

## Labour

### Background

In 2014, Alberta's agriculture and agri-food industry employed over 86,000 people and contributed \$6.3 billion to provincial GDP. Alberta's most important agriculture commodity and value-added agri-food product is beef. In 2014, cattle and calves generated \$4.8 billion in farm cash receipts—75% of all livestock receipts and 37% of the provincial total. Almost 50% of the national beef herd is held in Alberta. The province is also responsible for 70% of Canada's fed cattle production and 60% of its total beef production. In 2014, over 2.2 million head were processed in Alberta, yielding 772,000 tonnes of beef.

Despite its economic importance, agriculture and agri-food is challenged with a severe and chronic labour shortage, including a perennial shortage in Alberta's cattle feeding operations. This is affecting current levels of production, challenging ongoing viability of the sector, and detracting from international competitiveness. Labour shortages also limit the potential for future growth and expansion, and are causing missed market opportunities.

The labour difficulties are particularly pronounced in the province's meat processing facilities. An insufficient workforce here is resulting in a slower line speed and an inability to capture full carcass value (e.g., international demand for organ meats and offals are not being supplied due to insufficient processing capacity). Such problems have a ripple effect, creating logistical difficulties and inefficiencies as cattle back-up across the beef production chain. A shortage of labour also has animal welfare implications—cattle are a perishable commodity that require care 24 hours a day, 7 days a week, 365 days a year.

Attracting labour to agriculture and agri-food has always been difficult. Agricultural work is hard, the hours are long, and the weather is harsh. The difficult nature of the work is compounded by competition from other industries and a steady decline in the relative size of the rural population. Between the 2006 and 2011 census, Alberta's urban population grew by 12.2% but the rural population grew by only 4.1%. In 1956, almost 45% of all Albertans lived in a rural area. By 2011, that figure had fallen to less than 17%. Alberta's farm population has also been continually declining. There is little evidence to suggest that these demographic trends will reverse.

As result, the agriculture and agri-food industry has employed temporary foreign workers to augment the Canadian workforce. However, recent and ongoing changes to the federal *Temporary Foreign Worker Program (TFWP)* have made this option more difficult, especially for agri-food processors and meat packers. (ACFA successfully lobbied to have feedlots defined as primary agriculture, which exempted the sector from some of the changes.)

### Guiding Principle

ACFA believes that labour shortages are the single largest issue facing agriculture and agri-food in Alberta today, and the biggest operational challenge facing Alberta's cattle feeders. As such, our goal is to secure improved access to an adequate pool of knowledgeable, skilled, and reliable labour for Alberta's beef industry. Achieving this goal is a prerequisite to increasing beef production, growing and expanding the industry, and meeting current demand and future export opportunities. An enlarged labour pool will result in more successful recruitment, higher rates of retention, less turn-over, and cost savings in human resources management. Sufficient staff on feeding operations is also required to enhance farm safety, as under-staffing increases the risk of accidents.

### Position

Agriculture's labour challenges are a long-standing problem with immediate short-term consequences. Historically, there has always been a 10% job vacancy rate in agriculture and agri-food processing when averaged across the industry. This figure is almost certainly higher today. Farms in Canada are currently unable to fill 52,000 vacant positions, and there are 800 to 1,000 vacancies in Canadian meat processing and packing facilities. Furthermore, the labour shortages facing agriculture are likely to worsen as Canada's population continues to age. Not only must the immediate labour challenge be met, but the long-term drivers of the problem must be addressed as well. ACFA believes that an appropriate policy response speaks to the short-term and the long-term.

In the short-term, ACFA believes that Canadian workers should always be given first priority when filling job vacancies, and ACFA members commit themselves to actively and diligently recruiting Canadians. However, when cattle feeders are unable to meet their labour requirements from the Canadian workforce they must have other avenues such as the *Temporary Foreign Worker Program (TFWP)*. Cattle feeders use these programs as a backstop measure to augment the Canadian workforce, not replace it. In addition, ACFA supports the reforming of federal and provincial labour programming to ensure that agriculture has sufficient access to workers. ACFA believes the best answer would be a dedicated federal and provincial workforce program specifically designed for agriculture and agri-food processing.

While improved access to foreign workers can help address urgent short-term needs, reliance on a temporary workforce is not a sustainable solution across the long-term. As such, ACFA supports cattle feeders working to transition successful temporary foreign workers into permanent residents as soon as possible through the *Alberta Immigrant Nominee Program (AINP)* and other avenues as appropriate. Due to recent backlogs in the AINP, and the inordinate length of time required for applications to be approved—anywhere from one to two years—ACFA believes that changes to the AINP should be made that will make the program more responsive and efficient.

ACFA believes that permanent immigration is the most effective solution across the long-term, and supports a system where foreign workers can be brought to Canada and placed on a pathway to permanent residency and citizenship. This reflects a long-standing and historical practice in Canada, with agriculture serving as the critical gateway into the country. Agriculture served as the primary gateway during the settlement of western Canada in the early 1900s, and again during a wave of in-migration following the end of WWII. ACFA supports an improved pathway to permanent residency for successful agriculture and agri-food workers. This also provides critical support for the province's rural communities.

Finally, ACFA supports the *Canadian Agriculture and Agri-Food Workforce Action Plan* and its suite of recommendations. ACFA urges federal and provincial policy-makers to adopt and implement the plan's recommendations. The plan calls for: 1) Steps to increase the supply of labour, which includes domestic workers augmented by temporary, foreign, and seasonal labour; 2) Connecting potential employees and employers through a job resource library and career promotion tools; 3) Improving the knowledge and skills of agricultural workers through training and learning resources.

#### **Actions:**

- ACFA will advocate for the recommendations of the *Workforce Action Plan* and actively partner with provincial and national organizations to advance the issue. Partners include the Canadian Agricultural Human Resource Council (CAHRC), the Canadian Meat Council (CMC), and the Agricultural Industry Labour Council of Alberta (AILCA).
- ACFA will advocate for new programs to address both the short and long-term labour needs of agriculture and agri-food processing. ACFA will also emphasize that national labour programs must be regionally sensitive and effectively respond to regional labour needs and requirements.
- ACFA will advocate for monitoring and review of federal and provincial labour programs, such as the TFWP, AINP, and the new Express Entry category to ensure they are serving agriculture's labour needs, and advocate for reform where needed.
- ACFA will press the point with federal and provincial policy-makers that agriculture must be engaged when new labour programs are devised or existing programs changed. This is particularly the case with the federal departments of Service Canada, Citizenship and Immigration Canada, and Employment and Social Development Canada.
- ACFA will design and implement an effective recruitment strategy, along with related services, to help its members access and recruit labour.
- In its communications on labour issues, ACFA will press the point to policy-makers and the public that agriculture is a unique industry that has always depended to some degree on foreign workers (e.g., the Seasonal Agricultural Workers' Program) and has served as a beneficial gateway for immigration into Canada.
- ACFA will work with secondary and post-secondary educational institutions to increase enrolment in agricultural-related programming, and continue providing incentives through such as the *Dargis Memorial Award* at Olds College.

#### **Key Messages**

- *Alberta's agriculture and agri-food industry employs over 86,000 people and contributes over \$6 billion to provincial GDP. Despite its economic importance, the industry is challenged with a severe and chronic labour shortage.*
- *This labour shortage is affecting current levels of production, detracting from international competitiveness, and limiting the potential for future growth and expansion.*
- *ACFA calls on the federal and provincial government to implement the recommendations of the Canadian Agriculture and Agri-Food Workforce Action Plan to answer agriculture's immediate short-term needs and to address the long-term drivers of the labour challenge.*

Approved by the Board on: November 19, 2015

Subject to Review by: November 19, 2017