

February 2005

SKILL SHORTAGE ASSESSMENT OCCUPATION: BUTCHER

Current situation: Skill shortage

Short Term outlook: Skill shortage

Executive summary

1 Results from the Survey of Employers who have Recently Advertised (SERA) suggest that there is a shortage of butchers in New Zealand. Only 71% of advertised positions were filled after six weeks and there was an average of only nine suitable applicants for every 10 butcher vacancies. This report considers these survey results in the context of trends in the demand for and supply of butchers.

Table 1: employer survey indicators, 2004

| | Fill rate | Average number of suitable applicants |
|---------------------|-----------|---------------------------------------|
| Butchers | 71% | 0.9 |
| All trades surveyed | 41% | 0.7 |

Source: Department of Labour, SERA

- 2 The employment of butchers declined between 1991 and 2001. A number of factors accounted for this, including the adoption of labour-saving technology in the meat processing industry, the growth of central meat processing plants that provide pre-prepared cuts of meat to the retail industry, and a reduction in the consumption of red meat. It is likely that these factors will continue in the future and that demand for butchers will continue to decline.
- 3 The training rate (1.4%) for butchers (a comparison of achievements of the national certificate in butchery level 4 with the number of butchers employed) is lower than the average training rate of 1.8% for all trades surveyed in the SERA. The number of trainees achieving the nationally recognised qualification for butchers remains low, but enrolments have been increasing steadily since the year 2000, suggesting that the number of trainees achieving these qualifications will increase over the next few years. However, this is likely to be offset by net migratory outflows. The Department of Labour (DoL) concludes that over the next few years there will be little growth in the supply of butchers.
- 4 Demand for butchers is expected to continue declining as technological advances provide more efficient butchering practices and the trend of decreasing domestic consumption of red meat continues. The supply of butchers is unlikely to grow in the short term. Although enrolments for the nationally recognised qualification have increased and outflows should increase, these training levels are extremely low and supply will be diminished through retirements, outward migration and butchers leaving the occupation. Therefore DoL concludes that the shortage of butchers will persist in the near future.

Introduction

The purpose of this report is to investigate shortages of butchers in New Zealand. It provides an assessment of whether there is a shortage of butchers and explains the factors contributing to this situation. It also offers an outlook for the future.

Butchers (code 74111 under the New Zealand Standard Classification of Occupations) separate wholesale cuts of meat into retail cuts or individually sized servings. They cut meat into steaks and chops, shape and tie roasts, and grind beef. Butchers may also prepare speciality small goods such as salamis, sausages and cured meats. DoL estimates that approximately 4,300 butchers were employed in New Zealand in 2003.

A background and technical note to this report is available from DoL. The note provides an overview of the broader Job Vacancy Monitoring Programme, of which this report is an output. It also provides a brief description of the employer survey conducted for this report and explanations of indicators and definitions used in the report.

Demand for butchers

Historical demand

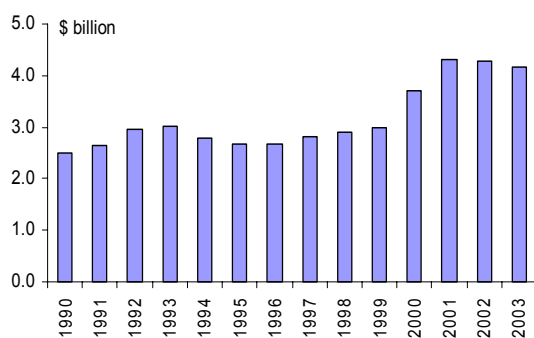
Employment of butchers has steadily declined over the past decade. Table 2 shows that employment for butchers declined by 4.8% per annum (per annum) between 1991 and 1996, while employment across all trades remained constant and total employment grew by 3.2% per annum. In the subsequent five year period (1996-2001), employment of butchers declined by a further 3.0% per annum, all trades declined by 0.4% per annum and all occupations grew by 1.2% per annum

Table 2: employment growth of butchers, 1991-2001

| | Annual average growth in employment | | |
|------------------------|-------------------------------------|-----------|-----------|
| | 1991-1996 | 1996-2001 | 1991-2001 |
| Butchers | -4.8% | -3.0% | -3.9% |
| All trades | 0.0% | -0.4% | -0.2% |
| All occupations | 3.2% | 1.2% | 2.2% |

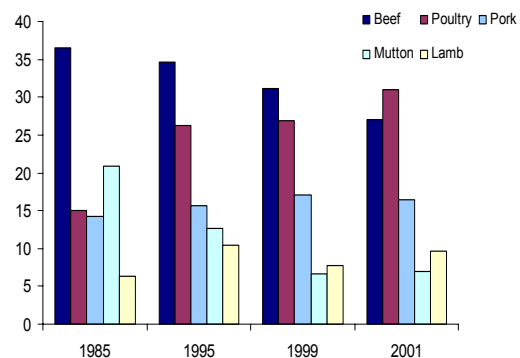
Source: Statistics New Zealand, Census of Population and Dwellings 1991, 1996, 2001

Figure 1: total exports of meat and edible offal, 1990-2003



Source: Statistics New Zealand

Figure 2: annual per capita consumption of meat within NZ



Source: Statistics New Zealand

The majority of butchers are employed in the meat processing industry and the retail sector. Employment of butchers has been declining in both sectors. The number of butchers employed in the meat processing industry has declined sharply from approximately 1,700 in 1991 to 800 in 2001. This is despite 64% growth in exports over this period, from a sector which sends 80% to 90% of its product overseas. The decline in demand for butchers resulted from the adoption of labour-saving technology which automates the slicing of carcasses into meat cuts ready for export.

There has also been downward pressure on employment of butchers in the retail industry. A number of factors have contributed to this fall in demand.

- The consumption of red meat in New Zealand has been declining in favour of poultry. The annual per capita consumption of red meat declined from 74 kg in 1995 to 60 kg in 2001 (figure 2). Demand for the services of retail butchers has fallen because less time and resources are required to process poultry.
- Central meat processing facilities have grown. Central meat processing facilities break down the carcass, box it up and send it to the meat retailer. As a result, many retail butchers no longer need to break down and bone whole animal carcasses before cutting the meat into retail meat cuts.
- The number of small local butcher shops has decreased as supermarket butcheries become commonplace.

Employers acknowledge the change in meat processing with one saying ...”because machinery can cut through a carcass more efficiently and effectively, it’s cheaper to buy in boxed beef.”

Future demand

The factors that led to a decline in demand for butchers during the 1990s are likely to continue into the future. These factors include:

- a continuation of technological advancements in the meat processing industry resulting in the automation of traditional ‘labour’ roles
- sustained growth of boning and cutting wholesalers
- consumers’ preference for less red meat.

Therefore, DoL foresees the declining demand for butchers continuing in the short term.

Summary

The employment of butchers declined between 1991 and 2001. A number of factors contributed to this, including the adoption of labour-saving technology in the meat processing industry, the growth of boning and cutting wholesalers who provide pre-prepared cuts of meat to the retail industry, and a reduction in the consumption of red meat. These factors are likely to continue in the future and demand will continue to decline as a result.

Supply of butchers

Training – National certificate (Level 4) qualifications and equivalent

This section investigates the growth in supply of *fully qualified* butchers through training. It considers three sources of supply:

1. The award of the National Certificate in Meat Retailing (which encompasses; curing, smoking and small goods, carcass boning and forecasting, planning & production) Level 4 by the Retail Meat Industry Training Organisation (RMITO). This is the

nationally recognised qualification for butchers which is designed by RMITO to meet the needs of employers. It takes an average of three years to achieve this national certificate.

2. The award of the National Certificate in Meat Retailing (which encompasses; curing, smoking and small goods, carcass boning and forecasting, planning & production) Level 4 by other providers such as polytechnics.
3. The award of qualifications apart from national certificates which are deemed to be equivalent to the national certificate in terms of level and number of credits.

Table 3 shows that the national certificate (level 4) awarded by RMITO accounts for the vast majority of qualifications at this level. Total enrolments have increased between 2001 and 2003, from 481 in 2001 to 533 in 2003, which may result in an increase in the number of level 4 qualifications achieved in the future. The number of qualifications achieved has decreased slightly between 2001 and 2003. There were only 5 non-national certificate qualifications at the equivalent level of the national certificate awarded over this time period. A list of national certificate level 4 and equivalent qualifications and the proportion of trainees enrolled for these qualifications is provided in Appendix 1.

Table 3: number of trainees enrolled for the National Certificate in Meat Retailing Level 4, 2001-2003

| | National Certificate in Butchery Level 4 (MITO) | National Certificate in Butchery Level 4 (Other providers) | Other equivalent qualifications | Total |
|------|---|--|---------------------------------|-------|
| 2001 | 481 | Not available | None | |
| 2002 | 532 | 18 | None | 550 |
| 2003 | 533 | 41 | None | 574 |

Source: RMITO, Tertiary Education Commission (TEC)

Table 4: number of trainees achieving the National Certificate in Meat Retailing Level 4 and other equivalent qualifications, 2001-2003

| | National Certificate in Butchery Level 4 (MITO) | National Certificate in Butchery Level 4 (Other providers) | Other equivalent qualifications | Total |
|------|---|--|---------------------------------|-------|
| 2001 | 83 | Not available | None | |
| 2002 | 53 | Not available | None | |
| 2003 | 55 | 5 | None | 60 |

Source: RMITO, Tertiary Education Commission (TEC)

Training rate indicators are shown in table 5. A comparison of the number of trainees achieving the national certificate in butchery (level 4) and equivalent qualifications with the number of butchers employed yields a training rate of 1.4%. This indicator provides a crude measure of the rate at which the supply of fully qualified butchers can potentially grow through training¹. This training rate is slightly lower than the average training rate of 1.8% for all trades surveyed in the SERA. Training rates for all trade occupations

¹ This assumes that there is full employment of butchers. This is a reasonable assumption in the current environment of low unemployment and skill shortages.

analysed by the DoL in New Zealand are low compared with a rate of 2.8% in New South Wales (NSW), Australia².

An alternative measure of training levels is the training enrolment rate (National Certificate Level 4) which compares the number of trainees enrolled for the national certificate with the number of butchers employed. The enrolment rate for butchers was 13.2% in 2003 (table 5).

Training – Other related qualifications and courses

While the level 4 national certificate in Meat Retailing may be regarded as the qualification required to be a *fully* qualified butcher, there are other lower level qualifications available in butchery (such as the Certificate in Meat Industry Cadetship). The majority of these qualifications are at a lower level and of shorter duration than the level four national certificates but may be regarded as adequate to some employers of butchers, especially during times of acute skill shortages. They are also of significance as these qualifications may staircase trainees towards the national certificate level 4 qualifications. Credits obtained in these qualifications may be recognised towards a national certificate level 4, should the trainee later wish to become a fully qualified tradesperson. A list of these qualifications and the number of trainees enrolled in courses leading to these qualifications is provided in Appendix 1.

Training in these courses is reflected in the training enrolment rate (all related training) which compares the number of trainees enrolled in all butchery-related training with the number of employed butchers, and is measured at 54.6% in 2003 (table 5).

Table 5: training rates for butchers, 2003

| Indicator | Explanation | Butchers (NZ) | All SERA trades surveyed (NZ) | Butchers (NSW, Australia) | All trades (NSW, Australia) |
|---|---|---------------|-------------------------------|---------------------------|-----------------------------|
| Training rate (national certificate L4 and equivalent) | Number of trainees achieving relevant national certificates (level 4) and equivalent non-national certificate qualifications expressed as a percentage of employment in that occupation. | 1.4% | 1.8% | not available | 2.8% |
| Training enrolment rate (national certificate L4 and equivalent) | Number of trainees enrolled for relevant national certificates (level 4) and equivalent non-national certificate qualifications expressed as a percentage of employment in that occupation. | 13.2% | 16.3% | | |
| Training enrolment rate (all related training) | Number of trainees enrolled in all relevant courses expressed as a percentage of employment in that occupation. | 54.6% | 30.5% | | |

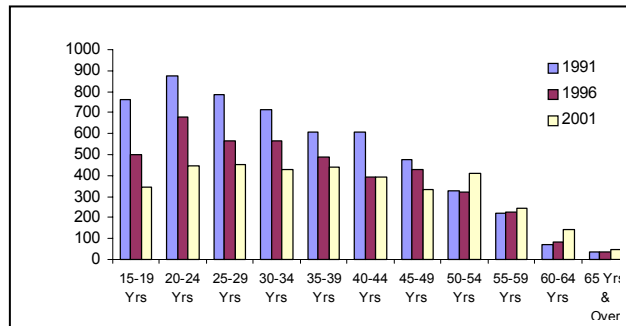
Source: Department of Labour, SERA

² Source: NSW Labour Economics Office, Department of Employment and Workplace Relations.

Training – employer perceptions

Employers interviewed in the SERA were also concerned about the insufficient number of young people entering the occupation. Figure 3 shows a substantial drop in the number of butchers in the younger age categories between 1991 and 2001. In 1991, 30% of butchers were aged 15-24 years, by 2001 this had dropped to 22%.

Figure 3: age profile of butchers, 1991-2001



Source: Statistics New Zealand Census

Migration

New Zealand experienced a net migratory loss of more than 600 food trade workers over the seven-year period to June 2004 (table 6) amounting to just over 6% of the food trade workforce.³ This is despite strong migratory inflows overall in 2003⁴, which resulted in most other skilled occupation groups experiencing strong inward migration. With overall net migration into New Zealand expected to slow considerably in 2005, the outflow of food and related products processing trades workers is expected to continue.

Table 3: annual permanent and long-term (PLT) arrivals, departures and net migration of food and related products processing trades workers, June years

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|--------------------------|------|------|------|------|------|------|------|
| PLT annual arrivals | 123 | 81 | 94 | 106 | 108 | 100 | 97 |
| PLT annual departures | 180 | 228 | 219 | 234 | 172 | 124 | 154 |
| PLT annual net migration | -57 | -147 | -125 | -128 | -64 | -24 | -57 |

Source: Statistics New Zealand, External Migration

Retirement

Approximately 1.0% of the butcher workforce retires each year⁵. This amounts to an annual loss of between 40 and 50 butchers.

Summary

Only 60 trainees achieved the nationally recognised qualification for butchers in 2003. Almost as many retire each year and there are further losses through outward migration. This suggests that the supply of butchers has been diminishing. Enrolments into training increased between 2001 and 2003. As a result, the number of newly qualified butchers should increase over the next few years. However, this is likely to be offset by continued net migratory outflows. The DoL concludes that over the next few years there will be little growth in the supply of butchers.

³ The analysis in this report uses the three-digit occupational category 'food and related products processing trade workers' (NZSCO code 741), for which butchers make up 52%. However, due to the close association of the constituent occupations, the trend at this three-digit level is considered for the purposes of this paper to reflect the trend at the five digit level.

⁴ These estimates could underestimate the migrant flows of butchers because the occupations of approximately 40% of persons entering or leaving New Zealand are either not recorded or are not identifiable.

⁵ Estimated from the 2001 Census.

Employment recruiting experiences

Is there a shortage of butchers?

Results from the SERA suggest that there is a shortage of butchers in New Zealand, as only 71% of advertised positions were filled after six weeks (table 4). An average of only 0.9 suitable applicants for each butcher vacancy (compared with an average of 0.7 for all trades surveyed) further illustrates the difficult recruiting environment faced by butchers.

Table 4: employer recruitment experiences

| | Number of employers | Number of Positions | Positions filled | Fill rate | Suitable applicants | Average number of suitable applicants |
|----------------------------|---------------------|---------------------|------------------|-----------|---------------------|---------------------------------------|
| Butchers | 15 | 17 | 12 | 71% | 16 | 0.9 |
| All trades surveyed | 240 | 453 | 186 | 41% | 337 | 0.7 |

Source: Department of Labour, SERA

Employers interviewed for the SERA reported being restrained from business expansion due to lack of qualified staff. Most said current staff were required to work longer hours to keep up with customer demand.

Employers just want qualified staff

Employers were asked if there were any particular skills or experience they needed from candidates. Over half said they struggled to find any type of qualified butcher. When employers did mention skill requirements, they were managerial and customer service skills. Only a few mentioned specific butchery skills such as knowledge of making hams and small goods, and using specialised machinery.

What are employers paying?

Data from the Labour Cost Index (LCI) (table 5) suggest that butchers' wages are relatively low⁶. The June 2004 survey reported an average wage of \$15.85 per hour for butchers, compared with an average of \$19.54 for all trade occupations. Employers included in the SERA offered wage rates slightly higher than that recorded in the LCI (\$16.88). According to the LCI, wages for butchers only increased by 2.9% in the twelve months to June 2004, compared with the all-trade average of 4.3%.

Table 5: butcher wage rates

| | Mid point | Mean |
|---------------------------------------|-----------|---------|
| SERA – butchers | \$16.88 | |
| Labour Cost Index – butchers | | \$15.85 |
| Labour Cost Index – all trades | | \$19.54 |

Source: Department of Labour (SERA), Statistics New Zealand (LCI)

Outlook

Demand for butchers is expected to continue declining as technological advances provide more efficient butchering practices and the trend of decreasing domestic consumption of red meat continues. However, the supply of butchers is unlikely to grow in the short term. Although enrolments for the nationally recognised qualification have

⁶ The Labour Cost Index estimates of wage levels are merely indicative. The LCI is not designed to produce statistically accurate estimates of levels.

increased and outflows should increase, these training levels are extremely low and supply will be diminished through retirements, outward migration and butchers leaving the occupation. Therefore DoL concludes that the shortage of butchers will persist in the near future.

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APPENDIX 1. TRAINING ENROLMENTS FOR BUTCHERY TRADE: 2003

Enrolments in National Certificate Level 4 and equivalent qualifications: 2003

| Qualification Title | Qualification Code | Provider Name | Level | Credits | Share of enrolments (%) |
|---|--------------------|---------------------------------------|-------|---------|-------------------------|
| NC in Meat Retailing | na | Retail Meat ITO | 4 | 121 | 0.3% |
| NC in Meat Retailing (Carcass Boner) | na | Retail Meat ITO | 4 | 121 | 0.3% |
| NC in Meat Retailing (Proficient) - Boning, Curing, Smoking and Smallgoods strand | na | Retail Meat ITO | 4 | 121 | 27.0% |
| NC in Meat Retailing (Proficient) - Curing, Smoking and Smallgoods | na | Retail Meat ITO | 4 | 121 | 0.5% |
| NC in Meat Retailing (Proficient)Boning strand | na | Retail Meat ITO | 4 | 121 | 10.6% |
| NC in Meat Retailing - Forecasting, Planning & Production | na | Retail Meat ITO | 4 | 121 | 0.2% |
| NC in Meat Retailing Core with Boning, and Retailing optional strands | na | Retail Meat ITO | 4 | 121 | 34.1% |
| NC in Meat Retailing with optional strands, Compulsory Core | na | Retail Meat ITO | 4 | 121 | 19.7% |
| Certificate in Meat Industry Cadetship | CH3846 | Christchurch Polytechnic Inst of Tech | 4 | 120 | 7.1% |
| Total | | | | | 100.0% |

Enrolments in other qualifications

| Qualification Title | Qualification Code | Provider Name | Level | Credits | Share of enrolments (%) |
|---|--------------------|----------------------------------|-------|---------|-------------------------|
| Pre Employment Certificate to the Meat Processing Industry | ST4970 | Southern Institute of Technology | na | na | 1.2% |
| LCP - NC in Meat Processing (Ass Process) - Offal, Casings & Calib, Render, & Refrigeration | na | NZITO | 1 | na | 0.1% |
| LCP - NC in Meat Processing (Introductory) | na | NZITO | 1 | na | 11.7% |
| LCP - NC in Meat Processing (Slaughter & Dress) - Slaughter, Evisceration, Open & Clear Skins | na | NZITO | 1 | na | 0.2% |
| NC in Meat Processing (Associated Processes) - Refrigeration strand | na | NZITO | 1 | 45 | 0.1% |
| NC in Meat Processing (Introductory) | na | NZITO | 1 | 45 | 27.5% |
| NC in Meat Processing (Slaughter and Dressing) - | na | NZITO | 1 | 45 | 1.8% |

| | | | | | |
|---|--------|-----------------|---|----|------|
| Evisceration strand | | | | | |
| NC in Meat Retailing - Meat Packing | na | Retail Meat ITO | 2 | 52 | 4.5% |
| LCP - NC in Fellmongery Processing | na | NZITO | 2 | na | 0.4% |
| LCP - NC in Fellmongery Processing - Slupe Wool | na | NZITO | 2 | na | 0.1% |
| LCP - NC in Meat Processing (Ass Process) - Offal, Casings & Calib, Render, & Refrigeration | na | NZITO | 2 | na | 0.3% |
| LCP - NC in Meat Processing (Further Processing) - Boning and Trimming Strand | na | NZITO | 2 | na | 0.3% |
| LCP - NC in Meat Processing (Further Processing) - Saw Operations strand | na | NZITO | 2 | na | 0.1% |
| LCP - NC in Meat Processing (Further) - stands in Boning & Trim, Non-Knife Work & Saw Ops | na | NZITO | 2 | na | 4.7% |
| LCP - NC in Meat Processing (Slaughter & Dress) - Slaughter, Evisceration, Open & Clear Skins | na | NZITO | 2 | na | 0.6% |
| LCP - NC in Meat Processing (Venison) | na | NZITO | 2 | na | 0.4% |
| NC in Fellmongery Processing | NC0692 | NZITO | 2 | 62 | 0.1% |
| NC in Meat Processing (Associated Processes) - Casings and Calibrations strand | na | NZITO | 2 | 53 | 0.2% |
| NC in Meat Processing (Associated Processes) - Offal Products strand | na | NZITO | 2 | 53 | 0.8% |
| NC in Meat Processing (Associated Processes) - Rendering strand | na | NZITO | 2 | 53 | 0.2% |
| NC in Meat Processing (Further Processing) - Boning and Trimming Strand | NC0390 | NZITO | 2 | 50 | 6.9% |
| NC in Meat Processing (Further Processing) - Dispatching Strand | NC0390 | NZITO | 2 | 50 | 0.2% |
| NC in Meat Processing (Further Processing) - Non-Knife Work strand | NC0390 | NZITO | 2 | 50 | 0.8% |
| NC in Meat Processing (Further Processing) - Packaging Strand | NC0390 | NZITO | 2 | 50 | 7.3% |
| NC in Meat Processing (Further Processing) - Processing Strand | NC0390 | NZITO | 2 | 50 | 0.3% |
| NC in Meat Processing (Further Processing) - Saw Operations strand | NC0390 | NZITO | 2 | 50 | 4.4% |
| NC in Meat Processing (Further Processing) with 1 of 4 strands | NC0390 | NZITO | 2 | 50 | 2.5% |
| NC in Meat Processing | na | NZITO | 2 | 65 | 1.8% |

| | | | | | |
|--|----|-----------------|---|----|--------|
| (Preparation of Livestock) | | | | | |
| NC in Meat Processing (Slaughter and Dressing) - Opening and Clearing Skins strand | na | NZITO | 2 | 46 | 1.6% |
| NC in Meat Processing (Slaughter and Dressing) - Slaughter strand | na | NZITO | 2 | 46 | 2.0% |
| NC in Meat Processing (Smallgoods) | na | NZITO | 2 | 51 | 8.8% |
| NC in Meat Processing (Smallgoods) - Forklift Operations strand | na | NZITO | 2 | 51 | 0.9% |
| NC in Meat Processing (Venison) | na | NZITO | 2 | 66 | 6.6% |
| NC in Meat Retailing (Curing, Smoking and Smallgoods Manufacture) | na | Retail Meat ITO | 3 | 60 | 0.6% |
| Total | | | | | 100.0% |