



Agriculture Forecast to 2029

How Labour Challenges Will Shape the Future of the 'Beef' Industry

The second-largest agricultural employer in Canada, the 'beef'* industry faces a growing demand for its products. However, a dwindling supply of workers will put the industry's growth potential at risk over the next decade.

Industry Overview

The 'beef' industry, which includes operations that primarily raise and finish cattle, including feedlots, employs 44,350 people, which is equivalent to 13% of the agricultural workforce.

With less seasonality and less variability in hours than other sectors, the industry primarily relies on domestic labour, with only 0.7% of the workforce being made up of foreign workers. This is much lower than the agricultural average of 17%.

The Prairies account for just under two-thirds of the industry's workforce, with Alberta alone accounting

for 34% of all 'beef' workers. Ontario is also a significant 'beef'-industry employer, accounting for another 19% of industry workers.

One of the largest agricultural employers in Canada, the 'beef' industry has undergone a considerable decline in recent years. However, the next decade will see the trend reverse, with a strong outlook that will require more workers to support growth.

The 'beef' industry shrank considerably over the past decade, as many operators shifted away from 'beef' production to a specialization in grains and oilseeds. Between 2006 and 2016, the number of 'beef' farms in Canada declined by over two-fifths, from 60,900 to 36,000. Industry output also fell 2.0% per year during this time. With the number of farms decreasing and the industry's output falling, the number of workers required to support the industry also fell.

Despite this reduction in the size of the workforce required, the 'beef' industry was unable to fill 1,600 jobs with the available domestic labour in 2017, costing the industry \$334 million in lost sales.

* 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'.

In 2017, the 'beef' industry employed 44,350 people.

The industry was unable to fill 1,600 jobs, which cost the industry \$334 million, or 3.7% of sales.

By 2029, the industry will be unable to fill 14,000 jobs with the available pool of domestic workers.

While Canada's 'beef' production has been in decline over the past decade, the next 10 years are predicted to bring strong growth. However, the industry faces serious challenges in finding enough workers to take advantage of this growth potential. In 2017, there were 1,700 more jobs than domestic workers; by 2029, the labour gap is predicted to reach 14,000.

Labour Forecast

As the 'beef' industry rallies, the growing needs of its labour force will be met with a shrinking pool of domestic workers.



Although productivity will increase by 1.2% per year over the next decade, the industry must still expand its workforce to meet the fast-growing market demand for 'beef' products. The demand for workers is expected to grow by 0.8% per year, rising from 46,000 in 2017 to 50,900 in 2029.

However, the domestic labour supply is expected to shrink even further over the forecast period. As a result, the labour gap will widen considerably, from 1,700 more jobs than workers today to 14,000 more jobs than domestic workers in 2029, which is equivalent to 27% of the total demand for workers at the time. In other words, more than one in four jobs in the 'beef' industry is at risk of going unfilled if additional sources of labour can't be found.

As the labour gap widens over the next 10 years, the Prairies will also be hardest hit by labour shortages. Alberta is predicted to have 5,550 more jobs available than employees available to work, while Saskatchewan's labour gap will be equivalent to 3,250 jobs, and Manitoba's equivalent to 1,050 jobs.

From an occupational perspective, the 'beef' industry will have the most trouble filling general farm worker positions. Indeed, by 2029, this occupation will account for 44% of all unfilled jobs within the industry. This means that 6,200 jobs of this type could go unfilled.

The Labour Gap Widens for the 'Beef' Industry



Based on our 2018 survey of the industry's employers:

When 'beef' producers were surveyed about the impact of labour shortages:

- 49% could not find enough workers
- 43% of employers who experienced labour shortages lost sales as a result
- 51% reported zero Canadian job applicants for job postings



Meeting the Challenge

After years of decline, the 'beef' industry is entering a period of rapid growth as the demand for animal protein in emerging markets increases. Despite this strong outlook, the lack of available domestic workers could prevent the industry from taking advantage of its growth potential. In 2017, the industry was unable to fill 1,600 jobs, which resulted in lost sales of \$334 million.

Over the next decade, the industry's labour gap is expected to widen even further. By 2029, there could be 14,000 more jobs than available domestic workers. If the 'beef' industry can't find ways to enhance recruitment and retention, this gap will hamper the industry's ability to continue growing.

However, to grow its domestic labour force, the industry will need to overcome a number of key challenges:

- The 'beef' sector is concentrated in the Prairies, where competition for workers in the natural resource sectors (e.g. oil and gas, and mining) is most intense.
- This industry has an older-than-average workforce, which means it will lose workers to retirement at a more rapid rate.
- Over one-third of 'beef' producers surveyed identified finding workers with the necessary qualifications and experience as a challenge.

- Labour shortages for this industry are more likely to affect expansion plans, an issue of real concern for an industry facing high growth.

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

- Below-average seasonality and variability in hours create a more stable, attractive workplace.
- The work is less physical than average for jobs in agriculture.
- Staff training could help the industry improve worker qualifications.

Finding solutions to labour challenges and increasing the pool of available domestic workers will ensure that this vital agriculture industry is better prepared to take advantage of an upcoming decade of growth.

To read the accompanying report, or to access additional provincial, commodity, or national fact sheets and reports, please visit www.AgriLMI.ca.



About This Fact Sheet

The data cited in this fact sheet is based on an update to the Labour Market Information (LMI) study that the Canadian Agricultural Human Resource Council (CAHRC) undertook between 2014 and 2016. Information was collected by modelling labour demand and supply by province, commodity, and occupation; conducting a survey of more than 1,700 sector stakeholders; and validating the results through webinars as well as an advisory group presentation.

The study was initiated by the Canadian Agricultural Human Resources Council (CAHRC), a national, nonprofit organization focused on addressing human resource issues faced by agricultural businesses across Canada. 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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