



Agriculture Forecast to 2029

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

After a period of production decline, the 'swine'* industry, or hog industry, is now benefiting from a growing global market for pork products. However, the industry's workforce is continuing to shrink, creating a labour gap that will impact its ability to grow during the next decade.

Industry Overview

The swine industry, which includes farm operations that primarily raise hogs and pigs, accounts for just 2% of the total agricultural workforce, but it is a profitable and growing industry with a high reliance on domestic labour.

The hog industry is heavily concentrated in certain regions of the country. Ontario and Quebec account for two-fifths of the industry's workforce (40%), and the Prairies account for 39%.

With less seasonality and less variability in hours than other sectors, the vast majority of the industry's workforce are Canadian residents, with foreign workers accounting for just 5.1% of the workforce. This is much lower than the agricultural average of 17%.

Between 2007 and 2017, the number of 'swine' farms in Canada shrank from 5,500 to 3,200, which is a reduction of 42%. During this time, the per capita demand for pork in North America declined, and many operators switched to a specialization in grains and oilseeds. The contraction of the hog industry reduced the demand for labour, which fell by an average of 6.6% per year—one of the most aggressive declines among agricultural commodities.

Despite this reduction in the size of the workforce required, the 'swine' industry was unable to fill 150 jobs with the available domestic labour in 2017. This is estimated to have cost the industry \$189 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 'swine' industry employed 6,700 people.

The industry was unable to fill **150 jobs**, which cost the industry **\$189 million**, or **4.2%** of sales.

By 2029, the industry will be unable to fill **900 jobs** with the available pool of domestic workers.

While Canada's 'swine' 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. Over the forecast, the labour gap in Canada's 'swine' industry is forecast to rise, increasing from a surplus of 500 workers in 2017 to a deficit of 900 jobs by 2029.

Labour Forecast

While a growing market for pork products will require a bigger workforce to meet output targets, the domestic labour force is predicted to shrink, with retirement being one of the key factors affecting the labour supply.



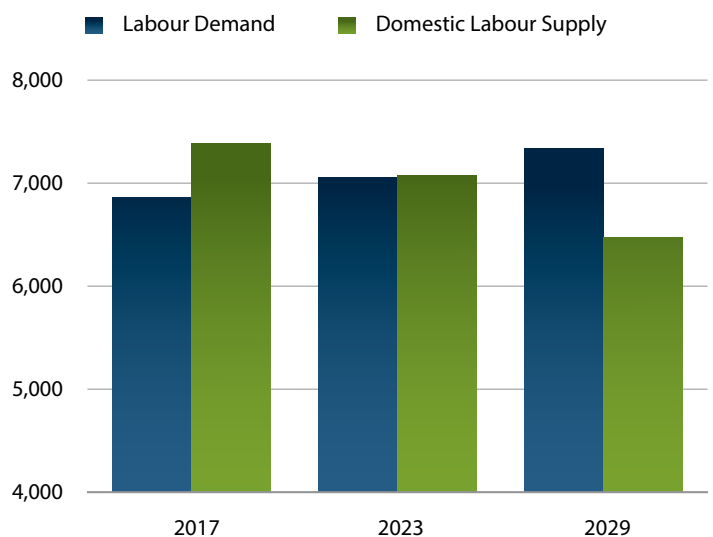
Although productivity will increase by 1.6% per year over the next decade, the industry must still expand its workforce to meet the fast-growing market demand for pork products. The demand for workers is expected to grow by 0.6% per year, rising from 6,900 in 2017 to 7,300 in 2029.

The supply of domestic labour, however, is predicted to decline over the same time period. The rising demand combined with falling supply will widen the gap considerably, resulting in a much higher number of jobs at risk of going vacant. By 2029, the number of jobs that go unfilled will increase to 900, which is equivalent to 12% of the total industry demand for workers.

While several provinces will be affected by labour shortages in the 'swine' industry, Alberta will be impacted most heavily. By 2029, the province will be left with roughly 300 more jobs than it can fill with available domestic labour.

From an occupational perspective, the 'swine' industry will have the most trouble filling general farm worker positions. Between 2017 and 2029, the number of general farm worker positions that are predicted to go unfilled due to a lack of domestic workers will increase from 100 to 800.

The Labour Surplus to Become Deficit for the 'Swine' Industry



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

When pork producers were surveyed about the impact of labour shortages:

- **51%** could not find enough workers;
- **62%** of employers who experienced labour shortages lost sales as a result;
- **42%** reported zero Canadian job applicants for job postings.



Meeting the Challenge

With a bright production outlook and a dwindling domestic labour pool, the hog industry faces significant labour challenges in the years ahead. Having lost \$189 million due to labour shortfalls in 2017, the industry faces far greater losses as the gap widens between the available pool of domestic workers and the number of jobs the industry needs to fill. Attracting and retaining more domestic workers may pose specific challenges for this industry.

While the industry enjoys several advantages that could help it attract and retain workers, including below-average seasonality (which creates a more stable environment for workers), and low turnover rates, there are a number of labour challenges that must be overcome. They include:

- Worker mobility and relocation are key retention issues, with 'swine' producers indicating that it's difficult to transport workers to and from the workplace and relocate available workers from other areas.
- People with the right skills and experience will remain in short supply, with more formal training potentially required to address the issue.

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

Finding solutions to these labour challenges and increasing the pool of available domestic workers will ensure that the hog 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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