

DairyNZ 



**GREAT
FUTURES
IN DAIRYING
OVERVIEW**

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OVERVIEW

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.

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)

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.

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 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.

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

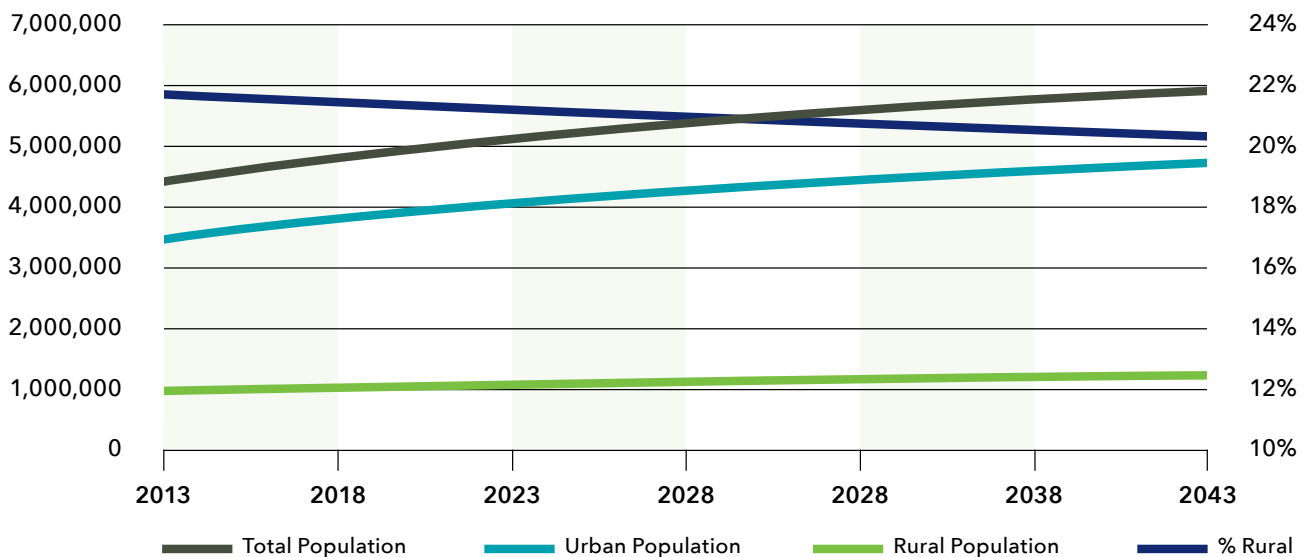


Population changes are expected to vary widely by region



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

Predicted trends in New Zealand's rural-urban population



THE DAIRY SECTOR THE CASE FOR CHANGE



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

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

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[^]**

We're short of about **4,000 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 to attract and retain capable and skilled people.

In creating this plan we engaged widely with farm owners, farm team members, dairy companies, sector bodies, government agencies, and a wide range of other organisations.

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.

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.

This sector-wide initiative has resulted in three proposed focus areas. We know it will require a sector-wide mindset shift around how dairy sets up and leads its businesses and people.

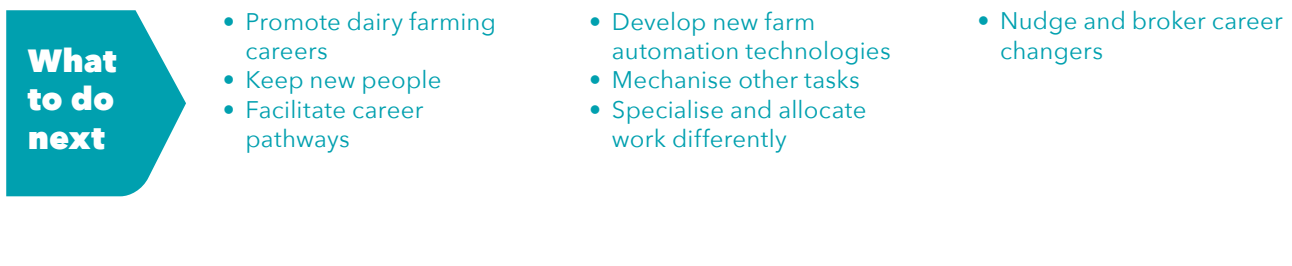
INITIATIVES AND PRIORITY GROUPINGS



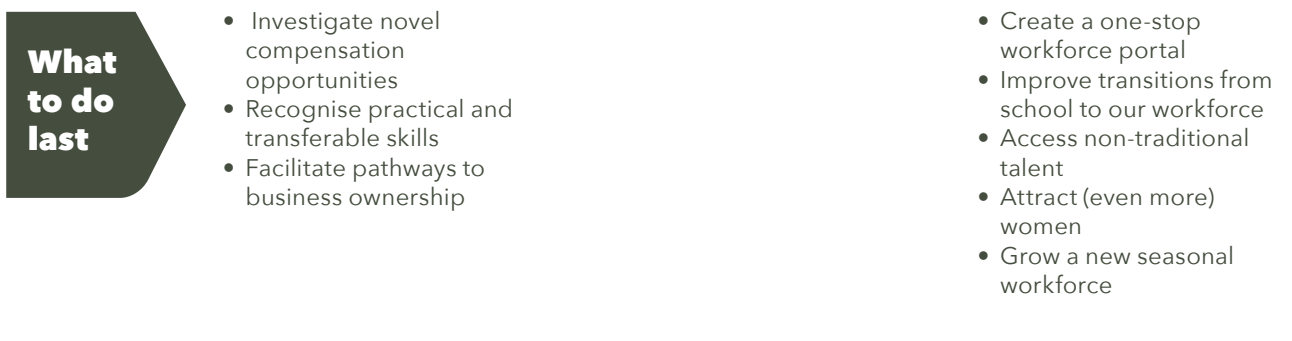
GROUP ONE INITIATIVES THAT HAVE THE HIGHEST IMPACT



GROUP TWO INITIATIVES THAT OFFER AN ATTRACTIVE BALANCE OF IMPACT, COST & TIMEFRAME



GROUP THREE INITIATIVES WITH MODERATE IMPACT BUT LOWER COST AND/OR TIMEFRAME



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.

