than 700 cows, need 1.9 extra people on average

This is notably higher than the levels found in DairyNZ’s previous survey, carried out in early 2021. It confirms the impact of border closures on the sector, and also reflects the impact of New Zealand’s continued strong economic performance which has resulted in low rates of unemployment during this period.

Workforce shortages across the regions vary (see Figure 3). They are greater in the Upper South Island, Canterbury and Otago / Southland. Nationwide, 23% of farmers said in a survey that they were currently advertising to

fill vacant roles, while another 13% said they were short staffed but not advertising.

Farm assistants make up about 40-50% of dairy employees, and 25% of the primary sector workforce. Vacancies at the farm assistant level make up 58% of all shortages.

Herd managers make up 15-20% of vacancies. This is concerning as these roles are normally filled with experienced workers, whereas farm assistants can be recruited externally and trained on-farm.



*I think a big part of the problem is no keen young people coming into the industry to fill the farm assistant roles.”*

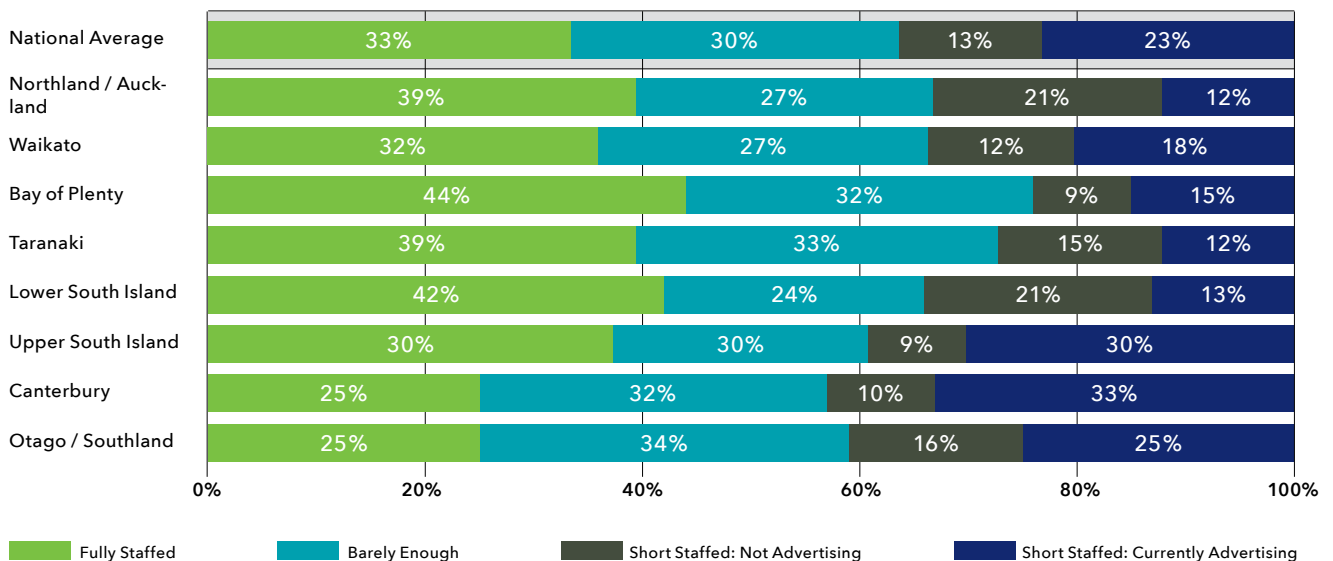


Figure 3: Workforce situation by region (DairyNZ Labour shortage survey, Nov 2021)

# OPPORTUNITIES FOR MĀORI, PACIFIC & ASIAN PEOPLE

The dairy farming sector needs to consider how it encourages the participation of Māori, Pacific and Asian people.

## Māori

In 2018, 17% of Kiwis identified as Māori, but made only 13% of the dairy farming workforce.

Māori have a long history and involvement in all types of farming in New Zealand. The prestigious Ahuwhenua Trophy for excellence in Māori farming was launched in 1933 by Sir Āpirana Ngata and Lord Bledisloe and this competition exemplifies Māori achievement in land-based industries. Past Ahuwhenua dairy winners, along with many others, are examples of Māori leadership, role modelling and success in our sector.

The Federation of Māori Authorities Inc. (FOMA) represents a diverse cross section of Māori businesses including agriculture. It assists Māori them to increase returns – to help its members, communities and regions prosper and grow to create a stronger economic future for Māori and Aotearoa. FOMA members constitute the largest network of Māori freehold landowners in New Zealand and many are involved in significant dairy farming enterprises.

We need to work more closely with existing Māori primary industry groups, such as Ahuwhenua and FOMA, to discover and collaborate on the best workforce outcomes for Māori and the dairy sector.

Government's recent release of Te Mahere Whai Mahi Māori – the Māori Employment Action Plan signals a renewed focus on Māori employment. Over the next five years, the Plan aims to implement contribute to an employment system that will ensure Māori have the skills and knowledge to lead and succeed at all stages of their careers, are able to thrive in workplaces that have good conditions and are free from discrimination, and are leaders in future-focused

and sustainable sectors. A similar plan is expected to follow for Pacific peoples.

As well as acknowledging our current Māori workforce leadership and participation, our Te Tiriti o Waitangi obligations and the Māori Employment Action Plan, there is a compelling population demographic case to carry out more focused research, and apply appropriate funding and efforts to broadening Māori inclusion strategies.

## Pacific peoples

Pacific peoples make up about 1% of the dairy farming workforce, compared to 8% of the wider population. About 93% of Pacific peoples live in the North Island, of which approximately 70% live in Auckland. A similar plan to Te Mahere Whai Mahi Māori is expected for Pacific peoples in the future and MPI is currently leading work to attract young Pacific peoples from urban areas into the agricultural industry – including the dairy sector. This work is in its early stages.

## Asian

In 2018 15% of the population identified as Asian. Asian people represent 9% of the dairy farming workforce, which is an increase from 4% in 2013. It is likely that most of these new participants entered on work visas, rather than being residents or citizens, as they mostly live in urban areas. Therefore, attracting non-migrant Asian workers to dairy farming is still an opportunity, although likely to be challenging.

## The potential of these opportunities

The dairy sector must research and appropriately fund efforts to broaden inclusion strategies.

By 2043, Māori, Pacific, and Asian peoples will make up 50% of the working age population (compared to 37% in 2018), and will provide a key potential source of employees for the dairy sector. In comparison, the European working age population is projected to shrink from 61% in 2018 to 48% in 2043.

If Māori, Pacific and Asian people can be attracted to dairy farming, the sector must consider what will be required for these people and their families to take advantage of succession opportunities in the future.

Building culturally appropriate workplaces with support systems for a more diverse group of employees will require conscious consideration and action. We must consider:

- How will we introduce new people to the culture of dairy farming?
- How will we set up workplaces to meet the different cultural needs of employees?
- How will we provide a support network for workers?
- How will we support the core dairy, communication, digital and teamwork skills required by these new workforce participants?

We also need to be realistic about the overall size of this potential workforce and look for ways to incentivise workers to choose a career in dairy farming.

We are conscious that many other industries are developing plans like this, and there is a risk that industries target the same groups of people (e.g., young people, urban Māori, and Pacific people), in the same regions. The dairy sector will need to consider how it positions itself to capture these workforce opportunities as well as working co-operatively with food and fibre industry partners.



*We need to have a local 'kaitiaki' that works across multiple farms to mentor development."*



# THE DAIRY FARMING EXPERIENCE

A workplace experience which will include: an inclusive and supportive team, employer, and network; opportunities to develop skills; good accommodation, and competitive remuneration.

## Exit interviews tell us people leave their jobs and the dairy sector because:

- Work patterns do not allow them to connect with friends/family or interests
- They don't have enough time to regularly recharge (mentally and physically)
- In 25% of cases they said a pay rise may have convinced them to stay
- They don't feel challenged or motivated in the role
- There is a lack of care or engagement from their employer
- There is bullying or harassment
- There is a lack of understanding around expectations of them and/or the role
- There is a lack of opportunities to develop within their role and/or work towards their career goals

## Comparing average wages and salaries with urban roles

- Farm Assistants earn about as much as other jobs requiring comparable levels of skill and responsibility per hour. However, they work more hours than their urban counterparts.
- Herd Managers work more hours to receive the same overall remuneration as a comparable job in town.
- Assistant Managers and Farm Managers work more hours and earn less than people in a similar job in town.

## Accommodation

Approximately 85% of permanent dairy employees live at their workplaces. For many employees, accommodation is expected as a part of their employment package and is not seen as the same as an equivalent cash offset.





*Understanding the individual and customising the offering to their needs is critical.”*

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### **Pay equity**

There is little statistical information concerning pay equity in dairy farming, however government requirements may mean that at times international employees on visas are paid more than New Zealanders for the same work.

### **Job design**

Some farming businesses have created roles that are very process-driven with little variety and autonomy, while others have taken a broader approach to skill development. Working with farm business leaders on how to create workplace environments that motivate and engage their teams will be critical for improving retention and creating a resilient workforce for the future.

### **Opportunities for growth**

Developing and upskilling farm teams is one way to enhance the workplace experience. As many dairy farm employees leave school without a qualification, the sector needs to support them to gain literacy and numeracy skills.

There could be opportunities across the food and fibre sector to work together on, formalised programmes, opening up the possibility for the recognition of skills development in dairy farming roles beyond the sector. Equally, the current RoVE (Review of Vocational Education) aims to create a unified and sustainable system that meets the needs of all learners, employers, and communities. This broader and more cohesive approach to vocational education will provide benefits across the food and fibre sector with the reform offering the opportunity to reset how vocational education works for everyone.

### **Prospects for equity involvement and farm ownership**

Despite there now being more complex career pathways and greater financial hurdles, dairy farming still offers attractive career pathways as well as providing avenues to progress to equity shareholding and business ownership. About half of New Zealand's dairy farms have contract milkers or share-milkers, and talented people can progress quickly and grow their equity whilst working in the sector.



# KEEPING PEOPLE IN BUSINESSES & THE SECTOR

Good employee retention plays a critical role in building a successful business.

## Employee turnover in the dairy sector

Most employee turnover occurs within the first year of employment (Figure 4) due to the planned departures of casual and seasonal employees – this is similar to other sectors. The net annual dairy sector turnover is about 12%.

## Farm business employee retention

The limited data available for farm business turnover suggests it is between 20-50%, with junior staff being more prone to leave. Keeping people in the business avoids the high costs of finding and on-boarding employees, so maximising employee retention, or minimising turnover, is an important goal on most farms.



*Turnover has personal and social costs associated with change, displacement, and interrupted schooling. Increasing retention and reducing turnover is in everyone's interests."*

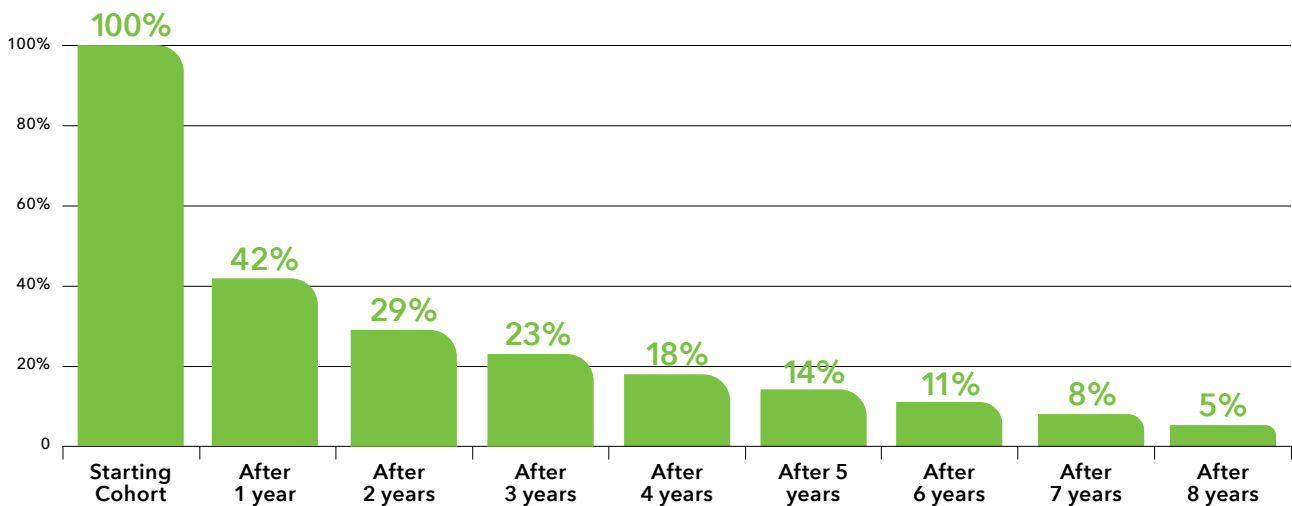


Figure 4: Retention of people within the dairy farming sector over time



*We need to think co-operatively about keeping people in the industry rather than just 'on my farm'."*









**PART TWO** ©  
**WORKING  
TOWARDS  
A RESILIENT  
WORKFORCE**

# WORKING TOGETHER TO CREATE THIS PLAN

When creating this plan we have drawn on a variety of sources and used a range of approaches to understand the challenge and develop our focus areas.

We have:

- ① Consulted with farmers
- ② Surveyed employers and employees
- ③ Sought input from sector and government stakeholders
- ④ Reviewed work undertaken in the past
- ⑤ Considered the experiences of other sectors
- ⑥ Considered international experience with workforce shortages
- ⑦ Sought other expert input





# LEARNING FROM EXPERIENCE

Considerable work has been undertaken in the past 10 years to address the shortage of people in the dairy farming workforce.



## Farmers have taken the initiative and learned

Over the 10 years, in particular, many farmers have identified, and proactively managed, the workforce issues seen in some parts of the sector today. Many of these farmers, have no workforce issues as they have already achieved the changes required to create a resilient and sustainable workforce. In these workplaces, the following types of practices and behaviours are seen:

- Strategies to reduce the monotony of milking including:
  - Changes in milking patterns such as once a day (OAD) or three in two (three milkings in two days)
  - Use of time-saving milking strategies, e.g. MilkSmart and milking only teams
- Adoption of technology, such as Protrack, cow collars, and information management systems that make the job simpler and/or less labour intensive
- Increased employee autonomy, particularly around roster setting (e.g., choosing the shifts you want to work / team members cooperatively deciding the roster rather than it being imposed by the manager)
- High levels of interaction and care within the employment relationship, with effort being consistently applied to supporting the person, not just their work.

### Learning from sector initiatives

Conclusions can be drawn from sector initiatives over the last decade:

- Strategies to source staff must be more targeted - budgets are limited and target 'nudging' the right career seekers to take the desired action
- Success will not be achieved overnight
- Measurement of return on investment is challenging
- We need to take a collaborative approach to ensure all of the institutions involved work together to get the best results.

### Learning from the experiences of other food and fibre sectors

Plans from other sectors to deal with the challenges they face include:

- Changing perceptions towards careers in their sector
- Diversifying their talent pool, with a focus on Māori, Pacific people and women
- Providing fit for purpose learning opportunities
- Creating great workplace conditions.

In short, everyone has similar problems and will be focusing on their unique strengths and challenges to create their own workforce plan. Working with our food and fibre sector partners to broaden the overall sector talent pool is an important part of building a resilient workforce. There are no 'silver bullets' in the plans already put forward by other sectors, however we can conclude that:

- In some areas dairy is doing better than other sectors, but not sufficiently so that doing nothing is an option
- There is going to be increasing activity to gain the attention of the same workforce talent pool so dairy must make sure that it is getting

there faster and doing it better than the other sectors

- Minimum employment standards will not be enough to counter the workforce shortfalls and shifts that are occurring

### Learning from international experiences

New Zealand is not unique in facing people shortages in its food and fibre industry. Again, there were no 'silver bullets' in the review of these international experiences. However, once we have developed specific initiatives, we can use or apply the lens of overseas experience to adjust them and increase their likelihood of success. For example, Canada is pursuing a strong migrant pathway, and Australia has fair pay agreements. These strategies, and others, can provide us with useful insights when we develop the details of our proposed initiatives.





# ENSURING THE PLAN ADDRESSES THE KEY CHALLENGES

## OUR VISION FOR THE SECTOR

### Great Futures in Dairying: great people, great jobs, great workplaces

Table 2 (on the following page) shows a breakdown of the challenges identified when putting this plan together.

## FOCUS AREAS TO ADDRESS THE CHALLENGES

**While recruitment and retention initiatives will mitigate the impacts of employee shortages, they will never completely resolve the issue.**

The problem is not as simple as people not being attracted to or retained within the dairy sector. The availability of people is (and appears will always be) too low because:

- In the medium and longer term there will be strong competition for employees because the workforce is aging, both nationally and internationally
- The wider choice of available careers available adversely impacts the level of interest in on-farm dairy careers
- Only some aspects of experiences on-farm jobs can be changed to make dairy careers more appealing, meaning the dairy sector will only ever draw from a limited talent pool

In short, while dairy remains heavily reliant on people, it will remain vulnerable to employee shortages. Changing the way we do our work on farm is a critical part of ensuring we have great jobs and great workplaces to attract great people. It will also help us reduce the reliance on people, enrich jobs, and build thriving workplaces in the longer-term.

### Our resulting focus and sub-focus areas

The three focus areas of the dairy sector's employment reposition are:

<b>Shape Up</b>	So we are competitive and grow and retain our people	1
<b>Change the job</b>	To provide modern, productive and safe workplaces	2
<b>Look in new places</b>	To attract a larger and more diverse talent pool	3

Focusing on these three areas will address the root causes of the workforce shortage. Within each of the three focus areas, there are sub-focus areas that help to clarify where action is needed.



*We need to normalise the workplace so that the maximum number of people can participate."*

Table 2: Breakdown of the challenges and focus areas

The Key Challenge	Second Level Challenge	Third Level Challenge	Focus Areas	Sub-focus Areas		
There is a shortage of skilled and committed people working on-farm in the dairy farming sector	The dairy farming sector is not keeping enough people with the right skills	Wage rates are perceived to be uncompetitive compared to alternative, non-farming roles	<b>1 Shape up</b>	1.1 Support farmers to make workplaces competitive in the wider job market  1.2 Invest in careers for our people  1.3 Facilitate access to international employees to fill critical workforce gaps		
		Many employers have weak people management skills causing people to leave jobs and the industry				
		Many dairy farms have long work hours and / or unattractive staffing rosters				
		Rural communities are not sufficiently strong to compel people to stay				
		There are unclear development pathways for people working in the sector				
		There is a heavy reliance on international people - particularly short-term visa holders				
	Dairy farming relies heavily on people to operate	Technology is expensive compared to people's time, and service infrastructure does not exist at scale			<b>2 Change the job</b>	2.1. Support farmers to evaluate and adopt time-saving technology  2.2. Support farmers to test alternative and more productive business processes and employment models
		Dairy farm business processes are not optimised for productivity or efficiency				
		Current farm systems are configured and operated in ways that use high numbers of people				
The dairy farming sector is not attracting enough people (and specifically the right people) to ensure safe and effective operations	The pool of people that dairy farming currently draws on is insufficiently broad and diverse	<b>3 Look in new places</b>	3.1. Diversify and broaden the pools of talent that the industry draws on  3.2. Develop targeted approaches to talent attraction where there is the highest likelihood of success, including opportunities to work with our food and fibre sector partners  3.3. Support farmers to improve recruitment and on-boarding practices so that they can make the most of the talent pool			
				Training pathways and other entry points are not compelling and effective		
	Talent attraction programmes have not been effective enough at attracting people					
	Recruitment practices are not strong enough to attract good people					



**PART THREE**  
**THE PLAN**

# THE PLAN

**The Vision**

## Great Futures in Dairying: great people, great jobs, great workplaces

<p><b>Focus Areas</b></p> <p><b>1 Shape up</b></p> <p>So we are competitive and grow and retain our people</p>	<p><b>2 Change the job</b></p> <p>To provide modern, productive and safe workplaces</p>	<p><b>3 Look in new places</b></p> <p>To attract a larger and more diverse talent pool</p>
<p><b>Sub Focus Areas</b></p> <p>1.1 Support farmers to make workplaces competitive in the wider job market</p> <p>1.2 Invest in careers for our people</p> <p>1.3 Facilitate access to international employees to fill critical workforce gaps</p>	<p>2.1 Support farmers to evaluate and adopt time-saving technology</p> <p>2.2 Support farmers to test alternative and more productive business processes and employment models</p>	<p>3.1 Support farmers to improve recruitment, onboarding and employment practices so that they can make the most of the talent pool</p> <p>3.2 Develop targeted approaches to talent attraction where there is the highest likelihood of success, including opportunities to work with our food and fibre sector partners</p> <p>3.3 Diversify and broaden the pools of talent that the industry draws on</p>
<p><b>Priority*</b></p> <p>4 Group one initiatives</p> <p>3 Group two initiatives</p> <p>3 Group three initiatives</p>	<p>4 Group one initiatives</p> <p>4 Group two initiatives</p> <p>0 Group three initiatives</p>	<p>0 Group one initiatives</p> <p>1 Group two initiatives</p> <p>5 Group three initiatives</p>

\*Refer to priority groups on the next page.



# INITIATIVES AND PRIORITY GROUPINGS

<p><b>Priority groupings</b></p> <p><b>1 Shape up</b></p> <p>So we are competitive and grow and retain our people</p>	<p><b>2 Change the job</b></p> <p>To provide modern, productive and safe workplaces</p>	<p><b>3 Look in new places</b></p> <p>To attract a larger and more diverse talent pool</p>
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## GROUP ONE INITIATIVES THAT HAVE THE HIGHEST IMPACT

<p><b>What to do first</b></p>	<ul style="list-style-type: none"> <li>• Know and meet the market</li> <li>• Accredite good employers</li> <li>• Train employers</li> <li>• Access international employees to fill critical shortages</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt automation</li> <li>• Evaluate milking patterns</li> <li>• Get more efficient</li> <li>• Support regional farmer groups</li> </ul>	
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## GROUP TWO INITIATIVES THAT OFFER AN ATTRACTIVE BALANCE OF IMPACT, COST & TIMEFRAME

<p><b>What to do next</b></p>	<ul style="list-style-type: none"> <li>• Promote dairy farming careers</li> <li>• Keep new people</li> <li>• Facilitate career pathways</li> </ul>	<ul style="list-style-type: none"> <li>• Mechanise milking</li> <li>• Mechanise other tasks</li> <li>• Specialise and allocate work differently</li> </ul>	<ul style="list-style-type: none"> <li>• Nudge and broker career changers</li> </ul>
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## GROUP THREE INITIATIVES WITH MODERATE IMPACT BUT LOWER COST AND/OR TIMEFRAME

<p><b>What to do last</b></p>	<ul style="list-style-type: none"> <li>• Investigate novel compensation opportunities</li> <li>• Recognise practical and transferable skills</li> <li>• Facilitate pathways to business ownership</li> </ul>		<ul style="list-style-type: none"> <li>• Create a one-stop workforce portal</li> <li>• Improve transitions from school to our workforce</li> <li>• Access non-traditional talent</li> <li>• Attract (even more) women</li> <li>• Grow a new seasonal workforce</li> </ul>
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### Building a resilient workforce will not be quick or easy but starting is imperative

The details and specific activities within each initiative will be determined as we work through project plans, funding, and coordinate people to do the work. Please note that initiatives within each grouping have not been prioritised.

# 1 GROUP ONE

## INITIATIVES THAT HAVE THE HIGHEST IMPACT

Group one initiatives come from 'Shape up' and 'Change the job' focus areas

- ① Know and meet the market
- ② Accredited good employers
- ③ Train employers
- ④ Access international employees to fill critical shortages
- ⑤ Adopt automation
- ⑥ Evaluate milking patterns
- ⑦ Get more efficient
- ⑧ Support regional farmer groups

These are both long and short-term initiatives designed to reduce the reliance on people, make on-farm work more attractive, and ensure people are rewarded appropriately for the work they do.

Group one initiatives offer the best value for the investment, even though this is the most expensive group of initiatives for farmers.

“

*You either spend the time in advance dealing with your people in Shape Up or you spend the time afterwards putting the fires out.”*

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## Initiative: Know and meet the market

Focus area	What	Proposed responsibilities
<b>Shape up</b>	<p>Enhance the appeal of workforce terms and conditions. Create transparency about what competitive wage rates, expected hours of work and employment conditions are within the wider (i.e. not just dairy) job market.</p> <p>Allow farmers to assess how the wage rates and employment conditions that they offer compare to the market benchmark and use the results in job advertisements.</p>	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>To provide research and develop a benchmarking tool</li> </ul> <p><b>Sector partners and rural professionals</b></p> <ul style="list-style-type: none"> <li>To discuss and encourage adoption of these tools</li> <li>To refer farmers to specialists to help them</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>To complete the benchmarking exercise and ensure they meet the market requirements</li> </ul>

## Initiative: Accredit good employers

Focus area	What	Proposed responsibilities
<b>Shape up</b>	<p>Set an industry standard for employment practices that is recognised and used across immigration, milk company requirements, and international standards and requirements.</p> <p>Give farmers a tool to differentiate themselves as a good employer.</p>	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>To create the 'industry standard' with farming leaders using existing work as a basis</li> <li>To promote the industry standard and provide a means of recognising those that meet it</li> </ul> <p><b>Dairy companies</b></p> <ul style="list-style-type: none"> <li>To investigate methods that may be able to be used to support change, including, but not limited to, supply agreements</li> </ul> <p><b>Government</b></p> <ul style="list-style-type: none"> <li>To adopt the industry standard as the consistent tool for assessing workplace quality and therefore access to employees through government channels (e.g., international employees, apprentice subsidies etc)</li> </ul> <p><b>Rural professionals</b></p> <ul style="list-style-type: none"> <li>To promote the industry standard</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>To seek out accreditation</li> </ul>

## Initiative: Train employers

Focus area	What	Proposed responsibilities
<b>Shape up</b>	Increase leadership and HR competence across the sector and link this to a voluntary accreditation process.	<p><b>Government</b></p> <p>To provide funding assistance to support the development and roll out of the programme</p> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To advocate and provide information to support programme content</li> <li>• To integrate programme methodologies into the Farm Performance team's work</li> </ul> <p><b>Training providers</b></p> <ul style="list-style-type: none"> <li>• To deliver the training and work with participants post-implementation to assist in adoption</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To participate and then adopt the leadership and HR strategies they have learned</li> </ul>

## Initiative: Access international employees to fill critical shortages

Focus area	What	Proposed responsibilities
<b>Shape up</b>	Jobs on dairy farms can be filled in the short-term whilst we undertake the initiatives within this plan to achieve a resilient workforce.	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To continue to provide realistic immigration policy settings that support short-term workforce gaps</li> <li>• To support longer-term access to high-skilled international employees to provide specialist expertise</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To support farmer uptake of available international workforce</li> <li>• To work with farmers to encourage an increased focus on jobs for Kiwis</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• Commit to creating jobs for Kiwis as a priority</li> <li>• Uptake international worker opportunities that are available</li> </ul>



## Initiative: Adopt automation

Focus area	What	Proposed responsibilities
<b>Change the job</b>	Accelerate adoption of existing in-shed automation, such as cup removers, and wider farm automation, such as smart cow collars.	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To ensure funding streams are allocated in the best places</li> <li>• To provide funding to identify ROI for existing technology</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To identify and prioritise automation technology adoption</li> <li>• To provide benchmarks and case studies to support farmer uptake</li> </ul> <p><b>Technology developers</b></p> <ul style="list-style-type: none"> <li>• To connect with the dairy sector to investors, regulators, and other interested parties</li> </ul> <p><b>Rural professionals</b></p> <ul style="list-style-type: none"> <li>• To be familiar with technology solutions and support adoption in client businesses</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To be prepared to invest in automation</li> </ul>

## Initiative: Evaluate milking patterns

Focus area	What	Proposed responsibilities
<b>Change the job</b>	Support farmers to evaluate how different milking patterns might be beneficial to their workforce/business.	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To provide research to identify cost/benefits of different milking patterns including workforce benefits</li> <li>• To provide realistic and costed case studies to support farmer uptake</li> </ul> <p><b>Rural Professionals</b></p> <ul style="list-style-type: none"> <li>• To include alternative milking patterns in their conversations with farmers</li> <li>• To refer farmers to specialists to help them</li> </ul> <p><b>Dairy companies</b></p> <ul style="list-style-type: none"> <li>• To support milking pattern changes that assist farmers to get better outcomes</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To be receptive to new ways of work that will support positive changes to working hours</li> </ul>

## Initiative: Get more efficient

Focus area	What	Proposed responsibilities
<b>Change the job</b>	Encourage adoption of people-centred productivity strategies and skills training (e.g. Farm Tune/MilkSmart) to improve workforce productivity and reduce worked hours.	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To provide the resources</li> <li>• To subsidise or incentivise participation in recognised workforce planning and productivity programmes</li> </ul> <p><b>Rural professionals</b></p> <ul style="list-style-type: none"> <li>• To connect farmers with appropriate training/specialists</li> <li>• To include productivity conversations in interactions with farmers</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To be open minded to the importance of productivity (output per unit of input including worked hours)</li> <li>• To invest in training to support productivity improvement</li> </ul> <p><b>Training providers</b></p> <ul style="list-style-type: none"> <li>• To develop and deliver training to help farmers become more efficient</li> </ul>

## Initiative: Support regional farmer groups

Focus area	What	Proposed responsibilities
<b>Change the job</b>	<p>Support regional or community groups of farms that wish to work together to address employment challenges at a local level.</p> <p>Regional or community approaches could include collective employment schemes, collective administration, collective training and community development (including community health and wellbeing support).</p>	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To provide the initial funding</li> <li>• To provide a level of ongoing support, acknowledging the role these groups will play in creating thriving rural communities in NZ</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To provide facilitation support and link farmer groups to appropriate expertise.</li> <li>• To manage the fund including application and allocation of monies and accountability</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To form and drive groups to address local employment challenges</li> </ul>

# 2 GROUP TWO

## INITIATIVES THAT OFFER AN ATTRACTIVE BALANCE OF IMPACT, COST AND TIMEFRAME

Group two initiatives come from all three focus areas

- ① Promote dairy farming careers
- ② Keep new people
- ③ Facilitate career pathways
- ④ Mechanise milking
- ⑤ Mechanise other tasks
- ⑥ Specialise and allocate work differently
- ⑦ 'Nudge' and broker career changers



*Change the narrative of what is a successful career on farm."*

These initiatives focus on accessing new dairy workforce participants and helping employers to create great workplace experiences to retain staff.

### Initiative: Promote dairy farming careers

Focus area	What	Proposed responsibilities
<b>Shape up</b>	Enhance the employment brand reputation of the sector.	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To continue a specific dairy workforce attraction campaign</li> <li>• To commit resources to filtering interested people into jobs on farms</li> <li>• To ensure the 'story' told is real and realisable by farming businesses</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To train people who show an interest in the sector</li> <li>• To live up to the 'story' told in the advertising</li> </ul>

## Initiative: Keep new people

Focus area	What	Proposed responsibilities
<b>Shape up</b>	Create a good experience for new entrants to the industry, and intervene where this is not happening.	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To support exploration of cross-sector collaboration</li> <li>• To co-invest in a pilot project</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To champion a cross-sector and cross-agency approach with organisations such as: Food and Fibre CoVE, MBIE or New Zealand Young Farmers</li> </ul>

## Initiative: Facilitate career pathways

Focus area	What	Proposed responsibilities
<b>Shape up</b>	Create skills pathways that are valued both within and beyond the sector.	<p><b>Muka Tangata</b></p> <ul style="list-style-type: none"> <li>• To create meaningful and transferable formal qualification opportunities that are recognised as desirable within, and transferable out of, the dairy sector</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To advocate and provide information to support the development of vocational training programmes</li> </ul> <p><b>Training providers</b></p> <ul style="list-style-type: none"> <li>• To deliver training and ensure standards are maintained</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To support their team members in their learning and to achieve their goals</li> </ul>



## Initiative: Mechanise milking

Focus area	What	Proposed responsibilities
<b>Change the job</b>	Develop new farm automation technologies that enhance the work environment and/or reduce the number of people needed in the farm dairy.	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To provide investment in automation technologies for dairy sector</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To provide research to identify investment focus areas</li> <li>• To provide ROI analyses and case studies to support technology developer investment and farmer uptake</li> </ul> <p><b>Agritech</b></p> <ul style="list-style-type: none"> <li>• To connect the sector to technology developers, investors, regulators and other interested parties</li> </ul> <p><b>Technology developers</b></p> <ul style="list-style-type: none"> <li>• To develop technologies which reduces the labour requirement in farm dairies</li> </ul>

## Initiative: Mechanise other tasks

Focus area	What	Proposed responsibilities
<b>Change the job</b>	Develop new wider-farm automation technologies that enhance the work environment and/or reduce the number of people needed for other farm tasks.	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To provide investment in automation technologies for the dairy sector</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To provide research to identify investment focus areas</li> <li>• To provide ROI analyses and case studies to support technology developer investment and farmer uptake</li> </ul> <p><b>Agritech</b></p> <ul style="list-style-type: none"> <li>• To connect the sector to technology developers, investors, regulators and other interested parties</li> </ul> <p><b>Technology developers</b></p> <ul style="list-style-type: none"> <li>• To develop technologies which reduces labour requirements outside the farm dairy</li> </ul>

## Initiative: Specialise and allocate work differently

Focus area	What	Proposed responsibilities
<b>Change the job</b>	Support farmers to take a more flexible approach to work design and role requirements based on the daily, weekly and seasonal needs of the business, e.g. identify roles that can be subcontracted, allocated to shifts, outsourced to specialists, more easily described in terms of career opportunities.	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>To provide case studies and cost modeling to support farmer choice and decision making</li> </ul> <p><b>Rural professionals</b></p> <ul style="list-style-type: none"> <li>To refer farmers to specialists to help them with workforce planning</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>To consider new ways of 'getting the job done' in their businesses</li> </ul>

## Initiative: Nudge and broker career changers

Focus area	What	Proposed responsibilities
<b>Look in new places</b>	Attract people already in the workforce to change career to dairy farming.	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>To lead a pilot project to test the viability of a range of approaches to help career changers shift into dairy careers</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>To provide workplaces and job terms and conditions that are attractive to career changers</li> <li>To ensure career changers are supported to build their dairy skills and as they settle into the 'culture' of dairying</li> </ul>

# 3 GROUP THREE

## INITIATIVES WITH MODERATE IMPACT BUT LOWER COST AND/OR TIMEFRAME

Group three initiatives focus on looking in new places and shaping up

- ① **Investigate novel compensation opportunities**
- ② **Recognise practical and transferable skills**
- ③ **Facilitate pathways to business ownership**
- ④ **Create one-stop workforce portal**
- ⑤ **Improve transitions from school to our workforce**
- ⑥ **Access non-traditional talent**
- ⑦ **Attract (even more) women**
- ⑧ **Grow a new seasonal workforce**

While a lower priority, all group three initiatives have passed a rigorous evaluation process and play an important part in resolving the sector's short- and medium-term workforce issues.

### Initiative: Investigate novel compensation opportunities

Focus area	What	Proposed responsibilities
<b>Shape up</b>	Offer novel mechanisms for pay and benefits structured in a way to create an incentive to stay in the sector.	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>To provide guidance on initiatives that could be put in place to support rurally based employment incentives</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>To investigate the allocation of funds to partly support additional incentives</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>To invest in an across sector initiative for the good of the industry</li> </ul>

## Initiative: Recognise practical and transferable skills

Focus area	What	Proposed responsibilities
<b>Shape up</b>	Support ways of demonstrating to employers the skills gained during employment and the ability to put formal learning into practice.	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>To provide funding to support the development of an electronic platform for a career skills passport (or similar)</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>To contribute to standard setting</li> <li>To promote the passport</li> </ul> <p><b>Rural professionals</b></p> <ul style="list-style-type: none"> <li>Recruitment businesses to support the initiative</li> </ul>

## Initiative: Facilitate pathways to business ownership

Initiative name	What	Proposed responsibilities
<b>Shape up</b>	Promote pathways to dairy business and/or farm ownership.	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>To provide research and information</li> </ul> <p><b>Rural professionals</b></p> <ul style="list-style-type: none"> <li>Support businesses to create wealth opportunities</li> <li>Support individuals to investigate and fund dairy business ownership career pathways</li> </ul>

## Initiative: Create a one-stop workforce portal

Focus area	What	Proposed responsibilities
<b>Look in new places</b>	<p>Create a streamlined single portal for all potential and current workforce participants.</p> <p>Improve employer and employee HR tools, for example, support employers to implement rosters / hours of work consistent with employee expectations for work - life balance.</p>	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>To provide funding to investigate and support the development of a single electronic platform for all aspects related to the 'dairy workforce'</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>To engage with wider sector participants to understand synergies and opportunities</li> <li>To broker across current portals and project manage</li> </ul>



## Initiative: Improve transitions from school to our workforce

Focus area	What	Proposed responsibilities
<b>Look in new places</b>	Explore ways to target and improve work experience and 'gateway' programmes into dairy.	<p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To influence providers to work closely with regional farmer groups</li> <li>• To qualify farmers as suitable 'gateways' or work experience providers</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To work with their local education providers (either individually or through regional workforce groups) to explore work experience opportunities including, but not limited to, gateway programmes</li> </ul>

## Initiative: Access non-traditional talent

Focus area	What	Proposed responsibilities
<b>Look in new places</b>	Support potential employees and employers to bring people from non-traditional sources of talent such as urban Pasifika, beneficiaries, ex-prisoners, people with disabilities into the dairy farming workforce.	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To provide quality regional employment information</li> <li>• To provide funding to the 'Support regional groups' initiative as a vehicle to help facilitate this project</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To execute the 'Supporting regional groups' initiative</li> </ul> <p><b>Rural professionals</b></p> <ul style="list-style-type: none"> <li>• To provide support to farmers</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To work co-operatively to find district and regional workforce solutions</li> </ul>

## Initiative: Attracting (even more) women

Focus area	What	Proposed responsibilities
<b>Look in new places</b>	<p>Identify localities where there are opportunities to attract women into the workforce. Develop targeted attraction campaigns.</p> <p>Recommend approaches to roles and responsibilities that facilitate an enhanced experience for women in the workplace (e.g. consider technology solutions, flexible work options).</p>	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To provide quality regional employment information</li> <li>• To support funding into the 'Support regional farmer groups' initiative as a vehicle to help facilitate this project</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To support and execute funding as per 'Support regional farmer groups' initiative</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To work co-operatively to find district and regional workforce solutions</li> </ul>

## Initiative: Grow a new seasonal workforce

Focus area	What	Proposed responsibilities
<b>Look in new places</b>	<p>Support Pacific people to work in dairy farming on a short-term basis under a collective standardised approach, similar to the horticulture sector.</p> <p>Create opportunities for New Zealanders and working holiday visa holders to work in each other's farming industries.</p> <p>Build on opportunities for seasonal workers to work across sectors utilising existing platforms such as 'Work the Seasons'.</p>	<p><b>Government</b></p> <ul style="list-style-type: none"> <li>• To share intelligence and an immigration framework for the scheme that meets sector needs</li> <li>• To provide assistance to fund, facilitate, and promote seasonal scheme opportunities</li> <li>• To ensure visa settings enable the scheme</li> </ul> <p><b>DairyNZ</b></p> <ul style="list-style-type: none"> <li>• To research, provide advocacy, and evaluation of any potential scheme</li> <li>• To assist with information and contacts for networks that may be helpful to support this initiative</li> </ul> <p><b>Farmers</b></p> <ul style="list-style-type: none"> <li>• To provide work opportunities, arrangements and conditions that are attractive, reliable, repeatable season upon season, and suit the individual needs of this group of workforce participants</li> <li>• Be willing to work with others and look at new ways of co-operating to secure these people</li> </ul>

# COSTS & IMPACT

Different stakeholders will incur different costs for the initiatives proposed under this plan.

Various assumptions have been made in order to provide high level indicative costings for the 'Great Futures in Dairying' plan. More work will be needed to tighten these estimates as the plan is developed further.

With all the initiatives working together, we estimate the following workforce shortage reductions (Figure 6) and costs (Figure 5) are likely:

Priority group	Indicative annual farmer costs for all initiatives by group (\$)	Indicative annual sector costs for all initiatives by group (\$)
Group 1	\$50m to 200m	\$2m to 5m
Group 2	\$30m to 100m	\$2m to 5m
Group 3	\$10m to 30m	\$1m to 3m
Groups 1 & 2	\$100m to 300m	\$3m to 10m
Groups 2 & 3	\$100m to 300m	\$5m to 20m

Figure 5: Indicative costs of initiatives

You can find more information around the assumptions and modelling approach in the full 'Great futures in dairying' report. Visit [dairynz.co.nz/great-futures](http://dairynz.co.nz/great-futures) to access a copy of the report.



### Impact of initiatives by group over time

Figure 6 (below) shows the indicative impact of implementing groups of ideas over time. There is a 3-4 year period before the initiatives in this Plan start to take effect, this reflects the time to develop and implement the initiatives and the time taken for adoption to occur.

Even if all of the ideas are implemented, it is likely to take four to five years before the impact starts to become significant. If only Group One ideas were implemented, the workforce shortage would be significantly reduced, but not eliminated, by year 10. If all of the ideas

were implemented, and if all the assumptions we have made about their impact and farmer adoption are correct, then the shortage would be eliminated by year 10.

Every farming business is unique and implementing the initiatives in the Plan on farm will be different for each farming business depending on their priorities, the dynamics of their farming business and their current workforce competitiveness.

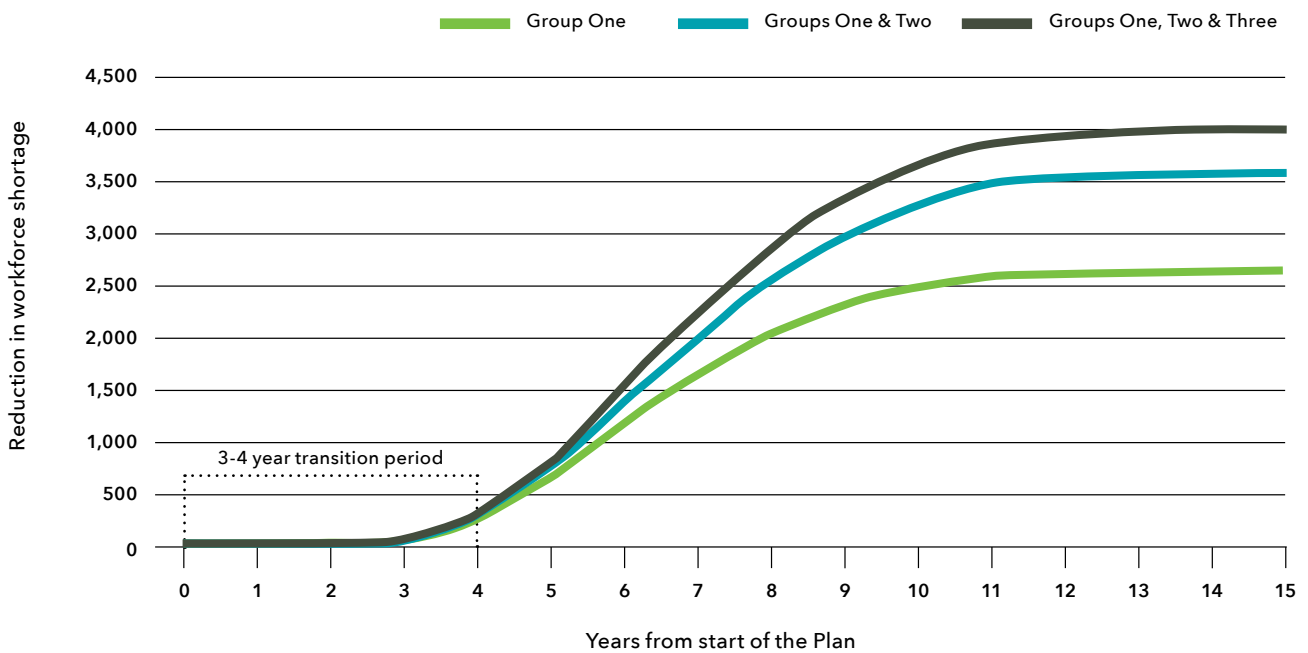


Figure 6: Indicative combined impact of implementing all ideas by Group





# THE FUTURE OF THE DAIRY WORKFORCE

# WHAT DOES SUCCESS LOOK LIKE?

To achieve our vision for the dairy workforce and to build a more sustainable dairy sector for the future, we need to act now, and we need to work together.

This plan cannot be achieved by any group or organisation operating in isolation; a sector reposition will require contributions from many parts of the sector. To achieve this, an advisory or steering group will be required to guide us, and ultimately, hold us all accountable to ensure we achieve our agreed initiatives. This includes measuring the workforce gap as the Plan and initiatives are implemented.

We are mindful that farmer adoption of any of the initiatives we're proposing is voluntary, and we also know that for many, the quantum of change for their businesses and the costs will be significant.

**Dairy farmers have proven through the consultation process:**

- 1 That they want a thriving dairy workforce**
- 2 That they want the guidance and support that this Plan provides**
- 3 That they are committed and want change.**

The tools and initiatives developed over the next few years as we execute this Plan will integrate with existing tools. This ensures comprehensive support is provided to farm business leaders so they can create and implement a workforce resilience plan for their businesses.

## **Working together**

The opportunities to collaborate across the whole food and fibre sector are exciting, along with the opportunity for dairy sector stakeholders to work cohesively in the interests of the whole industry. Approaches that support, incentivise, and call our farming businesses to action will all be important to our success.

The health, safety and wellbeing of all people working in dairy sector is central to our considerations, the ideas and solutions presented, and the overall success of this Plan. As we build new systems and ways of working to ensure workforce resilience, we must ensure there is a systemic and behavioural focus on keeping our workforce safe. In addition, we anticipate that the Farm without Harm strategy, when released by Safer Farms, will include opportunities to integrate keeping people safe and improving health and safety leadership capacity with some of the solutions concerning leadership development that this Plan is suggesting.

At a wider level, there is a lot going on for our sector. Opportunities to integrate workforce initiatives with the wider programmes impacting the sector such as Dairy Tomorrow, Fit for a Better World, He Waka Eke Noa and Sustainable Dairying: Water Accord will be important in helping our farm business owners focus and prioritise their energies.

The next 10 years will not be easy, but our sector has already proven its resilience time and time again, and we are confident will do so again.

