



Sheep and Goat Industry

Labour Market Forecast to 2025



CANADIAN AGRICULTURAL
HUMAN RESOURCE COUNCIL
CONSEIL CANADIEN POUR LES
RESSOURCES HUMAINES EN AGRICULTURE



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Canada's agriculture sector faces unique labour market challenges in the coming years, and so will the sheep and goat industry. This report explores some of the workplace trends and realities that will shape this industry between now and 2025.



Industry Overview

The smallest employer in agriculture, the 'sheep and goat'* industry has experienced labour shortages that impeded growth. In the future, those shortages are predicted to become more acute.

The 'sheep and goat' industry includes operations that are primarily engaged in raising 'sheep and goat's and feeding or fattening lambs.

Since peaking in 2002, the number of 'sheep and goat' farms has declined steadily, and its workforce has shrunk by more than a quarter.

It is now the smallest employer in agriculture, accounting for 3,300 workers as of 2014, or 1% of the total agricultural workforce. This number included both employees and owner-operators.

The industry is primarily supported by domestic workers, with foreign workers making up just 0.1% of its workforce. This is the lowest share within agriculture.

The majority of industry workers are located in Ontario, Alberta, and Quebec, which account for 40%, 23%, and 22% of the workforce, respectively.

Despite its small size, the industry still faces difficulties in finding enough workers. In 2014, the industry had 600 unfilled vacancies, a number equivalent to 15% of the industry's total demand for labour. These labour shortages resulted in sales losses of \$8 million, or 5.4% of sales.

Over the next 10 years, the industry's labour gap is predicted to grow, as the labour force shrinks, in large part due to a high rate of retirement.

* 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'.

'Sheep and goat' industry at a glance

In 2014:

- 3,300 industry workers
- 0.1% foreign workforce
- 600 jobs left unfilled
- \$8 million in lost sales due to labour shortages

In 2025:

- 500 fewer domestic workers available
- 33% of the workforce lost to retirement
- 700+ jobs left unfilled



Production Trends

With both output levels and productivity trending upward, the 'sheep and goat' industry will be able to meet production targets with a smaller workforce.

Since 2002, the number of 'sheep and goat' farms has fallen by a quarter. However, output has increased during this time, as the industry's productivity, or the output each worker can produce, has increased by 0.5% per year, so the decline in farms hasn't negatively affected production levels.

Looking ahead to 2025, the industry's productivity will rise even higher, increasing by 2.3% per year. As a result, the demand for labour will decline by 0.6% per year during this time.

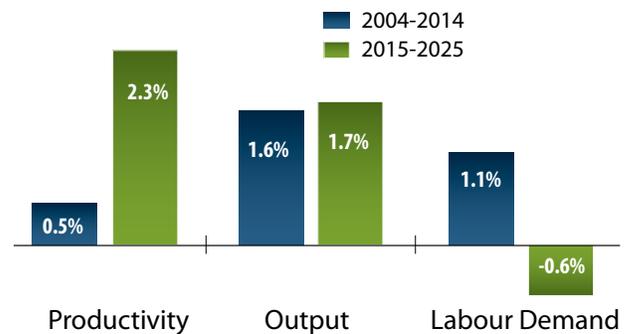


RESEARCH HIGHLIGHTS

- Only **39%** of 'sheep and goat' farmers expect employment at their farm to rise over the next five years, compared to 54% of farmers across all agriculture industries.

Productivity, Output, and Labour Demand Trends

(average annual growth)



Labour Forecast

While strong productivity will reduce the number of workers needed, the industry's shrinking labour force is predicted to widen the labour gap over the next decade.

The demand for workers in this industry is expected to decrease by 0.6% per year over the next decade. This is in part due to the rise in productivity, which enables the industry to increase output without increasing the size of the workforce. While the industry needed a total of 3,900 workers in 2014, by 2025, only 3,600 workers will be needed.

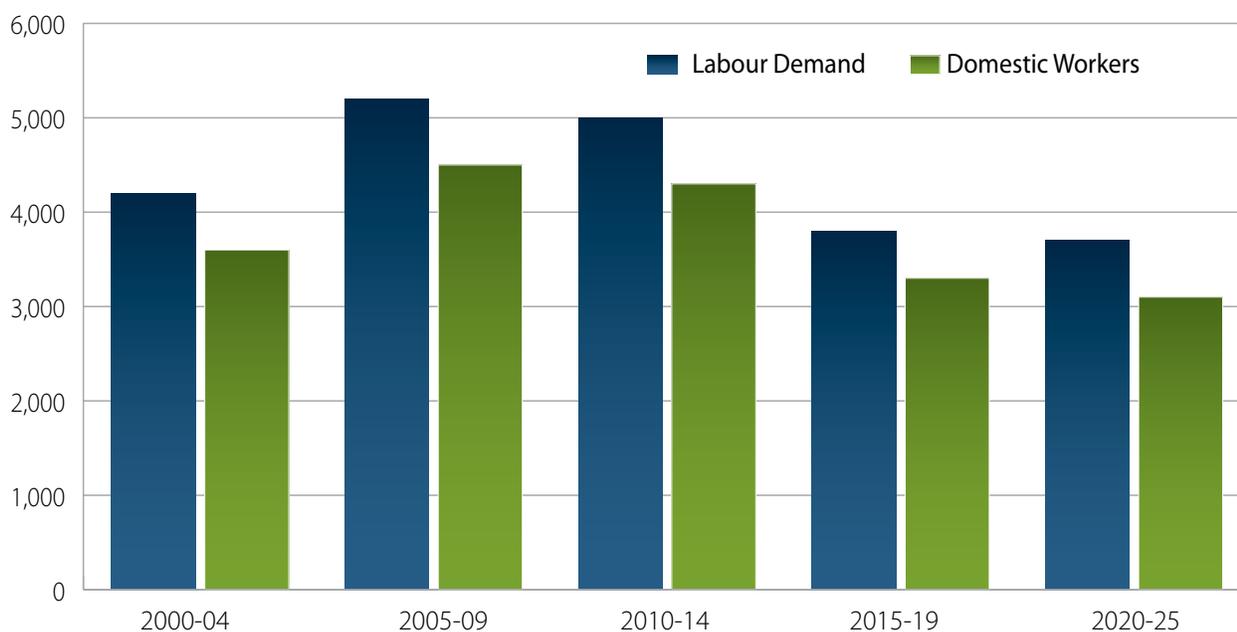
While the industry's demand for labour will decrease, the labour supply will shrink even faster, decreasing from 3,400 available workers in 2014 to 2,900 workers by 2025. A high rate of retirement for this older-than-average workforce is the main reason behind the decline.

With the supply shrinking faster than the industry's labour requirements, the labour gap for the 'sheep and goat' industry will widen to 700 workers by 2025.



Although this is a relatively small number of workers, it represents nearly one-fifth (19%) of the workforce the industry needs to maintain production targets. In other words, nearly one in five jobs is at risk of going unfilled if the industry can't find additional labour sources.

2000 – 2025: The Labour Gap Widens for the 'Sheep and Goat' Industry



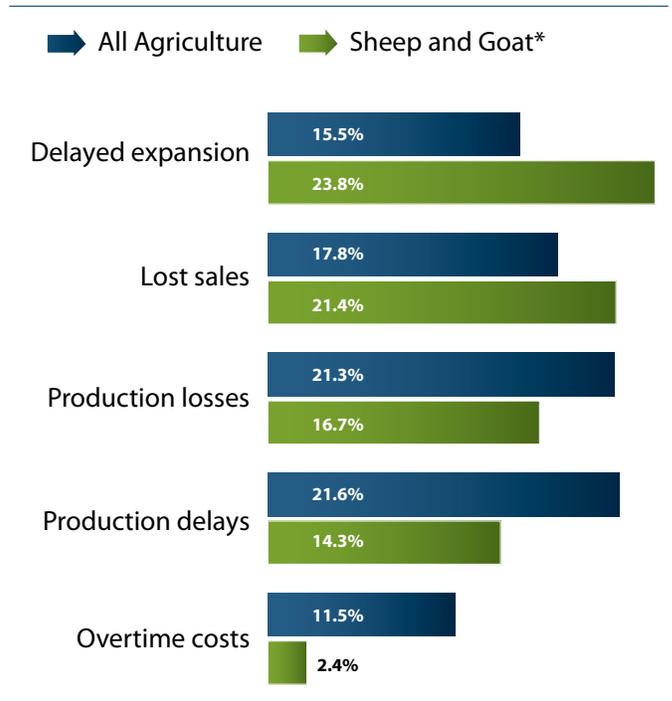
Financial Impact

In 2014, the 'sheep and goat' industry had the highest proportion of unfilled jobs compared to other agricultural industries. This labour shortfall affected sales and potential growth.

The industry was unable to fill 600 jobs in 2014, and while this was a relatively small number in absolute terms, it represented 15% of the industry's total workforce requirements and the highest proportion of unfilled jobs of any agricultural industry.

These labour shortages cost the industry \$8 million, or 5.4% of sales, which is far above the average of 2.7% across the agriculture sector. More than one in five (21%) of producers in this industry reported lost sales, which is also a higher percentage than the agriculture sector average of 18%. Labour shortages were more likely to hamper growth for this industry, with nearly one in four (24%) 'sheep and goat' farmers reporting delayed expansion plans, compared to an average of 16% on average for the sector.

Percentage of Survey Respondents Affected by Labour Shortages



*Based on the responses of 16 'sheep and goat' farmers



Labour Challenges

'Sheep and goat' farmers face specific challenges in recruiting and retaining enough workers.

The ability of this industry to find and retain enough workers is impeded in part by a lack of experience among candidates and difficulties in transporting workers to remote worksites.

Recruiting workers

The 'sheep and goat' industry is affected by many of the same recruitment issues facing the agriculture sector as a whole. However, it is more heavily affected by a lack of skills and experience in the available workforce. One in five survey respondents (20%) cited a lack of experience among candidates as an issue, which is the highest proportion of any agricultural industry.

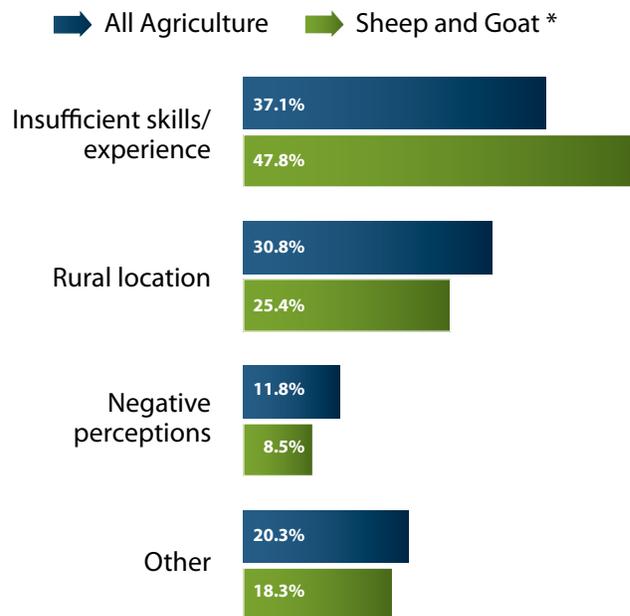
On a positive note, the industry was less likely to report that rural locations or negative industry perceptions were a barrier to recruitment.

Retaining Workers

The industry faces several unique challenges when it comes to retaining workers. Worker mobility is a much more significant retention barrier, with 16% of 'sheep and goat' farmers citing it as a challenge, compared to just 7% of all employers across the agriculture sector. In particular, transportation to and from the worksite was a key challenge.

However, work hours and compensation are less of an issue for this industry than for others in agriculture. While 36% of all agricultural employers reported that variability in hours challenged their retention efforts, only 23% cited this as an issue for 'sheep and goat' operations. Insufficient compensation was also slightly less likely to be identified as a retention challenge.

Challenges in Recruiting Workers



*Based on the responses of 30 'sheep and goat' farmers

RESEARCH HIGHLIGHTS

- **23%** of 'sheep and goat' farmers believe that the average age of workers at their farms has become somewhat or much higher over the past five years.



Conclusion

The 'sheep and goat' industry is small, but its labour challenges have a big impact on sales and growth potential. Between now and 2025, a widening labour gap could create even bigger losses unless the industry can address these issues.

The 'sheep and goat' industry will enjoy improved productivity over the next decade, and as the output per worker increases, the industry will need fewer workers to reach productivity targets.

However, the industry's labour force will shrink at an even faster rate, as 33% of the workforce will be lost to retirements over the next decade. As a result, the industry's labour gap is predicted to widen until it reaches 19% of the total workforce required. In other words, nearly one in five jobs is at risk of going unfilled by 2025. Given the impact of labour shortages on the industry's sales and expansion plans in 2014, the widening labour gap could be particularly devastating.

To increase its workforce, the industry will need to overcome a number of challenges:

- There is a lack of skills and experience among job candidates.
- Producers report difficulties in transporting workers to and from remote worksites.
- The industry will have a high rate of attrition through retirements.

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

- Variability in hours and insufficient compensation are less of a retention issue.
- Training could address the lack of skills and experience, which is the industry's biggest recruitment issue.
- Negative industry perceptions are less of a barrier to recruitment for this industry.

Finding solutions and increasing the pool of available domestic workers will ensure that the industry can mitigate the widening labour gap and reach its full potential in the coming years.



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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