

“Employment standards in world food production – the place of GLOBALGAP supply contracts and indirect legislation.”

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“Regulating for decent work: innovative regulation as a response to globalization”

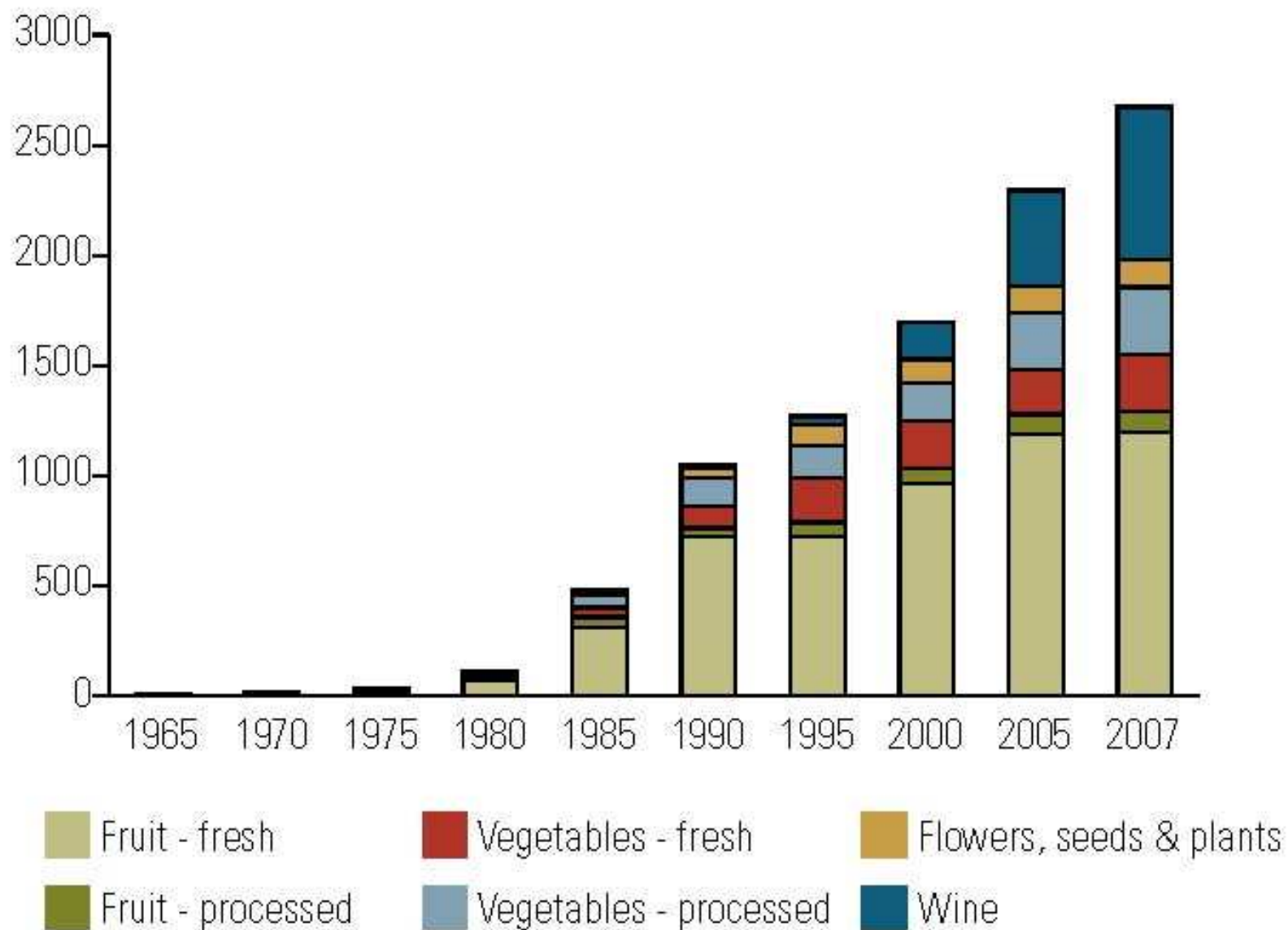
Conference of the ILO, Geneva, 8-10 July 2009.

Track 2: *New directions in the implementation and enforcement of ‘non-core’ norms.*

Food Production in New Zealand

- **Ag/Hort production is still a huge part of the NZ economy (56% Merchandise exports, 2008 *StatsNZ*)**
- **Labour intensive horticultural production has grown exponentially since the mid 1970s**
- **1991 de-regulated rural labour market did not work for horticulture long-term**
- **There are ongoing recruitment, retention & compliance problems;**
- **There is an uncertain labour supply with low unemployment**

Horticultural exports (\$ million, fob)



Research questions

- **How does private governance of quality ensure compliance with labour standards?**
- **How can New Zealand horticulture's need for seasonal labour be met to ensure timely, quality and certificated production?**
- **Could the large relatively under-employed labour force around the Pacific solve New Zealand's seasonal needs for workers?**
- **Does the Recognised Seasonal Employer scheme deliver Win:Win:Win outcomes for stakeholders in New Zealand & the Pacific?**

Changes in food distribution and retailing

- **Corporate supermarkets at the end of highly controlled supply chains**
- **They are risk averse and concerned to maintain a ‘good, socially responsible and environmentally friendly ‘brand image’**
- **Governments withdrew from previously regulated areas => private governance took over**
- **Those pursuing Economies of Quality can thrive in new global trading environment (Campbell & Rosin, 2007)**

New Zealand timeline of private governance

- **1996 NZ Vegetable Growers Federation commission 'Quality improvement' research**
- **1999 NZ Approved Supplier Programme (NZASP) with full traceability and HACCP based – one set of standards for producers (includes fruit + flowers)**
- **2002 EUREPGAP introduces social standards, primarily for health/safety, as well as a full QA programme**
- **2006 NZGAP compliant with EUREPGAP**
- **2007 GLOBALGAP, NZGAP fully compliant for trade worldwide**
- **Non-compliant producers cannot trade with major buyers, both domestically and internationally.**

Contrasting approaches to governance: Walmart (US) v. Tesco (UK)

- **Walmart have a simple policy for non-compliant suppliers who could become ‘bad news’. They are dropped because they are ‘bad news’ (Christopherson & Lillie, 2005)**
- **Tesco have adopted the ‘kaizen principle’ of true quality management and work with non-compliant suppliers to help them improve, but will drop those who do not (Tesco plc website: ‘Nature’s Choice’, 2009)**

Background to Recognised Seasonal Employer Scheme

- **Need to maintain duly certified quality production**
- **Need to have a labour supply to deliver that quality product**
- **RSE resulted from serendipitous convergence of several themes**

‘The crisis in NZ horticulture’

- **2004 NZ Minister of Immigration confronted on TV that Thai immigrants worked better than NZ unemployed (squash grower)**
- **Politically sensitive time so Minister calls parties together to work out what can be done about the labour shortage:**
 - **by government e.g. absolute staff shortages**
 - **by industry e.g. improved employment practices**

Annual peaks in horticultural employment – the problem each year

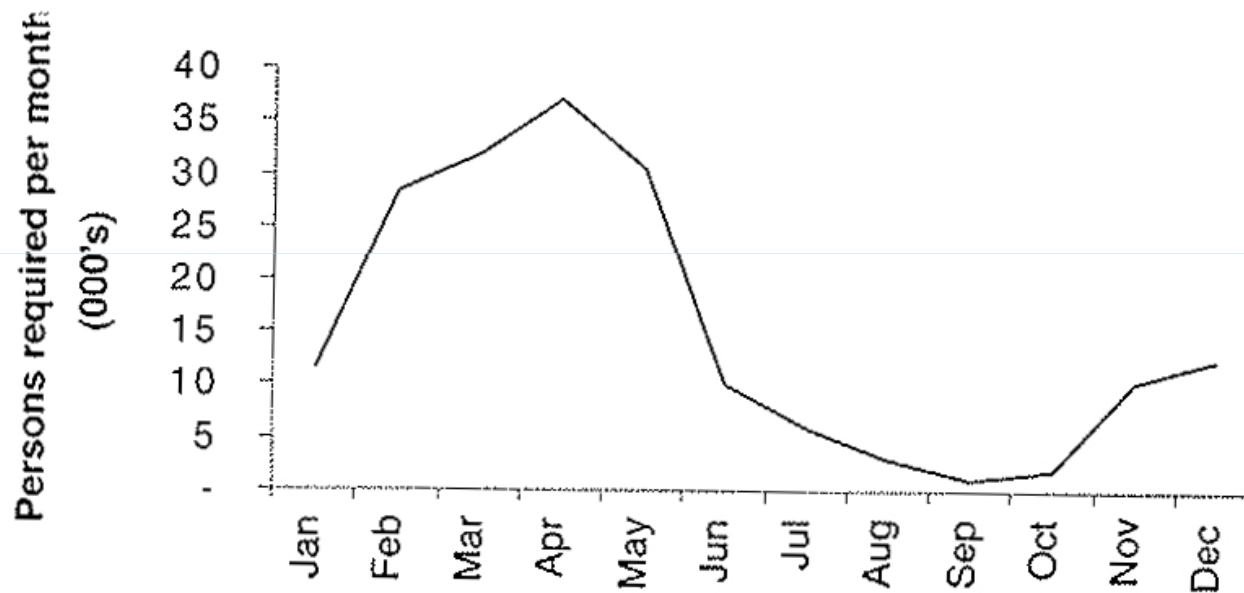


Figure 2 - Estimated seasonal labour demand for the New Zealand Fruit Industry, 2004

Getting down to 'Practice Making'

"Applying" system
was represented in
the room.

Developmental
Work Research
Techniques

'unpacked' the
system and remade
it.

[www.edu.helsinki.fi/
activity](http://www.edu.helsinki.fi/activity)



“Applying” cf Orchardring



Changes in horticultural employment – the industry diagnosis

RAPID EMPLOYMENT TRANSFORMATION IN HORTICULTURE

PAST → FUTURE

Numbers game
High turnover
No staff development
Volume based rewards
Poor employer practices
Illegal labour common
Staff seen as cost
Unplanned offshore staff

Productivity the key
Loyalty - full time or returns
Training & skills development
Rewards productivity based
Excellent employer practices
No Illegals
Staff seen as key to success
Planned recruitment offshore





The Horticulture/Viticulture Seasonal Labour Strategy

“Supporting Industries with Seasonal Labour Demands to Achieve Sustainable Growth”



Ministry of Agriculture and Forestry
Te Manatu Ahuwhenua, Ngaherehere
New Zealand



Work and Income
Te Hiranga Tangata
A service of the Ministry of Social Development

Department of Labour
TE TARI MAHI



New Zealand Wine
the riches of a clean green land



MINISTRY OF SOCIAL DEVELOPMENT
Te Manatū Whakahiato Ora

The National Strategy



- 1. Work for New Zealanders first**
- 2. Accessing Global Labour**
- 3. Supply and demand of Seasonal Labour**
- 4. Workforce skill development and productivity**
- 5. Contractors**

The path to the Recognised Seasonal Employer scheme – political good fortune

- **Paper promoting the RSE Policy goes to Cabinet at same time as a paper on Pacific Labour mobility**
- **RSE scheme announced at 37th Pacific Islands Forum in Fiji in October 2006**
- **December 2006 discussions with industry, government and island representatives**
- **From January 2007 – April 2008 is covered in following video**



Video of RSE HERE

Employer requirements

- **To meet the policy definition of a New Zealand employer**
- **To have a high standard of human resource policies and practices**
- **To have good work practices**
- **To be committed to recruiting and training New Zealanders**
- **To be in a sound financial position**
- **To be willing to pay market rates and ‘take care’ of their RSE workers (Department of Labour, 2009)**

Employer responsibilities

- **To pay half the travel costs for workers flying to and from New Zealand**
- **To pay for at least 240 hours work**
- **To provide at least 30 hours per week work over the period of their employment**
- **To provide evidence of pastoral care of their RSE workers e.g. suitable accommodation, translation, transport, availability of suitable churches to attend, recreation facilities, and an introduction to life in New Zealand**
- **To pay at full market rates**
- **To contribute to the cost of removal of overstayers, if that should arise (Department of Labour, 2009)**

Worker requirements

To be:

- **At least 18 years old**
 - **Have an employment agreement**
 - **Have a return ticket**
 - **Satisfy health and character requirements, and**
 - **Be able to show they only want to stay in New Zealand temporarily**
- (Department of Labour, 2009a)**

How the FPJ saw the potential 2009 crisis

- RSE bigger than new variety profile in helping to get high quality fruit to market
- So NZ is replacing other southern hemisphere producers
- Pacific labour has helped delivering fruit at exactly right time for best fruit maturity => best keeping => best travelling
- Minister announces continuance of improved RSE scheme 4 June 2009

FPJ

FRESH PRODUCE





Solid prospects for South African avos p18



Belgians pick their best

17 APRIL 2009

THE INDUSTRY'S WEEKLY NEWSPAPER

Pacific pickers to rescue

KATHY HAMMOND

PACIFIC ISLANDS labour in New Zealand is proving a bigger factor than even an improved new variety profile in helping growers deliver high-quality fruit to market, the country's top-fruit industry body has said.

Gary Jones, Pipfruit NZ's manager of membership services, said: "At the moment, New Zealand apples are taking the place of other southern hemisphere apples in our markets offshore because the quality is higher. We have more than 4,000 experienced harvesters from the Pacific Islands and that has made the difference.

"We have one of the best-quality crops we have ever had, but Pacific Islands labour has fundamentally changed our ability to deliver quality to the market. It is bigger even than changing varieties – being able to pick the crop at the exact right time in terms of fruit maturity is a huge, fundamental change."

There are more than 4,000 Pacific Islanders working in the New Zealand top-fruit industry this season, with nearly 3,000 employed in the principal growing region of Hawkes Bay alone.

Jones is very clear about the massive impact the guest workers have had on the sector this year. He said: "We would have had a disaster with the apple harvest this year if we hadn't had the opportunity to employ the Pacific Islanders. They come for six to seven months of the year, working not just the apple harvest, but then grapes and kiwifruit. They are effectively permanent, seasonal workers, with many returning three to four years running, who are now very experienced."

This season, New Zealand is enjoying a particularly large crop and with newly bearing trees in restructured, intensively planted orchards coming on all at once, a highly organised harvesting operation is absolutely key to success.

As a relatively high-cost production country, New Zealand's growers have been moving away from standard Royal Gala and Braeburn production in recent years to diversify their plantings into more premium varieties. This move has been felt especially keenly this season.

Jones said: "This season has been very tight in maturity and it has taken a lot of workers. We have slightly more fruit than in previous years but the newer varieties are also quite tight in terms of their optimum maturity picking window."

He admitted that most growers were looking "for a few more workers", but stressed that the industry was "coping" and describing the situation as a shortage was not accurate. Some reports have suggested that working holiday scheme numbers are down, but Jones indicated that, whereas fewer backpackers might be required in the hospitality and catering trades, there are still good numbers heading to work in New Zealand's orchards and fields.

But even with unemployment in New Zealand at a high level, it is still relatively difficult to attract home-grown labour into the agricultural and horticultural workforce. ○



S&A quashes rumour mill

S&A PRODUCE has moved to quash trade rumours that it is in financial difficulty and in danger of collapse, following the news that owner John Davies has stepped down from running the firm.

Speculation has been rife that the major soft-fruit supplier to some of the UK's largest multiples is in danger of a collapse on the scale of vegetable supplier Bomfords, which failed two years ago.

A spokeswoman for S&A stressed that its board of directors is still firmly in control of the business. "For the past two-and-a-half years, Jon Sopher has been chairman of the board, and his role has now been extended to chief executive," she said.

"The changes to the management structure have been brought about due to personal differences between John Davies and Lloyds Bank [as reported in last week's FPJ]. There is nothing unusual about the current structure, particularly given the fact that Jon Sopher has been a key member of the board for a significant period."

S&A also denied that Lloyds is playing any role in running the business and local media reports that its representatives were visiting every week are "without foundation".

The spokeswoman told FPJ: "The financial position of the business is more robust than it has been for some while and is now benefiting from the start of the UK growing season. We have our own crop production department, which has been significantly increased in personnel terms." ○



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Answers to four research questions

- 1. No compliance with QA standards – no sales**
- 2. The RSE scheme**
- 3. Yes**
- 4. Win: for governments - NZ accessing global labour; Islands given work & foreign exchange**
Win: for growers – fruit was picked on time in best condition
Win: for workers – well paid seasonal work, savings and remittances to family and community