

FOREIGN WORKERS AND DAIRY FARMING

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In the March 2004 issue of *Primary Industry Management* we began a short series on issues relating to migration and dairy farming. This is the second article in the series.

Our first article addressed issues such as Gypsy day and the effect that has on dairy farms every year, and the migration of dairy farm workers from the North Island to the South Island. However, these days migration take place over much longer distances. One of the informal studies we have conducted has been of the role of international migrants in staffing the industry, particularly in Canterbury. Canterbury dairy farming has been under especial stress in the farm labour crisis as an area with only a limited traditional dairy farm labour force. That has had to be supplemented by additional staff from outside Canterbury.

This issue came to a head during the early part of our study, with the newspaper headlines of 'Slave labour' being employed in Canterbury dairy farming in March 2003. The purpose of this article is not to revisit that issue, but to consider some of the issues surrounding the employment of international migrants in dairy farm work.

Foreign workers

Foreign workers come from a number of sources. There are the farm exchange schemes, which have traditionally involved farm workers from countries in Western Europe such as Britain, Ireland, France and Germany, being exchanged through agencies that are relatively well aware of the conditions that the exchanged staff will be facing. There have also been long established migration flows from countries such as the Netherlands with a strong dairy farming base. To these relatively traditional sources of foreign staff must be added migrant staff from the countries of Eastern Europe and further afield. Such workers have often gained access to New Zealand through new intermediaries such as immigration agents, who do not have a good understanding of what modern dairy farming involves.

Concerns have been expressed that some of those applying may be using dairy farming as a route into New Zealand when they cannot get past other immigration hurdles. Another problem may result from the apparent 'invisibility' of such dairy migrants. In a recent *One News Insight* on immigration (TV 1, 14 July 2004) white immigrants were described as invisible migrants in contrast to those more obvious ones of Asian, African or Pacific Islands origins. The main focus of the debate was on those more obvious groups and tended to neglect the invisible migrants. Nevertheless they still have a lot of problems when they migrate and to become effective settlers these problems need to be overcome satisfactorily.

The study

The aim of this limited study was to gain an insight into how migrants were integrating into New Zealand dairy farming and to make recommendations to enhance those processes. Our study was informed by the theoretical background provided by

the concept of a 'psychological contract' between employer and employee and set in the context provided by applying the human capability framework to the dairy industry. The latter considers the supply and demand sides in the dairy farm labour market and the matching processes joining them in establishing successful employment relationships. We also sought to discover how well employers had matched the expectations of their migrant staff, how the use of intermediaries was functioning and whether it could be improved, and whether migrants had stayed in dairy farming or had moved on. The study sought to identify what might be best practice and what might promote it.

In order to identify issues unique to immigrants, the author decided to select employers with successful employment policies. To contain research costs, six interviewees worked at Rakaia Island Dairies, which has a very low level of staff turnover for a farm that carries 3000 cows.

There was no sampling frame for this study, so a multiple case study approach was used. Subjects were identified from personal contacts in dairy farming and a form of 'snow-balling' technique. Nine migrants from five countries were interviewed in depth. In only one case was there a significant language problem that necessitated obtaining assistance with interpretation. Those interviewed were seven males and two females, aged between 21 and 31, and had job descriptions from milk harvesters to herd manager. The study could in no way be described as representative. It was more indicative of current practice and how employers might improve their practice in employing overseas migrants.

The immigration process

At the time of the study, immigration rules required applicants to take the following steps to gain work in New Zealand dairy farming. First, a potential employee had to find an employer looking for staff and establish contact with them. If, after communicating, they were in agreement on a future job, the employer was to write a letter of principle to the New Zealand Immigration Service (NZIS) stipulating how long they required the potential employee. At the same time the employer had to provide evidence that New Zealand job applicants were not suitable or available to perform the work, or were unable to be readily trained to do the work.

Then the employer was to officially invite the potential employee to be a member of his staff. At that point the potential employee applied for a working visa, similar to a temporary work permit. If the employee left the job before the time stipulated then the employee could either apply for a 'variation of work permit', or a new work permit, in which case a new employer would have to officially invite the employee to be a member of his staff.

Alternatively the NZIS provided a list of occupational shortages and priority occupations, in which case the employer did not need to supply evidence of seeking New Zealand employees. At the time of the study senior positions as dairy farm managers were on the occupational shortage list, but not milk harvesting. The recommended standard for work permits was that they had a minimum of two years of experience in farming or small business management and a Level 5 qualification in the same areas.

Results

In terms of country of origin, the group studied included three Romanians, three from the Ukraine and one each from Holland, India and Zimbabwe. They had arrived in New Zealand between October 2000 and February 2003. The interviewees were well qualified and included a vet, three others with degrees – one a masters in agricultural science – a draftsman, an economist, an electrical engineer, a petrochemical technology diplomate and a more general management and administration diplomate.

WHY NEW ZEALAND?

Why such individuals should want to come to New Zealand was interesting when they were so well qualified. Reasons included wanting new experiences, wanting practical experience, wanting a better life and more money or the chance to save, wanting work to suit her qualifications, which did not exist in Romania, wanting a better life with a good future and wanting to live in a country that was an island.

Initial knowledge of New Zealand, the possibility of migration, and dairy farming came through a mixture of relatives, friends, academic contacts, television and the internet. One had been advised by Business Immigration (NZ) Ltd of the possibility. They wanted farming experience for different reasons – it was an opportunity to get into New Zealand, continued studies, provided a challenge, continued an existing career, provided a chance of working with a rotary cowshed, gave a good start and money, and used background and qualifications.

HOMESICKNESS

Only four of the subjects were still in their first job in New Zealand. Of those that had moved three had changed farm to get ahead or increase experience. One did not like the first job and one was confronted by a racist employer. Four wanted to stay in New Zealand permanently. While all said they felt at home in New Zealand, they all believed their country of origin was their true home. Homesickness was a problem for most, exacerbated by high accumulated telephone charges. The internet had proved invaluable in helping to overcome homesickness, and could make even more impact in future when the revolution in telephone call charges from transmission over the internet gets to New Zealand.

WORKING CONDITIONS

The working conditions encountered were considered to be good or very good. Only three of the nine made any suggestions for improvements. One who had been working 80-hour weeks suggested employing more staff to permit shorter working weeks. Another wanted regular meetings of staff and the third sought better organisation at all levels. While living arrangements were seen as very good by most, the following suggestions for improvements were made –

- That there should be better heating systems, this came up in several interviews
- That furnishings might be improved
- That there might be more privacy between units
- Provision of a radio
- A bath rather than a shower.

All the accommodation concerned met the requirements of the Health and Safety in Employment Regulations 1995

(Appendix D). In addition, all but one of the subjects were happy with the levels of pay and rewards. The one unhappy one had a low wage and had to pay for the use of the farm motorbike.

JOBS NOT AS ENVISAGED

While actual conditions seemed reasonably satisfactory, two-thirds of the subjects thought their jobs were not as they had envisaged them. The main factor was the more advanced technology used in New Zealand. Two features were prominent, the use of rotary cow sheds for milking and the irrigation systems used. One noted the separation of production and processing in New Zealand compared to their homeland, and others the longer hours of work than they expected. Another difference was in cows being outside all year round compared to indoor wintering and the need for 'cut and carry' feeding systems. Some came from areas in which hand milking was still common.

HELPING ABILITY TO SETTLE IN

Three main issues came up which the interviewees believed could have helped their ability to settle into both their jobs and the district more readily. First was the need to improve the availability and affordability of English lessons. They were not available at a time and place that was suitable for immigrant dairy farm workers. Possibly employers should see improving their staff's ability in English as a good business investment and pay for it through their business.

One could certainly make a case for it to be vital on health and safety grounds to prevent hazards arising and consequent harm. If it was a legitimate business expense then it should be tax deductible. Further, there may be potential teachers out in the farming community, perhaps with training already or willing to train as a teacher of English as a second language, who would be keen to be involved in a fee paying activity. It could help integration into the local community, and it could also be provided at convenient times and places.

Secondly, mobility was often an initial problem, especially when reliance had to be placed on others to get to town or the shops. Loan of a farm vehicle might be one solution. Licensing is a further issue and immigrants should be encouraged to obtain an international driving licence before arriving, so that they have time to cope with passing a New Zealand driving test. The third factor was how to meet the local community. It was felt that meeting through community events such as quiz or cards evenings might be one way to encourage involvement.

NEW ZEALAND FARMING IS DIFFERENT

Two thirds of those interviewed had not found New Zealand farming as they expected. If that is the case, dairy farm employers need to make available a better idea of the true nature of modern New Zealand dairy farming to potential migrants. This will help achieve a better match in expectations between the migrant and the employer, provide a better psychological contract and better job satisfaction, less staff turnover and greater job longevity.

Rakaia Island Dairies are already working on this idea. They have their own website with details and photographs of the business, the personnel, the farms, the equipment and some idea of the environment in which the migrant would be working www.rakaiaisland.co.nz/intro.htm. There is no reason why any farmer could not do likewise.

MIGRANTS' CAPACITY FOR THE JOBS AVAILABLE

Many of those migrating were over-qualified for the jobs they were actually doing. This was understandable from the farmers' point of view because of the need for them to adjust to New Zealand conditions. It was not helped by the Immigration Service exclusion of 'milk harvesters' in the occupational shortages list, as they believed the shortages are for skilled personnel in dairy herd management.

Therefore migrants and employers are faced with a dilemma, as the latter would rather migrants adjust to New Zealand conditions before they become responsible for management. Perhaps the occupational shortage list needs to be revised accordingly. In light of the ageing populations across the developed OECD countries, with only some 5 million workers replacing some 70 million retiring by 2027, many other countries are going to be seeking adequate supplies of migrant labour too. New Zealand dairy employers need to come up with some innovative ideas to attract and retain migrants. The availability of health and education services for them and their children might be one factor needing attention.

IMMIGRATION AGENTS

Immigration agents had been used by a third of the migrants to secure employment in New Zealand. That has problems, especially if they do not have good information about the prospective job and business. The involvement of an intermediary can actually confuse the expectations of the parties and cause a serious mismatch. The excessive fees that some agents demand and obtain should perhaps lead to dairy farm employers considering

how they could do the job for themselves and their prospective staff better and much more cheaply.

KEY IDEAS FOR THE EMPLOYERS OF PROSPECTIVE MIGRANTS

- Establish your personal website about your business, keep it up-to-date and answer enquiries promptly by email.
- Do not employ 'ignorant', expensive, immigration agents – do it yourself.
- See if local English lessons can be made available – this might benefit several farmers.
- Help with initial transportation.
- Provide good heating and plenty of hot water.
- Try and provide or encourage attendance at local community functions and provide introductions.

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