AGRI-LMI

LABOUR MARKET INFORMATION

Poultry and Egg

Labour Market Forecast to 2025

CANADIAN AGRICULTURAL
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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 the industry between now and 2025.

Industry Overview

The 'poultry and egg'* industry is one of the smallest 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 moderately 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 2014, the industry employed 15,600 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 1.3% of the workforce, which is a share far lower than the average of 12% across all commodities.

The industry is largely concentrated in Ontario and Quebec, with Ontario alone accounting for 36% 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 2014:

- 15,600 people employed
- 1.3% foreign workforce
- 250 jobs left unfilled
- $6 million in lost sales due to labour shortages

In 2025:

- 15,900 workers required
- 1,100 jobs potentially unfilled
- 770 jobs potentially unfilled in Ontario alone

Production Trends

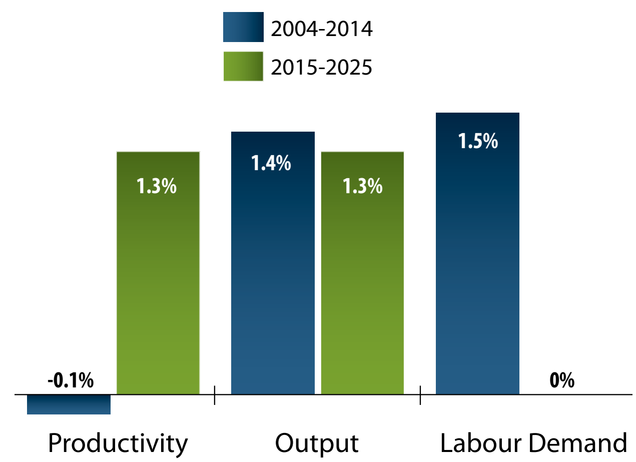
Rising productivity and limited market demand for ‘poultry and egg’ products will reduce the demand for workers over the next decade. However, a shrinking pool of domestic workers will result in a widening labour gap during this time.

Over the past decade, the market for ‘poultry and egg’ products has grown, but productivity for this industry, which is the output per worker, stayed relatively stable. As a result, the industry increased its workforce to meet the market demand, with the demand for labour growing 1.5% per year between 2004 and 2014.

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 1.3% 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 15,900 workers needed to service the industry by 2025.

Productivity, Output, and Labour Demand Trends

(average annual growth)



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.

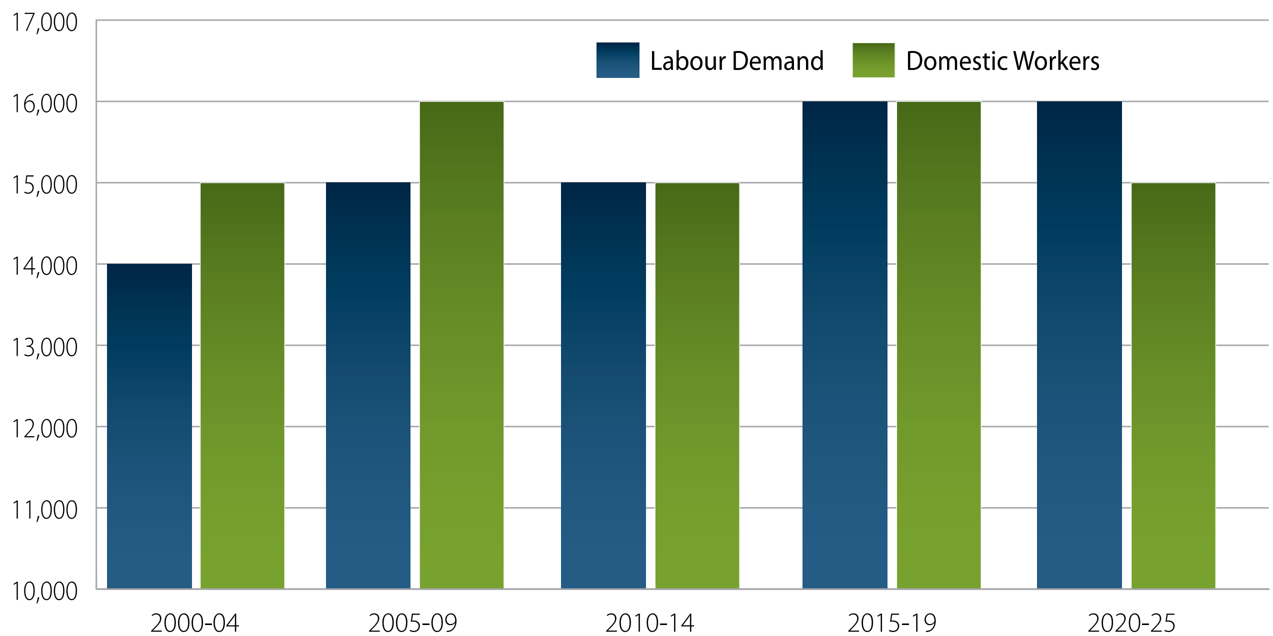
The industry will need approximately 15,900 workers to meet its output targets by 2025. But while the domestic labour supply roughly equalled this number in 2014, it is predicted to shrink by an average of 0.7% per year, until only 14,800 domestic workers are available in 2025.

RESEARCH HIGHLIGHTS

- **Only 23%** of 'poultry and egg' operators expect employment on their farm to rise over the next five years, the lowest percentage of any agriculture industry.

In other words, the industry will need to find 1,100 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.

2000 – 2025: The Labour Gap Widens for the 'Poultry and Egg' Industry



Regional Trends

The ‘poultry and egg’ industry will have 1,100 more jobs to fill than domestic workers to fill them by 2025, and the labour challenges will affect some provinces more than others.

Ontario and Nova Scotia will be most seriously affected by labour challenges in the coming decade.

More than half of the labour gap, equivalent to 770 jobs, will be located in Ontario. This number equals 13% of the province’s total demand for labour in the ‘poultry and egg’ industry. In other words, more than one in seven jobs will go unfilled unless additional domestic or foreign workers can be found.

Alberta’s ‘poultry and egg’ industry will see the second-largest share of the labour gap, with 260 jobs at risk. While Nova Scotia, with 230 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 29% of the total demand for labour in the province’s ‘poultry and egg’ industry.At the other end of the spectrum, Quebec is predicted to have a surplus of workers, with 190 more domestic workers than the industry can support with jobs.

Demographic Trends

A rising number of retirements will erode the available workforce between now and 2025.

Over the past two decades, the labour supply has gradually decreased 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 2015 and 2025, 22% of the industry’s workforce is expected to retire. While this is lower than the average of 27% 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 250 unfilled vacancies in 2014, the industry had the most balanced labour market of any in agriculture. The number of jobs that went unfilled due to lack of workers was equivalent to just 1.6% of the industry's total workforce requirements.

The low number of unfilled vacancies meant that labour shortages had a relatively small financial impact. In 2014, labour shortages cost the industry only $6 million, which is equivalent to 0.2% of sales. By comparison, the average across all agricultural industries was 2.7%.

However, lost sales weren't the only costs incurred. Of the 'poultry and egg' operators who were affected by labour shortages, only 7.1% reported that they lost sales, while 29% said that they had to delay expansions and 21% said that it resulted in overtime costs. In addition, 14.3% of operators surveyed said they incurred production losses, and 14.3% cited production delays.

Labour Challenges

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

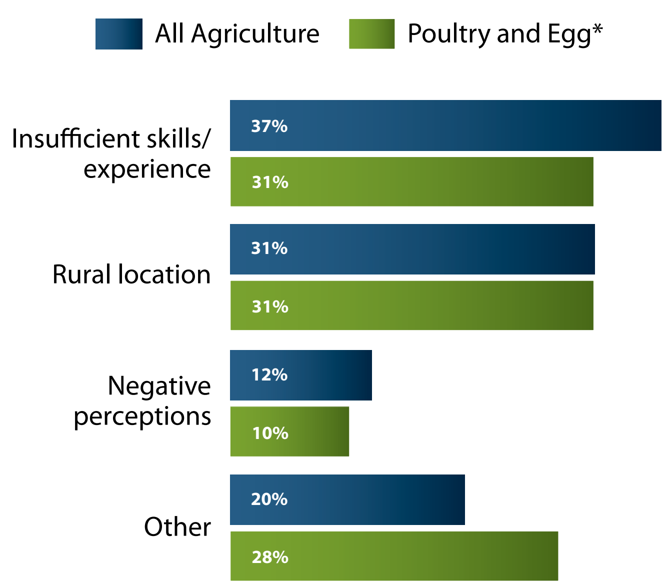
The 'poultry and egg' industry's ability to find and retain enough workers is impeded by a lack of skills or experience in the available workforce and high involuntary turnover rates.

Recruiting Workers

According to a survey, nearly one-third (31%) of 'poultry and egg' operators had trouble finding workers with the right skills and experience, making this the most common barrier to recruitment.

However, this is lower than the average of 37% across all agricultural industries. In general, 'poultry and egg' operators seem to have the easiest time recruiting workers, with 12% reporting that they don't face any recruitment barriers at all, compared to just 2% averaged across all agricultural industries.

Challenges in Recruiting Workers



*Based on the responses of 27 poultry and egg operators

Retaining Workers

Retention is a bigger issue for 'poultry and egg' operators than recruiting. While 'poultry and egg' operators have below-average voluntary turnover rates, they have very high involuntary turnover rates. This suggests that although operators are able to hire workers relatively easily, they may not be able to hire people who are well suited to the job. In addition, operators in this industry were much more likely to report that limited opportunities for advancement made retention challenging.

However, the industry has less seasonality and variability in hours, which are two common retention issues in the agriculture sector. Only 22% of 'poultry and egg' operators cited variability in hours as a retention issue, compared to the sector average of 36%.

Toughest Positions to Fill

The 'poultry and egg' industry will have the most trouble filling "managers in agriculture" jobs (which include owner-operators and employed farm managers) and "general farm workers." Together, these occupations account for 62% of the industry's current workforce.

In other occupational areas in this industry, including sales and service, there will generally be a surplus of workers available.

Conclusion

This industry will experience one of the smallest labour gaps of any agriculture industry, but it still has several labour challenges to overcome.

Although labour demand in the 'poultry and egg' industry has grown over the past decade, that trend is not expected to continue. The combination of minimal exposure to growing foreign markets, limited growth in the domestic market, and predicted productivity gains will flatten the demand for labour between now and 2025.

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 1,100 jobs predicted to go unfilled by 2025. This is one of the smallest gaps any agriculture industry will face, which is equivalent to just 7% of the total number of jobs required to maintain production levels, but it will still have an impact on the industry's ability to grow and thrive.

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

- Some producers and potential workers have a negative perception of the industry.
- The industry has high involuntary turnover rate, indicating a workforce that's not always suited to the industry.
- There is a need for workers with stronger essential skills, such as reading, problem-solving, and numeracy.
- There is a lack of career paths that offer opportunities for advancement.
- Labour shortages will heavily affect specific provinces, especially Ontario and Nova Scotia.
- Labour shortages will affect specific, core occupations, including agricultural managers and general farm workers.

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 features data collected during a three-year research project to examine Canada's labour market situation for primary-production agricultural businesses. The project was led by the Canadian Agricultural Human Resources Council (CAHRC) and was launched in response to the unique workforce challenges faced by the agriculture sector.

The purpose was to assess the current labour market, project supply and demand for agricultural workers from 2015 until 2025, 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 a number of industry consultation activities conducted Canada-wide, including:

- **A large-scale survey** of 813 employers, 132 workers, and 89 industry stakeholders
- **Phone interviews** with 80 industry stakeholders
- **Six focus groups** with 100 participants in total, including employers, workers, and other stakeholders
- **Seven webinars** focused on specific commodity groups, with 100 participants in total

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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