

MIGRATIONS AND DAIRY FARMING

Rupert Tipples and David Lucock

The 'Farm Labour Crisis' experienced in New Zealand since the late 1990s has aroused sufficient concern to lead to the creation of *Human Capability in Agriculture and Horticulture*, a pan primary industry group working on ensuring an adequate workforce is available for the future. The phrase human capability comes from the human capability framework, which provides a picture of a labour market. It consists of three parts –

- Capacity, the labour supply-side and all those factors influencing it
- Opportunities, the labour demand-side and the factors causing those demands to change
- Matching processes which link capacity and opportunities together.

Since 2001 at Lincoln University, a number of researchers have been working to develop a better understanding of the components of the *Human Capability Framework for Agriculture and Horticulture*. One component of capacity, highlighted in early 2003 by newspaper headlines of about immigrant slave labour in the dairy sector, is the role of migration in meeting the future capacity needs of the sector. This article reports initial enquiries made to gauge the extent of migration as a component of the dairy farm labour market. Further articles discuss how the employment of immigrant staff can best be arranged to ensure a lasting and successful employment relationship, while another reviews what official statistics can tell us about the overall pattern of migration in the dairy sector.

UNDERSTANDING THE ROLE OF MIGRATION

The Lincoln enquiries were frustrated at first by a lack of good descriptive information and basic statistical data. Consequently, a more informal and perhaps less rigorous approach had to be adopted. Our aim has been to develop an understanding of the role of migration in New Zealand dairy farming, and how the jobs of migrants and their employers can be made better.

To that end, during the summer of 2002/2003, we began a series of informal surveys, prompted initially by an anecdote, that to overcome the shortage of workers, South Island dairy farmers had taken staff from the North Island as well as from other countries. There was no data to support or quantify these claims. The difficulty in collecting data made it necessary to think of unusual ways to gather it together. Subsequently three lots of statistics were obtained.

One was from farm employment agency Fegan & Co., who employ farm staff on behalf of dairy farm employers and who permitted their records to be analysed. The other two were AgITO trainees and farm staff from either dairy farms selected at random, or who attended Dexcel farm discussion groups. Descriptions of the groups are given below and we would like to thank all who helped us.

However, before discussing what we found in the surveys, we need to set the context of our study by discussing what happens on Gypsyday.

Gypsyday 1 June

Historically 1 June has been known as Gypsyday in the dairy industry. Typically cows on the majority of farms ceased to be milked during May and there is a six-week gap when cows are not milked. By custom 1 June was the day when the majority of farm employers and employees shifted to another farm. Gypsyday has involved many farm families moving from the North Island to the South Island over the last five years. Besides cheaper land in the south, which has facilitated conversions and moving up the dairy farming ladder more quickly from sharemilker to farm owner, the South Island has several other advantages.

Some argue its climate is better, that grass growth and quality are better, and that stock suffer from less metabolic disorders. For those yet to become sharemilkers, there are more large scale management positions available, also more possibilities of joining share-equity partnerships. In terms of lifestyle, there is good fishing, tramping and skiing. Schools too are highly regarded and it is said carrots and potatoes taste better and flowers are more vivid. These factors, with what migrating families see as a more positive approach in the south for those who are prepared to move out of their comfort zones, make Gypsyday figure large in their lives.

MAJOR UPHEAVAL

Moving the family 'lock, stock and barrel' from one house to another is a stressful business. It takes organisation and planning. In 2003 when Gypsyday fell on Queen's Birthday weekend, the problems were accentuated. Fears were expressed that holiday traffic would get mixed up with moving herds. Besides increased traffic, the growth in the number of movements has exaggerated the problems for cattle transport businesses, especially those carrying stock inter-island. Financial and legal services are also placed under considerable pressure to complete sale and contract agreements on the due settlement date, so that no penalty payments become liable. It has been estimated that approximately half of Waikato's 4,500 dairy farms change owners, sharemilkers or herds on Gypsyday. In 2001 \$400 million was estimated to change hands in Southland alone. Gypsyday is a time of major upheaval for many in the dairy farming industry and maximum stress not only on-farm but in the support services as well.

During June and July freshly moved dairy personnel become accustomed to the idiosyncrasies of the new farm and theoretically have systems in place to cope with the busy calving period from July. Gypsyday is costly. The actual shifting cost can be quantified, but the hidden cost is difficult to quantify as it includes such things as lost milk production as the new employee learns the idiosyncrasies of the farm. It has also become apparent that an increasing number of staff change jobs outside of the Gypsyday date.

Initial surveys

EMPLOYMENT AGENCY FEGAN & Co

Individual farm owners and employers information was accessed from the business records of Fegan & Co. For example, a telephone

number or an address was used to ascertain an origination and end point to estimate how far employees had moved. This was matched to a second database that contained information on the staff employed. Using the employees' telephone number at the time of the interview, an origination point for the employee was determined and the employers' address for the place where the employee shifted to was used as a destination. Using this rather crude method the movements of 93 employees were recorded. The estimated accuracy of this method is to within 20 kilometres approximately, as telephone prefixes only give an idea of an area, not a street address. However, this has shown some definite trends in the distance that farm staff tend to travel when shifting to new jobs.

It is important to acknowledge that Fegan & Co. are experienced at selecting employees. They select employees who have the right generic skills and experience for the employers with whom they are being matched. Because Fegan & Co. are matching employees with employers, then this may also influence the distance employees move or the position they seek. These employees may be motivated to move a greater distance to obtain these most suitable jobs. This can be compared with potential employees who decide where to work without a third party influence.

AG ITO – TRAINEES' SURVEY

A questionnaire was developed to investigate the migrations of other dairy farm staff. It was sent to AgITO students in the Canterbury area. The forms were handed out to each class over a two-week period. As a result, 80 survey forms were completed. They were then posted back to Lincoln University.

It is important to note that these results do not include people who have finished their training or are not training for other reasons. Therefore these results are skewed towards those with a career orientation who want to enhance their knowledge of farming. This group did not include those who have finished their training.

DISCUSSION GROUP SURVEY

A total of 57 farm staff were surveyed through a farm discussion group or independently. Surveys were originally sent to their employers, who employed from two to 25 staff, and then filled out by the employees.

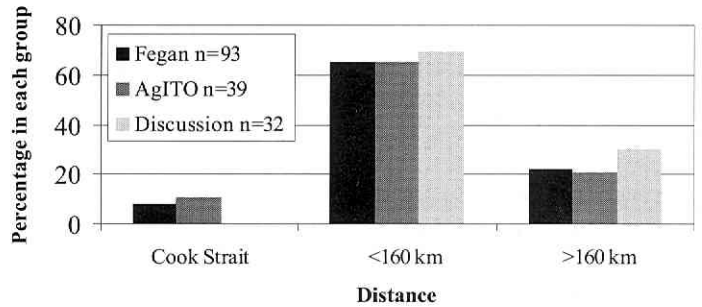
In total 230 individuals completed questionnaires so that the migratory patterns of dairy farm staff could be ascertained. The data collected provided some idea of the number of staff migrating to the South Island, as well as how far and how often farm staff moved. Distances were measured by the most direct route by road as perception of isolation is usually based on the distance or time of travel to see family or friends.

Results

Of those studied, the majority (86%) were male. Fifty one percent were either married or living in a relationship, 49% were single, and 31% had one or more children. The average number of cows milked per farm was 868 cows, with a range from 228 to 3000 cows.

Out of 230 farm staff studied ranging from dairy assistants to operation managers, with the exclusion of immigrants from

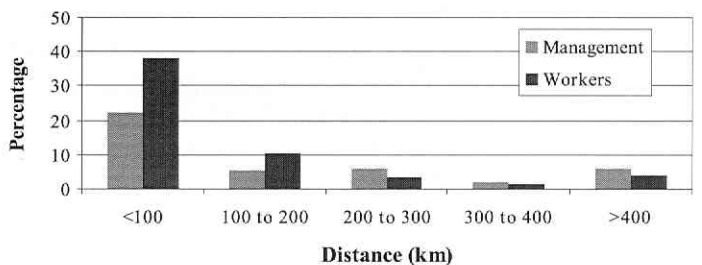
overseas, it was found that the average distance shifted was 163 kilometres, with a range from 1 to 1300 kilometres. As a general rule they shifted less than 100 kilometres and stayed in the same district. When the three groups are combined 65% of staff shifted less than 160 km within their island to secure work. A further 23% travelled greater than 160 km within their island. Eight percent crossed Cook Strait and three percent of staff came from outside of New Zealand.



A breakdown of the distance that dairy farm staff from three different groups travelled to secure work.

This can be broken down further. More workers than managers shifted less than 200 km but more managers than workers shifted distances greater than 200 km. There are two possible reasons for this.

- As farm sizes increase there are fewer farms therefore less managers but more workers are required.
- Management possibly regards their work as a career rather than a job and has a higher degree of motivation to travel further for the most suitable position.



Distances traveled by dairy farm staff (management and workers) to secure work.

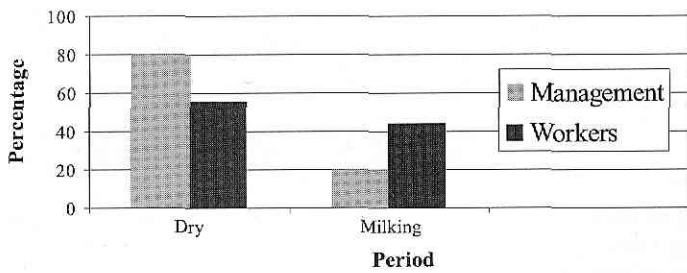
SHIFTING DATE

Workers were 2.2 times more likely to shift outside the traditional time as compared with when managers' shift. A total of 80 percent of managers shifted jobs during the time when cows were dry compared with 56 percent of workers.

PROPOSED SHIFTS

When asked whether they would shift or stay at the end of the 2002/2003 season, 60% of the managers said that they would stay, 30% were not sure and 10% said that they would leave. Comparably 26% of the workers said that they would leave, 41% were not sure and 33% said that they would stay.

Managers are more likely to stay, workers and intermediate managers probably have a larger number of jobs available to them and like to adopt a wait and see attitude to see if something



Comparing the period when the majority of managers and workers change jobs.

better comes along. It is acknowledged that there may be inconsistencies in job descriptions, as seen on the completed questionnaires, as they are self-reported. For example, a dairy assistant may consider themselves to be an assistant manager on a smaller property where the manager is the only other worker. The large number of 'Don't knows' suggests that staff were still thinking about their next job at the time they were surveyed.

The average age of all groups combined was 27. Staff employed through Fegan & Co had an average age 31, AgITO an average age of 23 and the discussion group an average age of 27.

Why do staff leave?

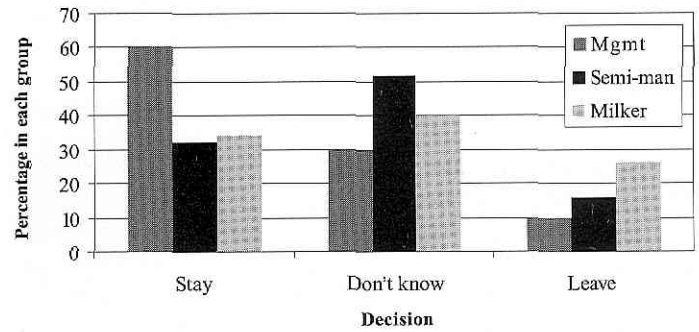
Traditionally staff change jobs during the period when cows are dried off as this gives new staff the opportunity to accustom themselves to the farm while the workload is relatively low. However, 44% of workers shifted to a new job during the part of the season when the cows were being milked. Typically an employment contract is written for a one year term beginning 1 June. These contracts may have included production bonuses that are often paid at the end of the season. So the breaking of a contract may lead to financial losses for staff that leave early. They also create extra stress for management because they have to employ people at a much busier time of the year, such as calving. Farm production may be lost because of the inability of management to find staff, as well as concentrate on the daily running of the farm.

The reasons that staff leave at inopportune times are unclear, but may be because of a mismatch of expectations between the employer and employee. Farm staff will almost certainly hear of other jobs where the pay and conditions are better than the job they currently have.

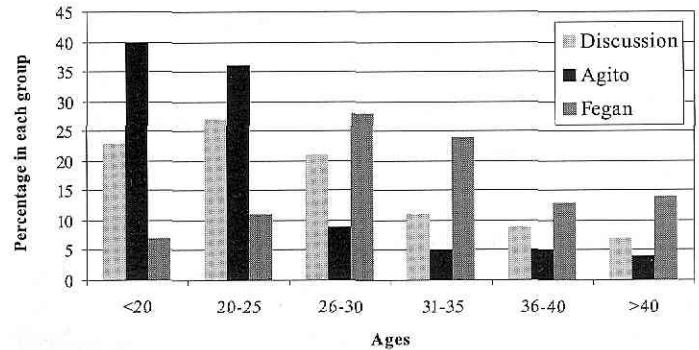
Points of significance in this study of dairy farm worker migrations are that –

- Only 24% had stayed at a previous job for two years or longer
- Only 8% said they had left for career advancement, while 21% said they had left their previous job for reasons of incompatibility
- 78% of those in these studies were under the age of 25, of which 40% were under the age of 20.
- The majority of farm staff travel less than 160 kilometres to secure work and approximately 8% of those studied crossed Cook Strait.
- 44% of workers shifted to a new job during the part of the season when the cows were being milked

Leave or stay



The likelihood of managers, semi-managers and workers leaving or staying at their current job at the end of the season.



Percentage of farm staff in each age bracket for the three groups studied.

- 60% of the managers and just over 30% of others said that they would stay at the end of the season. Over half of those classified as intermediate managers said they were unsure if they would stay or leave, while nearly 30% of milkers said they would leave.

Why do so many workers and milkers leave? Would it be better to start dairy assistants before the end of the milking season to give them an idea of what they are in for, so they do not leave under the pressure of calving?

This report has shown that dairy farm staff are shifting on a regular basis and gives some idea how far they are moving. More research is necessary to find the reasons for these periodic movements if we are to understand the dairy farm labour force better.

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David Lucock has just completed B.Agr Sc. (Hons) at Lincoln. He is now Field Officer (Sheep and Beef) for the Agricultural Research Group on Sustainability (ARGOS), which is a longitudinal study examining the effects of change in farm management systems on the social, economic and environmental performance of farms.