

DairyNZ presents

# THE VIEW FROM THE COW SHED



DairyNZ 



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There is no denying that our agricultural sector has been experiencing a period of significant regulatory reform that has impacted almost every aspect of the way we farm, and we are now starting to see the cumulative effect this is having on our rural communities.

Dairy farmers know that we need to continue to make improvements to the way we farm to meet rapidly changing community and consumer expectations. We acknowledge that regulation has a role to play in supporting some of those changes. But the sheer pace, scale and breadth of changes that are being asked of us over such a short time period is starting to feel relentless.

This sentiment is captured in this year's View from the Cow Shed report, which builds on the report we released in 2020.

Too many regulations, many of which are disconnected from each other, changing over too short a time period is having a huge impact on farmer wellbeing. We have reached a point of regulatory overload and it's causing serious fatigue and frustration in our rural communities – and the pressure continues to build.

The issue isn't so much the regulation itself, although there have been elements that simply aren't pragmatic or practical behind the farm gate. But more that all of the regulation has arrived at one time. This can feel overwhelming for many farmers, particularly when they have other things on their plate like challenging weather, significant labour shortages, and the uncertainties of COVID-19.

**Jim van der Poel**

Chairman

DairyNZ, Beef+Lamb and Federated Farmers have been working closely together to advocate on behalf of farmers because we know that when we collaborate, our voices are amplified, and we have a greater impact for those who we represent.

While we can't always stop changes from happening, we can often secure critical changes to policy settings that make things more workable behind the farm gate – as we have seen recently with winter grazing rules, stock exclusion, and immigration settings.

Another example of a major win that we have achieved through our collective advocacy is keeping agriculture out of the ETS by entering into the primary sector climate change partnership, He Waka Eke Noa, to design a system that will recognise sequestration on-farm, and an alternative pricing mechanism that will have the sector in control of any money gathered and using it for positive impact.

I cannot emphasise enough how significant this is for the future of farming in New Zealand. We'll be talking with farmers about this in the next few months to ensure their voices are incorporated before we engage again with Government.

We are also working closely to ensure farmers are well supported to rise to the challenges of the future. The keys to our success will be science, innovation, and our farmers' willingness to adapt the way we farm - as we have done many times in the past.

We look forward to working constructively with the Government to ensure the right policies and support are in place to set dairy farmers and their families up to succeed.

# 10 THINGS THE GOVERNMENT SHOULD DO TO IMPROVE OUTCOMES FOR DAIRY FARMERS AND NEW ZEALAND



## Get the policy settings right

- 1** Slow down the speed and scale of regulatory change that farmers are facing. Farmers know a shift is needed but there is too much at once that isn't coordinated and they are feeling overloaded.
- 2** Proudly champion our world-leading split gas approach internationally and advocate for the exploration of alternative metrics like GWP\* that better reflect the warming impact of methane.
- 3** Rework the National Policy Statement for Indigenous Biodiversity in consultation with farmers to ensure it will meet our biodiversity objectives while also working for landowners.
- 4** Give farmers certainty and categorically rule out consideration of a national bottom line for Dissolved Inorganic Nitrogen (DIN). There are better ways to achieve the freshwater outcomes we all want.
- 5** Exempt farmers from 'ute tax' until low emission alternatives are readily available in New Zealand that are fit for purpose on farm.



## Work with us

- 6** Actively partner with farmer and rural communities to support them drive change behind the farm gate that will lead to better climate, water quality and biodiversity environmental outcomes
- 7** Work with industry to prioritise the implementation of the recommendations from the independent review of M. Bovis address essential system gaps and work with industry to enable a streamlined efficient model for biosecurity readiness and responses.
- 8** Help the sector overcome our workforce challenges by supporting clear pathways into dairy jobs for local and international workers.



## Invest in our future

- 9** Set a clear strategy for R&D that is properly resourced to help us tackle the big challenges we face as a country in a targeted way. Science is the solution to many of our challenges.
- 10** Invest significantly in improved digital connectivity for our rural communities who don't have adequate broadband or mobile coverage. This is an enabler that will unlock multiple benefits for our sector.

# COMMUNITY OUTLOOK



## When asked about their expected outlook for their community over the next three years

**40%**

expect things to decline for their community.

**47%**

expect things to stay the same.

**13%**

expect things to improve for their community.

► In **2020 64%** of respondents said they expected things to decline for their community. **Only 6%** said they expected things to improve.



“We are trying so hard to build a community but it’s just getting too hard. There are too many impractical regulations, all arriving at once, and it’s having a massive impact. Farmers are being ran into the ground.”

Edwin Mabonga, Otautau



## Are farmers feeling more or less positive than they were 12 months ago?

**17%**

of respondents said they feel **more** positive than they did 12 month ago.

**32%**

said they feel **less** positive.



“Farmers are under pressure, but we are resilient. Our family are optimistic about the future of dairy but need to understand regulations and how they might impact our business. A blanket approach won’t work. Every region has its problems – but they also have their own local solutions.”

The Miller family, Carew

# FINANCIAL CONCERNS



## When asked about their prediction for the Farmgate Milk Price over the next three years

**48%** ↓

believe that prices will decrease.

**38%** →

predict prices will stay roughly the same.

**14%** ↑

believe prices will increase.



## When asked about their prediction for dairy farm values over the next three years

**26%** ↓

of farmers believe that dairy farm values will decrease.

**36%** →

predict dairy farm values will stay roughly the same.

**38%** ↑

believe dairy farm values will increase.

▶ This is a huge shift from **2020** when **74% of farmers** felt that farm values would decrease.



“The milk price is looking good this season, but you never know what the next season will bring. There's a lot of uncertainty with changing regulations, interest rates and COVID-19.”

Jon Pemberton, Edendale



## Issues impacting farm business profitability

top three issues farmers believe are impacting the profitability remain the same from 2020.

**40%**

Government regulatory changes as the number one issue impacting their profitability.

**17%**

Increasing costs for farm expenses was the number one issue impacting their profitability.

**16%**

Drought and changing weather patterns.



“As a young person just starting off in farm ownership I get that we need to be making environmental improvements, but I do worry about the cost of all this regulation and what it might mean for our future profitability and our ability to invest in new technology.”

Sophia Hunt, Kihikihi

# MENTAL HEALTH AND WELLBEING

**55%**

of farmers said they or someone on their farm had experienced a mental health issue in the last 12 months.

► This was **down 7% from last years** report which had the figure at 62%.

**67%**

respondents don't think there is enough support for farmers who experience mental health issues.



## The biggest causes of mental health issues on farm are

**57%**

said changing Government regulations,

**55%**

said perception of dairying with the public/media,

**40%**

said financial concerns

► These were also the **top 3 responses in 2020**

*\*Farmers were able to select multiple responses.*



“There is no one cause of poor mental health in rural communities. It’s a combination of a number of things like the labour market, changing regulations, and negative media. Most people can cope with one thing, but when there are lots of things coming at you at once it can push you over the edge.”

Sam Owen, Matamata



## What gets you out of bed in the morning?

**33%**

said working with, and caring for, my animals.

**19%**

said providing for their family.



## What keeps you awake at night?

**37%**

said changing Government regulations.

**13%**

said concern about the weather and staffing issues.



“We are doing the work today, so our kids won't have to worry about it tomorrow. That's what gets us out of bed each morning. We want them to have the same opportunities that we had growing up.”

The Woodward Family, Otorohanga

# DIGITAL CONNECTIVITY

45% 

of farmers said they don't have access to the internet connection they need on their farm.

▶ This is a slight improvement on 2020's survey where **50% of farmers** said they didn't have the internet connectivity they need.

10%

of those surveyed said their internet connection had improved in the last 12 months.

90%

said they had seen no improvement.



"I've recently moved from Wellington Central to take up a job in the dairy industry and I'm absolutely loving it. One non-negotiable for me was finding a farm that had good internet so I could stay in contact with my mates and not get isolated."

John Gibson, Te Pahu

47% 

of farmers said they don't have adequate mobile reception on farm.

This is a slight improvement on 2020's survey where **52% of farmers** said they don't have adequate mobile reception.

12%

of those surveyed said their mobile reception had improved in the last 12 months.

88%

said they had seen no improvement.



"Living remotely with no mobile reception on the property, we often worry about what would happen if we had a medical emergency on the farm. We have three young daughters, and one has bad asthma."

The Beswick family, Tokanui

# IMPROVING ENVIRONMENTAL OUTCOMES



“Some farmers have been on the journey for a while, others are just beginning, but the sentiment has definitely shifted. The majority want to move, they just want to see the tools are there and the goalposts won’t shift.”

Fraser McGougan, Whakatāne



## When asked which statement best describes them in relation to meeting their farming related environmental obligations

**38%**

Were reducing their environmental footprint and were confident they would achieve the outcomes needed.

**29%**

Understand how they can reduce their footprint but doing so will undermine their profitability.

**18%**

Were making changes but weren’t sure if they were on the right track.



“As with anything in life, what gets measured is what gets done. We are passionate about the environment, we have a plan, and we are working hard to achieve it. That’s what motivates me to get out of bed at 4am each morning.”

Tony Coltman, Dunsandel



**70%** said they had a **Farm Environment Plan**

**30%**

said they didn't

## Farmers who didn't have a Farm Environment Plan said that they

**47%**

were waiting on a plan from their supplier.

**28%**

were waiting to see what requirements are in regulations.

**ONLY 0.5%**

they don't want one.



“Every day on the farm I see Māori values like Kaitiakitanga and whanaungatanga in practice. Our family values flow through to how we look after our people, our animals, and our environment. We work hard and are proud to be producing sustainable kai.”

Quinn Morgan, Galatea



## IMPROVING ENVIRONMENTAL OUTCOMES



When asked about climate change concerns farmers said their biggest concern is

**32%**

said their biggest concern was the public not appreciating how low carbon they already are.

**26%**

said having targets they believe are fair

▶ These were also the **top 2 concerns in 2020**



“Farmers are on board for change and are getting on with the job of making environmental improvements, but regulation needs to be practical, pragmatic, and fair. There are so many regulations changing it can be hard to keep up at times!”

Melissa Slattery, Te Aroha



When asked about water quality concerns

**34%**

said the public don't recognise the improvements they have already made.

**32%**

said nutrient limits were their biggest concern.

## BIOSECURITY

**67%**

of farmers said biosecurity is extremely important to them.

only **1%**

of farmers said they didn't think biosecurity was important.

**80%**

of farmers said they are using NAIT regularly.



When asked what their biggest concern was when it comes to biosecurity:

**30%**

said inadequate protection at the border.

**28%**

said other people not following the rules.



“Coming from an area that has been impacted by *M. bovis*, we take biosecurity extremely seriously. We have seen first hand the devastation and heartbreak an incursion can cause.”

Cam Henderson, Waimakariri

## WORKFORCE NEEDS



“I am a farmer, and my wife is a nurse. We came to New Zealand for a better life. Since COVID hit we have been separated from our 4-year-old daughter who is in the Philippines and can’t get her back to NZ. We are ready to give up on our NZ dream and are looking to move to Canada or Australia where we can be reunited with our daughter and have a clearer pathway to residency”.

Leo Bayungan, Foxton



**When asked how often they are able to find staff with the skills and experience they need**

**30%**

of farmers said never/rarely

**37%**

of farmers said occasionally

**34%**

of farmers said often/always



“We are in our first season sharemilking and have made a deliberate choice to take on three young kiwis because we are passionate about encouraging the next generation into our sector”

Ash-Leigh Campbell, Oxford



**62%**

**of farmers said that being short staffed was causing increased stress for them and their team**



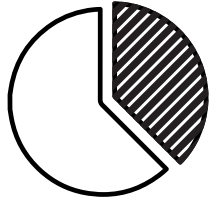
“We are a few staff members down this season and it’s putting huge pressure on both our family and our wider team who are having to work some really long hours with less days off on their roster. We had our first child 6 months ago and I’m lucky if I can see her for 30 minutes a day. We love farming but this just isn’t sustainable”

The Lord family, Te Pahu

This report provides insights on the outlook of dairy farmers, based on information provided to DairyNZ, through a survey carried out in mid-2021. This was an opt-in survey. There were 425 responses to the survey. Weighting was used to ensure that the results matched the herd size and regional distribution of farms as closely as possible.

# FINAL FACTS ABOUT DAIRY

## Dairy at a Glance



**42%**

of New Zealand's exports for the 2021/22 year are forecast to be from the dairy sector



**\$1 = \$1.50**

For every \$1 spent by a dairy farmer, another \$1.50 flows through the local community.



**70%**

of Kiwi dairy farms are owner operated.

**50,000**

people employed by the dairy sector directly



**Farmers**

**6,268**

owner-operators

**3,227**

sharemilkers

**1,597**

contract milkers

**11%**

of our workforce are Māori

**31%**

of our workforce are Women

**40**

is median age of the dairy workforce



**1.9**

billion kg of milksolids

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