



Quebec

Agricultural Labour Market Forecast to 2025





Across Canada, the agriculture sector will face unique labour market challenges in the coming years. This report explores the ways in which those challenges will impact the province of Quebec between now and 2025.



Provincial Overview

Canada's second-largest agricultural employer, Quebec, faces increasing labour challenges in this sector over the next 10 years.

In 2014, Quebec was the second-largest agriculture sector employer in Canada, employing 73,500 people, or 20% of the nation's agricultural workforce. Only Ontario accounted for a higher share, at 27%.

In terms of the province's national agricultural profile, Quebec is Canada's largest employer of 'dairy'* workers, with nearly half of the industry's workers (45%) employed in this province. It is also the second-largest employer of 'swine' industry workers, accounting for more than 22% of the industry's workforce.

Within the province, the 'dairy' industry is the largest agricultural employer, accounting for nearly one in four agricultural workers (24%). The 'greenhouse, nursery, and floriculture' industry and the 'grain and oilseed' industry are also significant employers in Quebec, accounting for 18% and 13% of the agricultural workforce, respectively.

The province has a younger-than-average agricultural workforce. In 2011, only 55% of this workforce was 45 years of age or older, compared to 60% of the agricultural workforce nationwide.

Foreign workers account for 12% of the agricultural workforce in Quebec, which is on par with the sector average across Canada.

Even with help from the foreign labour force, the province's agriculture sector was still unable to fill 3,300 jobs in 2014, a shortfall that cost the industry \$116 million.

Between now and 2025, Quebec's need for agricultural labour will decrease, mostly due to limited market demand for 'dairy' products. However, because the labour pool is shrinking even more rapidly, the province is expected to experience greater labour shortages over the next decade.

* 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'.

Quebec's agriculture sector at a glance

In 2014:

- 73,500 people employed
- 12% foreign workforce
- 3,300 jobs left unfilled
- \$116 million in lost sales due to labour shortages

In 2025:

- 73,400 workers needed
- 23% of the workforce lost to retirement
- 10,600 jobs at risk of going unfilled

Unless additional sources of domestic or foreign labour can be found, this labour gap will prevent the province's vital agriculture sector from reaching its full potential.

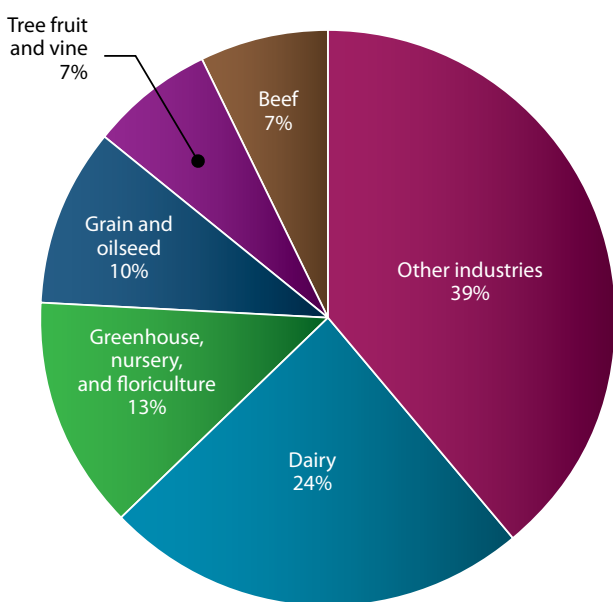


Key Agriculture Industries

Quebec's agricultural workforce is spread out over a number of industries, with 'dairy' being the largest agricultural employer in the province.

Quebec's agriculture sector produces a wide variety of products, but the 'dairy' industry is particularly prevalent, employing nearly one in four (24%) of the province's agricultural workforce. The 'greenhouse, nursery, and floriculture' industry and the 'grain and oilseed' industry are also important agricultural employers, accounting for 13% and 10% of the workforce, respectively.

Quebec's Agricultural Employment Profile



Quebec accounts for a substantial share of Canada's agricultural employment in a number of commodity areas. In 2014, the province employed 45% of the nation's 'dairy' industry workforce, with the second- and third-largest employers (Ontario at 31% and British Columbia at 7%) trailing far behind. Quebec is also the second-largest 'swine' industry employer, accounting for nearly one in four 'swine' industry workers (22%), and the third-largest sheep and goat industry employer, with 22% of the workforce employed by this province.

Production Trends

A weak production outlook for some of Quebec's key agricultural industries will dampen the demand for labour over the next decade.

With some industries experiencing a growing demand for labour and others experiencing a decline, the overall demand for agriculture workers in Quebec has remained relatively flat over the past decade.

Looking ahead to the next 10 years, a weak production outlook for Quebec's biggest agricultural employer will dampen the demand for workers. The 'dairy' industry is expected to see an average production growth of just 0.3% per year between now and 2025, which is the weakest production outlook of any industry in the agriculture sector. The 'dairy' industry's stable outlook is the result of three market factors. First, people consume less milk as they age, and Canada has an aging population. Second, milk consumption is less common among the emerging foreign markets that will drive market demand for other Canadian agricultural products. And third, milk substitutes, such as almond milk, are growing in popularity and eroding market share.

Other important agriculture industries in Quebec will see stronger production growth. The 'greenhouse, nursery, and floriculture' industry, Quebec's second-largest agricultural employer, will see production grow by 2.5% per year over the next 10 years, and its third-largest employer, the 'grain and oilseed' industry, will see production grow by 2.6% per year.



Labour Forecast

While the demand for labour in Quebec will decline, the supply of domestic workers will shrink even faster, widening the labour gap in a number of commodity areas.

With Quebec's 'dairy' industry entering a period of slower market growth, the demand for agricultural workers in Quebec is expected to diminish. The number of workers required to support the sector will decline by an average of 0.4% per year over the next 10 years, sinking from 76,800 workers in 2014 to 73,400 by 2025. This runs counter to the labour trend for the agriculture sector across Canada, which will see an overall increase of 0.5% per year in the demand for workers.

While the demand for labour will decline, the supply of domestic workers is predicted to shrink even faster, with 5,300 fewer Canadian residents available to work in Quebec's agriculture sector by 2025. This means that over the next decade, the number of jobs that can't be filled with domestic labour will increase by 1.8% per year, rising from 8,700 to 10,600. That means that by 2025, 14% of the total jobs required

RESEARCH HIGHLIGHTS

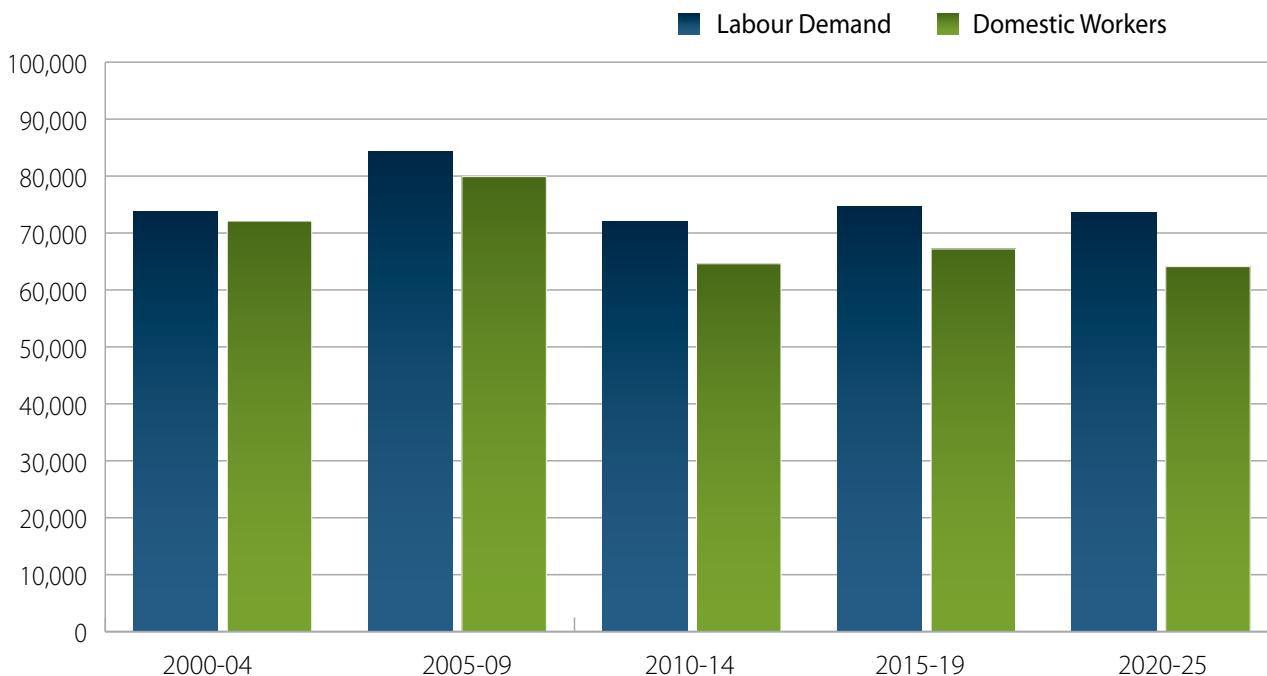
- **34%** of Quebec farmers were not able to find all the workers they needed in 2014, compared to 41% across Canada.
- **36%** of Quebec farmers expect employment at their farm to rise over the next five years, which is the lowest share of any province.

to support the industry will be at risk of remaining vacant due to a lack of domestic labour.

Quebec's 'grain and oilseed' industry is predicted to be hardest hit by labour shortages, with the number of jobs at risk rising from 450 today to 2,100 workers by 2025. This means that by 2025, nearly one in four jobs in this industry (23%) will be at risk. The province's 'greenhouse, nursery, and floriculture' industry will also be strongly affected by labour shortages, with approximately 1,600 additional jobs potentially going unfilled by 2025.

The 'dairy' industry, on the other hand, will see a surplus of workers over the forecast period. While

2000 – 2025: The Labour Gap Widens for Quebec's Agriculture Sector



there were 600 more 'dairy' jobs than domestic workers available to fill them in 2014, that trend will be reversed over the next 10 years. By 2025, there will be 2,600 more domestic workers in the 'dairy' industry than there are jobs available. Other animal-based industries, such as 'beef' and 'poultry and egg', will also see small labour surpluses during this time.

Foreign Workers

Quebec's agriculture sector has an average reliance on foreign workers compared to those of other provinces.

Quebec's agriculture sector employed 8,800 foreign workers in 2014, a number equivalent to 12% of the province's total agricultural workforce. This was on par with the national average, with only Ontario, British Columbia, and Nova Scotia employing higher percentages of foreign workers.

One factor limiting Quebec's ability to use foreign workers to address domestic labour shortages is the prevalence of the 'dairy' industry in this province. Because of the high degree of mechanization and limited seasonality that characterize this industry, foreign workers are not an ideal solution to its labour challenges. However, in some of the province's more labour-intensive and seasonal industries, such as the 'greenhouse, nursery, and floriculture' industry, foreign workers can help to manage seasonal peaks during which the need for labour increases significantly for a short period of time.

RESEARCH HIGHLIGHTS

- **24%** of Quebec farms reported employing foreign workers in 2014, compared to 34% for all of Canada.

Demographic Trends

In the coming decade, retirements and a shrinking number of young people will reduce the supply of available workers for Quebec's agriculture sector.

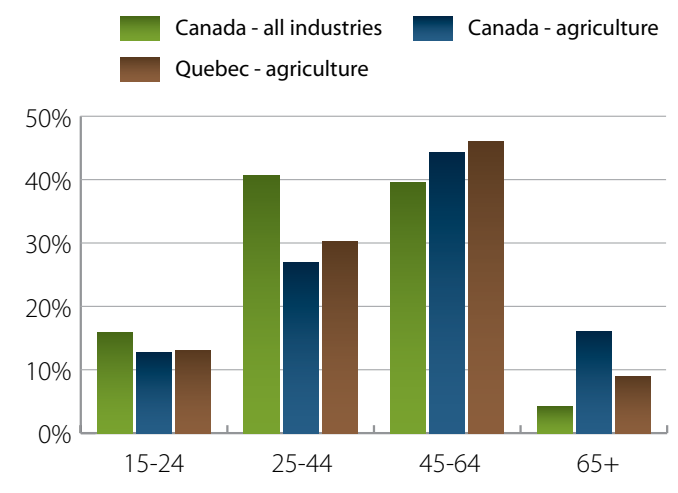
The available labour pool for Quebec's agriculture sector is expected to decline by an average of 0.7% per year between now and 2025, which is slightly slower than the national average of 0.9%.

Quebec's agricultural workforce is the youngest of any province. In 2011, only 55% were aged 45 years or older, while the national agricultural average was 60%. However, this still means its workforce is older than the average across Canadian industries, where just 44% of workers are aged 45 years or older. Between 2014 and 2025, Quebec is expected to lose nearly one in four agricultural workers (23%) to retirement.

To replace those workers, Quebec will have to look to its young people, but that demographic is shrinking. As a result, 11% fewer school graduates will be entering the agriculture sector each year over the next 10 years.

Quebec is also expected to see below-average rates of both international and interprovincial migration, which will further limit the available labour supply for agriculture.

2011 Workforce Age Distribution



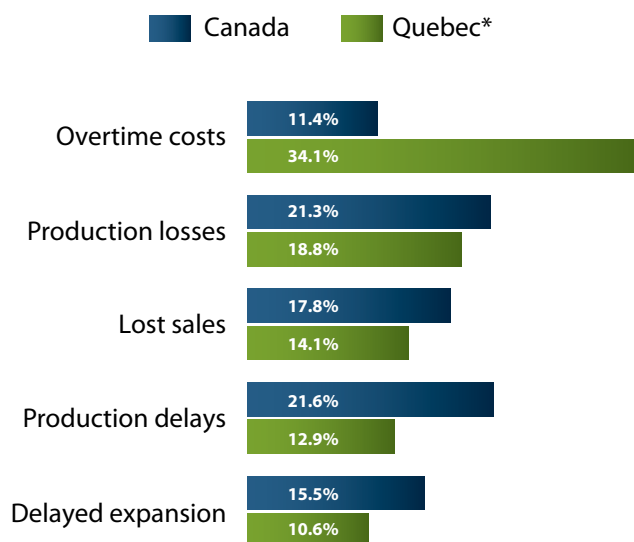
Financial Impact

Labour shortages hurt the province financially in 2014 and will continue to restrict profitability and future growth over the forecast period.

Quebec's agriculture sector was unable to fill 3,300 jobs in 2014, which is equivalent to 4% of the total workforce needed. While this is below the national average of 7%, these labour shortages resulted in sales losses of \$116 million, or 1.4% of sales, for the province. Quebec's losses were less severe than those of some other provinces because its product mix results in lower sales per worker. As a result, each unfilled vacancy has a smaller impact on sales.

Quebec's agricultural producers were also impacted by labour shortages in other ways. More than one in three producers (34%) reported overtime costs, and 19% reported production losses. More than one in 10 producers (11%) reported delayed expansion plans, suggesting that labour shortages are also likely to impede the growth potential of the province's agriculture sector.

Percentage of Quebec Producers Impacted by Labour Shortages



*Based on the responses of 37 producers in Quebec



Labour Challenges

Quebec's agriculture sector faces a number of challenges in recruiting and retaining enough workers.

The province's ability to find and retain enough agricultural workers is impeded by a lack of skills and experience in the workforce and the long and variable hours that workers are expected to keep.

Recruiting Workers

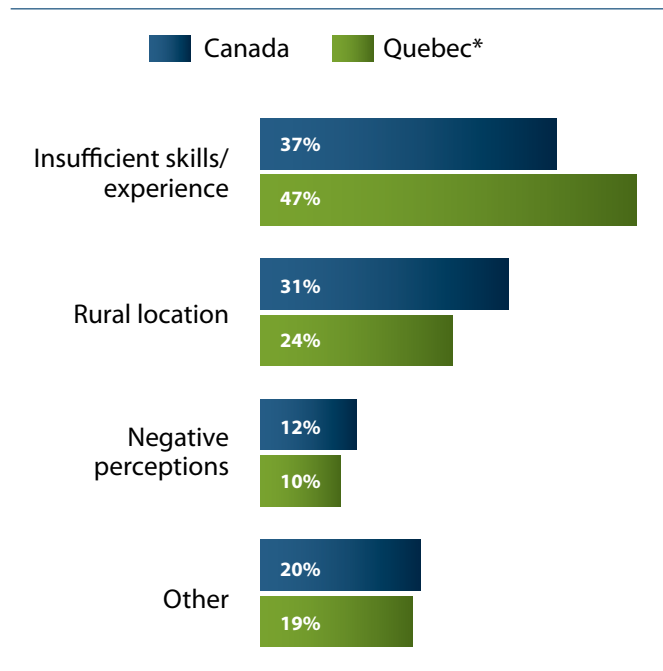
Quebec's agriculture sector is affected by many of the same recruitment issues facing the sector across the country.

However, the province is unique in a few ways. Quebec producers are much more likely to find it difficult to locate workers with enough skills and experience in their area. Nearly one in 10 producers in this province (9%), which is the highest share in Canada, suggested that job applicants lacked essential skills such as reading and problem solving.

On a positive note, producers in this province were more likely than the national average across the sector to be close to population centres of more than 100,000 people (10%, compared to 8%) or 10,000 (42%, compared to 35%). As a result, rural locations of agriculture operations and declining populations in rural areas was less of an issue for producers in this province, with only 4% citing travel times as a barrier to recruitment, compared to 11% of producers Canada-wide.



Challenges in Recruiting Workers



*Based on the responses of 101 producers in Quebec



Retaining Workers

Quebec’s agricultural producers have difficulty retaining workers. The province has above-average turnover rates, with involuntary turnover rates of 12%, compared to the national average of 7%, and voluntary turnover rates that are the second-highest in Canada at 23%, compared to the national average of 18%. The province also has very high seasonal turnover rates compared to other provinces.

The variability in hours, including seasonality and long hours in season, is one of the province’s biggest retention challenges, with 40% of producers citing it as an issue, compared to 36% of producers nationwide. Insufficient compensation is also an issue for one in five of the province’s producers (20%), compared to just 18% of producers nationwide.

On a positive note, the physical nature of the work posed less of a retention challenge, with only 15% of Quebec producers reporting it as an issue, compared to 17% of producers nationwide.

Toughest Positions to Fill

Quebec’s agriculture sector will have the most trouble filling “managers in agriculture” positions, which include both owner-operators and hired managers, and “general farm worker” positions. Together, these positions accounted for 64% of the province’s sector employment in 2014, and they will make up 65% of the jobs at risk as the labour gap widens. By 2025, there will be 5,100 “general farm worker” jobs and 3,400 “managers in agriculture” jobs in excess of the available domestic labour pool.



Conclusion

While the demand for labour in Quebec's agriculture sector will decline, the domestic workforce will shrink even faster. This will widen the labour gap and threaten the sector's profitability and growth.

A weak production outlook for one of Quebec's largest agricultural employers will limit the demand for labour over the next 10 years, but a rapidly shrinking domestic workforce is expected to create even more vacancies during this time. By 2025, there will be 5,300 fewer Canadian residents available to work in Quebec's agriculture sector, and the number of jobs that can't be filled with domestic labour will reach 10,600.

While the sales losses Quebec sustained due to labour shortages reached \$116 million in 2014, that figure will be substantially higher in the years ahead unless the province's labour challenges are addressed.

Quebec faces several challenges in meeting the labour needs of its agriculture sector:

- In 2014, nearly three-quarters of agricultural operations reported challenges in attracting young workers.
- Quebec's agricultural employers have difficulty retaining workers, with higher-than-average turnover rates for voluntary, involuntary, and seasonal turnover.
- More than three-quarters of agricultural operations (77%) reported being affected by a shortage of qualified workers, and a lack of essential skills.
- The sector has a strong reliance on foreign workers: changes to the Temporary Foreign Worker Program (TFWP) could reduce or eliminate this vital source of labour.



In terms of meeting these challenges, the province could leverage these strengths:

- Agricultural operations in this province tend to be located closer to bigger cities with larger labour pools.
- The province has the youngest agricultural workforce in Canada, which will reduce the strain of retirements on the labour pool.
- Finding ways to communicate the benefits of agricultural work to a younger demographic could help to attract more young workers.
- Assessing employers' skills expectations could help align them more closely with job requirements.
- Finding ways to improve working conditions such as seasonality and variability in hours could make agricultural jobs more attractive relative to other industries.

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



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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