

AGRICULTURAL
ECONOMICS
RESEARCH UNIT



Lincoln College

THE NATURE & EXTENT OF
THE FARM LABOUR SHORTAGE
IN CHEVIOT COUNTY
CANTERBURY

by

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THE AGRICULTURAL ECONOMICS RESEARCH UNIT

THE Unit was established in 1962 at Lincoln College with an annual grant from the Department of Scientific and Industrial Research. This general grant has been supplemented by grants from the Wool Research Organisation, the Nuffield Foundation and the New Zealand Forest Service for specific research projects.

The Unit has on hand a long-term programme of research in the fields of agricultural marketing and agricultural production, resource economics, and the relationship between agriculture and the general economy. The results of these research studies will be published as Unit reports from time to time as projects are completed. In addition, it is intended to produce other bulletins which may range from discussion papers outlining proposed studies to reprints of papers published or delivered elsewhere. All publications will be available to the public on request. For list of publications see inside back cover.

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IN CHEVIOT COUNTY, CANTERBURY

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P R E F A C E

While the economic problems associated with farm labour have always been important, special significance attaches to these problems at the present time. With the drive for increased agricultural production, the recruitment and retention of an adequate farm labour force is of critical importance. The Research Unit has therefore embarked on a programme of work aimed at surveying the labour situation in agriculture and establishing whether there is a shortage; if so, its nature, extent and causes, and the policies required to cope with the situation.

In an earlier publication (AERU no. 34), we presented the results of a farm labour survey in Patangata County, Hawke's Bay. The present publication carries the research a stage further by reporting on a similar survey in Cheviot County, North Canterbury. A third publication will be issued in due course, dealing with the projected labour requirements to achieve the plans for increased production in the district.

The survey work reported in this publication was carried out by Mr J.L. Morris, assisted by Dr R.G. Cant and Mr D.B. Lawson. Mr A.T.G. McArthur rendered valuable assistance in the design of the questionnaire and the tabulation and analysis of the survey results was the work of Dr Cant.

B. P. PHILPOTT

Lincoln College,
12th December 1966.

C O N T E N T S

| | Page |
|--|------|
| I. Introduction | 1 |
| II. The Farms and the Labour Force | 2 |
| III. The Extent of the Farm Labour Shortage | 13 |
| IV. The Rewards and Working Conditions | 24 |
| V. Conclusions and Recommendations | 35 |
| Appendix 1 The Cash Value of Extras | |
| Appendix 2 Group Labour Schemes | |
| Appendix 3 Provision of Housing for Married Men | |
| References | |

THE NATURE AND EXTENT OF THE FARM LABOUR SHORTAGE
IN CHEVIOT COUNTY, CANTERBURY

I. Introduction

Problems of recruiting and retaining an adequate farm labour force have become more acute during the last two decades. Long standing over-employment and increasing agricultural production combine to produce a situation which many people view with alarm. Numerous public statements are made, policies suggested and remedies put forward, but surprisingly little factual information has been collected (Woods, 1965). The recent increase in indicative planning and the decision of the Agricultural Development Conference to aim at a 4 per cent annual average increase in stock numbers make it imperative that the extent of any farm labour shortage be accurately determined and adequate steps taken to overcome it.

The present study is one of a series being initiated at the present time.¹ In this instance the aim is to provide basic information about the farm labour situation in one representative South Island County. Specifically it seeks to answer the following questions:-

(1) What is the structure of the farm labour force in Cheviot County? To what extent is family labour used and what are the ages and marital status of other farm employees.

¹ One study in this series has already been completed. See McClatchy, 1966.

How extensively is casual and contract labour employed?

- (2) What, if any, is the extent of the farm labour shortage in Cheviot County?
- (3) Which (if a shortage exists) are the areas of shortage? Are particular types of farms or particular types of owners having greater problems than others?
- (4) What are the rewards offered to the labour force at present employed in Cheviot County? How do these compare with the rewards offered for comparable work in urban areas?

Cheviot County was chosen for several reasons. Firstly, it is intermediate between those areas which are believed to have a serious labour problem and those where farm workers are not difficult to obtain. Cheviot town, the main business centre in the county, is located 74 miles north of Christchurch and the most isolated farm in the county is slightly over 30 miles from Cheviot (Fig. 1). Secondly, the area is compact and contains several different types of country - small plains around Cheviot and Waiau and a larger area of downland and hill country. On most farms meat and wool production is the main activity although there are a number of properties where cropping is also important. In addition the number of farms in the county is small enough for all to be included in the survey. At the same time Cheviot is a county with a high proportion of farms which are large enough to employ two or more workers. Finally, we knew that many farmers in this area were actively engaged in farm development and that most, if not all, would be willing to co-operate in a

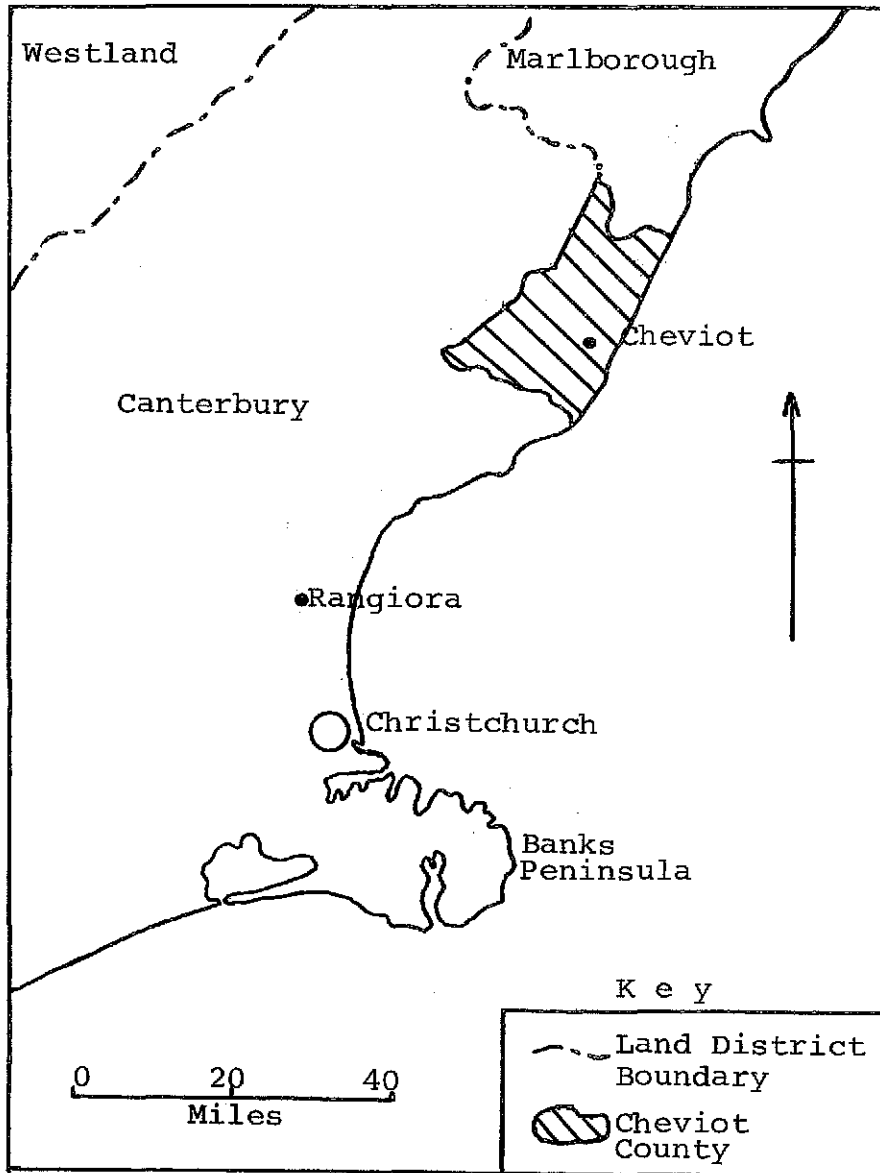


Figure 1. Location of Cheviot County

survey of this type.

Plans for the survey were drawn up in the latter months of 1965. A questionnaire was designed and pretested in the field. A number of modifications were made before the survey proper was commenced. A list of farms in Cheviot was compiled from topographic maps and the telephone directory and checked with local farmers as the survey progressed. Farmlets which did not provide full time employment for the occupier were excluded. One farmer was absent from the district at the time of survey and another gave information which was found to be misleading and unreliable. Apart from these exceptions all farms in Cheviot are included in the results.

In October 1965 a letter was sent out to all farmers. This explained the purpose of the survey and introduced the interviewer. Each farmer or farm manager was interviewed at home, during the summer and autumn period.

The questions asked in the survey were set out on a twelve page questionnaire and the replies were entered by the interviewer. Appointments were made by telephone and one hour allocated for each interview. In general this allowed adequate time for the interviewer to locate the farm and the farmer, complete the interview form and discuss the general farm labour situation before travelling on to the next farm.

It will be clear from the above that this survey is based on the assessments and estimates made by the farmer or farm manager himself. It is outside the scope of the present survey to verify the information given or to obtain supplementary information from employees. All those who took part in the survey were impressed by the help and

friendly co-operation given by the people interviewed and by the sincerity of the answers. At the same time it is realised that the answers given to some questions were subjective or partly subjective and were inevitably influenced by the attitudes of the people being questioned.¹ These factors must be kept in mind when the material presented is interpreted.

¹ The average number of hours worked per week is an obvious case. It is unlikely that estimates made by employees would agree exactly with those made by farmers. See page 27.

II. The Farms and The Labour Force

Included in the final tabulation are 136 farms with an aggregate area of some 178 thousand acres. In Table 1 these are classified according to the type of farming activity.

Table 1. Size of Farm According to Farm Type

| Type of farm | Number | Total Acreage | Average Acreage |
|--------------------------|--------|---------------|-----------------|
| Mixed crop and livestock | 51 | 24,062 | 482 |
| Plains sheep | 12 | 8,798 | 733 |
| Downland sheep | 18 | 10,940 | 608 |
| Hill Country sheep | 53 | 132,603 | 2,502 |
| Others | 2 | 1,929 | 964 |
| Total | 136 | 178,332 | 1,311 |

The importance of sheep in this county is clearly shown in Table 2. At the same time it can be seen that cattle (mainly beef or dairy-beef varieties) are to be found in considerable numbers on farms of all types. Cattle numbers have increased considerably in recent years and this trend is expected to continue. Cropping was important on some 38% of the farms but its aggregate importance, even on mixed crop and livestock farms, was less than that of livestock production (Table 3).

Table 2 Livestock Units on Farms of Each Type¹

| Type of Farm | Number | Total Livestock Units | | Average Livestock Units | |
|------------------------|--------|-----------------------|--------|-------------------------|--------|
| | | Sheep | Cattle | Sheep | Cattle |
| Mixed Crop & Livestock | 51 | 59,197 | 5,342 | 1,161 | 105 |
| Plains Sheep | 12 | 14,590 | 2,521 | 1,216 | 210 |
| Downland Sheep | 18 | 22,228 | 2,396 | 1,235 | 133 |
| Hill Country Sheep | 53 | 138,888 | 23,055 | 2,621 | 643 |
| Others | 2 | 1,608 | 290 | 804 | 145 |
| Total | 136 | 236,511 | 44,604 | 1,739 | 328 |

¹ All livestock have been converted to ewe equivalents as follows:- ewe and lamb = 1.0, wether = 0.8, hogget = 0.8, ram = 0.8, breeding cow = 5.0, other cattle = 4.0.

Table 3 Livestock and Cultivation on Farms of each Type

| Type of Farm | Number | Total Livestock Units | Total Grain acres | Total Fodder acres | Average Livestock Units | Avg. Grain acres | Avg. Fodder acres |
|----------------------|--------|-----------------------|-------------------|--------------------|-------------------------|------------------|-------------------|
| Mixed Crop/Livestock | 51 | 64,539 | 2,032 | 2,090 | 1,265 | 39.9 | 51 |
| Plains Sheep | 12 | 17,111 | 21 | 263 | 1,426 | 1.7 | 22 |
| Downland Sheep | 18 | 24,624 | 10 | 310 | 1,368 | 0.6 | 17 |
| Hill Country Sheep | 53 | 172,943 | 95 | 2,183 | 3,263 | 1.8 | 41 |
| Other | 2 | 1,898 | - | - | 949 | - | - |
| Total | 136 | 281,115 | 2,195 | 4,846 | 2,067 | 15.2 | 36 |

Most farms in the county are farmed by a single owner operator (Table 4). There are a smaller number of Partnerships and Trusts, and at the time of survey there were six private companies. This pattern is typical of that found in similar farming areas in the South Island. Farms have been classified in this way in order to see if there is any relationship between the type of ownership and the shortage of labour. In some instances analysis is made difficult by variations in farm size. For this reason farms which are considered unlikely to employ more than one full time worker have been excluded from some tabulations. This has been done by giving each acre of crop cultivation a value of 4 ewe equivalents and adding this to the number of stock units. Where the total is less than 1200 units the farm has been taken out of the tabulation (Table 4; col. b.).

Table 4 Farms Classified According to Type of Ownership

| Type of Ownership | Number of Farms | |
|-----------------------|-----------------|-------------------------------|
| | a) All Sizes | b) Small enterprises excluded |
| Single owner Operator | 93 | 66 |
| Partnership | 21 | 15 |
| Trust (inc. Estates) | 16 | 15 |
| Private Company | 6 | 6 |
| Total | 136 | 102 |

The labour force employed on farms in the county is shown in Table 5. Farmers and farm workers are classified either as permanent full time workers or as temporary and casual workers. Work done by the latter was recorded as

days per year or weeks per year and then expressed as a fraction of a full time permanent unit. Labour employed on contract is not included in this table since many contract activities include inputs other than labour. The fraction of a year worked by a bulldozer driver or an aerial top-dressing pilot, for example, may be infinitesimal in a table of this type whereas the amount of regular full time labour saved is very considerable.

Family labour, including that of the owners themselves, made up 71.5 per cent of the permanent labour force, while the remaining 28.5 per cent was employed from outside the family. If, however, farm owners are excluded from the calculations, the number of non family workers employed exceeds the number of family workers. Among those who do not belong to the farm owner's family, the number of married men is greater than the number of single men.

The temporary and part-time section of Table 5 includes a very large number of different individuals. Four or five people in this category are employed full time on group labour schemes. Others include owners or family workers who work less than full time, contract workers who take up wage employment during the off season, students who are only available for part of the year and girls who divide their time between the house and the farm. Because of the importance of temporary and casual workers on farms which cannot employ an additional permanent worker these people play a more important part in the farm labour force than the total of

Table 5 Labour Employed on Each Type of Farm

| Type of Farm | No. of Farms | Permanent Full Time Workers | | | | | | | Temporary and Casual * | Total (excl. contract) |
|--------------------------|--------------------|-----------------------------|----------|-----------|----------------|---------------|----------|------------|------------------------------|------------------------------|
| | | Owner | Manager | Family | Married Man | Single Man | Girl | Total | | |
| Mixed Crop/ livestock | 51 | 51 | 2 | 6 | 7 | 6 | - | 72 | 7.75 | 79.75 |
| Plains sheep | 12 | 11 | - | 3 | 2 | 1 | - | 17 | 1.83 | 18.83 |
| Downlands sheep | 18 | 17 | 1 | 3 | 3 | 1 | - | 25 | 2.33 | 27.33 |
| Hill Country sheep | 53 | 51 | 6 | 15 | 17 | 17 | 1 | 107 | 9.83 | 116.83 |
| Other | 2 | 2 | - | 1 | - | - | - | 3 | .50 | 3.50 |
| Total | 136 | 132 | 9 | 28 | 29 | 25 | 1 | 224 | 22.24 | 246.24 |

* Expressed as a fraction of a labour unit per year.

22 or 23 workers would indicate.¹

There was general agreement among the farmers interviewed that contract services in the district were good. The only complaints made were that certain seasonal services were not always available at the time they were required. The main services available and the extent to which they were used are shown in Table 6.

It is clear that contract services play an important role in farming in this county. In many cases additional permanent labour would have to be employed if these were not as readily available as they are.

¹ There are a number of farms, particularly hill country ones, which employed a second worker in the past when wage rates were lower and they could afford to "carry" a man during the slack period. Most of these now employ casual labour. Future trends are uncertain; the cost-price squeeze may perpetuate this tendency or increases in stocking may make it more economic to employ a full time worker.

Table 6 Use of Contract Services

| <u>Service</u> (1) | <u>Percentage of Farmers using Service</u> (2) |
|--------------------|--|
| Shearing | 98 |
| Crutching | 88 |
| Liming | 87 |
| Topdressing | 79 |
| Bulldozing | 60 |
| Tup crutching | 58 |
| Hay carting | 51 |
| Fencing | 25 |
| Hay baling | 23 |
| Cultivation (3) | 22 |
| Dipping | 19 |
| Spraying | 15 |
| Heading | 7 |

Notes

- (1) Not all these services are used annually. A contract bulldozer, for example, may only be employed once in several years on any given farm.
- (2) Data collected for 102 larger units only. Small farms with fewer than 1200 stock equivalent units excluded.
- (3) Mainly discing in connection with land development.

III. The Extent of the Farm Labour Shortage

Each farmer or farm manager interviewed was asked to state the labour force which he thought his farm, in its present state, justified. Or, to put the same question in another way, he was asked how many he would like to employ, including himself. The answers to this question were then compared with the number of people already employed and the results are shown in Table 7.

Table 7 Extent of Shortage of Full Time Workers

| Type of Farm | Number of Farms | <u>No. of full time workers</u> | | Percentage of Shortage |
|--------------------------|-----------------|---------------------------------|--------------------|------------------------|
| | | Employed Now | Estimated Shortage | |
| Mixed crop/ livestock | 51 | 72 | 13 | 18 |
| Plains sheep | 12 | 17 | 1 | 6 |
| Downland sheep | 18 | 25 | 3 | 12 |
| Hill Country sheep | 53 | 107 | 18 | 17 |
| Others | 2 | 3 | -1 | no shortage |
| Total | 136 | 224 | 34 | 15 |

As it stands this table is only a first approximation and the figure of 15 per cent is an over-estimate of the additional labour which could be employed at present. An analysis of the reasons why farmers were short of labour shows that many would not employ extra labour even if it was available (Table 8).

Table 8 Reasons for Shortage of Labour on
Individual Farms

| Reason Stated | Number of Farms | Percentage of Farms |
|-----------------------------------|-----------------|---------------------|
| 1. Suitable workers not available | 14 | 39 |
| 2. Accommodation not available | 2 | 6 |
| 3. Excessive work for wife | 3 | 8 |
| 4. Cannot afford wages | 8 | 22 |
| 5. "Vulnerability" | 3 | 8 |
| 6. Other reasons | 6 | 17 |

Among those who were unable to afford the wages of an additional man were a number who were carrying out a programme of rapid development which demanded most of their available cash at present, but which would eventually require additional labour to look after increased stock numbers.

In three cases farmers were reluctant to employ labour because of the disruption which would result if a worker left and could not be replaced. These are classified under the heading of "vulnerability" (reason 5). Typical of the comments made about this situation was the complaint made by one farmer that 'he had been left in the cart three times'; that he had 'committed himself' to hired labour only to find that men left at a critical time. As a result he decided to 'box on by himself', presumably cutting back production to the point where additional labour was not needed. It is possible that some other farmers who reported no labour shortage were in a similar situation.

If an adequate supply of good workers could be obtained it is likely that most of the farmers who stated reasons 1, 2

and 5 would employ additional labour as would some of the farmers in the remaining groups.

In the light of the information contained in Table 8 and comments made by the various farmers interviewed, it is estimated that the labour force employed at the present time could be increased by some 8 to 10 per cent if sufficient workers were available. In numerical terms this represents some 18 to 22 additional workers. In the longer term, as the fear of vulnerability declined, as more farmers could provide accommodation or facilities which would reduce the work required from the farmer's wife, and as farmers passed through that phase of development which required a high level of cash inputs, a larger increase might be expected. This latter, however, might be partly offset by a consolidation of other holdings which are too small to keep one man fully occupied.

Since an immediate increase in the labour supply is unlikely, but a longer term improvement is possible, the following analysis of the main areas of shortage is based on the figures contained in Table 7 and is not adjusted in the light of Table 8.

The aim of this section of the study is to identify the situation where the shortage of labour is greatest. In other words, to find out if labour problems are more serious on particular types of farms, under certain forms of ownership, with farmers in certain age groups or on farms more distant from Cheviot town. If any such associations are found they may help, firstly to assess the overall shortage for the country as a whole and secondly to suggest reasons and point to remedies for the labour shortage.

As it stands at present, Table 7 appears to suggest that the labour shortage is more acute on hill country sheep farms and on mixed crop and livestock farms. In this table, however, the situation is confused by the fact that the categories contain differing proportions of those farms which are too small to employ a second worker in the near future. If those small units are excluded and a per farm shortage calculated (Table 9) a slightly different pattern emerges.

Table 9 Extent of Shortage of Full Time Workers
(Small farms excluded*)

| Type of Farm | Number of Farms | Full Time Workers Employed | Estimated Shortage | Percentage Shortage |
|--------------------------|-----------------|----------------------------|--------------------|---------------------|
| Mixed crop/ livestock | 33 | 52 | 11 | 21 |
| Plains sheep | 7 | 14 | 0 | no shortage |
| Downland sheep | 11 | 18 | 3 | 17 |
| Hill Country sheep | 51 | 104 | 18 | 17 |
| Total | 102 | 188 | 32 | 17 |

* Small farms were excluded on the same basis as used in Table 4, page 8.

While it is clear that the biggest demand for additional labour comes from the more numerous hill country sheep properties, the relative shortage appears to be more marked on the mixed crop and livestock properties. Although the farms recorded as plains sheep record no shortage at present,

it is possible that some of these may move into more intensive mixed crop-livestock production in the future. If this is done additional labour would be required. Since development of hill country properties is taking place more rapidly at present and since this development involves a cash outlay for contract services, fencing and fertiliser, it is probable that some of the demand for labour by this section of the farm community will be delayed. Conversely the demand for labour on hill country farms is likely to increase more rapidly in the less immediate future.

From observations made by a number of farmers, it appears that shepherds are particularly difficult to obtain for work on smaller hill country properties. It is suggested firstly that shepherds are attracted by the glamour of the high country and secondly that the smaller properties do not provide sufficient work for two teams of dogs - the owner's and the employee's. Farm workers interested in dogs thus tend to move to the high country where they can develop a better "pack".

When the shortage of labour is plotted against type of ownership, a difference in distribution is again shown (Table 10). In this case the result is not significantly altered if small farms are excluded.

No particular lesson can be drawn from the relatively high degree of shortage recorded for trusts. This group included a number of estates which, for various legal, financial and administrative reasons, were unable to employ as much labour as they needed. In addition it was observed that the managers who supplied information about those

properties tended, in general, to be less conservative in their estimate of the required labour force.

Table 10 Shortage of Full Time Workers
According to Type of Ownership
(all farms)

| Type of Ownership | Number of Farms | Number Employed | Number Short | Percentage Shortage |
|--------------------------|-----------------|-----------------|--------------|---------------------|
| 1. Single Owner Operator | 93 | 133 | 20 | 15 |
| 2. Partnership | 21 | 40 | 2 | 5 |
| 3. Trust (incl. Estates) | 16 | 38 | 10 | 26 |
| 4. Private Company | 6 | 13 | 2 | 15 |
| Total | 136 | 224 | 34 | 15 |

The low shortage figure shown for partnerships is more significant. Partnerships, it would seem, involve more people in ownership and decision making and help to retain people who might otherwise be attracted away to other occupations. If the popularity of partnerships continues to increase, the number of farmers' sons who remain on the land is also likely to increase.¹ The formation of private companies has not shared management responsibility to the same extent and, from the point of view of retaining family labour, offers fewer advantages.

¹ Evidence of a changing attitude is contained in a paper presented at the 1966 Lincoln College Farmers' Conference. See A.C.R. Robinson "Passing Management Responsibility on to the Younger Generation". Proc. Linc. College Farmers' Conf. 1966, pp. 103-107.

Farms were next classified into 4 groups, according to the age of the farmer, and the labour shortage in each group set out in Table 11.

Table 11 Shortage of Full Time Labour
According to Age of Farmer

| Age of Farmer | Number Employed | Number Short | Percentage Short |
|----------------|-----------------|--------------|------------------|
| Under 40 | 65 | 10 | 15 |
| 40 to 55 | 73 | 12 | 17 |
| Over 55 | 59 | 4 | 7 |
| Not applicable | 27 | 8 | 30 |
| Total | 224 | 34 | 15 |

At first sight it would appear that older farmers have least difficulty in recruiting labour but this is unlikely to be the case. A more probable interpretation of these figures is that farmers in the older age group are less inclined to strive for increased production and tend to adjust their goals and their farm management methods to a level where the available labour force was adequate.

A comparison between the age of the farmer's sons and the extent of the farm labour shortage failed to reveal any relationship, either apparent or significant, between these two factors. As might be expected the shortage of labour was slightly greater among farmers with no sons than among farmers with sons.

It is often suggested that isolation and distance from school are major factors contributing to the farm labour problem. Within Cheviot county differences in the extent

of the labour shortage failed to show a close relation with either of these factors. A comparison between those farms with an educational transport problem¹ and those without, showed some difference (Table 12) but this was not statistically significant². It may, in other words, have been the result of the small number of farm labourers included in the survey. More attention need to be given to this question in future studies³.

Table 12 Comparison between Labour Shortage and the Existence of an Educational Transport Problem

| | Number of Farms | Number Employed | Number Short | Percentage Short |
|------------|--------------------|--------------------|-----------------|---------------------|
| No problem | 31 | 154 | 21 | 13.6 |
| Problem | 105 | 70 | 13 | 18.6 |
| Total | 136 | 224 | 34 | 15.2 |

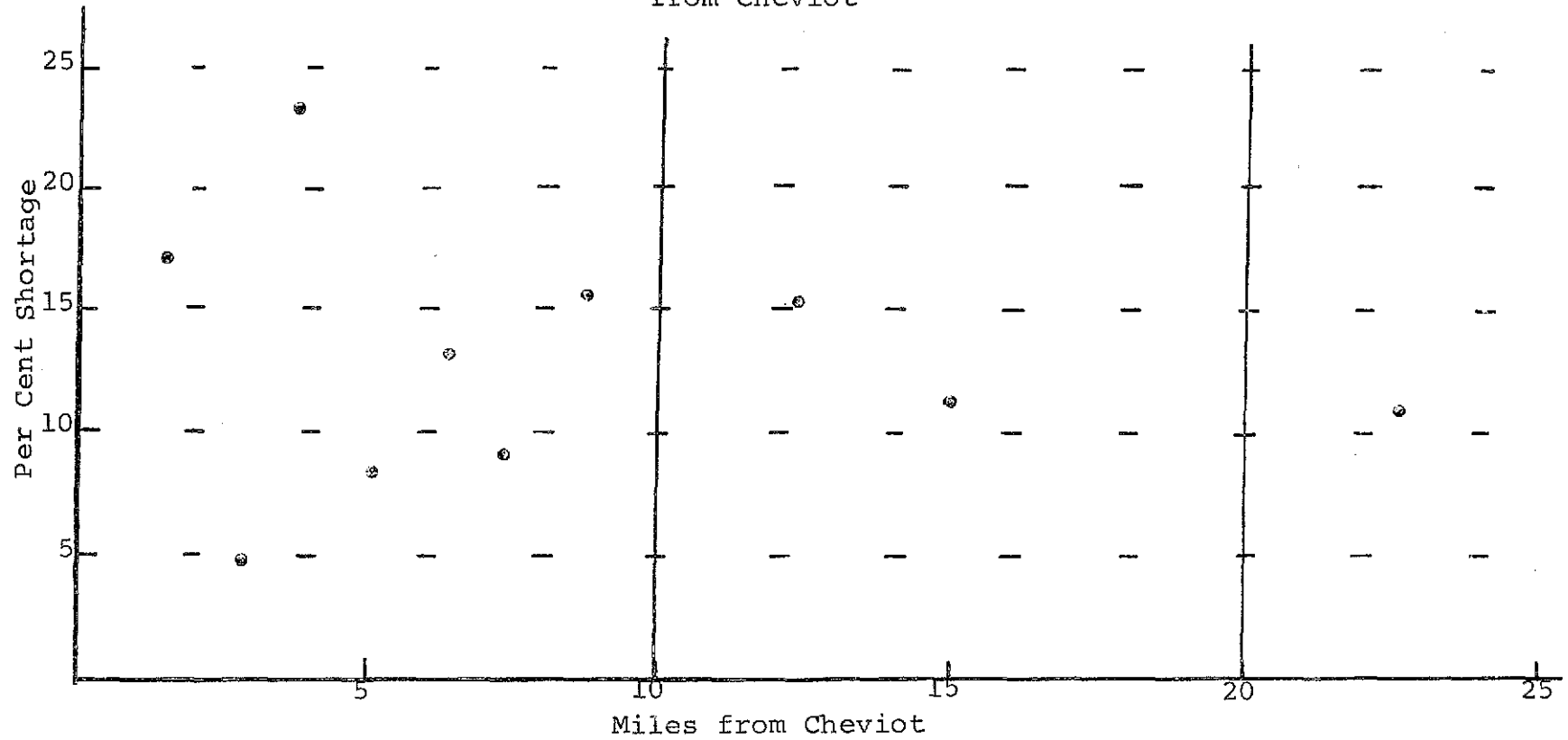
When a comparison was made between the distance from Cheviot and the extent of the labour shortage, there was no apparent relationship at all (Figure 2). It would thus appear that the disadvantages of isolation were counter-balanced by other advantages or that isolation does not

¹ Farms more than 1 mile from a primary school bus or 2 miles from a secondary school bus were classified as having an educational transport problem. In any subsequent survey it may be best to define an educational transport problem in terms of the time taken by children in travelling to and from school.

² At the 5% level, using a Chi-square test.

³ Proposals for a survey of farm employees have recently been formulated.

Figure 2. Shortage of Farm Labour According to Distance from Cheviot



operate on this scale. It is not within the scope of this survey to compare the labour problem in Cheviot County with that in other areas and it must be emphasised that the comparisons in Table 12 and Figure 2 relate only to farms within the study area.

In addition to questions as to the extent of the labour shortage, farmers were also asked what type of labour they would prefer if it could be obtained. In this case, answers were obtained from 44 farmers - some of whom required full time labour and some of whom required additional help but could not employ another full time worker. Answers to this question are set out in Table 13.

Table 13 Type of Additional Labour Preferred

| Type of Labour | Number of Farmers indicating preference |
|----------------------------|--|
| Married Man | 9 |
| Experienced Single Man | 9 |
| Inexperienced Single Man | 0 |
| Group Labour | 12 |
| Student Labour (part year) | 2 |
| Casual Labour | 11 |
| Contract Labour | 1 |

The demand for additional full time labour was divided evenly between those who preferred a married man and those who preferred an experienced single man. There was a reluctance among this group of farmers to employ an inexperienced single man; a reluctance which will need to be overcome if more people are to be recruited into the farm labour force.

Some 12 farmers indicated that they were interested in obtaining group labour - this suggests that a further three full time workers could be employed if they were available and the organisational details could be arranged. Many farmers commented on the ready availability of casual labour in the district but 11 others indicated that they would like to employ more. The reason for the apparent shortage here probably lies in the pattern of seasonal fluctuations in demand and supply, which results from the fact that many of those employed as casual labourers for part of the year do contract work during the remainder of the year.

IV. The Rewards and Working Conditions

The tangible rewards for farm employment may be grouped under three headings - firstly the wages the worker receives, secondly any regular or irregular bonus he may be paid and thirdly those extras¹ such as board or housing, meat or petrol which may be given a cash equivalent. This section of the study sets out the tangible rewards paid and discusses conditions of employment. It is recognised that farm work has its own distinctive intangible rewards but no attempt is made to specify these - other occupations also offer intangible rewards and may provide similar (but not identical) satisfactions.

The numbers of wage employees included in the Cheviot Study - 29 married men and 25 single men - is large enough to give a general indication of ruling wage rates but it is too small to permit detailed statistical analysis based on cross classifications.

In Table 14 the average weekly wage paid to married employees is established. Bonuses have been converted to a weekly equivalent and extras have been given a cash value, according to the scale set out in Appendix 1. No adjustments are made for taxation, and payments made for work by the wife are excluded. In this, as in subsequent tables, weekly wages are rounded to the nearest shilling.

These results show clearly that the remuneration received by married men is higher than is generally realised. In this respect there is no reason to suspect that wages in Cheviot are significantly different from those in other

¹ Use of the term perquisites (or perks) is avoided because of its emotional overtones.

Table 14 Weekly Wages for Married Men

| | | | |
|---|----|----|---|
| 1. Average Wage, excluding bonus and extras | 17 | 12 | 0 |
| 2. Average bonus | 1 | 1 | 0 |
| 3. Average value of extras | 5 | 3 | 0 |
| 4. Average wage, including 2. and 3. | 23 | 16 | 0 |
| 5. Mean deviation for 4. | 2 | 0 | 0 |

Canterbury districts where the type of farming and the degree of isolation are similar. There was, furthermore, a striking degree of uniformity in the wages paid; when bonuses and extras were included in total wages it was found that over half of the married men received gross wages between £23 and £25 per week. Later in this section, when the average number of hours worked has been established, a comparison will be made between those wages and wages paid for certain categories of urban workers (page 32).

There were fewer single men employed and since these vary considerably in age and experience, the average rates set out in Table 15 have to be treated with more reservation. The calculations for bonuses and extras were made as before and the cash value for the various extras is again set out in Appendix 1.

In general the wages paid were higher than most people would expect but in the case of single men in the younger age groups these average figures conceal some very wide variations. Although the median wage in the 16-17 year old age group was over £9, wages in this group ranged from £6.10. 0 to £13. 0. 0. (excluding bonuses and extras in each case). Without exception, however, the wages paid

Table 15 Weekly Wages for Single Men

| Age Group | Number in Group | Average Weekly Wage | |
|-----------|-----------------|---------------------|---------------------|
| | | Wages only | With bonus & extras |
| 16-17 | 6 | 9.13. 0 | 13.19. 0 |
| 18 | 5 | 9.14. 0 | 13. 4. 0 |
| 19-20 | 5 | 12.18. 0 | 17. 2. 0 |
| 21-25 | 4 | 16. 5. 0 | 19.15. 0 |
| Over 25 | 5 | 14. 2. 0 | 18. 0. 0 |
| Total | 25 | 12. 5. 0 | 16. 3. 0 |

were far above the minimum award rates laid down in the Agricultural Workers (Farms and Stations) Extension Order 1952 (table 16). The average rates also compare favourably with the scale of wages recommended as a minimum for farmers who participate in the Canterbury Farm Training Council's Cadet Training Scheme.

Table 16 Minimum Wage Scales

| Age Group | Minimum Award Wage | Minimum Recommended by Canterbury F.T.C. |
|-----------------|--------------------|--|
| 16 and under 17 | 3. 8. 3 | 7. 0. 0 |
| 17 and under 18 | 4. 7. 9 | 8. 0. 0 |
| 18 and under 19 | 5. 7. 9 | 9. 0. 0 |
| 19 and under 20 | 6. 8. 6 | 10. 0. 0 |
| 20 and under 21 | 7.11. 0 | 11. 0. 0 |
| 21 and over | 8.14. 2 | 12. 0. 0 |

The average number of hours worked per week was recorded for each worker. Except where properties were under the control of a manager these estimates were made by

the farmers. No attempt was made to define what constituted working time and what did not. Twelve of the workers who were recorded as working a 40 hour week were also recorded as working a half-day on Saturdays. If these answers are accurate they imply either that the workers concerned were given a half-day off during the week or that their average working day was slightly over 7 hours. The results of this question are set out in the form of a frequency distribution in Table 17.

Table 17 Number of Hours worked per Week

| Number of hours | Frequency | | |
|-----------------|-------------|------------|-----------|
| | Married Men | Single Men | Total |
| 40 | 6 | 7 | 13 |
| 41 - 42 | 2 | - | 2 |
| 43 - 44 | 7 | 6 | 13 |
| 45 - 46 | 5 | 6 | 11 |
| 47 - 48 | 4 | 2 | 6 |
| 49 - 50 | 4 | 2 | 6 |
| Over 50 | 1 | 2 | 3 |
| Total | 29 | 25 | 54 |

By using the number of hours worked per week by each worker it was possible to calculate the average hourly wage for workers in various categories. It was thus possible to assess the extent to which age, experience and responsibility were recognised by higher wages. It was also possible to compare the degree of isolation with the wages paid. In some cases the size of the population available for analysis

was increased by combining all adult workers, both married and single.

The first comparison made was between age and hourly wage (Table 18). As expected, the lowest wages were those paid to the youngest (and presumably least experienced) age group. Judging by the wages paid to workers in other age groups, however, it appears that no significant increases were given to workers who remained in farming after the age of 25. It would thus appear that workers seeking to improve their financial position after they have reached their late twenties have to look elsewhere for opportunities. There is, moreover, no additional encouragement for them to remain as farm labourers during the period of middle life when their children reach secondary school age and when the need to make provision for retirement becomes more urgent.¹

Table 18 Average Hourly Wage for Adult Workers
in Each Age Group

| Age Group | Number in Group | Average hourly wage [#] | |
|-----------|--------------------|----------------------------------|---------------------|
| | | Wage only | With bonus & extras |
| 21 - 25 | 9 | 7/10 | 9/7 |
| 26 - 30 | 7 | 8/2 | 10/7 |
| 31 - 35 | 8 | 7/10 | 10/- |
| 36 - 40 | 5 | 8/3 | 10/2 |
| 41 - 50* | 5 | 8/3 | 10/4 |
| 51 - 60* | 4 | 8/- | 10/7 |
| Total | 38 | 8/- | 10/2 |

Hourly wages are rounded to the nearest penny in all tables.

* These groups are enlarged to ensure that information relating to individual workers is not disclosed.

¹ A small proportion of wage earners obtain farms of their own during this period but census occupational data suggests that a much larger proportion leave the farming industry (Woods, 1965). It is intended to follow up the present study by another one which will determine the extent of this migration and the factors involved in it.

Farmers were asked to classify their workers as experienced or inexperienced and to indicate their reliability as "excellent", "good" or "fair". They also indicated the length of time each worker had been in his present job. The answers to these questions were compared with the average hourly wage (including bonus and extras) paid to married men. In view of the small number of men included in the Cheviot survey, the conclusions reached here need to be confirmed by surveys of a larger population of farm employees.

The margin paid for experience was not large; three workers classified as inexperienced received an average wage of 10/3 per hour while 26 classified as experienced received an average of 10/7 per hour. Reliability ratings are set out in Table 19. In most cases workers were highly rated by their employers and wages were clearly higher for the more reliable workers. The question needs to be asked, however, if a margin of 1/- per hour adequately represents the difference in value between one worker who is rated as "excellent" and another who is rated as "fair".

Table 19 Wages Paid to Married Men with Various Reliability Ratings

| Rating | Number in Group | Average Wage * |
|-----------|-----------------|----------------|
| Excellent | 19 | 10/9 |
| Good | 6 | 10/5 |
| Fair | 3 | 9/9 |
| Unknown | 1 | 9/7 |
| Total | 29 | 10/7 |

* Including bonus and extras.

The results tabulated in Table 20 suggest that the worker who remains too long on any one farm is likely to be at a financial disadvantage. Regular wage increases are not customary for adult workers¹ and after two or three years there is a tendency for wages of established workers to fall behind those paid to the newly employed. If the results tabulated here are paralleled in other districts they indicate a situation which is unsatisfactory for workers and farmers alike.

Table 20 Hourly Wages for Married Men Compared with Length of Time on Present Farm

| Number of Years on Farm | Number in Group | Average Wage |
|-------------------------|-----------------|--------------|
| Less than 1 | 4 | 10/7 |
| 1 | 5 | 10/7 |
| 2 | 8 | 10/7 |
| 3 to 5 | 6 | 10/5 |
| Over 5 | 6 | 10/5 |
| Total | 29 | 10/7 |

Bonuses were paid to slightly over half of the workers employed (Table 21). They were more commonly paid to married men than to single men. In most cases a bonus was paid if and when the farmer felt it was warranted. There were only four cases in 54 where the amount of the bonus was assessed on a predetermined basis which could be understood by both worker and farmer. A number of farmers made the comment that bonuses could be

¹ Regular increases other than those associated with General Wage Orders were only given in four out of 29 cases.

a source of dissatisfaction and that they preferred to pay higher wages instead.

Table 21 Payment of Bonuses

| | Single Men | Married Men | Total |
|--|------------|-------------|-------|
| Number without bonus | 15 | 10 | 25 |
| Number with bonus - basis not predetermined | 9 | 16 | 25 |
| Number with bonus - basis predetermined | 1 | 3 | 4 |

Benefits other than wages and bonuses are greater in farming than in many other occupations. In most cases married men were provided with a free house and single men were given board. In addition, many married couples received meat, milk, vegetables and firewood and sometimes free electricity and free telephone rental. The cash value given to each of these is set out in Appendix 1. It can be seen from Table 14 that these extras increased the average wages paid to married men from £18. 13. 0 to £23. 16. 0. In the case of single men the average value of extras was £3. 9. 0.

The standard of housing provided for married farm workers in the Cheviot district is excellent. Cottages are provided for 27 of the 29 married couples. In general these houses are of a good standard, of reasonable age¹

¹ Eight out of 27 houses were less than 10 years old and only four out of 27 were older than 40 years.

and have most of the conveniences regarded as desirable by city dwellers. All except two of the 27 houses had a septic tank and were fully electric, even including an electric hot water system. Eight of the 27 houses had shower facilities; only one house had less than three bedrooms.

In February 1966 the Department of Labour carried a survey of the ruling rates of pay received by urban workers in ten labouring and manual occupations.¹ In Table 22 these results are used to compare the all-inclusive wages paid to farm workers with those paid to workers in five skilled and unskilled urban occupations. In order to make the comparison as fair as possible, it is assumed that the urban workers worked 45 hours per week, the average number of hours worked by farm employees in Cheviot.²

Table 22 Comparison of Gross Weekly Wage paid to Workers in Selected Occupations

| <u>Occupation</u> | <u>Weekly Wage</u> |
|---------------------------------|--------------------|
| A Grade Mechanic | 25. 2. 0 |
| Certified Mechanic | 23.18. 0 |
| Farm Labourer - Married | 23.16. 0 |
| Plumber | 23.12. 0 |
| Carpenter | 22.18. 0 |
| Builder's Labourer | 19. 4. 0 |
| Farm Labourer - single, over 21 | 18.10. 0 |

¹ This survey was based on a sample of workers employed in eight urban areas and included ordinary time payments only. The results were published in the Labour and Employment Gazette (Vol. XVI No.3 Aug.1966 pp.45-47).

² In practice the weekly figure for urban workers was obtained by multiplying the hourly rate by 48. Under their awards workers in these occupations receive one and a half and double time for overtime.

It is clear from these figures that the general level of remuneration for the married farm worker compares very favourably with that offered to him had he opted to train in an urban occupation which required a similar educational qualification. The fact that the wages paid to farm workers are much higher than is commonly realised would suggest that farmers and farmer organisations should give more attention to improving their image in this respect.

While wages and living conditions give little cause for dissatisfaction, conditions of employment are less favourable for farm employees than for urban workers. The present survey did not investigate this field thoroughly but it did include questions on overtime, superannuation and regular wage increases. Overtime was paid in only three instances; two married men and one single man received overtime payments. In the case of superannuation three single men and eight married men were assisted with a farmer subsidised scheme. A number of other farmers were willing to do this but stated that their workers were not interested. While this is almost certainly true, it is probable that the introduction of a standard, transferable and well publicised superannuation scheme for the farming industry as a whole would encourage more workers to join and to remain in the industry. Regular wage increases (other than those associated with general wage orders) were received by only four out of the twenty nine married men. The proportion was higher among single men but even here did not exceed one in three. Many farmers gave no increases or gave them "when they felt he was ready for it" - an arrangement which is bound to produce tension when

the increase does not come up to the worker's expectation. This whole field is worthy of further investigation.

Finally, a comparison is made between wages paid and the distance of the farm from Cheviot town (Table 23). Married men were grouped into seven categories of increasing remoteness and the average hourly wages were calculated. An analysis of this table shows that there is no significant increase in the wages paid to workers on farms more distant from Cheviot. This tends to confirm the conclusion reached on page 20 that variations in degree of isolation within Cheviot County are of no great importance.¹

Table 23 Comparison between Wages Paid to Married Men and Distance from Cheviot

| Miles from Cheviot | Number of Married Men | Average Hourly Gross Wage |
|--------------------|-----------------------|---------------------------|
| Less than 5 | 4 | 10/5 |
| 6 to 7 | 4 | 10/- |
| 8 to 12 | 4 | 9/7 |
| 13 | 4 | 10/5 |
| 14 to 16 | 4 | 12/- |
| 17 to 19 | 5 | 11/3 |
| 20 and over | 5 | 10/9 |
| Total | 29 | 10/7 |

¹ Similar calculations for single workers appeared to show a relationship but this was explained by the fact that smaller farms close to Cheviot employed younger boys, than did some of the larger and more distant hill country farms.

V. Conclusions and Recommendations

In the foregoing chapters the factual results of the survey are presented with a minimum amount of comment. In this chapter we summarise these results and record a number of subjective assessments and recommendations which have arisen out of our conversations with Cheviot farmers and from discussions between various research workers involved in the study. Behind these conversations and incorporated into these suggestions are many ideas brought forward by those who have written or spoken on the farm labour situation.¹

In Cheviot, family labour still provides most of the full time labour force as set out in Table 5 on page 10. More than half of the other workers employed are married men. Casual workers and family members working less than full time, play an important role, particularly on properties where the work to be done does not justify an additional full time worker.

The range of contract services available and the extent to which they are used is increasing in Cheviot. Apart from a seasonal shortage of some services, those available are adequate to meet present demand. It is predicted, however, that demand for contract services will accelerate during the next decade. All farmers, including those with no labour shortage at present, should examine the extent to which a greater use of contract services would enable them to get better returns from existing labour and resource inputs.

¹ See References.

The survey results show that there is a definite shortage of farm labour in the Cheviot County and that the extent of this shortage is in the order of 8 to 10 per cent. The shortage is felt by hill country and downland sheep farms and by mixed cropping farms. The greatest demand is for experienced, permanent employees - both single and married - but there are also a number of farmers who would like to employ more casual labour or more group labour. The success of existing group labour schemes suggests that an expansion is warranted, provided conditions of employment can be made sufficiently attractive (see Appendix 2).

In view of the more favourable labour situation on farms which were operated as partnerships, it is expected that these will continue to increase in popularity. Greater participation in ownership and decision making will increase the number of people with a direct interest in the land and reduce the rate of movement into other occupations.

Most of the farmers who wished to employ an additional married man were already equipped with suitable accommodation. Others who would like to employ a married man would need to build a house or make alternative arrangements for him. In view of the considerable expenditure involved, farmers who intend to do this should carefully consider the advantages and disadvantages of the various methods available (Appendix 3).

If bonuses and extras are included, the average wages paid to farm employees in Cheviot compare very favourably with those paid to urban workers with a comparable level of

skill. The information collected suggests, however, that the margins paid for skill, responsibility, experience and continued service need to be revised in many cases. As these are desirable qualities they need to be recognised and rewarded. At present many farmers unwittingly pay premium wages to the dissatisfied and the footloose or discount the value of a satisfied employee who has worked on the same property for a number of years. Increases in bonus payments are generally insufficient to compensate for wage rates which quickly fall behind those offered to newcomers. Farmers need to study carefully the use of bonuses and material incentives other than cash.¹ Where these are achieving their purpose they should be retained. Where they are liable to cause dissatisfaction or uncertainty they should be replaced by increased wage payments.

Farmers who employ married workers in the 30 years and over groups (Table 18) need to be aware of the economic factors which attract them to cities. Most married men and their wives are aware of the need to provide a good education for their children, to arrange for a house to retire to and put aside savings which will give them an income over and above the Social Security benefit. To do this from an income which is either static or, in real terms, declining² at a time when the expenses of feeding and clothing a family are rising, is very difficult. If married employees in

¹ See A.T.G. McArthur, 1964.

² i.e. where the increases made are insufficient to compensate for a rising cost of living.

these middle age groups are worth retaining (and we believe that they are), these economic factors must be anticipated by the farmer and adequate financial provisions made before the employee and his family decide to make the break and move to the city.

The standard of housing provided for married men was very good and the farming community in Cheviot is well aware of the important role that housing plays in recruitment and retention of good workers. The comparatively small number of farmers who were willing to provide full board for younger and less experienced single workers suggests that this may become an obstacle to recruitment in the future.

A significant proportion of farmers contributed to employee superannuation schemes and a number of other indicated that they would be willing to do so. Any effort to increase the number who contribute should be encouraged since superannuation schemes can play an important role in retaining married employees. The reluctance of some workers to participate emphasises the need for a national scheme which is well designed and well publicised.¹

Along with the development of superannuation schemes there appears to be a need for subsidised saving schemes which will make it possible for capable and fully trained farm employees to obtain farms of their own.²

¹ Such a scheme must permit farm workers to move freely within the industry. Attempts to use a superannuation scheme to tie an individual worker to one employer are self-defeating, both for the farmer and for the industry.

² One such proposal envisages equal contributions by farmer and farm employee, to a fund administered by the Government Life Insurance Office. Savings and bonuses could be withdrawn at any time after an agreed interval and used as a deposit on farm and plant.

The real problems of recruiting and retaining farm labour do not appear to be in the field of wages or living conditions. It seems rather that they are related to such things as working conditions, interpersonal relations, opportunities for training and advancement and long term financial security. There is an urgent need for more information about the reasons why people leave farm employment and the nature and extent of migration out of the industry.¹

The general conclusion which emerges from this study is that the wages and living conditions provided for farm workers are considerably better than the public image of these wages and conditions. Individual farmers and farmer organisations must seriously examine the reasons for this poor public image. In particular they need to ask if the large sums spent on wages, bonuses and extras, are being spent in a way which will attract and retain the best type of worker and in such a way as to get maximum benefit from each worker employed. Some, at least, of the proposals put forward for negotiation by the New Zealand Workers' Union could help to provide the farming community with a better and more efficient labour force at no additional cost. It is important, not only that Federated Farmers give serious study to these proposals, but that they also bring forward constructive policies of their own. The wide margin between minimum wage rates and ruling rates suggest that Federated Farmers have considerable room to manoeuvre in any negotiations. A carefully revised and positively constructed industrial agreement would be of benefit to workers and employers alike and do much to improve the public's image of employment in the farming industry.

¹ A job satisfaction survey has recently been initiated by the Rural Education Department at Lincoln College and plans have been formulated for an analysis of the migration of farm labour from a selected area of the South Island.

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A P P E N D I X 1

The Cash Value of Extras

The following cash values were given to extras provided for farm employees. In each case the amount quoted is a weekly value.

| | |
|--|----------|
| 1. <u>Houses:</u> | £. s. d. |
| (a) Three bedroom house, in good condition, all electric and with septic tank | 3. 0. 0 |
| (b) House deficient in one item listed for (a). | 2.10. 0 |
| (c) House deficient in two items listed for (a) | 2. 0. 0 |
| | |
| 2. <u>Boarded quarters:</u> | |
| (a) Full board | 4. 0. 0 |
| (b) Quarters and meals | 3. 0. 0 |
| (c) Quarters only | 1. 0. 0 |
| | |
| 3. <u>Other items:</u> | |
| (a) Meat | 1.10. 0 |
| (b) Milk (i) as milk | 15. 0 |
| (ii) as cow | 5. 0 |
| (c) Firewood | 5. 0 |
| (d) Electricity | 15. 0 |
| (e) Telephone rental | 5. 0 |
| (f) Eggs | 7. 6 |
| (g) Fruit and vegetables | 7. 6 |

A P P E N D I X 2

Group Labour Schemes

Group labour schemes are already playing an important role in Cheviot County. There is scope for expansion but the problems of attracting workers into this type of work are greater. A worker in a group labour scheme has four or five employers instead of one and any difficulties in employer-employee relationships are magnified. Unless the farmers are particularly careful and conscientious in their planning, the group labourer may get an over-abundance of less attractive tasks and a scarcity of those tasks which make farming a satisfying vocation. The hypothetical case of the group labourer who was asked to clean under the woolshed on five successive farms is unlikely to occur in practice - the man would quickly seek another job. Farmers have also commented that the man is not always available when they require him.

One way to expand this scheme in areas where there is sufficient demand for group labour, is to establish a pool of group labourers under a working supervisor and responsible to a local committee. Such a labour force would be more flexible - farmers could call on varying numbers of men with varying levels of skill for varying lengths of time. From the worker's point of view this could provide a number of social benefits - unattractive jobs could be done in less time by a large group - and could give him better opportunities for training and advancement within the group.

Provision of Housing for Married Men

Accommodation for married workers on farms can be provided in more than one way. Each method has its own advantages and disadvantages:-

- (1) Where a house is provided on the farm there are no travelling costs involved. The worker is constantly on call and is available for duties outside of normal working hours. Offsetting these advantages are problems of educational transport, problems of personal relationships between the farmer's family and the employee's family. If the worker leaves and is not replaced or if single labour is employed instead, the house is difficult to rent and cannot normally be sold.
- (2) If a house is built or purchased in a township such as Cheviot, the farmer will need to pay travelling allowance both for regular and irregular work and the worker will not be immediately available in case of emergency. On the other hand educational transport will not be required and problems of interfamily relationships do not arise. Workers may be easier to obtain because the township offers better social facilities and employment opportunities for their wives and families. If the farmer ceases to employ married labour the house can be sold or rented without difficulty.
- (3) In some cases it may be possible for a farmer to provide a subsidy and/or a mortgage guarantee for the worker to have his own house in the township. In addition to advantages listed in (2) it enables a worker to make provision for retirement and it does not involve the farmer in a large capital outlay.
- (4) In some areas a local authority or farmer organisation may be able to establish a pool of housing for farm labourers. Here again advantages and disadvantages listed in (2) would apply.¹

¹ See J.C. Andrew, 1962

Appendix 3 (Cont'd)

Obviously there is no single answer as to which is the best situation; each must be judged on its own merits and the costs and benefits assessed for each farmer and each district. At present, methods (2), (3) and (4) are not commonly used. It is suggested, however, that greater flexibility in this respect could improve the overall labour situation.

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