

Making Overseas Immigration Work in the South Island Dairy Industry.

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Introduction

Why employ staff from overseas?

1) **We need them!**

- There are not enough good local employees out there!

Even good employers are battling to find good local people. The situation has been getting steadily worse. The recent Fonterra shareholder council survey covered 5000 farmers to understand what was most important to them and their farming business. The survey identified that 45% of the participants considered 'unavailability of skilled and competent staff' was an issue of high impact on their business'. This state of affairs is backed up by the survey conducted by LIC to OAD farmers, in which 25% of the 351 respondents answered that they were forced into OAD milking due to issues such as labour shortage. This is driven by the low unemployment rate, Generation Y and the changes in the opportunity to progress from employee to full farm ownership in the dairy industry.

Unemployment Rate:

Although this may be increasing slowly it is still at a level in many areas which means that dairy farmers often have to select employees from the un-employable bunch. Farmers have accepted this as a fact of life as they have need staff and have to take what they can get.

Generation Y:

Many of the potential employees are young and have Gen-Y attitudes which include wanting things here and now, having a lack of loyalty and commitment, and have high pay expectations, often in excess of market rate.

Change in dairy succession model:

With the dramatic lift in land prices, the industry is no longer being seen as a reliable pathway leading to farm ownership. Young guys are no longer prepared to put in hard yards (long hours, extra work) to learn as they no longer have the same opportunity to progress to farm ownership as quickly. If you succeed now it is result of not just being a good farmer but also a good businessmen.

Without the same progression opportunities less herd managers are coming through the system. This means that there is a shortage of skilled employees at the intermediate level coming through the system.

2) They need us!

NZ has a lot to offer most potential overseas employees including:

- a. Higher salaries (salary often 1/3 to 1/10th in home country)
- b. Opportunities to progress and build skills and equity
- c. Lifestyle
- d. Good quality education for low price
- e. Good health system
- f. Good future prospects for children

3) NZ Dairy farmers have been successfully employing overseas staff for some time and many have successfully progressed through the industry to become farm managers.

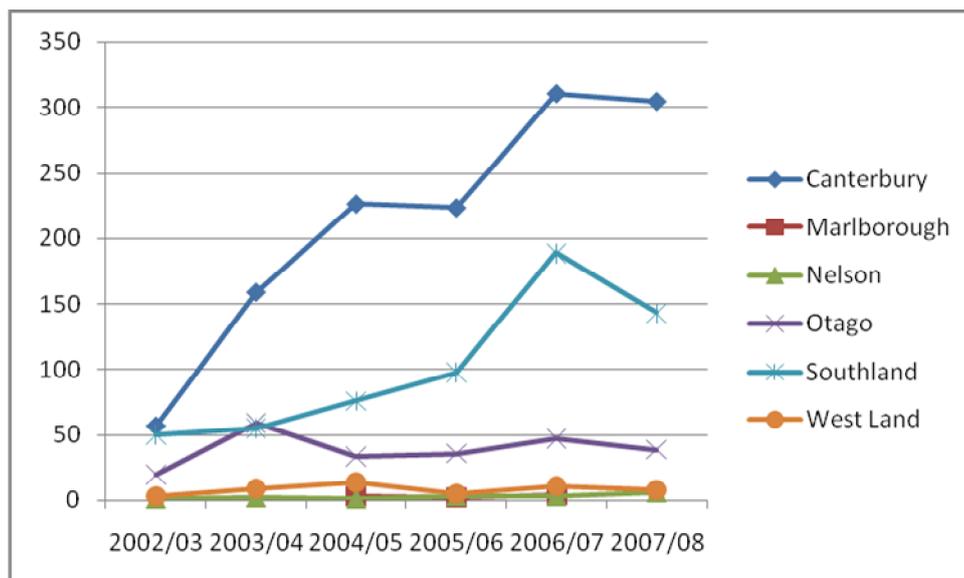


Figure 1: Numbers of overseas employees being granted work visas to work as lower level employees on dairy farms in the South Island.

Canterbury and Southland are the main areas employing overseas dairy staff and this trend is likely to continue with these two areas showing the biggest growth through conversions.

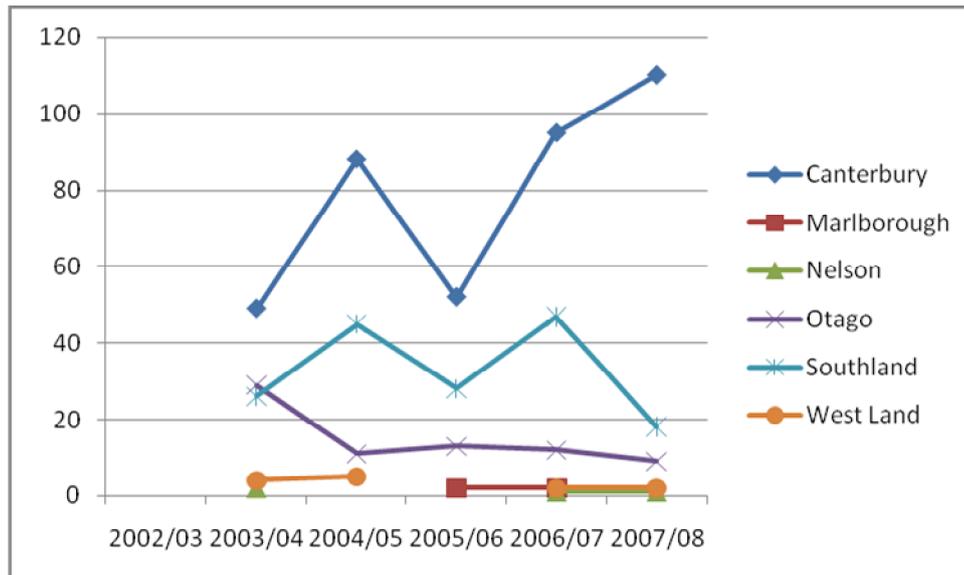


Figure 2 : Numbers of overseas employees being granted work visas to work as dairy farm managers on farms in the South Island.

Are overseas employees a good option for you?

No in the following circumstances:

- Poor employment conditions
- Poor employment practices
- Poor pay rates
- Only menial and repetitive positions available e.g. milk harvester only.

Overseas employees are not cheap, are not just labourers, and may require more effort and input than local employees!

Possibly in the following circumstances:

- Accommodation only suitable for single people
- Isolated farm location
- Turnover due to Gen-Y employees
- Low suitable local staff availability

Consider the positives and negatives:

General Positives :

- Appreciative; Less demanding; Reliable; Happy/smiling
- Willing to learn your way of doing things
- Attitude (willingness to learn, willingness to work, pride in work and respect)
- Happy to work different rosters that do not include weekends.
- Not Gen-Y, still generations behind, so potentially more permanent.

- Willingness to stay in dairy farming
- Willing to gain residency in New Zealand
- Work ethic
- Willingness to do menial jobs
- Large pool of potential applicants

General Negatives:

- Length of time to gain permit
- High training requirements; lower efficiency at the start; Less practical farming skills & tractor skills
- Different accent and a lot of new dairy terminology to learn can make communication challenging.
- Work permits and study permits required
- Reluctant to talk about issues.
- A high level of support is required to aid settlement and integration
- Capital investment required e.g. bikes, furnishing of accommodation, clothing, food, vehicle, internet
- Focussed on money to send home
- Do not spend money in local community
- Do not understand kiwi way of doing things e.g. changing jobs.
- Ability to settle into NZ culture

Before looking to employ someone from overseas follow following steps:

- 1) **Have a look at your system**
- 2) **Have a look at the job you are offering**
- 3) **Decide what person you are looking for**
- 4) **Check that timeframes will work**
- 5) **Check that you have the right expectations**
- 6) **Check that they will fit in your team culture**
- 7) **Have systems in place to make it work**

1) Have a look at your system

Standards have lifted! Are you behind the times? Is your system sustainable for you and your staff?

Signs that you may need to make a change to your system:

- 1) Rosters of 12 & 2 or worse
- 2) No time off during calving
- 3) Early starts and late finishes
- 4) More than 6hours in the shed per person/day
- 5) Public holidays part of rosters
- 6) Paying less than \$12.75/hr worked (plus accommodation)
- 7) Staff working >55hours/week average
- 8) Staff having no diversity on the job or just doing milkings

- 9) Staff not having the opportunity to learn more skills and increase responsibility.
- 10) High number of cows to cup at one milking by 1 person e.g. 600 plus

Is your system sustainable?

What happens if 2IC leaves? Will the next person be able to step up?

Do you have time to do training so you can go away?

Have you considered the true cost of turnover to your business?

You may need to employ more staff!

2) Have a look at the job you are offering

Overseas employees are not just manual labourers! They have to be skilled to be allowed to enter New Zealand to work! New Zealand Immigration Services have minimum requirements of an Agricultural qualification and 6 months dairy experience OR 2 years dairy experience. Many overseas employees have better qualifications than a lot of dairy farm owners!

If the position that you are offering is just a milk harvester and will not provide opportunities for skill application, development and advancement then you may be better employing relief workers as most overseas employees would leave and find a better opportunity.

If the position that you are offering requires NZ experience e.g. herd manager then consider employing a local or an overseas employee who has been through a calving season in New Zealand.

Once you have chosen a nationality find out as much as you can about the country e.g. standard of different qualifications, which degrees most suitable, training institutes, different cultures or attitudes to work.

3) Decide what person you are looking for

Unlike employing staff within New Zealand, you can choose employees from overseas on the basis of nationality, age, gender etc.

Nationality:

The South Island dairy industry is certainly multinational with people from 57 different countries being granted work visas to work in the dairy industry over the last 5 years. Farmers in the South Island have selected employees from overseas on an individual basis, and generally the nationalities currently represented are suitable and a good starting point.

Keeping overseas employees for multiple seasons is however often determined by the number of other people from their country in the local area.

There are some big differences between Canterbury and Southland which you should take into consideration (see below).

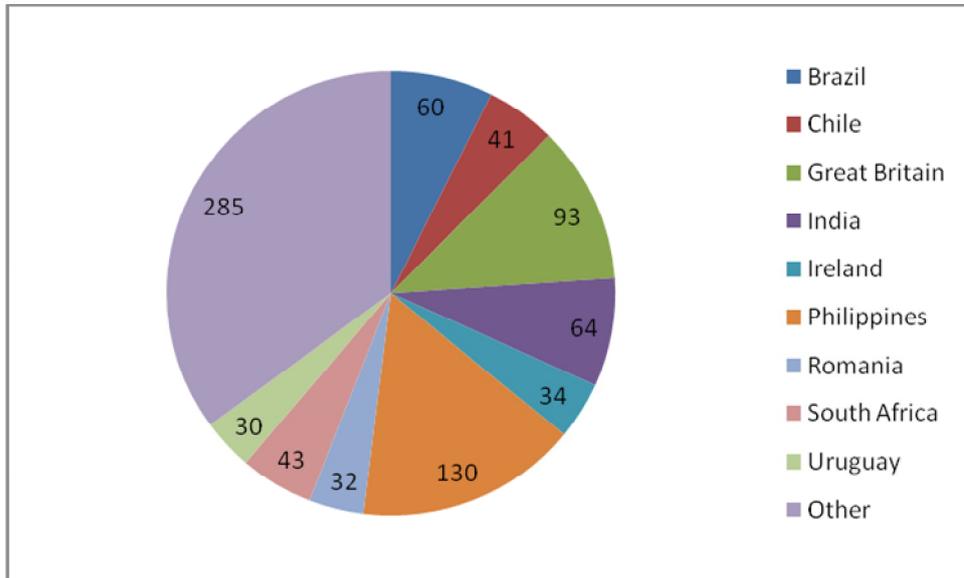


Figure 3: Pie graph showing main nationalities who have obtained work visas as lower level dairy employees in Canterbury over the past 5 years.

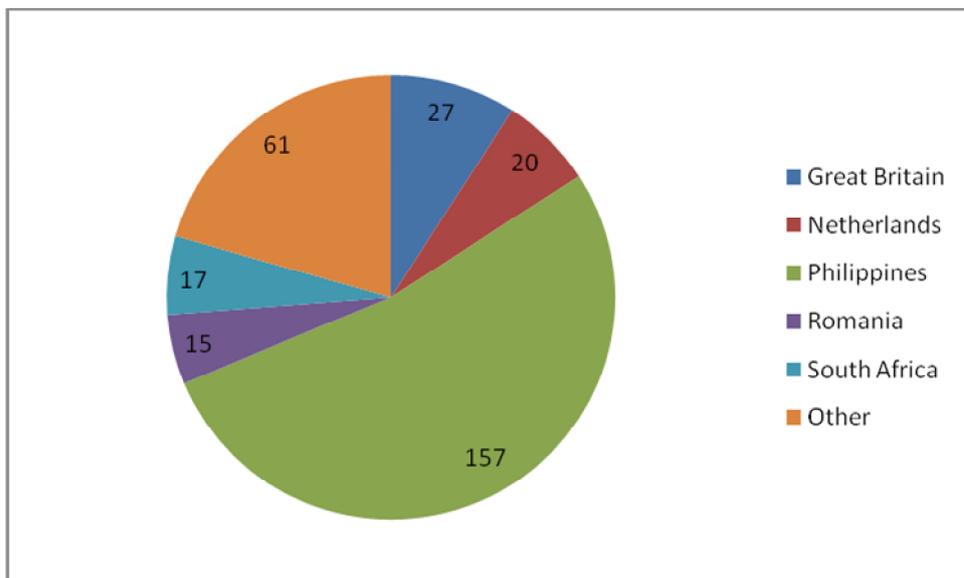


Figure 4: Pie graph showing main nationalities who have obtained work visas as lower level dairy employees in Southland over the past 5 years.

In order to select which nationality will best suite your team you should look more closely at the nationality of employees on your farm and on local farms surrounding you. Your staff will be working with them so try and get feedback from them about the nationality that they would prefer to work with.

If you do not have many overseas employees on farms near by then consider employing more than 1 employee from the same country on the farm. BUT do not assume that just because they are from the same country that they will get

on well together. E.g. Phillipines from the North & South have very different dialects.

Other considerations:

Applicants from some countries only want to work in New Zealand for 1 year to gain experience while others want to stay long-term and progress through the industry. Which best suites your business?

Applicant criteria:

Although any applicant could potentially do the job you may wish to limit the potential pool of applicants to meeting some of the following criteria:

- ❑ Age (23-40). Younger applicants are generally not mature enough to be stable living away from family and be stable in their job. Older applicants tend to be set in their ways. They arte also likely not to contribute to NZ for a long time before retiring.
- ❑ Gender (men) Women work just as well and can be the best choice for some teams. However, women have the potential to take maturity leave and require accommodation during this time and may not have the physical ability to do some of the jobs required e.g. heavy lifting.
- ❑ Physical attributes (>60kg; > 5 feet tall) A pesons physical size can limit them from performing all jobs required on a dairy farm in a safe manner.
- ❑ Religion. Applicants with certain religions will require time off from work to pray on a daily basis, often during milking time.

4) Check that timeframes will work

The time from offering an applicant a position to commencing employment takes longer than a local applicant. This is because overseas applicants have to obtain medical and X-ray certificates, obtain funds for lodging applications and often have to travel long distances to do so. In addition the visa application process takes between 2 weeks and 1 year depending on which country the applicant is applying from. In addition applicants may pull out half way through the process or have their visa declined. This is one of the reasons to work through a reputable agency.

5) Check that you have the right expectations

Employers that employ overseas staff have to have a proper expectation of their applicants abilities to avoid disappointment. This should be based on proper reference checking and skill assessment and in general the following should apply.

You should expect your employee to:

- ❑ Follow instructions
- ❑ Ask questions, a lot if they are unsure
- ❑ Have a reasonable grasp of basic English but not farming terminology
- ❑ Ask you to speak slower
- ❑ Ride a motorbike
- ❑ Treat you as you treat them.

Within 1 week:

- ❑ Wind up and put up fence where told in paddock
- ❑ Have a basic understanding of how dairy shed works
- ❑ Able to shift an effluent irrigator
- ❑ Wash yard
- ❑ Get cows in (daytime at least) and put them back in the right paddock
- ❑ Put cups on efficiently
- ❑ Pick lame cows

Within 2 weeks:

- ❑ Get cows in the dark
- ❑ Wash plant (NB must be written and laminated on shed with Velcro)
- ❑ Set up plant using instructions
- ❑ Cups off – be able to tell if cow is milked out and correct technique for taking cups off, proper teat spraying and gate operation.

Within 1 month:

- ❑ Detect mastitis
- ❑ Treat mastitis, marking cow appropriately and writing details up on board
- ❑ Basic bike maintenance (oil and chain tension)

1 month – 1 year

- ❑ Use tractor efficiently (pick up downer cow, remove dead cow, put out hay or baleage, load up and feed out using a silage wagon, topping, attach and detach loader and 3-point linkage)
- ❑ Treat lame cows

1 year

- ❑ Calculate feed allocation, where cows must go and where to put up fences
- ❑ Should be able to be a herd manager on the farm they started on after 1 season.

BUT: What you put in is what you get out!

6) Check that they will fit into your team culture.

Ask yourself the following questions?

- Are you prepared to treat different nationalities differently to kiwis? e.g. can't be cynical, sarcastic or pull leg as will not understand and will think that you are picking on them.
- Are you prepared to treat employees as equals and on the same level? E.g don't allow employees to call you sir.
- Do you have no racial hang-ups / prejudices?
- Are you a good communicator? You will need to explain why you want them to do things, just because I said so is not acceptable! Need to ensure that instructions are understood.
- Are you prepared to document your systems so a new employee can pick it up easily?.
- Do you have time to train employee? Is your staffing level sufficient?
- Are you consistent and fair between all staff members?
- Are you patient? Employees will make silly mistakes, but not expensive mistakes, and it is not worth losing staff over small issues.
- Do you have the slack in the system to allow staff to learn e.g. tractor driving – if takes you 10 minutes then give them 1hr.

If you answered yes to all these questions then you will be in a good position to help your new overseas employee fit in your team

7) Systems you should have in place.

- A) Orientation
- B) Training time and programme
- C) Documentation
- D) Support network & system
- E) Furnished accommodation
- F) Communication channels, communication system e.g. RT, words

A) Have a full orientation kit and programme

- Clear map with paddock numbers, effluent area, location of power switches, day and night paddocks for each herd if appropriate. – so can get cows in dark
- Notebook & pen – to write down instructions
- Roster with their name on it, to include tasks and times to be at shed. Need to know who they are milking with so if problem can call.
- Contact names and numbers & where they live.
- Introduce employees to each member of team

B) Training

- Make the time

- ❑ Progress step by step starting at cowshed
- ❑ Must tell them to say if don't understand
- ❑ Must explain why – follow training cycle
- ❑ Be prepared to write things down to explain and ask them to repeat instructions if unsure
- ❑ If giving multiple instructions get them to write it down
- ❑ Provide an RT so employee can call you if they get stuck

Note if smaller farm e.g. 400 cows then need to build skills more quickly

Start employee in June and teach:

Tractor driving, basic feed allocation, how cowshed works, who to contact if a problem, detail how to mark and treat cows and drugs used, how to treat milk fever.

Suggested training courses:

AGITO level 2: tractor safety, ATV safety, fencing

Milk Quality course

Spring Animal health seminar - vets

1st week: How to read a milk docket
 If cows on crop – pace out 1m
 How to use fence tester

C) Documentation

Documenting systems will help staff settle in, get up to speed and take up responsibility and pressure off you.

Suggested documentation includes the following:

- ❑ Shed set-up for milking
- ❑ Shed set-up for wash
- ❑ Plant & Vat wash procedure (with parts tagged and numbered)
- ❑ Shed shutdown procedure so that shed is drained properly
- ❑ Vat check sign off sheet (temperature)
- ❑ Plant set-up for milking penicillin cows
- ❑ Day-to-day milking system e.g. no. of herds, the order they are milked in and sick mob.
- ❑ Cow marking system e.g. A4 page showing how to mark udders and legs – permanently in office
- ❑ List of drugs used, what used for, quantities, injection sites and withholding periods.
- ❑ Penicillin mistake process – with Ag Quality number
- ❑ Diagram of how to set up the effluent irrigator
- ❑ Whiteboard with:
 - Farm map with paddock numbers showing day & night paddocks and separate herd areas if appropriate.
 - Week days and paddocks allocated to different herds

If you want employee buy-in and want to help employees progress provide:

- Feed allocation board showing calculations used e.g. SR, allocation/cow, demand, rotation, pre-grazing cover, post grazing target, target average cover, actual average cover, feed wedge with target line.
- Milk production curve & SCC curve (could get them to fill it in)
- Monthly targets

D) Support network & system

- Contact your local settlement support officer
- Put them in touch with other people from the same country and with the same language
- Allow them to use a computer for e-mailing or provide a lap-top
- Assist the with a vehicle for use during days off.
 - Can charge on a /km basis.
 - Can ask them to fill up with fuel
 - Can loan money to purchase a vehicle
 - e.g. Trademe; Car Auctions, Car courts starting at \$1000

E) Furnished accommodation Most overseas applicants are moving to NZ for a better opportunity in life as they often earn very little in their own country and will have little savings when converted to \$NZ. Many employees will have taken out a loan for \$5000 just to get to NZ, and will need to send money back to cover these costs. As a result they will generally not have money to furnish accommodation.

F) Communication channels, communication system e.g. RT, words

If they have a problem or need to ask questions they do not waste time trying to find you. For about \$500 you can get a convertor and 2 portable RT's from CRT. Can state that if they loose it within first 12 months then it will come out of their wages. Can also provide it with a bungi cord to go around their necks so less easily lost.

Need regular meetings. Suggest once / week with jobs to do. Place these up on board and get employees to initial name next to if responsible and sign off date when completed. Have clear responsibilities for each employee on a day-to-day basis.

Tips to make things work

- 1) Have a clear reporting structure
- 2) Treat all members in team equally e.g. don't always give them the bad jobs. Let kiwis working with them understand that there must be no prejudice. Herd manager is no better just has more experience.
- 3) Get employees to buy into what you are doing
- 4) Ask employees to write on paper and put in a hat ideas to make your farm a better place to work

- 5) Insist that only English is spoken in shed. If catch them speaking otherwise to provide chocolate cake
- 6) Offer small rewards often. Ensure that they are not expected
- 7) Help them feel valued – give them something for nothing e.g. ski trip
- 8) Empower people to get the best out of them
- 9) Do not belittle them if they get something wrong
- 10) Do not yell or swear
- 11) Be prepared to let go responsibilities and allow them to make mistakes through learning.
- 12) Be prepared to increase salary to reflect performance and responsibility.
- 13) Conduct performance reviews and discuss plans for next season after 6 and 9 months.

'Take home message': Overseas employees are going to be a vital part of dairying in the South Islands so lets' do it right so that we become the destination of choice for international dairy workers!