



# Pig farm employee remuneration survey 2009

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April 2010

New Zealand Pork Industry Board

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## Summary

- Total employee remuneration is lower at all levels of the pork industry compared with other agricultural sectors.
- Nominal hourly rates were similar to or slightly below other sectors.
- 34% of pig farm employees receive a performance bonus as part of their remuneration.
- Weekly hours of work are shorter and more regular in the pork industry.
- Nearly 90% of pig farm employees have written employment contracts.
- 74% of pig farm employees are paid time and a half and get an additional holiday day when they work on public holidays compared with only 29% of employees in other agricultural sectors.
- Most pig farm employees work a one weekend in three week roster and are compensated with additional time off during the week or 'time and a half' pay rates.

## Introduction

In the last half of 2009 Federated Farmers of New Zealand (FFNZ) conducted a survey of farm employee remuneration rates. That survey covered employees in the dairy farm, sheep and beef, and arable sectors. In order to compare the remuneration of pig farm employees the survey was modified by replacing the employee categories with pork industry specific categories. The employee categories are shown below.

Role	Description of responsibility
Assistant	Someone completing tasks under direct supervision and little responsibility
Stockperson	Generally new to the pork industry with 0-2 years experience. The actual work undertaken will depend to some degree on the size of unit and on larger units staff will specialise in one department (area).
Senior Stockperson	More than 2 years on-farm experience, some formal training and sound knowledge of pork production. Duties include organising day to day care of pigs and supervision of stock people. Data input a key role.
Department Manager	This is a person with day to day responsibility for the operations of a department (area). Analysis and interpretation of performance data is a key role
Unit Manager	Responsible for all aspects of running the unit (farm) on a day to day basis as well as long term planning.
Casual Unskilled	Hired on an irregular basis and work on supervised tasks
Casual Skilled	Hired on an irregular basis with opportunity to work alone – employed on specialised tasks

The survey (Appendix 1) was sent to all registered pork producers late in 2009. 34 replies were received, a response rate of 17%. Ten replies were from farmers who did not employ any staff. The 24 replies from employers covered 113 staff. I estimate that this represents 20 -25% of on-farm employees.

## Results

The average and the range of each of the remuneration components are shown in Table 1. The remuneration components are:

Salary	The gross taxable salary excluding any bonuses.
Other benefits	The estimated value of any benefits provided to the employee. These include accommodation, power, meat, vehicle for private use, training, performance bonus and employer KiwiSaver contributions.
Total package value	The salary plus any other benefits paid to the employee.
Hours per week	The average hours per week worked over the year.
Nominal hourly rate	TPV/(hrs per week * 52).

Table 1 Pork Industry Remuneration

Position	Salary	Other Benefits	Total Package Value	Nominal Hourly rate	Hours per week
Assistant	\$30,500	\$520	\$31,050	\$14.20	42.0
Range	\$28,000 - \$33,000	0 - \$1,040	\$28,000 - \$34,040	\$12.82 - \$15.59	
Stockperson	\$33,812	\$1,142	\$34,954	\$15.35	43.9
Range	\$23,750 - \$40,000	0 - \$6,750	\$24,245 - \$45,750	\$12.80 - \$20.00	30 - 55
Senior Stockperson	\$39,533	\$520	\$40,073	\$17.40	44.3
Range	\$32,000 - \$55,000	0 - \$3,949	\$33,280 - \$55,800	\$14.27 - \$21.46	40 - 50
Department Manager	\$43,218	\$1,417	\$44,635	\$19.38	44.4
Range	\$37,000 - \$51,087	0 - \$3,100	\$37,610 - \$52,599	\$16.07 - \$23.39	42 - 50
Unit Manager	\$55,474	\$5,447	\$60,992	\$25.33	46.3
Range	\$46,000 - \$71,500	0 - \$18,000	\$49,500 - \$81,870	\$21.15 - \$33.65	40 - 55
Casual Skilled				\$21.00	
Range				\$17.00 - \$25.00	
Casual Unskilled				\$16.50	
Range				\$12.50 - \$20.00	

There was not enough data to allow a valid regional breakdown of employee remuneration.

## Comparison with other sectors

The average results are compared with those from Federated Farmers of New Zealand Farm Employee Remuneration Report 2010 in Table 2.

**Table 2 Average remuneration in agricultural sectors**

Position	Salary	Other benefits	Total Package Value	Nominal Hourly rate	Hours per week
<b>Pork</b>					
Farm Assistant	\$30,500	\$520	\$31,050	\$14.20	42
Stockperson	\$33,812	\$1,142	\$34,954	\$15.35	44
Senior Stockperson	\$39,533	\$520	\$40,073	\$17.40	44
Department Manager	\$43,218	\$1,417	\$44,635	\$19.38	44
Unit Manager	\$55,474	\$5,447	\$60,992	\$25.33	46
Casual Skilled				\$21.00	
Casual Unskilled				\$16.50	
<b>Dairy</b>					
Farm Assistant	\$33,738	\$3,865	\$37,652	\$14.67	49
Assistant Herd Manager	\$39,811	\$4,477	\$44,247	\$16.52	52
Herd Manager	\$45,539	\$6,132	\$51,588	\$18.51	54
Farm Manager	\$56,760	\$7,277	\$63,229	\$22.28	55
Operations Manager	\$72,445	\$7,821	\$80,265	\$26.69	58
<b>Sheep/Beef</b>					
General Farmhand	\$35,169	\$3,603	\$38,855	\$18.58	40
Shepherd	\$34,620	\$4,399	\$39,014	\$16.55	45
Head Shepherd	\$43,818	\$5,545	\$49,206	\$20.25	47
Stock Manager	\$46,272	\$6,362	\$52,541	\$20.57	49
Farm Manager	\$57,154	\$6,766	\$63,613	\$24.23	50
<b>Arable</b>					
Tractor Driver	\$41,296	\$2,904	\$44,199	\$18.46	46
Senior Tractor Driver	\$46,338	\$3,434	\$49,914	\$20.63	47
Farm Manager	\$60,000	\$12,099	\$72,009	\$26.04	53
Casual Skilled				\$19.80	
Casual Unskilled				\$16.96	

Note: the hours per week was calculated for the FFNZ results by dividing the total package value by the hourly rate and then dividing by 52.

The Total Package Value in equivalent positions is lower in the Pork industry than in other agricultural sectors. This is reflected in both higher base salaries and benefits paid in the

other sectors. The differences in Total Package Value and Nominal Hourly Rate are summarised in Table 3.

The regular, weekly operation of pig farming is reflected in the lower average hours per week worked in the pork industry. In the other agricultural sectors the average hours worked per week are higher in every role, except for General Farmhand in the sheep and beef industry. It must also be noted that the seasonal workload in the other agricultural sectors means that the weekly workload varies greatly during the year. Pig farm employees work more consistent regular hours. The shorter working week is reflected in the Nominal Hourly Rates paid to pig farm employees.

Table 3 Summary of remuneration differences between the pork industry and other sectors

Pork	Total Package Value			Nominal Hourly Rate		
	Dairy	Sheep & Beef	Arable	Dairy	Sheep & Beef	Arable
Farm Assistant	21%	25%		3%	31%	
Stockperson	27%	12%		8%	8%	
Senior Stockperson	29%	23%	10%	6%	16%	6%
Department Manager	42%	18%	12%	15%	6%	6%
Unit Manager	32%	4%	18%	5%	-4%	3%

### Employment Conditions

The survey also asked for some details about the structure of employment and the results are compared with the FFNZ survey results in Table 4.

The legal requirement for written contracts of employment is well recognised in the pork industry with nearly 90% of employees having written contracts.

Accommodation is provided to only 5% of employees in the pork industry compared with 75% of employees in other agricultural sectors. Accommodation is important to the other sectors due to farms' distance from urban centres and the long work hours during peak times of the year.

In contrast, most pork farms are located relatively close to urban centres and they have a regular weekly work routine that allows employees to easily return home each day and at weekends.

Benefits are most commonly provided in the form of performance bonuses (34% of employees) and employer KiwiSaver contributions (16%).

Public holidays are well compensated in the pork industry. Nearly three quarters of pork industry employers provide time and a half pay and another holiday day for work on public holidays, in contrast with less than 30% in the other agricultural sectors. Many employers commented that they plan the piggery workload to minimise the amount of

work and workers required on a public holiday. On smaller farms it was common for the owner to work on public holidays.

Table 4 Comparison of employment conditions

	Pork Industry	FFNZ survey
Employees have written contracts	89%	76%
Contracts were from		
• FFNZ	25%	74%
• Lawyer	36%	
• HR advisor	32%	
• Other source	7%	26%
Accommodation provided	5%	75%
Public Holidays		
• Employees work a normal day, then paid time and a half and provided an alternate day	74%	29%
• Other	26%	71%
Recording of work hours	93%	39%
Weekend hours		
• 5 and half day weeks	25%	
• 1 weekend in 2 with short weekend days or week day time off in lieu or weekends paid at time and a half	20%	
• 1 weekend in 3 with short weekend days or week day time off in lieu or weekends paid at time and a half	43%	Not surveyed
• 1 weekend in 4 with short weekend days or week day time off in lieu or weekends paid at time and a half	4%	
• Other	8%	
Employees are members of KiwiSaver	44%	42%

Weekend work in the pork industry is well planned with most employees working a one weekend in three week roster and most pig farms structured their workload to minimise the amount of work required in weekends. Weekend work days are typically only 3-4 hours and employees are compensated for weekend work in a range of ways. Most commonly employees are given time off during the week, either a full day or matching half days or are paid at "time and a half". The FFNZ survey did not ask about weekend employment conditions.

## APPENDIX

### PIG FARM EMPLOYEE REMUNERATION SURVEY 2009



Dear Pork Producer

In August you would have received the Federated Farmers (FFNZ) remuneration survey and noticed that it did not include pig farming. This survey is modelled closely on the FFNZ survey and will be sent to every registered producer.

Why do we need this information?

Current information on pay and conditions in the pork industry will let us distinguish our industry from other farm sectors so that job seekers can accurately compare roles. The Immigration Dept needs reliable information when assessing applications from immigrants to work on pig farms; currently they use the FFNZ Dairy survey results.

Your assistance in completing this questionnaire would be greatly appreciated. Your information will be treated in the strictest confidence. Please return the questionnaire in the enclosed reply paid envelope – even if you don't employ any staff.

Please return to NZ Pork before January 22. In return I will send you a report of the results so you can compare your remuneration practices with the industry.

If you have any queries please contact me by email or 04 917 4752 or 029 220 3300

Gant Boston

Research and Innovation Manager

### SECTION 1: FARM INFORMATION/CONDITIONS OF EMPLOYMENT

1. Are you currently employing, or have employed within the last 12 months full time, part time or casual staff (i.e. you deduct PAYE from Salary or Wages)
  - YES: Continue to fill out the questionnaire  
Fill out pages 1, 2, and 3 (See appendix for instructions on how to fill out section 2)
  - NO: Thank you for your support  
Please return the Questionnaire in the Postage Paid Reply Envelope
2. In which region is your farm located?
  - Region 1 – Far North/Auckland/Waikato/Bay of Plenty – includes Hauraki/Coromandel and Rotorua/Taupo provinces
  - Region 2 – Taranaki, Wanganui, Ruapheu and Manwatu/Rangitikei provinces
  - Region 2 – East Coast – Gisborne/Wairoa, Hawkes Bay, Tararua and Wairarapa provinces
  - Region 3 – Top of the South Island – Marlborough, Nelson, Golden Bay and West Coast provinces
  - Region 3 – Canterbury – North Canterbury, Mid Canterbury, South Canterbury provinces
  - Region 3 – Lower South Island – North Otago, Otago and Southland provinces

Employment Contract/Agreement

3. Do your employees have written employment contracts/agreements
  - YES – please answer question 4
  - NO go to question 5
4. From whom did you source the contract?
  - Federated Farmers
  - Other (please state) \_\_\_\_\_

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5. Do you provide accommodation to your staff

YES – please answer question 6

NO – go to question 7

6. If yes: Which of the following best describes how you treat the accommodation within employees remuneration packages

a. Accommodation is not part of the remuneration and real rent is paid to the employer. This is therefore not a taxable benefit.

Gross weekly wage less PAYE less Rent = Net Pay

b. You do not charge rent, but to get the right tax results you add the notional value of accommodation and deduct the same amount in rent

Gross weekly wage + Net Value of accommodation = Total Taxable Gross

Total Taxable Gross less PAYE less Rent = Net Pay

c. You negotiate accommodation as part of the total remuneration package

Gross weekly wage + Net Value of Accommodation = Total Taxable Gross

Total Taxable Gross less PAYE = Net Pay

7. Which of the following best describes how you treat weekend work for permanent staff on your farm?

a. Our employees work 5½ day weeks

b. Our employees work 1 weekend per fortnight with time off in lieu during the week

c. Our employees work 1 weekend per month with time off in lieu during the week

d. Other – Please describe

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8. Which of the following best describes how you treat public holidays for permanent staff on your farm?

a. Our employees work a normal day and we then pay them time and ½ and provide an alternate day at a later date

b. Other – Please describe

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9. Are the hours worked by your employees recorded?

YES – please answer question 10

NO – go to question 11

10. If YES then please clarify who does this and how

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11. How many of your staff have joined KiwiSaver at the time of survey? \_\_\_\_\_

**SECTION 2: DATA INPUT FORM FOR ANNUAL SALARIES/ALLOWANCES FOR ALL MANAGERS AND PERMANENT EMPLOYEES**

For instructions for data input refer to the appendix. Copy this page if you employ more than 10 staff.

Components making up the total remuneration package for employees

Posn Code	Annual Gross Salary	Taxed Benefits							Untaxed benefits					Total Remuneration		
		Accommodation			Other taxed benefits				Phone / power / food / meat / firewood	Vehicle or fuel for private use	Training	KiwiSaver Employer Contribution	Other Untaxed benefits	Total benefits D = total (b1 to b5) + (c1 to c5)	Total remuneration E=A+D	Average hours per week
		Value used to calc PAYE	Value deducted from package	Accom Net Value	Prodn / Perform Bonuses	Phone / power / food / meat / firewood	Vehicle or fuel for private use	Other taxed benefit								
\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	\$ per year	Hours / week	
A	r1	r2	b1 = (r1-r2)	b2	b3	b4	b5	c1	c2	c3	c4	c5				

Data input form for hourly rates for casual employees

Please list the different tasks employees in this category would be hired for and the hourly rates (including holiday pay)

Position code e.g. CAS or CAU	Role	Number in that position	Hourly rate (\$/hr) including holiday pay

## APPENDIX – INSTRUCTIONS FOR DATA INPUT IN SECTION 2

Position Code  
As listed in the definition below

Annual Gross Salary  
The gross (pre-tax) annual salary as at 1 September 2009

Taxed Benefits  
The annual value of any benefits that are included for the calculation of PAYE

IMPORTANT NOTE: Do not include any in kind or cash benefits that are NOT taxed in this section (see Untaxed benefits)

Accommodation  
Two values are sought here. The first (r1) is the actual amount added to the salary to calculate PAYE and the second (r2) is the amount (if any) subsequently deducted from the package.

- If Q6 answered as (a) a value for r2 is required
- If Q6 answered as (b) a value for r1 and r2 is required
- If Q6 answered as (c) a value for r1 is required

Other taxed benefits

Any other benefits that are taxed in addition to employee's basic salary.

- Production / performance bonuses: the value of bonus payments that are taxed as part of the package.
- Phone /power /food /meat /firewood: The full retail value
- Vehicle /fuel: Only include a value

for the portion that is for private usage not farm or business usage

- Other taxed benefits: include values for any taxed benefits not mentioned which may include medical insurance

Untaxed benefits

This covers both free and subsidised benefits provided in addition to employee's basic salary.

These may be cash or in kind and more often are paid for by the business. These DO NOT include non-taxable allowances, such as wet weather and farm motorbike allowances that compensate for work-related costs:

- Phone /power /food /meat /firewood: The full retail value
- Vehicle /fuel: Only include a value for the portion that is for private usage not farm or business usage
- Training: The value of training fees
- KiwiSaver Employer Contribution: the value of the employer contribution component
- Other un-taxed benefits: Include values for any taxed benefits not mentioned. This would include the value of stock, grazing or similar

Total Remuneration

FOR EACH EMPLOYEE ENSURE THAT YOU HAVE DONE THE FOLLOWING:

1. Provided the appropriate position code and Gross Annual Salary

2. Provided a value for r1 and r2 as explained above under Taxed benefits – Accommodation
3. Calculated the value for (b1) Accommodation Net Value (r1-r2)
4. Included a value for each Taxed benefit (b1-b5) and Untaxed benefit (c1-c5) and the added these up to provide (D) Total Benefits
5. Added together the value for Total Benefits and Annual Gross Salary to yield (E) Total Remuneration
6. Provide the average number of hours worked each week. i.e. if the work was spread evenly over the year how many hours would the employee work Monday-Sunday in weeks not involving Public holidays – i.e. what is the employee's "average normal working week" over the year. Note: This information is to be used to establish an estimation of the average hourly rate paid. It is very important that any information provided is accurate.
7. Include information for casual employees in Section 2. This should include the relevant Position Code and a definition of their role. Then an indication of the number employed in each role and their hourly rate, including holiday pay.

Position Codes

Code	Role	Description of responsibility
FA	Assistant	Someone completing tasks under direct supervision and little responsibility
SP	Stockperson	Generally new to the pork industry with 0-2 years experience. The actual work undertaken will depend to some degree on the size of unit and on larger units staff will specialise in one department (area).
SS	Senior Stockperson	More than 2 years on-farm experience, some formal training and sound knowledge of pork production. Duties include organising day to day care of pigs and supervision of stock people. Data input a key role.
DM	Department Manager	This is a person with day to day responsibility for the operations of a department (area). Analysis and interpretation of performance data is a key role
UM	Unit Manager	Responsible for all aspects of running the unit (farm) on a day to day basis as well as long term planning.
CAU	Casual Unskilled	Hired on an irregular basis and work on supervised tasks
CAS	Casual Skilled	Hired on an irregular basis with opportunity to work alone – employed on specialised tasks