



# Canada's Dairy Sector

## National Summary

**Food Processing Skills Canada**

# Labour Market Information

This project was funded by the Government of Canada's Sectoral Initiatives Program.

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ISBN: 978-1-998594-20-7

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This project is funded by the  
Government of Canada's Sector Initiative Program.



# Food Processing Skills Canada

**FPSC** is your labour, skills and workforce development non-profit organization. Our job is to provide leadership in professionalizing the food and beverage manufacturing industry so that the most important resource - people - are the best in the world. We have developed a national skills strategy which is a proven long-term approach successfully utilized by other Canadian professional sectors. This strategy builds collaborations with industry, government, academia, unions, associations, community organizations and other stakeholders.

# DAIRY

## INTRODUCTION:

**Dairy Processing is a very important part of the Canadian economy, being the third largest food processing industry in Canada and the largest in Quebec.** Dairy Processing consists of milk, cheese, yogurt and other dairy products as well as ice cream and frozen desserts. Small-medium enterprises (SMEs: establishments with fewer than 500 employees) make up more than 95% of the Canadian Dairy Processing Industry, and more than 24,000 workers

were employed in a variety of roles across the country in 2021. In 2020, import-export dynamics in the Dairy Processing Industry were valued at approximately \$1.4 billion, with a negative trade balance of \$471 million as imported products represented \$486 million while exported products were valued at \$957 million. This trade balance has shrunk since 2015 as Canada's dairy exports have increased approximately 130% and imports have decreased by approximately 5%.

## LABOUR:

FPSC recognized the need to better measure the labour market in specific sectors and regions, and developed a unique measure called Labour Market Tightness. This is a measure calculated by estimating labour requirements in other sectors and subtracting those requirements from the estimated labour needs for the Dairy Industry to reveal the substantial challenges facing this industry now and into the future.

In terms of labour market tightness, the dairy processing industry has experienced ups and downs prior to 2020 and leading up to the pandemic onset. These ups and downs were reflected in employers having difficulties when it came to the recruitment and retention of employees for various positions (management, administration, entry-level labourers, among others). Post 2020 until 2024, the outlook for the dairy industry labour market tightness will be lower compared to all other industries, but labour market tightness will return in 2028 with recruitment challenges predominantly expected to rise for occupations and roles related to management, logistics, drivers, and some technician positions.

### Reading the Rankings

Labour markets have tightened significantly in recent years and what were previously periodic recruitment challenges have now become permanent challenges faced by employers in all sectors of the economy. Given this reality, the ranks are intended to be interpreted in relation to recruitment and retention conditions experienced over the previous five years. The analysis of labour market tightness uses a relative ranking system:

**Rank of 1 – recruitment/retention less challenging than previous years**

**Rank of 2 - recruitment/retention present comparable challenges to previous years**

**Rank of 3 - recruitment/retention more challenging than previous years**

(See the chart titled 'Labour Market Tightness by Occupation' on the following page.)





## Labour Market Tightness by Occupation

Occupation Type	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Management, Finance, Sales, and Administration</b>									
Management									
Administrative									
Sales									
Logistics									
Information Systems									
<b>Entry-level Labourers</b>									
Labourers									
<b>Other</b>									
<b>Product Development and Quality Control</b>									
Technical Occupations in Physical Sciences									
Technical Occupations in Life Sciences									
Other Technical Occupations									
<b>skilled/Semi-Skilled</b>									
Managers									
Operators									
<b>Trades</b>									
Drivers									
Material Handlers									
Other Trades									
<b>Total</b>									

Rank of 1 – recruitment/retention less challenging than previous years

Rank of 2 – recruitment/retention present comparable challenges to previous years

Rank of 3 – recruitment/retention more challenging than previous years

## GEOGRAPHY AND DEMOGRAPHICS:

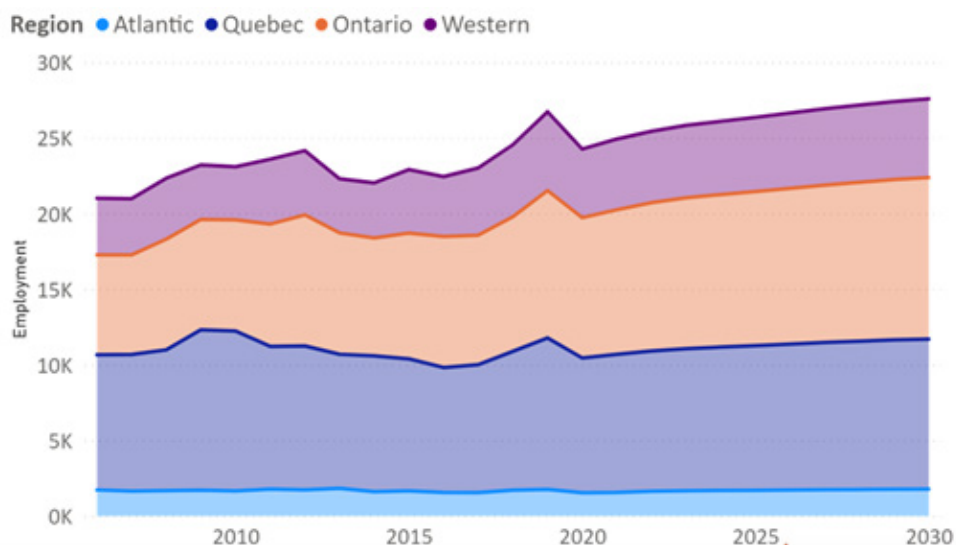
Geographically, most dairy processing establishments are conglomerated in Quebec and Ontario - with more than 70% of businesses located in these provinces. Dairy processing plants generally tend to be located close to where farm milk production is concentrated, while product manufacturers

focused on longer shelf life tend to be closer to the raw milk supply. Demographically, Quebec and Ontario also accounted for approximately 75% of workers in the Dairy Processing Industry in 2021.

The dairy processing workforce is relatively spread out when it comes to age. Approximately one half of the workforce is aged 45 years or older while the other half is under the age of 45. At the same time, the majority of workers in the Dairy Processing Sector are male as they represent two-thirds of the industry. However, there is a proportionally larger group of females (40%) amongst the group of 15 to 24 year olds when compared to the other age groups. 7% of paid positions are reported to be filled by recent immigrants, while indigenous workers and persons with disabilities represent 1% and 2% of the workforce industry respectively.

Employment in the Dairy Processing Industry is projected to rise by 11% between 2021 and 2030 - This would mean an additional 2,657 jobs across the industry. Across Canada, the leading regions are those with the largest dairy processing industries: Ontario and Quebec. Ontario is expected to add 1,120 jobs by 2030 while Quebec is expected to add 786 jobs in the same period. When it comes to relative employment growth, Atlantic Canada is expected to rise to the occasion with a 14% growth margin to be seen by 2030 making it the fastest growing region across the country.

### Dairy Processing Employment 2005-2030



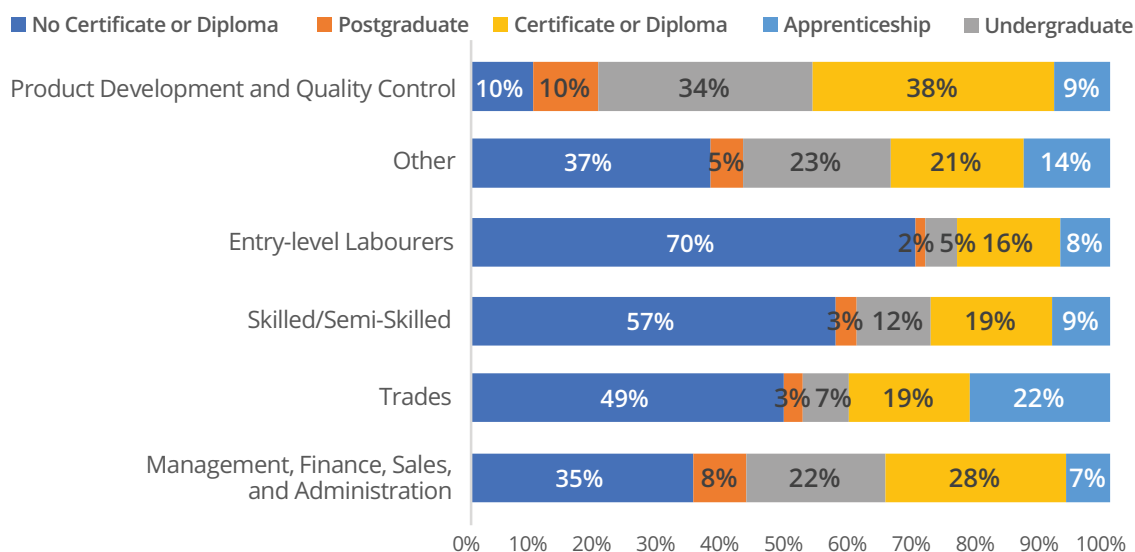
## SKILLS AND TRAINING:

Most employees are entry level labourers when it comes to the Dairy Processing Industry, but they also represent the highest number of current vacancies and new hires. The groups that follow entry level labourers regarding demand and vacancies in the industry are management and administration, as well as skilled/semi-skilled operators and quality control technicians.

Occupations in the Dairy Processing Industry are incredibly diverse, with jobs in the industry ranging from equipment operators and laboratory technicians to marketing professionals and policy analysts. Such variety in occupations is coupled with the wide range of skill levels and experience requirements needed to excel at any of the positions available within the sector. Skill levels range from basic experience and foundational skills needed to work in the industry (entry-level workers) to specific industry-related experience as well as different post-secondary requirements (management and executive leadership).

Post secondary education has appeared to go on-par with the occupations across the Dairy Processing Industry. According to our study, entry-level labourers are the least likely to have post-secondary education (30%). Sequentially, the groups that follow are skilled/semi-skilled workers (43%), management and administration (65%), and product development and quality control (90%).

### Education Credentials by Occupation Type



Although the Dairy Processing Industry is expected to see a demand of approximately 2,600 new workers by 2030, the total demand of new employees during this period will be significantly higher due to the large number of replacement employees required for the sector. This comes as a result of workers retiring during this period, effectively creating a total demand of 9,317 replacements needed in the dairy processing industry.

In terms of labour supply, the overall proportion of labour supply made up of youth entrants is expected to decrease in all regions between 2010 and 2030 for the Dairy Processing Industry. The largest drop will be seen in Quebec where the labour supply will decrease from 500 in 2010 to approximately 200 by 2030. As a result, the industry is likely going to seek out and recruit employees from other labour supply sources such as immigration and other sectors, while relying less on youth entrants to meet labour demand.



## TECHNOLOGY:

Product innovation and technological advancements are at the heart of the Food Processing Industry, and the Dairy Processing sector is not one to trail behind when it comes to these areas. With approximately 52% of employers reporting moderate to higher levels of investments in automation and digitization of production processes, it is clear that automation and mechanization are acknowledged sources of differentiation and competitiveness.

## CONCLUSION

Due to the anticipated hiring requirements for the projected industry growth, and the proportion of current members of the workforce who are at or near the age of retirement, The Canadian Dairy Processing Industry can be seen at a crossroad when it comes to attracting the number of qualified and skilled workers needed to meet such demands. An array of recommendations has been made based on the results of our labour market information study, combined with overall trends and challenges that the food processing industry is addressing more broadly in the upcoming decade. Such recommendations vary from shifting industry perceptions to promote careers and job opportunities in the Dairy Industry, to building skills and knowledge through commitments to continuous learning where professional development is valued and encouraged across the industry.

**The Canadian Dairy Processing Industry can be seen at a crossroad when it comes to attracting the number of qualified and skilled workers needed to meet such demands.**





# SECURING CANADA'S **DAIRY** WORKFORCE

Real Challenges. Practical Solutions.  
Fresh Perspectives.



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