



**To:** Hon Damien O'Connor – Minister of Agriculture  
**From:** Julie Collins, Deputy Director-General Policy and Trade

## Food and Fibre Leaders Forum meeting – 10 September

<b>Date</b>	9 September 2021	<b>Reference</b>	B21-0539
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<b>Decision required</b>	<b>Date decision required by</b>
NO <input checked="" type="checkbox"/>	N/A

<b>Purpose</b>
This briefing provides you with information ahead of your meeting with the Food and Fibre Leaders Forum at 9am on Friday 10 September 2021.

<b>Contacts for telephone discussion (if required)</b>			
<b>Name</b>	<b>Position</b>	<b>Contact number</b>	<b>First contact</b>
Fiona Duncan	Director – Food, Skills and Science Policy	9(2)(a)	<input checked="" type="checkbox"/>
Charlotte Denny	Director – Land, Water, and Climate Policy	9(2)(a)	<input checked="" type="checkbox"/>
Susie Wilson	Principal Adviser – Skills Policy	9(2)(a)	<input type="checkbox"/>

## Purpose and Agenda

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1. You are meeting with the Food and Fibre Leaders Forum (the forum) on 10 September 2021 to discuss primary sector issues and key policy updates.
2. The agenda received from the forum for the meeting is as follows:
  - a) Item 1: General update from sector on the effects of the Alert Level 4 and Level 3 restrictions due to Delta;
  - b) Item 2: Labour and workforce challenges:
    - i. Status of the Ministry for Primary Industries' (MPI's) coordinated report on food and fibre sector labour shortages;
    - ii. Other countries competing with New Zealand for labour: Response to Australian Agricultural Visa; and
    - iii. A partnership approach through a Government - Industry Food and Fibres Sector Workforce Taskforce?;
  - c) Item 3: Consultation update (Freshwater, Stock Exclusion and Intensive Winter Grazing). Variations on shared A3? Virtual consultation?; and
  - d) Item 4: An update from sector on Global Warming Potential (GWP\*) and Overseer.
3. Background information for each agenda item is provided at **Appendix One**.
4. A list of forum members is included at **Appendix Two**.
5. We recommend that you share this briefing with the Prime Minister and the other Ministers attending the meeting.

## Recommendations

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1. It is recommended that you:

- a) **Note** that you are meeting with the Food and Fibre Leaders Forum on Friday 10 September. The above topics are likely to be raised and suggested responses are set out in Appendix One.

**NOTED**

- b) **Note** the recent Cabinet decision to approve a one-off residency pathway for some onshore migrants has not yet been communicated publicly or widely outside of Government.

**NOTED**

- c) **Agree** to forward this briefing to the Prime Minister and the other Ministers attending the meeting.

**YES / NO**



Fiona Duncan  
Director – Food, Skills and Science  
Policy and Trade

Hon Damien O'Connor  
Minister of Agriculture

/ / 2021

**Minister's comments**

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## **Appendix One: Background information for each agenda item**

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### **Agenda item 1: General update from sector and effects from Alert Level 4 and Level 3 restrictions due to Delta**

*The primary sector is continuing to adapt and carry out essential services*

1. The primary sector is responding constructively to COVID-19 with essential activities continuing under controlled access requirements. New requirements under Alert Level 2 do not directly impact these activities, however the sector is indirectly impacted by venues and other businesses operating at reduced capacity.
2. Industry stakeholders have pushed for a fast-tracked vaccine rollout to frontline workers, (and some are requesting mandatory vaccination for frontline workers) particularly at meat works and dairy processing plants. The Ministry for Primary Industries (MPI) continues to provide both general and case-by-case guidance on operating safely and meeting health priorities, including for businesses who have been impacted by their staff needing to go into isolation due to being a close contact.

*Challenges of boundary surveillance testing*

3. Under the amendment to the Alert Level Order, permitted workers crossing alert level boundaries are now required to present proof of having had a valid COVID-19 test within the past seven days. The Ministry of Health (MOH) is working through the details of how to monitor compliance with this new testing requirement and envisages a process of spot checking of permitted workers at boundaries.
4. The forum may raise a concern about ensuring there are enough testing sites for primary sector workers. MPI is working with MOH and the Counties-Manukau District Health Board to identify additional dedicated sites for industry.

*Supply chain and freight issues are impacting businesses and exports*

5. 9(2)(b)(ii)  
[Redacted text block consisting of five lines of blacked-out content]
6. The sector is paying close attention to the details of Auckland's border testing regime out of concern that it may delay or interrupt movement of goods. Some areas of the sector are also concerned that inputs (for example; herbicide and pesticides and building supplies) may be caught up in delayed or failed arrival of freight into New Zealand from overseas.

7. Export challenges in the primary sector continue to be exacerbated by COVID-19. International supply chain disruptions are increasing costs and reducing the ability to export. In addition to increased costs and lost revenue, exporters are concerned overseas businesses will opt for competing country suppliers if exports are not available from New Zealand.
8. You could ask forum members if there are other outstanding issues around internal borders and supply chains they wish to progress or resolve with government.

### **Agenda item 2: Update on primary sector labour and workforce challenges**

9. Over time the sector's workforce priorities will need to increasingly shift towards planning for, and growing, the different specialist skills needed to take full advantage of changing consumer demands, advances in technology for specialised production and processing and a greater focus on sustainability and climate change. In the short term however, the sector's primary workforce focus remains the mitigation of the impacts of current worker shortages exacerbated by border closures.

#### **2.i Status of MPI coordinated report on food and fibre sector labour shortages**

##### *Report on food and fibre workforce issues*

10. At the last meeting of the forum, it was agreed that MPI would work with the sector to produce a report on primary sector labour shortages for Ministers. If this report is raised by the forum, you could thank the forum leaders for providing MPI with information to inform the report and note that you did receive it and it is helping to inform the Government's work on solutions to mitigate shortages where possible.
11. Should the forum leaders wish to view the report, you could undertake to provide this. MPI would, however, suggest providing a summarised version and would provide this to you for your review before releasing it to the forum.

##### *Border and immigration issues*

12. To help manage acute labour shortages, this year Government has approved a range of class border exceptions for primary workers and has made a range of immigration policy changes to allow Working Holiday Scheme and Essential Skills visa holders to stay in New Zealand and continue to work where possible.
13. Cabinet's recent decision to pilot one-way quarantine free travel (QFT) to New Zealand from Samoa, Tonga and Vanuatu for Recognised Seasonal Employer workers is also expected to significantly assist with peak horticulture labour demand in February/March 2022. The forum may ask you to confirm the intended start date for QFT. We suggest you advise them Government is aiming for early October for the first flight and will confirm this as soon as possible, however there are still some details to be worked through with the partner countries.

14. The forum may also raise concerns about residency pathways for onshore migrants. As you are aware, the sector has expressed concern that the current residency application criteria and processing times are resulting in valuable migrant workers leaving New Zealand in favour of other countries.
15. Cabinet has recently agreed a one-off residence pathway for a range of onshore migrant workers, including those in primary sector occupations. This decision will likely resolve many of the sector's labour concerns. The benefits will largely fall on the dairy sector, which has the largest proportion of workers on Essential Skills visas, but other primary industries would also benefit, including the meat processing sector, which wishes to retain, in particular, approximately 100 halal slaughterers currently on Essential Skills visas.
16. You may wish to advise the forum that Government has been looking into this issue and expects to make some announcements shortly.

*Challenges securing Managed Isolation and Quarantine spaces for migrant primary sector workers*

17. There is currently high demand for Managed Isolation and Quarantine (MIQ) due to a number of factors including the Delta COVID-19 outbreak, the suspension of quarantine-free travel with Australia and the need to evacuate people from Afghanistan.
18. In light of these constraints and the need to clear a backlog of existing critical workers seeking entry, space in MIQ is very limited through to the end of 2021. The Ministers of COVID-19 Response and Immigration have agreed to temporarily pause decisions on new border class exceptions for groups to avoid adding further pressure on MIQ. They will reconsider the pause once these pressures abate but the timing of this is currently uncertain.
19. Workers who have been unable to secure an MIQ spot for their preferred date may be able to enter through the Time Sensitive Travel Allocation pathway. This pathway is for workers travelling to New Zealand to undertake time-sensitive tasks in specified areas of work that will have significant consequences if not completed. Employers can apply if they meet the eligibility criteria and have an endorsement from MPI. s(2)(g)  
(i)  
[REDACTED]  
[REDACTED]
20. You may wish to acknowledge any frustration that the forum expresses about MIQ capacity and note that MPI is working to assist primary sector workers to enter through the Time Sensitive Travel Allocation pathway.

## 2.ii Other countries competing with New Zealand for labour: Response to Australian Agricultural Visa

21. The Australian Government has confirmed the establishment of an 'Australian Agriculture visa' primarily aimed at workers from South East Asia workers, to fill labour shortages in the country's agriculture, meat processing, fisheries and forestry sectors. The new visa will likely include permanent residency pathways and regional settlement as part of the implementation process.
22. Australian officials aim to have the necessary regulations in place by the end of September 2021, but the operation of the visa depends on negotiations with partner countries, which are still in the early stages. b(a)  
[REDACTED]  
[REDACTED]  
[REDACTED]
23. You may wish to advise the forum that the Government is not currently contemplating an equivalent visa type. The Government is focused on ensuring the New Zealand primary sector provides good opportunities for rewarding careers for New Zealanders and makes use of more labour-saving technology where appropriate.

*MPI is doing a lot to support the sector through its labour shortages*

24. Through its Primary Sector Workforce Programme, MPI is leading a significant programme of work to assist the sector and meet the Government's Fit for a Better World goal of getting 10,000 New Zealanders into primary sector jobs within four years.
25. In late July 2020, in response to the COVID-19 pandemic and the shortfall of workers in the primary industries, MPI in conjunction with the primary sectors launched the 'Opportunity Grows Here' workforce attraction campaign. The campaign is the front end of MPI's workforce recruitment programme and launched with an overarching brand campaign and website. The website brings together information on education, training and careers, and links to job listings. The campaign markets the many different sectors that make up the primary industries and the opportunities available including immediate jobs, training, education and careers. It has since then launched individual targeted campaigns for immediate job needs – based on industry and targeted by region.
26. The website has had over half a million page-views and the marketing campaign has delivered over 38 million views of the digital advertising. Advertising has included channels such as outdoor media (billboards and street posters), social media, bus-backs, partnership collaborations with Student Job Search, and radio.
27. Research conducted in July 2021 shows that for 30 percent of the non-primary industries workforce, the appeal of working in the primary industries has increased over the last 12 months.
28. The campaign recall is high. Of those people targeted by the campaign, 41 percent said the appeal of working in the food and fibres sector has increased.

In addition, 42 percent of those surveyed recalled seeing the campaign, and of those 33 percent thought about the possibility of working in the primary industries.

29. MPI collaborated closely with industry groups to set up the Opportunity Grows Here programme. Many also provided content for the Opportunity Grows Here social media channels, including case studies of people working or in training in the industry. Those that initially participated were:
- Beef and Lamb NZ
  - Meat Industry Association
  - Dairy NZ
  - Forestry Industry Contractors Association
  - NZ Forestry Owners Association
  - Horticulture NZ
  - Summerfruit NZ
  - Pork NZ
  - Seafood NZ/Aquaculture NZ
  - NZ Winegrowers
30. Specific industry recruitment marketing campaigns have also been developed with:
- Summerfruit New Zealand
  - Seafood New Zealand
  - New Zealand Winegrowers
  - Wine Marlborough
  - Central Otago Wine
  - New Zealand Apples and Pears
  - New Zealand Kiwifruit Growers Incorporated
31. Planning for upcoming seasonal campaigns with New Zealand Kiwifruit Growers and Summerfruit New Zealand are under way. Preparation for campaigns to attract skilled workers and younger New Zealanders into primary sector careers is also under way.
32. The Primary Sector Workforce Programme has also rolled out:
- a) taster and basic skills training taster-courses across the country that focus on building introductory skills in various industries. Examples include: winter pruning courses run by New Zealand Kiwifruit Growers Incorporated, the Tane Mahuta familiarisation programme for silviculture, and DairyNZ's 'Go Dairy' course;
  - b) partnerships at agricultural education campuses Telford (in Balclutha) and Taratahi (in the Wairarapa);
  - c) a regional workforce liaison service to support local primary sector employers to access New Zealand workers across the country; and
  - d) funding for a range of Māori skills training programmes to increase the uptake of food and fibre sector employment by Māori and boost the productivity of iwi primary sector assets.
33. The workforce programme (encompassing work undertaken by both MPI and the Ministry for Social Development) has to date placed over 6,700 New Zealanders into primary industry jobs.<sup>1</sup>
34. MPI is also now working with a range of primary industries (including agricultural contracting, fisheries, wool harvesting, and horticulture) to develop sector specific

<sup>1</sup> \*Based on numbers supplied by MSD of registered job seekers placed into jobs. The number above is likely higher as it excludes jobs filled where people have been directly referred on to employers or recruitment sites through the campaign.



Workforce Transition Plans to attract, train and retain New Zealanders into these sectors and reduce reliance on migrant labour. Given the sharp focus on worker shortages and lack of access to temporary migrant labour, consideration of available domestic labour supply is critically important for industry in making decisions about new investment.

### **2.iii A partnership approach through a Government – Industry Food and Fibres Sector Workforce Taskforce?**

35. MPI understands the Food and Fibre Leaders Forum may suggest the formation of an industry/Government 'Food and Fibres Sector Workforce Taskforce' to address food and fibre workforce issues.
36. MPI does not have any information about the forum's intentions or objectives for the taskforce or the gap it sees a taskforce filling. However, MPI considers that industry could make use of current structures that exist to address primary sector workforce issues. A summary of some the relevant groups can be found in **Appendix Three**.
37. The Food and Fibre Capability Leadership Group may be the best forum, as it is the bridge between operational collaboration on the Food and Fibre Skills and Forestry and Wood Processing Workforce Action Plans and sector strategic leadership groups, and includes senior representation from government agencies and industry. The Capability Leadership Group does have a slightly different make-up than the Leaders Forum, but there is flexibility to include additional interested members.
38. **s(2)(g)(i)**. You may wish to flag that the Minister of Immigration is leading work on developing options and advice for changes to immigration settings, to encourage employers to reduce their reliance on migrants to fill lower skilled roles and to invest in productivity enhancing technology and processes.

### **Agenda item 3: Consultation Update: Freshwater farm plans, Stock Exclusion (changes to the low slope map), and Intensive Winter Grazing**

39. MPI and the Ministry for the Environment (MfE) are holding a series of public workshops/consultation events on the implementation of the FWFP system, changes to the low-slope map used in the stock exclusion regulations, and changes to Intensive Winter Grazing Regulations.
40. Following the COVID-19 alert level changes, a decision was made to convert all engagements to a virtual format and extend the end date of the consultation period for FWFP and stock exclusion by two weeks (end date 26 September 2021); consultation on intensive winter grazing ends on 7 October 2021.

41. Attendance has been relatively good with a high level of interest from regional councils and rural planners and advisers. Feedback has been largely constructive, and a repository of frequently asked questions and answers is being developed to be published online.
42. Additional workshops have been scheduled following requests from industry and farming groups.
43. Forum members may ask whether the government still plans to consult on the Emissions Reduction Plan in the next two months. You may wish to update the forum on plans in this regard. We have provided your office with a calendar of planned consultation underway or coming up in case forum members wish to see it. The consultation dates are what officials currently understand to be true, noting that the Delta outbreak is causing for the dates of some consultation exercises to be revisited.

#### **Agenda item 4: An update from sector on GWP\* and Overseer**

##### *Global warming potential (GWP) metrics*

44. Different metrics can be used to compare methane to other greenhouse gases. These different metrics reflect the different nature of methane (a short-lived gas) to carbon dioxide (a long-lived gas).
45. New Zealand uses GWP100 to report greenhouse gas emissions and to measure progress against our domestic and international targets. GWP100 focuses on the warming impact of a gas emitted today over the next 100 years. New Zealand agreed to use this metric for international reporting under the Paris Agreement. Under the Paris Agreement it is mandatory for all Parties to use GWP100 for reporting greenhouse gas inventories and measuring progress towards their nationally determined contributions (NDCs).
46. The sector advocates for the use of an alternative metric, GWP\*, in agricultural climate policy. GWP\* and its focus on additional warming, results in a lower obligation for New Zealand methane emitters since New Zealand methane emitters also caused much warming in the past.
47. New Zealand has adopted separate domestic targets for biogenic methane (10 percent by 2030, and 24 to 47 percent by 2050). These targets take into account the different nature of methane without diverging from GWP100 as a metric. Reduction in biogenic methane is required to be consistent with New Zealand's commitment to limit global warming to 1.5 degrees.
48. The Government has acknowledged that methane is not required to reduce to zero to halt warming. We took science on the different warming properties of short and long-lived gases into account when we set domestic biogenic methane targets.
49. You may wish to acknowledge that methane is not required to reduce to zero, and the science on the different warming properties of short and long-lived gases was taken into account when we set domestic biogenic methane targets.

50. You may also wish to remind the forum that all sectors, including agriculture, need to do their part to reduce greenhouse gas emissions.

*Update on Overseer model*

51. Overseer is a computer software tool that calculates nutrient loss from farms. It is commonly used to inform our understanding of nutrient losses and the effect farm practices have on those losses – both at a farm and catchment scale. Over recent years Overseer has become increasingly used by regional councils to manage freshwater management and planning.
52. In late 2018, on advice from the Parliamentary Commissioner for the Environment, the MPI and MfE initiated an independent review of the Overseer model due to concerns about the lack of transparency of the modelling of nutrient losses used in the tool.
53. The independent Overseer whole-model review report along with the Government's response were publicly released on 11 August 2021. The review raised a number of concerns about Overseer particularly where it is used in a regulatory setting.
54. In its response, the Government has agreed to put in place one or more of the following options:
- a) developing a risk-based index;
  - b) developing improvements for Overseer to address the panel's concerns;
  - c) greater use of controls on practices to manage nitrogen leaching; and
  - d) potentially developing a new approach altogether (longer-term option).
55. In addition to the above options, Government has agreed to support Overseer over the coming 12-months while officials develop a programme of work on the next generation of tools; including working with Overseer to address the issues identified by the peer review panel.
56. In the last month MPI and MfE have made progress in developing a joint programme of work with an initial focus on the following deliverables:
- a) a needs analysis to ensure a clear and common understanding of current and future needs of all user groups;
  - b) a risk index tool;
  - c) development a programme of improvements for Overseer; and
  - d) development of new nutrient management tools (after the completion of the needs analysis).
57. MPI is working with Overseer Ltd to scope a 12-month development programme to address the review's critical findings of the current Overseer tool.

58. Industry may query whether the Government supports Overseer or not. You may wish to respond that part of the Government's response to the Overseer review is to support a development programme to make improvements to Overseer so that it is fit for purpose into the future.
59. There are differing views across the industries represented around the usefulness of Overseer. For example, Horticulture are not strong supporters of Overseer as they feel it does not meet their specific needs whereas the sheep, beef and dairy sectors are generally more supportive. You may wish to respond that the Government's response to the Overseer review is to develop a suite of tools, including Overseer, that will better serve a wider range of sectors and land uses.

## **Appendix Two: Food and Fibre Leaders Forum Members**

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- Mike Petersen, Independent Chair
- Traci Houpapa, Federation of Māori Authorities
- Jim van der Poel, DairyNZ
- Barry O'Neil, Horticulture NZ
- Andrew Morrison, Beef + Lamb NZ
- David Rhodes, NZ Forest Owners Association
- Philip Gregan, NZ Wine Growers Association
- Craig Ellison, Seafood NZ
- John Loughlin, Meat Industry Association
- Hugh Ritchie, Foundation for Arable Research
- Ian Walker, Deer Industry NZ
- Andrew Hoggard, Federated Farmers of NZ
- Bruce Wills, Apiculture NZ
- Keri Johnson, IrrigationNZ
- Mike Cronin, Fonterra

## Appendix Three: Existing Food and Fibre fora for workforce issues

Group/Forum	Roles and responsibilities
<b>Food and Fibre Leaders Forum</b>	Provides a forum for industry group Chairs and Chief Executives to engage on issues of importance and communicate an aligned view to Government Ministers and the Prime Minister.
<b>Food and Fibres Partnership Group</b>	A strategic group established to help accelerate current and new transformation efforts across the food and fibres sector. Shares responsibilities for implementation of key elements of the Government's Fit for a Better World Roadmap.
<b>Food and Fibre Capability Leadership Group</b>	A strategic and system-level leadership group for Food and Fibre capability and workforce development needs. Its role is to act as 'kaitiaki' of the Food and Fibre Skills Action Plan and the Forestry and Wood Processing Workforce Action Plan, coordinate and facilitate policy and problem-solving in partnership with government, Māori, and industry.
<b>Primary Industry Capability Alliance (PICA)</b>	A pan-sector group that brings together industry, educators, and government to attract and grow a diverse range of talented people into the food and fibre sectors. Its role includes working with schools to ensure they understand the food and fibre sectors and the careers the sector offers.
<b>Future of Work Tripartite Forum</b>	A partnership between the Government, Business New Zealand as representatives of business groups, and the New Zealand Council of Trade Unions. It aims to support New Zealand businesses and workers to meet the challenges and opportunities presented in a rapidly changing world of work, and work together to identify and implement solutions.