



DAIRY

Labour market information and forecast 2023-2030



Key Findings

- Employers in the dairy industry struggle to find domestic workers with the right skills, resulting in persistent job vacancies.
- Foreign workers are expected to fill most of this gap; however, around 1,000 positions will remain vacant in 2030.¹
- These labour challenges are expected to continue, with the domestic labour gap in the dairy industry projected to increase by 10 per cent over the next 8 years, reaching 5,000 workers during peak season in 2030.²
- The industry's workforce will change dramatically over the next 8 years, as over 25 per cent of the current domestic workers retire.
- The resulting influx of new domestic and foreign workers will require significant training and skills development to successfully integrate them into the industry's workforce.

Current Workforce

- The dairy industry employed 32,800 domestic workers at peak season in 2022, with almost half of these jobs located in Quebec and 30 per cent in Ontario.³
- The industry has three main occupations: managers in agriculture (including farm owner-operators), specialized livestock workers or farm machinery operators, and livestock labourers that together account for over 80 per cent of its domestic workforce.
- The number of foreign workers in the industry has more than tripled since 2017, reaching over 3,200 workers in 2022. Foreign workers make up over 8 per cent of the current workforce.⁴
- It is estimated that 1,800 positions went unfilled at peak season in 2022, resulting in a 5.4 per cent job vacancy rate.⁵ Consistent year-round employment helps the dairy industry have a lower vacancy rate compared to the 7.4 per cent across the entire agriculture sector.⁶

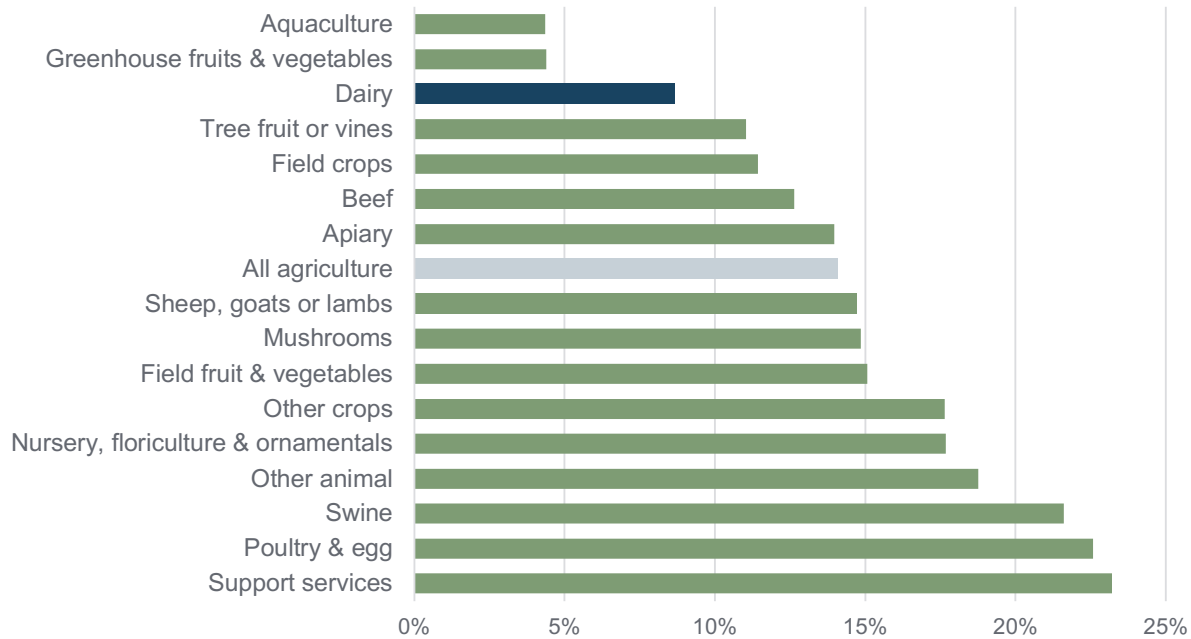
¹ Foreign workers include workers brought in through the Temporary Foreign Worker Program or Seasonal Agricultural Worker Program. Does not include immigrants or permanent residents. | ² Domestic labour gap is the difference between the total number of workers required and the number of domestic workers employed, which equals foreign worker employment plus the number of vacancies. Estimated at peak to reflect maximum demand during seasonal peaks in agriculture. | ³ Statistics Canada; The Conference Board of Canada. | ⁴ Ibid. | ⁵ Statistics Canada; The Conference Board of Canada Model of Occupations, Skills and Technology. | ⁶ Statistics Canada, Job Vacancy and Wage Survey (custom data).

Employer Survey Insights

- Over a quarter of employers were unable to find all the workers they needed in 2022.⁷
- Almost half (47 per cent) of employers reported that they received no domestic applicants for their job postings, and 44 per cent received only one or two applicants.⁸
- Over 60 per cent of employers in the dairy industry found recruiting year-round Canadian workers more difficult in 2022 than in the previous year.⁹
- As a result of job vacancies, 19 per cent of employers lost sales, 30 per cent delayed production, 47 per cent faced overtime costs, and 35 per cent cancelled or delayed expansion plans.¹⁰
- Forty per cent of dairy employers cited lack of experience working in the sector as a top barrier for recruitment, which was considerably higher than the agriculture sector's average of 31 per cent.¹¹
- The dairy industry reported a voluntary turnover rate of 9 per cent, which is below the overall average of 14 per cent seen across the entire agriculture sector (Chart 1).¹² This illustrates more workforce stability in the dairy industry.
- The dairy sector reported a lack of training in human resources (HR). Almost 80 per cent of employers in the dairy industry reported not taking any HR training in the past year, mainly due to lack of time.¹³

Chart 1: Turnover rate in the dairy industry below the agriculture average.

Voluntary turnover rates,* per cent, 2022.



Source: Canadian Agricultural Human Resource Council Employer Survey 2023.

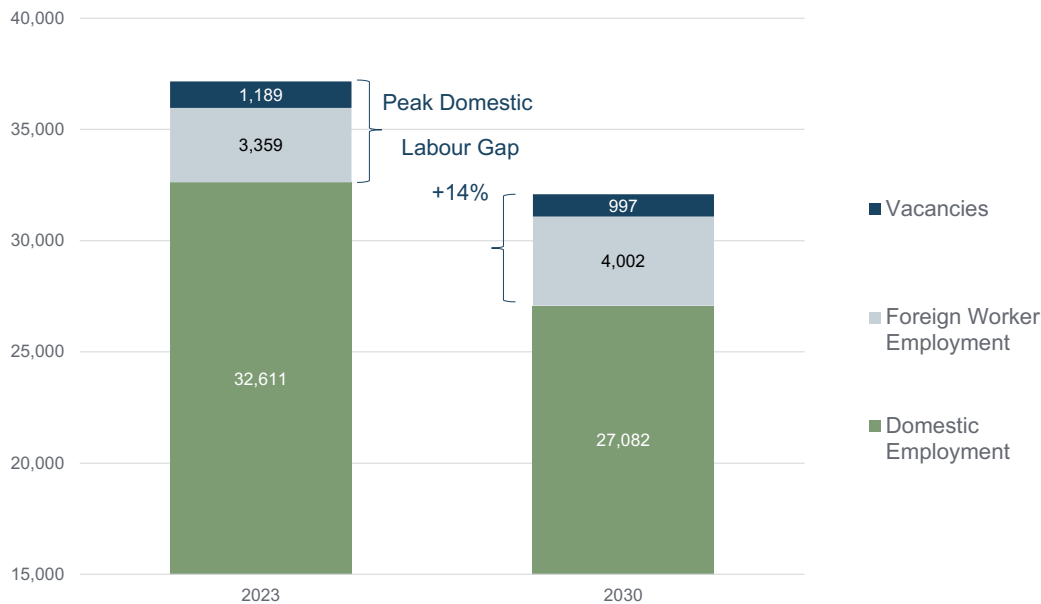
* The voluntary turnover rate is the number of voluntary departures as a share of the total number of workers in a year. Voluntary departures are comprised of workers who quit, including seasonal workers who leave before contract completion.

⁷ Canadian Agricultural Human Resource Council Employer Survey 2023 (n=118). | ⁸ Canadian Agricultural Human Resource Council Employer Survey 2023 (n=135). | ⁹ Canadian Agricultural Human Resource Council Employer Survey 2023 (n=113). | ¹⁰ Canadian Agricultural Human Resource Council Employer Survey 2023 (n=43). | ¹¹ Canadian Agricultural Human Resource Council Employer Survey 2023 (n=125, 724). | ¹² Canadian Agricultural Human Resource Council Employer Survey 2023 (n=171). | ¹³ Canadian Agricultural Human Resource Council Employer Survey 2023 (n=121).

Labour Market Forecast

- Labour productivity growth and stable production in the industry will result in a 14 per cent decrease in peak labour demand over the next 8 years, reaching 32,100 in 2030.¹⁴
- Decreasing supply of domestic workers and increasing reliance on foreign workers will result in domestic employment in the dairy industry decreasing 17 per cent over the next 8 years, from 32,600 in 2023 to 27,100 in 2030 (Chart 2).
- The industry is expected to see 7,970 workers retire between 2023 and 2030, replaced by 1,990 immigrants and 4,770 school leavers who are projected to enter the workforce.¹⁵
- The peak domestic labour gap in the dairy industry will increase by nearly 10 per cent over the next 8 years, from 4,550 in 2022 to 5,000 by 2030.
- The total number of foreign workers employed throughout the year is projected to increase to over 4,000 by 2030. Foreign workers will fill over 80 per cent of the domestic labour gap by 2030.
- Softer labour markets will result in fewer job vacancies in 2023. As the industry shifts to more foreign workers, vacancies will continue to decrease gradually over the next 8 years. Nevertheless, around 1,000 vacancies will remain by 2030.
- Almost half of these vacancies will be for specialized livestock workers or farm machinery operators and one-third will be for livestock labourers.

Chart 2: The peak domestic labour gap grows despite declining total peak demand.
 Number of workers required at peak season in the dairy industry, forecast.



Source: The Conference Board of Canada's Model of Occupations, Skills and Technology.

Foreign workers include workers brought in through the Temporary Foreign Worker Program or Seasonal Agricultural Worker Program. Does not include immigrants or permanent residents. The peak number of foreign workers is less than the cumulative total employed over the year since not all workers will be employed simultaneously.

¹⁴ The total peak demand is equal to the number of Canadians employed at peak, plus the number of foreign workers employed at peak, plus the number of vacancies at peak. | ¹⁵ School leavers is the number of workers finished school (all levels of education) and entering the workforce.



Building the Future Workforce

- Dairy employers will continue to have difficulty finding workers with the necessary skills and experience, especially for specialized livestock worker and farm machinery operator positions, which account for the largest share of vacancies.
- Proactive implementation of training programs for these higher skill positions could benefit the industry.
- Relative to the size of the dairy industry, a small proportion of school leavers seek employment in the industry each year. Improving awareness and understanding about career opportunities in the industry could help attract more young workers over the coming years.

About the Dairy Industry

This factsheet pertains to the 'dairy' industry as defined by Statistics Canada as NAICS 11212 "establishments primarily engaged in milking dairy cattle."

Canada's dairy industry is geographically concentrated with most of the employment being in Ontario and Quebec.

Gathering data on the dairy industry proves challenging since Statistics Canada only reports on the 4-digit NAICS in sources like the Labour Force Survey, Job Vacancy and Wage Survey, and Agriculture Taxation Data Program. Since NAICS 1121, "Cattle ranching and farming," includes both beef and dairy, custom analysis is necessary to

extract separate figures for these industries. We relied on data from Statistics Canada Business Counts (with and without employees) and from the CAHRC 2023 Employer Survey to create separate analyses for this study.

About This Factsheet

The data cited in this factsheet is based on a Labour Market Information (LMI) study that took place between March and September 2023. This study involved modelling labour demand and supply by province, commodity and occupation; conducting a survey of more than 1,400 sector stakeholders; and validating the results through webinars as well as an advisory group presentation. For more information about this LMI study, please see the National Report.

The study was initiated by the Canadian Agricultural Human Resource 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.

This research was conducted by The Conference Board of Canada, our country's foremost independent organization for applied research. Through the use of sophisticated data modelling, best-in-class forecasting and multi-method research approaches, they deliver research to help leaders take action.



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