

# Pāmu Miraka Kau Dairy Farming



## Key challenges

- Inflation/cost pressures
- Regulation/environment
- Skilled workers availability
- Mental wellness
- Long term consumer trends

## Industry overview

- The Dairy industry is the country's largest export earner.
- Dairy Farming is currently facing some significant challenges, including climate change, climbing interest rates and a chronic labour shortage.
- The Dairy industry is not retaining enough people with the right skills to fill jobs.

## Insights

### Industry

- **Export revenue is expected to continue to grow**, despite a more recent decline in the estimated contribution to GDP by the Dairy Cattle Farming industry.
- Higher than average farmgate payouts and high farm expenses are constraining farm profits – the industry is experiencing **the largest increase in input costs** on average.
- Although the **growth in farm expenses is projected to slow**, it will remain elevated over the medium term, which could limit the ability of the sector to invest in farm improvements.

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### Workforce

- Chronic labour shortages are leading to burnout for some farmers, who are subsequently suffering from **mental health challenges**.
- The Dairy industry has a **high reliance on manual labour** in order to operate.
- Attracting New Zealanders into the industry rather than relying on foreign workers to fill the gaps where there are **ongoing labour and skills shortages** across a variety of roles is a key challenge.

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### Learners and Providers

- **Learner enrolments** in qualifications relevant to Dairy **have fluctuated** over the past few years.
- Most dairy learners are enrolled in various **general agriculture and primary industry qualifications**.
- People in the dairy workforce often gain skills through work experience, **informal and non-formal learning**, and/or outside the country in which they work. This can lead to learners repeating unnecessary training.

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## Opportunities

### Qualifications

The vocational education system has not been flexible and nimble enough to meet industry need.

- There is a large and well organised body of informal and non-formal learning which plays an important role in skills acquisition for the industry.
- Due to the existing vocational education system not being flexible enough to accommodate and keep up with the rate of change in the industry, non-formal and informal training has taken precedence.

### Mental Health and Wellbeing

Mental health and resilience are ongoing concerns for the Dairy industry.

- Industry feedback has told us that the current price of milk is relatively high, which is balancing out increasing farm costs and rising interest rates.
- There is industry concern that financial pressures will be felt across the industry more in the 2023-24 season, causing increased stress for farmers.
- Many farmers continue to suffer from mental health challenges, with both burnout and suicide rates being ongoing concerns for the industry.

### Attraction and Retention

Attraction and retention is a challenge for the Dairy industry, specifically, attracting people with the right skills for the specific requirements of the work.

- The Dairy industry has a high reliance on manual labour in order to operate and is not retaining enough people with the right skills to fill the jobs.
- The industry wants shorter, targeted, and more flexible training to meet the technical skills required for each role on the farm.

## Roadmap Actions

### Action

#### **Better understand the role informal and non-formal learning plays in the industry**

### What is the problem?

Informal and non-formal learning plays an important role in skills acquisition for the industry. Formal education and training systems are not the only way in which people develop skills, with people gaining skills through work experience, informal and non-formal learning, and/or outside the country in which they work.

The fact that these skills are invisible magnifies the challenge of skills under-utilization and mismatch and can lead to learners repeating unnecessary training.

### What are we doing about it?

Muka Tangata will work with stakeholders, including industry, providers and government, to identify and address barriers to recognising existing skills. Delivery and Assessment for the 21st Century is a joint project between Muka Tangata, Food and Fibre Centre of Vocational Excellence and Te Pūkenga.

Action

What is the problem?

What are we doing about it?

**Research best practice and suitable models for training**

The Dairy industry has a high reliance on manual labour in order to operate and is not retaining enough people with the right skills to fill the jobs. The industry wants shorter, targeted, and more flexible training to meet the technical skills required for each role on the farm.

The Food and Fibre Centre of Vocational Excellence is undertaking research into residential / group training. We will use this research to explore best practice and suitable models for pre-employment training.

**Work to make qualifications more flexible**

The industry wants shorter, targeted, and flexible training.

Through the Entry Level and Agriculture qualification development projects, we will explore the role of micro-credentials in reshaping training for the Dairy industry. For example, we will investigate skills across industry and how to make the training more appealing to a wider audience and across sectors. We will also work with industry to develop shorter, targeted training, to address specific skill needs. We are engaging with industry to identify priority areas.

**Create a Primary Industry Transferable Skills qualification**

Attraction and retention is a challenge for the Dairy industry, specifically, attracting people with the right skills for the specific requirements of the work. The industry wants shorter, targeted, and more flexible training to meet the technical skills required for each role on the farm. Due to the existing vocational education system not being flexible enough to accommodate and keep up with the rate of change in the industry, non-formal and informal training has taken precedence.

As part of our work to create a framework, and suite of products, that maximises flexibility and transferability, we will investigate developing a Primary Industry Transferable Skills qualification. We will investigate needs and options through the Entry Level and Agriculture qualification development projects.

**Work with industry and providers to improve programme effectiveness**

Due to the existing vocational education system not being flexible enough to accommodate and keep up with the rate of change in the industry, non-formal and informal training has taken precedence.

We will work to bring industry and providers together to improve programme effectiveness, such as delivering the most relevant content in sync with the industry seasonal calendar.

**Investigate including cultural competency training in qualifications**

The food and fibre workforce is diverse. The ability to work constructively with people from a range of different cultural backgrounds is a critical skill.

We will investigate if including cultural competency training in qualifications is a valuable addition to how we can build and enhance those skills. Muka Tangata is exploring the integration of cultural competency into qualifications, skill standards and micro credentials as part of our Agriculture qualification development project.

Action	What is the problem?	What are we doing about it?
<b>Investigate including more people management skills in qualifications</b>	The ability to work with and lead others is crucial.	<p>We will investigate including more people-management skills in qualifications, especially at earlier levels of training, to facilitate the development of future managers.</p> <p>We will also explore the value of including training on best practice and the legal requirements of looking after staff. As part of our Agriculture qualification development project, Muka Tangata is exploring the integration of people management skills into qualifications, skill standards and micro-credentials.</p>
<b>Support industry and providers to improve mental health and resilience</b>	The Dairy industry reports increasing impact of stress on its workforce.	We will work with industry and providers to raise awareness and promote potential training that could assist employers, employees, and learners. We will explore with industry and providers whether these skills should become part of the qualifications.
<b>Supporting learners to succeed in the Dairy industry</b>	We know that supporting the physical and emotional wellbeing of learners (pastoral care) is an important component of helping them to succeed.	<p>Through our quality assurance processes we are increasing our focus on pastoral care as we look more holistically at providers' delivery and assessment. As part of our programme endorsement function, we will ensure appropriate support is available to learners. And we will continue to talk to providers about how they are implementing the Education (Pastoral Care of Tertiary and International Learners) Code of Practice 2021.</p> <p>Research has already identified good practice and successful models, but there still appears to be a gap in implementation. We will investigate what barriers may exist to the wider uptake and use of proven pastoral care approaches.</p>

**\*Keep up to date with progress on our Workforce Development Plans**

This represents a snapshot in time of the workforce development plan. For the most up to date information, please visit: [mukatangata.workforceskills.nz](http://mukatangata.workforceskills.nz) or [sign up to our mailing list](#) for updates.