



# IFA Requests an Extension to the General Employment Permit Pilot for Dairy Assistants

## Introduction

With milk quotas at an end since 2015, the Irish milk production sector has been able to resume the growth towards its fullest potential abruptly interrupted by the EU regime 31 years ago.

Since 2007/09, the base years for Food Harvest 2020, the Irish dairy sector has increased milk output by 53%, while the value of our dairy exports has risen by a whopping 78% since 2010.

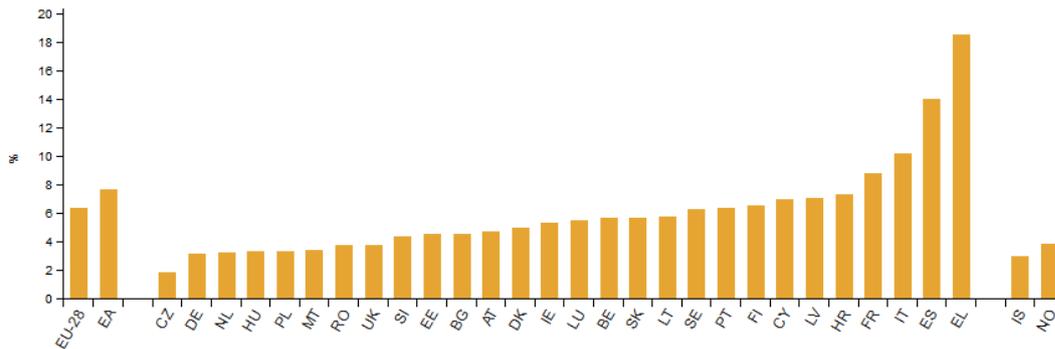
We estimate that over €2.5bn worth of investment has been made on farms to increase capacity and improve environmental and animal welfare performance, and well in excess of €1bn has been spent by dairy processors to increase capacity, add value and diversify the national product mix.

With the national unemployment rate now down to 4.6% (April 2019, revised by CSO), pressure on labour availability and skills shortages have worsened on farms as in many other sectors of the economy. Similar labour market trends are showing all over the EU and EA, with the average EU unemployment rate for March 2019 at 6.4% the lowest recorded since January 2000.

 **Tweet** Euro area unemployment at 7.7 % in March 2019.

 **Tweet** EU-28 unemployment at 6.4 % in March 2019, lowest since the start of the EU monthly unemployment series in January 2000.

*Unemployment rates, seasonally adjusted, March 2019 (%)*



January 2019 data: UK, EL, NO  
February 2019 data: HU, ES, DK  
Source: Eurostat (online data code: une\_rt\_m)



Source: Eurostat

In response to the potential obstacle to dairy growth which labour shortages could create, the People in Dairy Project<sup>1</sup> was initiated by Teagasc in 2017. It established the need, to

<sup>1</sup> <https://www.teagasc.ie/media/website/publications/2017/The-People-in-Dairy-Project.pdf>

deliver on the Food Wise 2025<sup>2</sup> targets, for 6000 additional employees on Ireland's dairy farms to cater for farmers retiring and larger herds. It also outlined some basic strategies to deliver these.

This led to the setting up by Minister for Agriculture Michael Creed of a stakeholder group under the chairmanship of Tom Moran to map out the practical implementation of some of the labour solutions identified in the project, through the People in Dairy Action Plan<sup>3</sup> published in June 2018.

In response, and following over a year of IFA lobbying on the need for dairy, horticulture, pigs and poultry farmers to be able to recruit from outside the EU, the Minister of Business, Enterprise and Innovation Ms Heather Humphreys introduced a pilot under the General Employment Permit Scheme to facilitate the recruitment of up to 50 dairy assistants from outside the EU/EEA. This was part of a larger pilot initiative which also included 500 permits for horticulture workers, and 250 for the meat processing industry – the latter since increased to a total of 1500.

There were teething problems with the uptake of dairy permits, as unlike horticultural growers and meat processors, dairy farmers are by and large owner operators with only some family labour input. Few are experienced employers, none have HR departments capable of handling their recruitment processes.

The application process is detailed and complex, and there were also processing delays which mounted up to 16-18 weeks, and which challenged dairy farmers needing to recruit and train employees well before the busy 2019 calving period.

It therefore took almost a full year for all 50 dairy specific labour permits to be utilised, and there are some pending applications for which there are currently no permits available.

We do not believe that the sector's main source of labour will be through the recruitment of workers from outside the EU/EEA, which is why our sector is leaving no stone unturned to explore other employment options.

However, with a rapid increase in herds over 100 cows, the People in Dairy Project predicted that the requirement for full time labour units on dairy farms could increase by up to 600 to 700 full time positions per annum for the next 7 years. The latest assessment by Teagasc based on current number of cows and heifers on farms is for an increase in the national herd of 30,000 cows for 2018 and 19 combined, which could give rise to at least 300 new full time jobs.

All sources of potential labour must therefore be fully considered, including the global labour market.

### The labour needs of the sector

Output on Irish dairy farms has increased through a combination of increased yields and larger herds. Higher milk solids and some volume increases per cow were recorded, but

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<sup>2</sup> <https://www.agriculture.gov.ie/foodwise2025/>

<sup>3</sup> <https://www.agriculture.gov.ie/media/migration/foodindustrydevelopmenttrademarkets/agri-foodandtheeconomy/foodwise2025/PeopleDairyActionPlan060618.pdf>

most of all an additional 386,000 dairy cows were added to the national herd since 2010, when legal certainty of the end of quotas in 2015 was confirmed. The larger size of existing herds, more than newly established herds, has been the driving force behind the dairy expansion.

The number of herds with more than 100 cows – those that would require more than one labour unit – has more than doubled between 2010 and 2016, from 2080 to 4262.

Herd size	2005	2007	2010	2013	2016
1 to 2 cows	490	430	-	-	-
3 to 9 cows	1,000	720	-	-	-
10 to 19 cows	2,390	1,700	2,110	1,730	1,437
20 to 29 cows	3,230	2,680	2,310	1,930	1,575
30 to 49 cows	7,550	6,480	4,910	4,330	3,589
50 to 99 cows	8,080	7,960	7,050	7,420	7,488
Greater than 100 cows	1,080	1,350	2,080	2,740	4,262
Total	23,820	21,320	18,460	18,150	18,351

Reference: CSO Farm Structure Survey 2005, 2007, 2010, 2013, and 2016.

Note: The CSO stopped including dairy farms with less than 10 cows in their survey from 2010.

Source: Teagasc People in Dairy Project

With around 82,700 additional cows since 2010, it is self-evident that the number of herds of more than 100 cows has increased further since that date.

### **Increased number of dairy cows since 2010**

Year	Dairy Cows	Change
2010	1,056,266	
2011	1,102,383	↑ 46,117
2012	1,127,694	↑ 25,311
2013	1,148,374	↑ 20,680
2014	1,186,898	↑ 38,524
2015	1,275,559	↑ 88,661
2016	1,359,597	↑ 84,038
2017	1,397,960	↑ 38,363
2018	1,442,290	↑ 44,330

Source: ICBF

Irish dairy farms have until recently had an average labour input of 1.9 unit per farm, most of that the farmer's own labour and some part/full time family input.

The rapid increase in cow numbers and in the number of herds in excess of 100 cows which would require some additional labour input, have brought into sharp focus the recruitment difficulties of the sector.

While the herd number statistics referred to in the first table above stop at 2016, and more up to date figures are being awaited from CSO, we do have some proxy measures which allow us to anticipate somewhat the employment needs on dairy farms for the next couple of years.

Based on the number of cows and heifers currently on farms, Teagasc estimate that the national herd would increase by 30,000 cows in 2019 and 2020 combined. If this comes to pass, this would create, at 100 cows per full time labour unit, the need for 300 new full-time employees.

Teagasc have also interrogated CSO statistics and established that just under 10% of dairy herds (1700) have 150 cows or more, every one of which would have the potential requirement for one full time employee (in addition to the farmer).

Trends from the CSO Farm Structural Surveys<sup>4</sup> of 2010, 2013 and 2016 show that the amount of family labour available on Irish dairy farms is actually reducing at the same time as herd size is increasing – which suggests a rising demand for hired labour.

This is evidenced by the same surveys, which show that the number of paid employees on Irish dairy farms increased by 40% between 2010 and 2016 – from 2900 to 4100 people.

Some of what the sector has done to address labour shortages

The pressing expansion-related labour needs of the dairy sector had been outlined by Teagasc in 2017 in the People in Dairy Project mentioned in introduction.

The stakeholder group established by Minister Creed under the chairmanship of Tom Moran mapped out the practical implementation of some of the labour solutions identified in the People in Dairy Action Plan<sup>5</sup> published in June 2018.

A number of initiatives have been progressed, which have allowed to identify, train and make available to the sector a number of potential employees within Ireland and/or the EU and New Zealand. These included not only recruitment initiatives, but also measures aiming at making dairy farming an appealing career option, by, among other things, ensuring that new farmer employers understood their rights and responsibilities relative to employees.

IFA

IFA, which has been an active participant in the stakeholder group established by Minister Creed, organised a **farm employment seminar** in December 2018<sup>6</sup>, to which the Department of Business, Enterprise and Innovation, the Workplace Relation Commission, the Office of the Revenue Commissioners, Teagasc and the Farm Relief Services participated.

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<sup>4</sup> <https://www.cso.ie/en/statistics/agriculture/farmstructuresurvey/>

<sup>5</sup> <https://www.agriculture.gov.ie/media/migration/foodindustrydevelopmenttrademarkets/agri-foodandtheeconomy/foodwise2025/PeopleDairyActionPlan060618.pdf>

<sup>6</sup> <https://www.ifa.ie/cross-sectors/farm-business-and-credit/farm-employment-seminar/>

The seminar aimed to inform **farmer employers of their rights and obligations** towards their employees and of the ways in which they could make their farms an attractive place to work.

The seminar also advised farmer employers of the new **PAYE Modernisation** rules, and also sought to educate them on **how to apply for employment permits** from DBEI.

IFA also **assisted members** applying for labour permits by making them aware of requirements and by helping them make a case to fast track their applications when processing delays risked to interfere with their ability to recruit and train the prospective employee well ahead of the busy spring calving period.

In this respect, IFA wishes to acknowledge the very obliging assistance provided by DBEI staff in charge of processing labour permit applications.

### Teagasc

Teagasc are in charge of agricultural research, advisory services and training/education. They have played a central role in articulating, researching and documenting the sector's labour shortages.

Teagasc will be rolling out **two apprenticeship programmes** in the next 12-18 months for 'farm operator' and 'farm manager' – it is hoped this more practical training route will attract more young people to choose dairying as a career.

Teagasc will, for the third year running, be offering **HR courses to farmers** nationally in the coming autumn/ winter. The new courses trained 30 farmers in 2017, 60 in 2018 and aims to train a further 60 in 2019. The objective of those courses is to help farmers to be better employers.

Teagasc has completed **labour efficiency and HR practices research studies** in the first half of 2019 which will be analysed and hopefully give new insights into how to **improve farm labour efficiency** (reducing the need for employed labour) and farmer HR practices.

Teagasc has also been involved in the training elements of the **Dairy Operative Skills Programme driven by FRS** and outlined below.

### Farm Relief Services (FRS)

The Farm Relief Services is a farmer owned co-operative which provides both expert and general labour inputs to Irish farmers. With their experience as employers of farm operatives, including some originating from EU and non-EU countries, their input in the stakeholder group's work has been crucial.

The following are three of the main initiatives pursued in the last year by FRS in response to the labour shortages on dairy farms.

FRS have been the driving force behind a **Dairy Operative Skills Programme**<sup>7</sup> also involving Teagasc and the Department of Social Protection, which identified and targeted at local level the unemployed/underemployed, farm women and drystock farmers for training as

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<sup>7</sup> <https://www.frsnetwork.ie/?s=dairy+operative+skills+programme>

milkers in a shared time programme between host farms and agriculture colleges. The programme, piloted in Kilkenny/Waterford, was then extended to Cavan, Meath, Louth, Westmeath, Cork and Limerick. An approximate total of 45 to 50 individuals were trained and those successful trainees deemed to have reached the required work standards have been offered a paid position on the FRS team.

However, the programme showed relatively low response levels in light of the numbers initially targeted, confirming the difficulty of sourcing labour locally in the context of quasi full employment.

FRS have also engaged with **EURES** to identify potential sources of skilled labour in other EU member states where unemployment is higher. Their research in the dairy regions of Northern Spain and parts of Eastern Europe, however, showed that, though those countries had higher unemployment levels than Ireland and the average of the EU, especially for younger cohorts, significant language and cultural barriers and a lack of willingness to travel were major obstacles to recruitment.

FRS have also engaged with **New Zealand Dairy Careers**, with which they have been partnering since 2017, to organise an exchange of dairy workers<sup>8</sup>. The fact that the busy spring dairy seasons are at opposite ends of the year in the two countries would facilitate a work “commute”. Apart from the language and cultural compatibilities, as New Zealand has a spring-calving, grass based dairy sector like our own, the skills are readily transferrable, and the expertise and motivation are strong. FRS report the experience to date has been very positive, and while numbers of New Zealand workers involved remains low, they are building slowly.

**See the Annex for a fuller report on the Farm Relief Services Network’s actions in the last two years to address dairy farming labour shortages.**

**Conclusion: the Irish dairy farming sector needs an extra 200 labour permits**

The dairy sector’s stakeholders will continue to progress positive initiatives relating to dairy farm employment, and will work to implement more of the recommendations in the People in Dairy Action Plan to increase recruitment at home and in the EU.

However, access to potentially skilled employees from outside of the EU cannot be closed off when our current national labour market is at full employment (4.6% unemployment only in April 2019). After an understandably slow start, the current pilot is clearly oversubscribed with 49 out of 50 permits allocated, and applicants still in the system whose applications have yet to be processed.

**Therefore, IFA is hereby requesting an extension to the 2018 General Employment Permit Pilot as follows:**

- An additional **200 labour permits** for dairy assistants;

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<sup>8</sup> <https://frsfarmreliefservices.ie/new-zealand-exchange-programme/>

- An assurance that farm employers who have applied for permits but for whom there are no permits left in the initial batch of 50 would **retain their place in the queue**;
- A **more streamlined** application process to simplify requirements and allow for fast tracking as necessary;
- Pro-active **feedback during the assessment of the application** to allow for complete missing elements to be completed as required before it is fully processed;
- A more **consistent** approach to the assessment of applications;
- A **single team** dedicated to dealing with the dairy assistant applications to ensure this consistency;
- A **specific point of contact** within the team reachable by phone during business hours to deal with applicants' queries.
- A **concurrent processing system for labour permit and visa**, with the visa granted conditional on securing the labour permit, to avoid employers recruiting from those countries requiring an immigration visa having to incur further delay;
- Provision of **more flexible labour permits** allowing for **repeatable seasonal permits** – e.g. New Zealand dairy operatives working in Ireland for our spring and returning home for the antipodean spring – and for workers to **work between industries** – e.g. dairy calving season from January to March/April, then horticulture industry for late spring/summer.
- Allowance of **replacement of a worker who leaves** before the labour permit comes to an end by another worker – as has been recently made possible for chefs.
- **Removal of the 50-50 requirement** which only allows employers access to labour permits if they already employ at least a matching number of EU/EEA worker.



In response to the People in Dairy Action Plan, and in the face of directly experienced recruitment difficulties and skills shortages, FRS Network has actively sought every possible opportunity to identify, train and recruit dairy farm workers.

The below is a list of the actions undertaken, quantified where possible.

### **Dairy Operative Training Scheme**

The scheme consists of a 20-day structured training programme delivered over four weeks with 16 days supervised practical experience and 4 days of theory. Most participants had little or no prior farming experience.

Up to 31<sup>st</sup> December 2018, 44 people came through this scheme. A further 16 have been trained through it to date in 2019. Approximately 46 of this total were individuals recruited through the engagement with the Department of Social Protection.

Large numbers attended the initial information meetings, but conversion rates were very low.

### **Exchange Scheme with New Zealand Dairy Careers**

This scheme has been promoted since 2017, with the first participants arriving in the Spring of 2018.

8-10 people were recruited under the scheme for the spring of 2018, and the same number in 2019. The same numbers are again expected for 2020.

Interest is much higher but cost of travel is expensive and has put many off.

### **General Employment Permit Pilot for Dairy Assistants (non-EU/EEA workers)**

16 people were recruited by FRS and approved under the Pilot scheme.

Recruitment was from a number of different countries but the largest number of recruits came from Ukraine.

### **EURES**

Croatia, Lithuania and Spain were explored for potential dairy recruits in consultation with EURES.

The jobs were posted on EURES online portal across Europe.

They were listed as requiring prior experience yet many applied with no experience and had to be screened and replied to, which proved extremely time consuming and fruitless.

No suitable candidates were found, with language barrier and unwillingness to travel two important obstacles.

### **Career Days and other Events**

FRS had dairy career promotional stands at Careers Day at RDS on February 14<sup>th</sup> 2019, at the Farmers' Journal Dairy Day in Punchestown on 20<sup>th</sup> November 2018, Farmex in Kilkenny on October 12<sup>th</sup> 2018, North South Jobs Board Initiative in Dundalk and Midlands Careers Fair in Mullingar on March 23<sup>rd</sup> 2019.

While there was good interest from visitors on those days, it is very difficult to know what impact FRS presence had.

In addition, local FRS staff regularly attend farmer discussion group meetings and local agricultural events to promote working with FRS.

### **Engagement with agricultural colleges and third level institutions**

Annual presentations on careers in agriculture, with the specific attractions of the dairy sector at the forefront, are made by FRS to agricultural colleges and third level institutions offering agricultural courses nationwide. These take place in late Autumn and early Winter each year.

### **USIT initiative**

In 2018 FRS met with the USIT, the Union of Students of Ireland body responsible for co-ordination of international student travel to and from Ireland.

The discussions were with a view to promoting and securing on-farm work experience for international third level students and recent graduates coming to Ireland.

However, the initiative has started slowly, with limited interest so far – only one person signed up for 2020.

### **Use of traditional, social and digital media to advertise available jobs**

FRS has been running targeted social media campaigns in Ireland, across EU and selected non-EU states.

FRS has been running a targeted online and print campaign aimed at women in agriculture and beef farmers with time available and the need for additional income. This was aimed primarily at those with some prior experience.

All available positions were posted by FRS on the Jobs Ireland Portal, as well as the FRS Recruitment site.

Local FRS offices post open positions on social media and advertising boards regularly.

Engagement with recruitment agencies across Europe have thus far yielded no return.

Engagement with Lithuanian Universities yielded 4 recruits in 2018, 1 in 2019.

Work experience timing is an issue as it tends to coincide with mid-summer when labour demand on farms is lower.

**Normal FRS recruitment**

Domestically, in 2018, through the normal recruitment process for Farm Relief workers, FRS had approximately 250 people join and 55 leave – these are a mix of full-time and part-time positions.

**Conclusion**

FRS Network depends directly on being able to recruit and train where necessary dairy workers from within or outside Ireland. This has proven particularly challenging in recent years due to the increased labour demand from Irish farmers, and the reduced pool of potential recruits.

FRS remains committed to exploring every opportunity on the labour market within and outside Ireland to satisfy the labour needs of Irish farmers, especially dairy farmers.