



Agriculture Forecast to 2029

How Labour Challenges Will Shape the Future of the 'Dairy' Industry

The 'dairy'* industry is a significant agriculture employer. A saturated domestic 'dairy' market and limited exposure to foreign markets will result in stable industry growth over the next 10 years.

Industry Overview

The 'dairy' industry includes operations that primarily engage in milking 'dairy' cattle. While the 'dairy' industry has shed around one third of its workers since 2007, it is still a significant agriculture employer, employing 32,200 workers, or 9% of the total agricultural labour force, as of 2017.

Unlike industries with more seasonally dependent products, the 'dairy' industry has a consistent need for workers throughout all seasons. As a result, the industry is predominantly made up of domestic

workers, with foreign workers accounting for only 1.6% of the workforce. This is below the average of 17% across the entire agriculture sector.

Canada's 'dairy' industry is geographically concentrated, with Ontario and Quebec accounting for just under four-fifths of the industry's workforce.

Trends towards improved farm productivity and limited market demand for 'dairy' products have resulted in a decline in the number of workers needed to service the industry. Since 2007, labour demand in the 'dairy' industry has declined by an average of 2.9% per year. Despite this reduction in the size of the workforce required, the 'dairy' industry was unable to fill 1,200 jobs with the available domestic labour in 2017, costing the industry \$148 million in lost sales.

* 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'.

In 2017, the 'dairy' industry employed 32,200 people.

The industry was unable to fill **1,200 jobs**, which cost the industry **\$148 million**, or **2.2%** of sales.

By 2029, the industry will be unable to fill **1,000 jobs** with the available pool of domestic workers.

While the 'dairy' industry's domestic labour supply will shrink in the coming years, a combination of limited exposure to growing foreign markets, stagnant domestic demand, and continued healthy productivity gains means that demand for labour will fall marginally faster. As a result, the industry's labour gap will shrink to 1,000 workers by 2029, equivalent to only 3% of demand, and the 'dairy' industry will have the most balanced labour market in the agriculture sector.

Labour Forecast

While agriculture faces significant labour challenges over the next decade, 'dairy' producers are forecast to have the most balanced labour market of any industry within the sector.

Over the forecast period, the number of workers required by the 'dairy' industry is expected to fall from 33,400 in 2017 to 30,200, a decline of 0.8% per year. During the same time, the



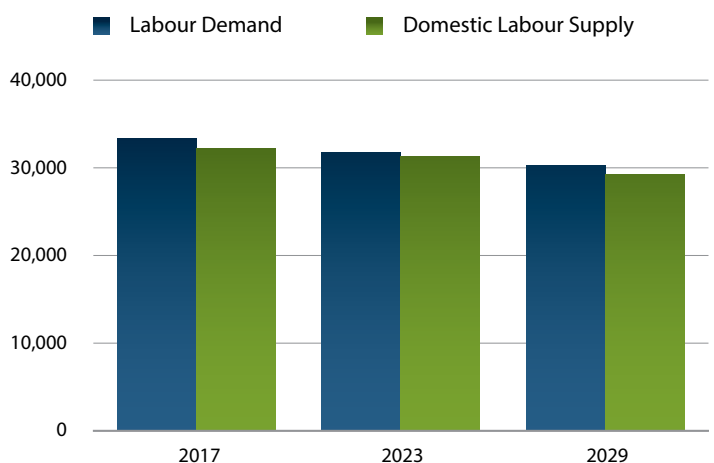
domestic supply of labour is also expected to fall from 32,200 workers to 29,200. As a result, the number of 'dairy'-farm jobs that can't be filled by the domestic labour supply is expected to shrink to 1,000 by 2029. In other words, to reach its production potential in 2029, the industry will need to find 1,000 more workers than will be domestically available.

While the labour market forecast for the 'dairy' industry as a whole is comparatively stable, the number of available workers will vary widely from region to region. For example, by 2029, Ontario will need 660 more workers than are available in that province. At the opposite end of the spectrum, Prince Edward Island, will have a labour surplus of 260 workers in 2029.

Quebec, the industry's largest employer, will have a balanced labour market, requiring 330 more workers than are available in that province. This number is equivalent to 2% of the total labour force needed by the province's 'dairy' industry.

From an occupational perspective, the 'dairy' industry will have the most trouble filling managers in agriculture jobs, including owner-operators and employed farm managers. Indeed, by 2029, 1,500 managers in agriculture jobs are predicted to go unfilled due to a lack of qualified domestic workers. In contrast, other jobs in 'dairy', including specialized livestock workers, general farm workers, and all other occupations, are expected to have a surplus of workers available by 2029.

The Labour Gap Moderates for the 'Dairy' Industry



Based on our 2018 survey of the industry's employers:

- 42% could not find enough workers;
- 23% of employers who experienced labour shortages lost sales as a result;
- 37% reported zero Canadian job applicants for job postings.

Meeting the Challenge

The 'dairy' industry's stable production outlook is expected to decrease the need for more workers between now and 2029. As a result, this industry is not as vulnerable to the labour issues other agricultural industries will face in the coming years. In fact, 'dairy' will have the most balanced labour market in the agriculture sector. The industry also benefits from low seasonality and lower-than-average turnover and retirement rates.

However, the industry will still face labour challenges:

- Long hours on the job and the associated overtime costs could make it difficult for employers to retain workers and manage labour costs.
- People with the right skills and experience will remain in short supply, with more formal training potentially required to address the issue.
- Regional variability in the labour force suggests that significant labour shortages will affect certain provinces, particularly Alberta, and Saskatchewan.

Overcoming these labour challenges will ensure that the 'dairy' industry, one of agriculture's most significant employers, will continue to thrive in the years to come.

To read the accompanying report, or to access additional provincial, commodity, or national fact sheets and reports, please visit www.AgrILMI.ca.



About This Fact Sheet

The data cited in this fact sheet is based on an update to the Labour Market Information (LMI) study that the Canadian Agricultural Human Resource Council (CAHRC) undertook between 2014 and 2016. Information was collected by modelling labour demand and supply by province, commodity, and occupation; conducting a survey of more than 1,700 sector stakeholders; and validating the results through webinars as well as an advisory group presentation.

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.AgriLMI.ca.

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