



How Labour Challenges Will Shape the Future of the 'Poultry and Egg' Industry:

Agriculture Forecast to 2029



Canada's agriculture sector faces unique labour market challenges in the coming years, and so will the 'poultry and egg' industry. This report explores some of the workplace trends and realities that will shape this industry between now and 2029.



Industry Overview

The 'poultry and egg'* industry is one of the smaller employers in Canada's agriculture sector, and it benefits from one of the most balanced labour markets. However, a widening labour gap will make it more difficult for this industry to find the workers it needs to meet the market demand for its products.

The 'poultry and egg' industry includes farm operations that primarily engage in breeding, hatching, and raising poultry for meat or egg production. Animals grown include chickens, turkeys, ducks, geese, pheasants, partridges, and pigeons. In 2017, the industry employed 14,500 people, or roughly 4% of the total agricultural workforce.

Because it has such a low level of seasonality, the industry's workforce is almost exclusively made up of Canadian residents, with foreign workers accounting for just 2.1% of the workforce, which is a share far lower than the average of 17% across the entire agriculture sector.

The industry is largely concentrated in Ontario and Quebec, with Ontario alone accounting for 25% of the workforce.

While slowing market demand for 'poultry and egg' products and improved industry productivity will limit the demand for labour, a shrinking supply of domestic labour will widen the industry's labour gap over the next 10 years.

*The Labour Market Information data classifies Canada's agriculture sector into 11 commodity areas: 1) 'apiculture'; 2) 'aquaculture'; 3) 'beef'; 4) 'dairy'; 5) 'field fruit and vegetable'; 6) 'grain and oilseed'; 7) 'greenhouse, nursery, and floriculture'; 8) 'poultry and egg'; 9) 'sheep and goat'; 10) 'swine'; and 11) 'tree fruit and vine'.

'Poultry and egg' industry at a glance

In 2017:

- 14,500 people employed
- 350 jobs left unfilled
- 29 million in lost sales due to labour shortages

In 2029:

- 1,650 fewer domestic workers available
- 36% of the workforce lost to retirement
- 2,400 more jobs than the domestic workforce can fill



Production Trends

Rising productivity and moderate market demand for 'poultry and egg' products will limit growth in demand for workers over the next decade. However, a shrinking pool of domestic workers will result in a widening labour gap during this time.

Over the past decade, the market for 'poultry and egg' products has grown. However, productivity for this industry, which is the output per worker, enjoyed even stronger growth. As a result, the industry saw its workforce decline by 0.5% per year between 2007 and 2017.

Over the next decade, production growth is expected to be modest, because the domestic market is becoming increasingly saturated and access to the faster-growing global markets is limited for this industry. At the same time, productivity is predicted to increase by 1.1% per year. Stable market demand will moderate the rate of growth for output decreasing to 1.3% per year. Stable market demand combined with stronger productivity will flatten the demand for labour, with approximately 15,200 workers needed to service the industry by 2029.

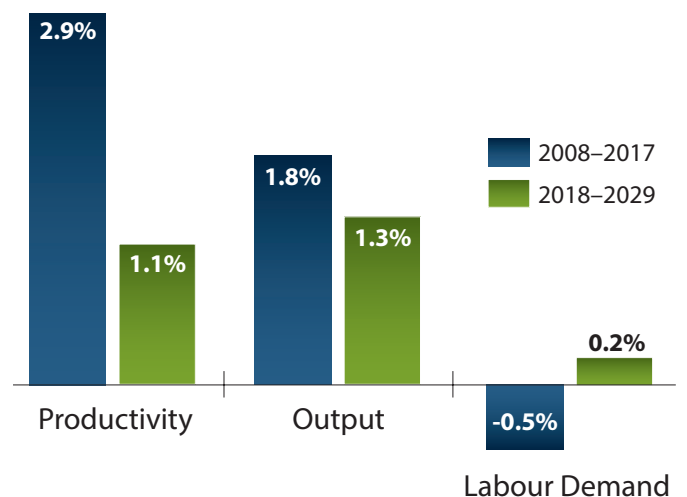


RESEARCH HIGHLIGHTS

- **36%** of 'poultry and egg' producers were not able to find all the workers they needed in 2017, compared to 47% for all agriculture.
- **46%** of 'poultry and egg' producers expect employment at their farm to rise over the next five years, while only 6% expect to see a decline.

Productivity, Output, and Labour Demand Trends

(average annual percentage change)



Labour Forecast

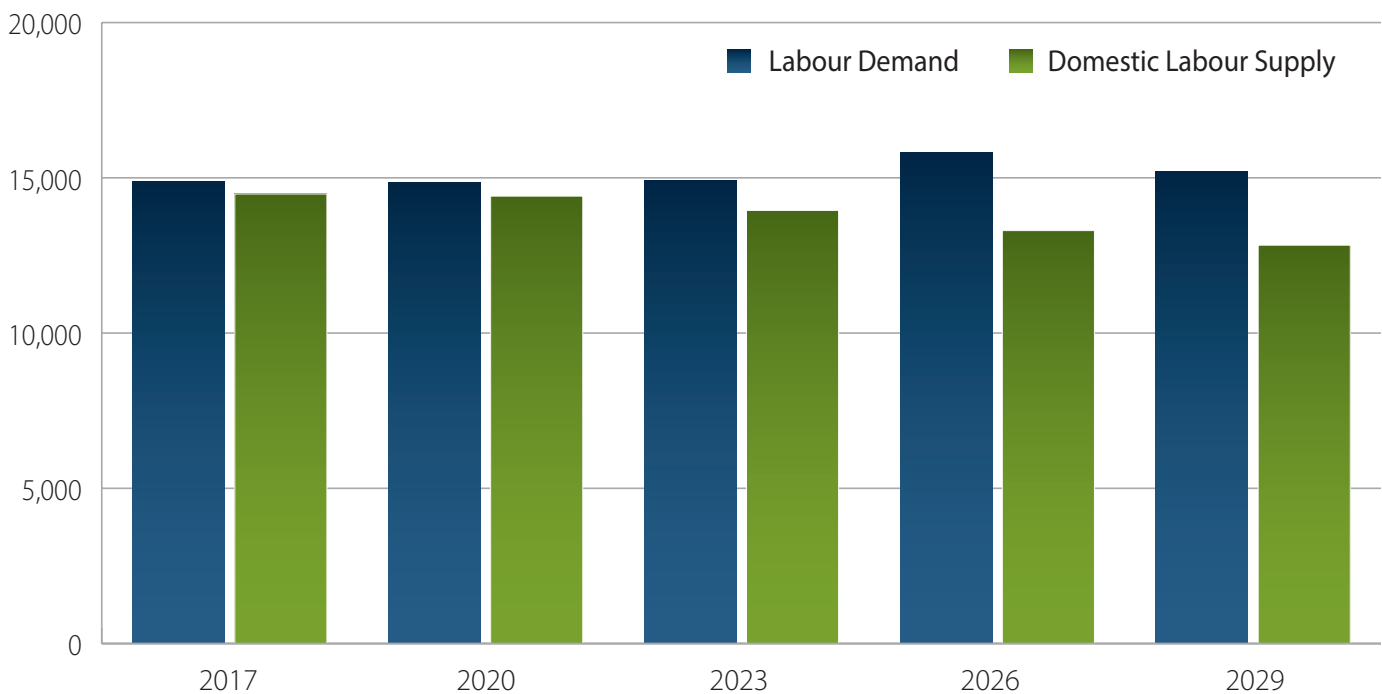
Although the industry's demand for labour will stabilize over the next decade, the labour gap will widen.

The domestic pool of workers will shrink during this time, resulting in a wider gap between the number of jobs the industry needs to fill and the number of domestic workers available to fill them.

The industry will need approximately 15,200 workers to meet its output targets by 2029. But the domestic labour supply is predicted to shrink by an average of 1.0% per year, until only 12,800 domestic workers are available in 2029.

In other words, the industry will need to find 2,400 jobs beyond those that the available domestic labour force can fill. If these workers can't be found, it will impact the industry's production potential and result in lost sales.

The Labour Gap Widens for the 'Poultry and Egg' Industry



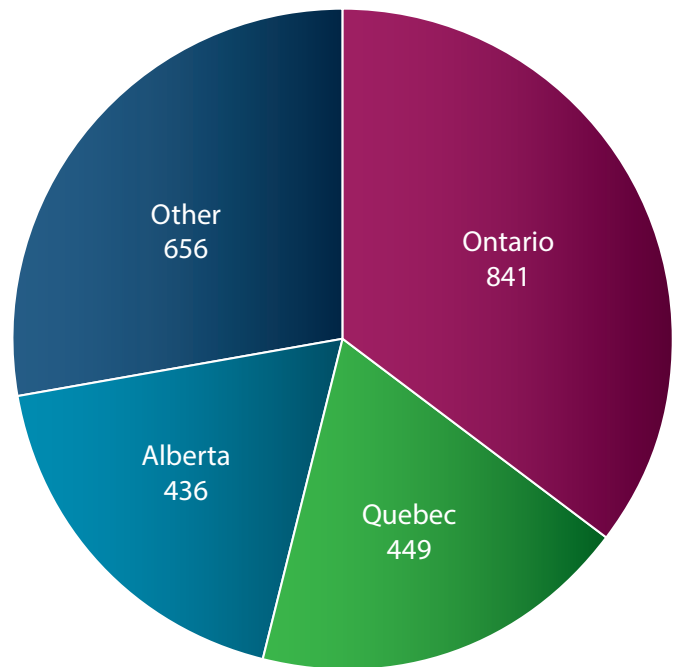
Regional Trends

The 'poultry and egg' industry will have 2,400 more jobs to fill than domestic workers to fill them by 2029, and the labour challenges will affect some provinces more than others.

Ontario and Quebec will be most seriously affected by labour challenges in the coming decade. More than one third of the labour gap, equivalent to 840 jobs, will be located in Ontario. This number equals 21% of the province's total demand for labour in the 'poultry and egg' industry. In other words, more than one in five jobs will go unfilled unless additional domestic or foreign workers can be found.

Quebec's 'poultry and egg' industry will see the second-largest share of the labour gap, with 450 jobs at risk. While Alberta, with 440 jobs at risk, will have a smaller share of the industry's labour gap, it will be one of the provinces most heavily affected by labour shortages; the labour gap will be equivalent to 26% of the total demand for labour in the province's 'poultry and egg' industry. At the other end of the spectrum, New Brunswick will be least affected by labour shortages; the labour gap will be equivalent to 2% of the total demand for labour in the province's 'poultry and egg' industry.

Number of Industry Jobs at Risk by 2029



Demographic Trends

A rising number of retirements will erode the available workforce between now and 2029. Over the past decade, the labour supply has decreased significantly for the 'poultry and egg' industry. Looking ahead to the next 10 years, the labour supply is expected to decrease further as a result of a rising number of retirements.

Between 2018 and 2029, 36% of the industry's workforce is expected to retire. While this is slightly lower than the average of 37% across all agriculture industries, it will still have a significant impact on the labour supply, and one that is predicted to affect each of the provinces.

Financial Impact

Compared to other agricultural commodities, labour shortages have had a limited impact on the 'poultry and egg' industry.

With only 350 unfilled vacancies in 2017, the industry had one of the most balanced labour markets of any in agriculture. The number of jobs that went

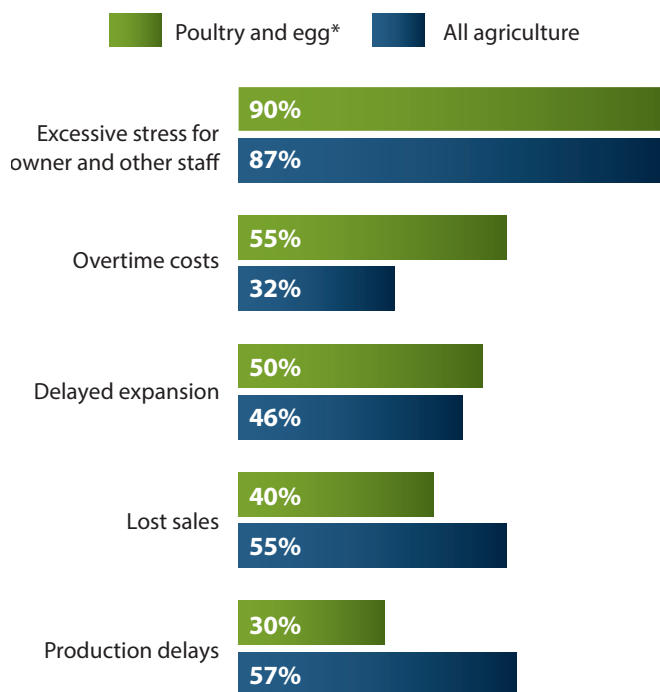


unfilled due to lack of workers was equivalent to just 2.4% of the industry's total workforce requirements, which is below the average of 5.4% for the entire agriculture sector.

The low number of unfilled vacancies meant that labour shortages had a relatively small financial impact. In 2018, labour shortages cost the industry only \$29 million, which is equivalent to 0.7% of sales. By comparison, the average sales lost across all agricultural industries was 4.7%.

However, lost sales weren't the only costs incurred. Of the 'poultry and egg' operators who were affected by labour shortages, 90% reported excessive stress for owner and other staff, while 55% said that it resulted in overtime costs and 50% said that they had to delay expansions.

Impacts of Labour Shortages



*Based on responses of 20 poultry and egg producers who reported not having access to all needed workers.

Labour Challenges

Overall, 'poultry and egg' operators experience fewer barriers to recruitment and retention than operators in other agricultural industries.

The 'poultry and egg' industry's ability to find and retain enough workers is impeded by manual labour and the limited exposure of young people to career opportunities in the sector.

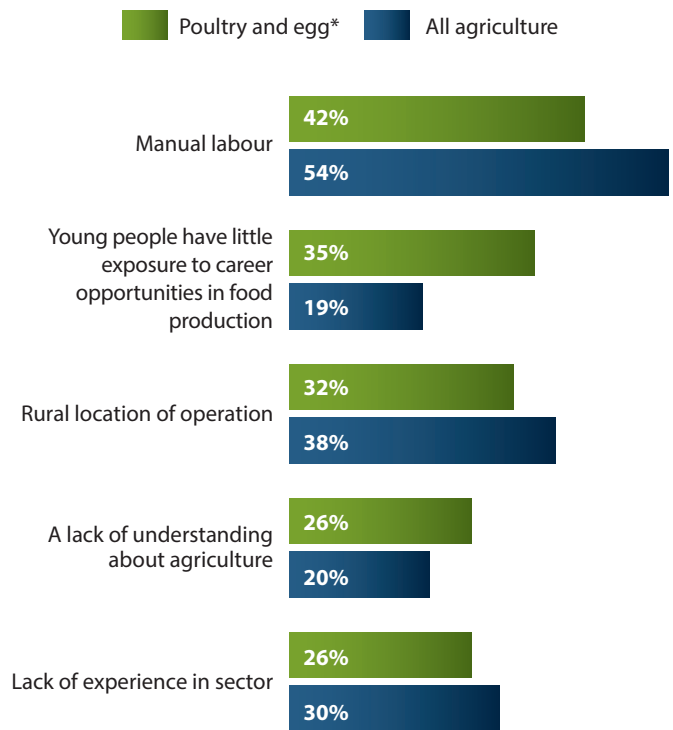
Recruiting Workers

Although the 'poultry and egg' industry is affected by many of the same recruitment issues facing the agriculture sector as a whole, 'poultry and egg' employers generally experience fewer barriers to recruitment than operators in other agricultural industries. For example, like most other agricultural industries, manual labour represents the biggest recruitment challenge for 'poultry and egg' producers. However, only 42% of 'poultry and egg' employers cited manual labour as a barrier to recruitment, compared to 54% of producers across agricultural operations.

The 'poultry and egg' industry also faces various unique barriers. For one, 'poultry and egg' producers are much more likely to cite limited exposure of young people to career opportunities in agriculture



Challenges in Recruiting Workers



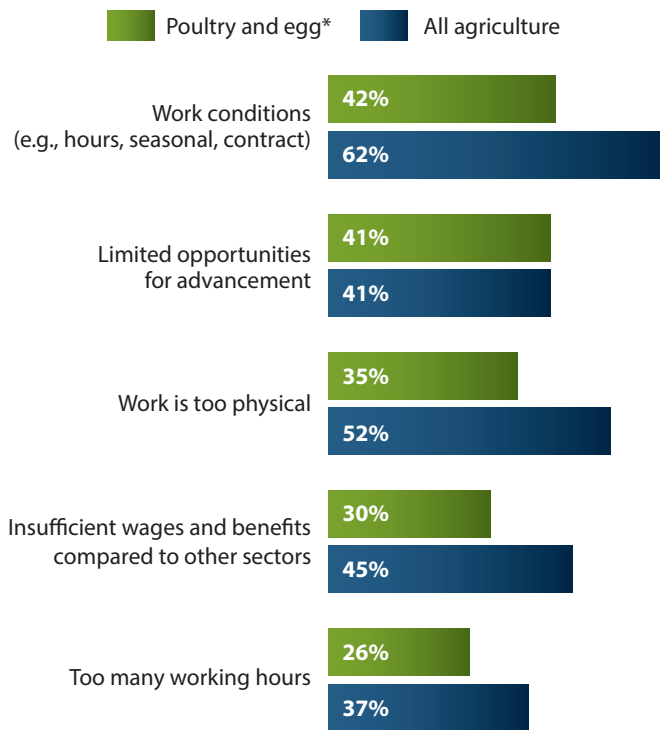
*Based on responses of 74 poultry and egg producers.

as a key barrier to recruitment; over one in three (35%) 'poultry and egg' respondents identified it as an impediment to hiring, compared to 19% across all agriculture. No agricultural industry was more likely than the 'poultry and egg' industry to identify this challenge. Secondly, 'poultry and egg' operators were more likely to have trouble finding workers with essential skills such as reading and problem-solving, with 16% of respondents citing this a barrier to recruitment, compared to 13% industry wide.

It is interesting to highlight that 'poultry and egg' operators generally seem to have fewer challenges recruiting workers. Indeed, 11% of 'poultry and egg' operators reported not facing any recruitment barriers at all, almost double the average of 6% across all agricultural industries.



Challenges in Retaining Workers



Based on responses of 74 poultry and egg producers.

Retaining Workers

'Poultry and egg' producers do have difficulties retaining workers. While the industry has a below-average involuntary turnover rate of 2.0% versus the national sector average of 2.5%, it also has an above-average voluntary turnover rate of 13.5%, which is higher than the national sector average of 10.3%. It is also worth noting that the 'poultry and egg' industry's voluntary turnover rate is the highest in the animal production sub-sector.

The variability in hours, which includes seasonality and long hours in season, is the top retention challenge for 'poultry and egg' producers, with 42% reporting it as an issue, compared to 62% of across agricultural industries. At the same time, 41% of operators in this industry reported that limited

opportunities for advancement made retention challenging, which is on par with the average across industries.

Toughest Jobs to Fill

The 'poultry and egg' industry will have the most trouble filling general farm workers and managers in agriculture jobs (which include owner-operators and employed farm managers). Together, these occupations account for 63% of the industry's current workforce and 83% of the labour gap.

By 2029, the gap will widen further, with an additional 1,000 jobs for general farm workers and an additional 400 jobs for managers in agriculture either going unfilled or requiring foreign workers to fill them because enough domestic labourers are not available.



Conclusion

This industry will experience a smaller labour gap than most other agricultural industries, but it still has several labour challenges to overcome.

Although labour demand in the 'poultry and egg' industry is expected to stabilize over the next decade, the combination of minimal exposure to growing foreign markets, limited growth in the domestic market, and predicted productivity gains will limit gains in the demand for labour between now and 2029.

However, due primarily to retirements, the available supply of domestic labour is expected to shrink during the same time period. As a result, the gap between the industry's workforce needs and the number of available domestic workers will widen, with 2,400 jobs predicted to go unfilled by 2029. Although this is one of the smaller gaps any agriculture industry will face, it is still equivalent to 16% of the total number of jobs required to maintain production levels. As a result, it will have an impact on the industry's ability to grow and thrive.

The key labour challenges facing the 'poultry and egg' industry include:

- The industry has a high voluntary turnover rate, which creates considerable cost and strain for employers.

- There is a need to communicate the benefits of agricultural work to a younger demographic to attract more young workers.
- Labour shortages will heavily affect specific provinces, especially Ontario, Quebec, and Alberta.
- Labour shortages will affect specific, core occupations, including agricultural managers and general farm workers.

To meet these labour challenges, the industry has several strengths it could leverage:

- It has a below-average retirement rate.
- Below-average seasonality and variability in hours create a more stable, attractive workplace.
- Providing advancement opportunities could help make work in the industry more attractive and improve retention.

By working to find solutions to these specific challenges, the industry can protect against labour shortages and thrive in the years to come.



About This Report

This report represents an update to the Labour Market Information (LMI) study that the Canadian Agricultural Human Resource Council (CAHRC) undertook between 2014 and 2016. The purpose is to re-assess the labour market, project supply and demand for agricultural workers from 2018 until 2029, and recommend potential solutions to labour issues.

The Conference Board of Canada, commissioned by CAHRC, constructed an economic model that forecasts agricultural labour demand and supply for each province, for 11 different commodity groups, and for 25 occupational groups.

The economic model was validated through several industry consultation activities conducted Canada-wide, including:

- **A large-scale survey** of 1,316 employers, 278 workers, and 110 industry stakeholders.
- **Eight webinars** focused on specific commodity groups, with 160 participants in total.
- An Advisory Group presentation.

This data was used to produce the following reports:

Commodity-specific reports and fact sheets

Apiculture ■ Aquaculture ■ Beef ■ Dairy ■ Field Fruit and Vegetable ■ Grain and Oilseed ■ Greenhouse, Nursery, and Floriculture ■ Poultry and Egg ■ Sheep and Goat ■ Swine ■ Tree Fruit and Vine

Regional reports and fact sheets

National ■ British Columbia ■ Alberta ■ Saskatchewan ■ Manitoba ■ Ontario ■ Quebec ■ New Brunswick ■ Prince Edward Island ■ Nova Scotia ■ Newfoundland and Labrador

For more information on the research, and to access additional commodity-specific, national, and provincial reports, please visit the CAHRC website at www.AgriLMI.ca.

About CAHRC

The Canadian Agricultural Human Resources Council (CAHRC) is a national, nonprofit organization focused on addressing human resource issues faced by agricultural businesses across Canada. CAHRC conducts industry research and develops products and services designed to help agricultural employers attract, retain, and develop the workforce they need to succeed.

For more information about the Council and its products and services for Canada's agriculture sector, please visit www.cahrc-ccrha.ca.





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