



Beef Industry Forecast to 2025

The third-largest agricultural employer in Canada, the 'beef'* industry faces a growing demand for its products. However, a dwindling supply of workers will put the industry's growth potential at risk over the next decade.

Industry Overview

The 'beef' industry, which includes operations that primarily raise and finish cattle, including feedlots, employs 40,900 people, which is equivalent to 11% of the agriculture workforce.

The industry is primarily supported by domestic workers, with foreign workers accounting for only 0.7% of the workforce.

The Prairies are home to more than half of the industry's workforce, with Alberta alone accounting for 35% of all 'beef' workers. More than one in five agriculture workers in Alberta (21 %) are employed by the 'beef' industry. Ontario is also a significant

* 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'.

'beef'-industry employer, accounting for another 20% of industry workers.

Over the past decade, a decline in the number of 'beef' farms has slowed the industry's output and reduced the demand for labour by about 25%. Despite this reduction in the size of the workforce required, the 'beef' industry was unable to fill 3,500 jobs with the available domestic labour in 2014, which resulted in significant sales losses.

Looking ahead to 2025, the shortage of labour is predicted to become more acute, with 12,500 jobs potentially going unfilled because of the scarcity of domestic labour. This means that more than one in four jobs (27%) may go unfilled unless additional domestic or foreign workers can be found.

In 2014, the 'beef' industry employed 40,900 people.

The industry was unable to fill 3,500 jobs, which cost it \$141 million.

By 2025, the labour gap could reach 12,500, resulting in significantly more jobs going unfilled.



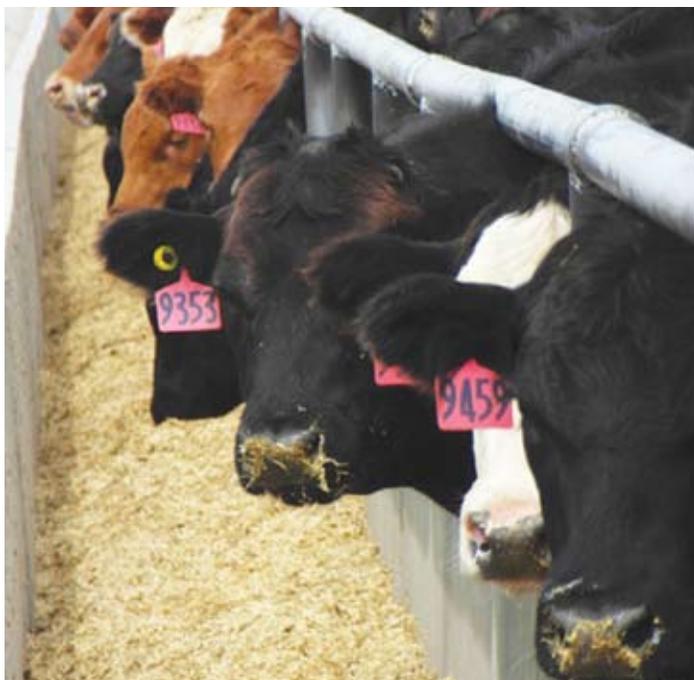
Labour Trends 2004–2014

The 'beef' industry has shrunk considerably over the past decade, as many operators shifted away from 'beef' production to a specialization in grains and oilseeds. Between 2005 and 2013, the number of 'beef' farms in Canada declined by one-third, from 63,000 to 42,000 farms. Industry output also fell 1.1% per year during this time.

With the number of farms dwindling and the industry's output falling, the number of workers required to support the industry also fell. Between 2004 and 2014, the demand for labour fell by an average of 2.6% per year. This was the steepest decline in labour requirements of any agriculture industry.

As the 'beef' industry diminished, so did the industry's domestic labour supply. Over the past two decades, the number of domestic 'beef' workers has shrunk by more than half.

Despite the industry's reduced need for labour, 'beef' producers were still unable to find enough workers to fill the available jobs. In 2014, the industry was unable to fill 3,500 jobs due to a lack of domestic workers, and these labour shortages cost the industry \$141 million in lost sales.



In 2014, labour shortages cost the 'beef' industry an estimated \$141 million, or 1.8% of sales.

When 'beef' producers were surveyed about the impact of labour shortages:

- **42%** reported a shortage of workers
- **35%** reported lost sales
- **21%** reported delaying or cancelling expansion plans

Industry Forecast to 2025

While the 'beef' industry has experienced a period of decline, a rising demand for animal protein in emerging markets is expected to return this industry to a path to growth over the forecast period. Between 2014 and 2025, the 'beef' industry's output is predicted to grow by an average of 2.5% per year.

As a result of the growing market demand for 'beef' products, the demand for labour will also grow by an average of 0.5% per year over the next decade. However, the domestic labour pool is predicted to shrink, and the industry will lose 700 workers per year between now and 2025. An older-than-average workforce and a large number of retirements are the main reason for this shrinkage: over the next 10 years, nearly one in three domestic workers in the 'beef' industry (32%) is expected to retire. This is well above the agricultural average of 27%.

The combination of a stronger labour demand and a shrinking domestic workforce will result in a widening gap between the industry's labour needs and the number of workers available. By 2025, 12,500 jobs could go unfilled due to a lack of domestic labour. That number is equivalent to 27% of the total workforce required to support the industry; in other words, more than one in four jobs are at risk of going unfilled. The inability to fill this many jobs could seriously impede the industry's ability to meet production targets and reach its growth potential.

Meeting the Challenge

After years of decline, the 'beef' industry is entering a period of rapid growth as the demand for animal protein in emerging markets increases.

Despite this strong outlook, the lack of available domestic workers could prevent the industry from taking advantage of its growth potential. In 2014, the industry was unable to fill 3,500 jobs, which resulted in lost sales of \$141 million. Over the next decade, the industry's labour gap is expected to widen even further. By 2025, there could be 12,500 more jobs than available domestic workers. If the 'beef' industry can't find ways to enhance recruitment and retention, this gap will hamper the industry's ability to continue growing.

However, to grow its domestic labour force, the industry will need to overcome a number of key challenges.

- The 'beef' sector is concentrated in the Prairies, where competition for workers in the oil and gas sector is the most intense.
- This industry has an older-than-average workforce, which means it will lose workers to retirement at a more rapid rate.
- Close to one-third of 'beef' producers surveyed identified finding workers with the necessary qualifications and experience as a top challenge.



The 'beef' industry could potentially benefit from several unique strengths:

- Below-average seasonality and variability in hours create a more stable, attractive workplace.
- 'Beef' producers report fewer negative perceptions about their industry.
- The work is less physical than the average for jobs in agriculture.

Finding ways to leverage these strengths and address labour-force issues will enable the 'beef' industry to take full advantage of the considerable opportunities the next 10 years will bring.

For more information on production trends and labour market challenges for the 'beef' industry, please refer to the accompanying report available at www.AgriLMI.ca.

About This Fact Sheet

The data cited in this fact sheet is based on the results of a three-year study that examined the labour market in Canada's agriculture sector. Information was collected by modelling labour demand and supply by province, commodity, and occupation; conducting a survey of and interviews with more than 1,000 sector stakeholders; and validating the results through focus groups and webinars. To read the accompanying report, or to access additional provincial, commodity, or national fact sheets and reports, please visit www.AgriLMI.ca.

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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