



How Labour Challenges Will Shape the Future of Agriculture in British Columbia: *Agriculture Forecast to 2029*



Across Canada, the agriculture sector will face unique labour market challenges in the coming years. This report explores the ways in which those challenges will impact the province of British Columbia between now and 2029.



Provincial Overview

A significant employer with a bright production outlook, British Columbia's agriculture sector faced a costly labour gap in 2018, and that gap is expected to widen over the next decade.

British Columbia's agriculture sector employed 46,300 people, which is 13% of Canada's agricultural workforce. Nearly half of these workers (47%) are concentrated in the 'tree fruit and vine'* industry and the 'greenhouse, nursery, and floriculture' industry.

The province is home to very high concentrations of workers in the 'tree fruit and vine' industry and the 'aquaculture' industry, accounting for 42% and 46% of the total workforce, respectively, for these industries.

Over the past decade, British Columbia's agriculture sector saw a shift from animal to crop production as well as a decline in the size of the workforce.

Since reaching a peak of 47,500 workers in 2008, the workforce shrank to 37,800 in 2011, before gradually recovering to a current 46,300 workers.

British Columbia's agriculture sector trails only Ontario and Nova Scotia in its reliance on foreign workers: 23% of the province's workforce is foreign workers.



*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'.

British Columbia's agriculture sector at a glance

In 2017:

- 46,283 people employed
- 23% foreign workforce
- 3,100 jobs left unfilled
- 216 million in lost sales due to labour shortages

In 2029:

- 51,500 workers needed
- 33% of the workforce lost to retirement
- 15,200 jobs at risk of going unfilled

In 2017, the province was unable to find enough workers and 3,100 jobs went unfilled as a result of labour shortages. Those shortages resulted in production losses and delays, as well as \$216 million in lost sales.

Looking to the future, British Columbia's labour gap is predicted to widen even further, with an estimated 15,200 jobs going unfilled by 2029.

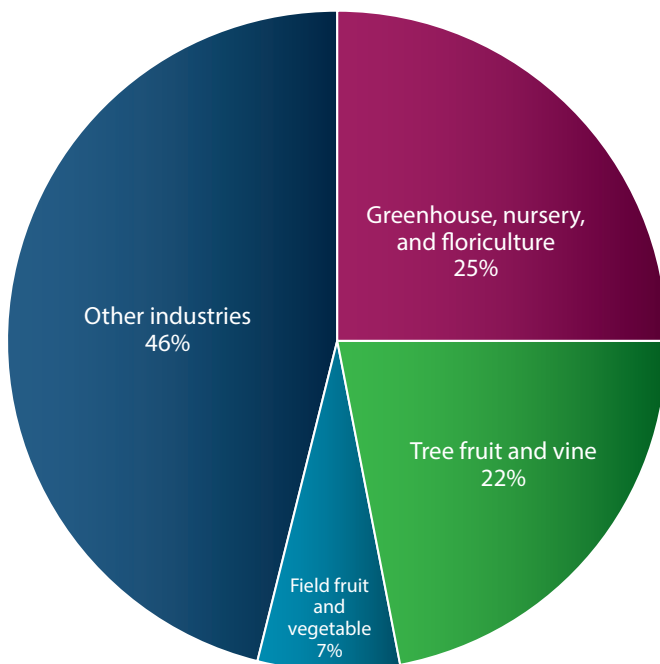


Key Agricultural Industries

British Columbia accounts for a considerable share of Canada’s agricultural employment. In 2017, the province employed the highest share of workers in two of the country’s agriculture industries—‘tree fruit and vine’; and ‘aquaculture’. British Columbia was also the second-largest employer of the country’s ‘greenhouse, nursery, and floriculture’ workers.

Within the province, British Columbia’s agricultural employment is concentrated in horticulture. Combined, the ‘field fruit and vegetable’, ‘tree fruit and vine’, and ‘greenhouse, nursery, and floriculture’ industries account for one in two workers within the province’s agriculture sector. Other important employers include ‘beef, and ‘poultry and egg’, each accounting for a respective 6% of workers.

British Columbia’s Agricultural Employment Profile



Production Trends

After experiencing weak growth in labour demand since 2007, rising production levels over the next decade will boost the demand for labour across the province.

Beginning in 1997, the agriculture sector in British Columbia and the rest of Canada began to see farms consolidate into a smaller number of larger farms. Because larger farms tend to support higher production levels per worker, the number of workers required to service the sector declined. At the same time, horticultural industries face challenges in mechanizing jobs which offset some of the losses associated with farm consolidation. All in all, labour demand in British Columbia’s agricultural sector grew by a meagre 0.2% per year between 2007 and 2017.

However, in the decade ahead, British Columbia’s agriculture sector faces a bright production outlook which will lift labour demand going forward. For example, the ‘tree fruit and vine’ industry, which is the province’s second-largest agricultural employer, is predicted to see production grow by 2.5% per year between now and 2029, and the ‘aquaculture’ industry is forecast to see growth of 3.9% per year, which is the strongest of any agriculture industry.

While a rise in productivity, which is the output each worker can produce, will reduce the number of workers required to reach production targets, the province’s demand for labour is still expected to grow by 0.4% per year over the next 10 years. This is just slightly less than the national average of 0.5% per year.



Labour Forecast

A growing demand for labour and a declining supply of domestic workers will widen British Columbia's labour gap considerably, with the 'greenhouse, nursery, and floriculture' industry hardest hit by labour shortages.

While the demand for agricultural workers in British Columbia is expected to grow from 49,400 in 2017 to 51,500 in 2029, the supply of domestic workers is predicted to decline from 38,400 to 36,300 over the forecast. As a result, the gap between the number of workers needed and the domestic workers available will widen by 2.8% per year. This means that over the next decade, the number of jobs that can't be filled with domestic labour will increase from 11,000 to 15,200. In other words, by 2029, just under one in three agriculture jobs in this province (30%) are at risk of going unfilled.

RESEARCH HIGHLIGHTS

- **52%** of British Columbia farmers were not able to find all the workers they needed in 2018, compared to 47% across Canada.
- **59%** of British Columbia farmers expect employment at their farm to rise over the next five years, while only 9% expect to see a decline.

British Columbia's second-biggest employer, the 'tree fruit and vine' industry, will consistently see the largest gap between its labour requirements and the available domestic supply of workers, rising from 5,500 jobs potentially going unfilled in 2017 to 6,300 jobs in 2029. However, the 'greenhouse, nursery, and floriculture' industry, which is the province's largest agricultural employer, will see its labour gap widen the most, with the number of jobs that can't be filled by the available domestic labour force rising from 4,000 in 2017 to 5,100 in 2029.

The Labour Gap Widens for British Columbia's Agriculture Sector



Foreign Workers

British Columbia has one of the highest levels of reliance on foreign workers of any province in Canada.

In 2017, the province's agriculture sector employed 10,600 foreign workers, which amounted to 23% of the province's agricultural workforce at that time. Only Ontario and Nova Scotia's agricultural workforces had a higher percentage of foreign workers, with 30% and 29%, respectively. By comparison, the average across all provinces was 17%.

The high percentage of foreign workers in British Columbia's workforce is largely due to the province's high proportion of 'tree fruit and vine' and 'greenhouse, nursery, and floriculture' workers. Because these are highly seasonal and labour-intensive industries, they tend to be heavily reliant on foreign workers. Together, these industries account for over half (53%) of British Columbia's agricultural workforce, and 96% of the province's foreign workers.

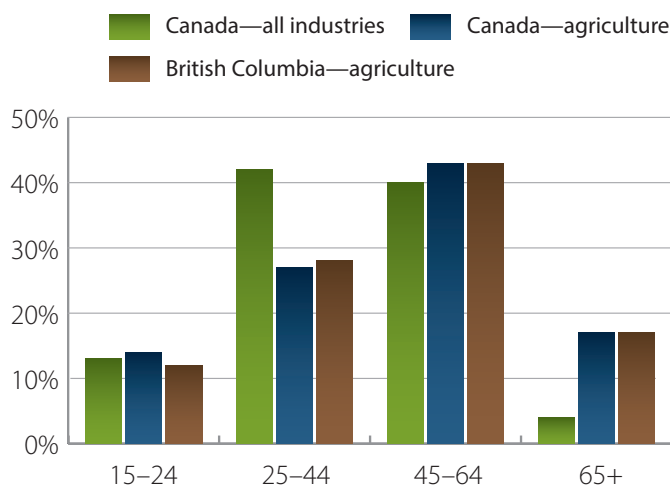


Demographic Trends

British Columbia's aging agricultural workforce will reduce the supply of available workers in the coming decade.

Retirements will be the key factor putting downward pressure on the province's agricultural labour supply. Not only is British Columbia's agricultural workforce slightly older than the national average, it is much older than the general workforce within the province. In 2016, 60% of workers in British Columbia's agriculture sector were 45 years or older and 17% were 65 years or older, compared to just 45% and 4%, respectively, for the general workforce. As a result, the province's agricultural sector is predicted to lose one in three workers (33%) between now and 2029. While strong international immigration is expected to increase British Columbia's labour supply, the province's agricultural labour force will still decline by an average of 0.5% per year during this time.

2016 Workforce Age Distribution



Financial Impact

Labour shortages hurt the province financially in 2018 and will continue to restrict profitability and future growth over the forecast period.

British Columbia's agriculture sector was unable to fill 3,100 jobs in 2017, which is equivalent to 8% of the total workforce needed. This was well above the sector average across Canada of 5.4%.

Lost sales due to labour shortages, in relative terms, were significantly higher in British Columbia than in other provinces. The province is estimated to have lost 6.6% of its sales in 2018, or \$216 million. No province lost a higher share of sales to labour shortages.

British Columbia's agriculture producers also reported other issues related to labour shortages: Of producers who reported not having access to all the workers they needed, 75% reported excessive stress for owner and other staff, while 50% reported production delays. Labour shortages also impede the province's future growth potential, with roughly two in five (39%) of respondents indicating that delayed or cancelled expansion plans were a direct result of not having enough workers.

The province's agriculture producers were less likely to incur overtime costs due to labour shortages: 28% of the province's agriculture producers reported this issue, compared to 32% of producers across Canada. This may be because many types of agriculture workers in the province are not entitled to overtime pay.

As the labour gap for British Columbia's agriculture sector widens, the issues related to labour shortages will intensify and present challenges to its future profitability and growth potential.

Impacts of Labour Shortages



*Based on responses of 36 producers in British Columbia who reported not having access to all needed workers.

Labour Challenges

British Columbia's agriculture sector faces specific challenges in recruiting and retaining enough workers.

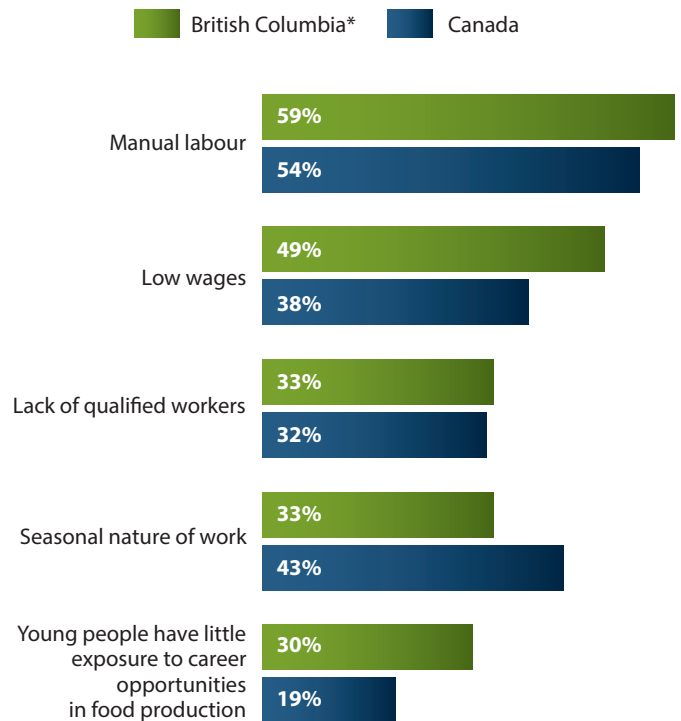
The ability of these agricultural businesses to find and retain workers is largely impeded by manual work and insufficient compensation compared with other sectors.

Recruiting Workers

The province's agriculture sector is affected by many of the same recruitment issues facing the sector across the country, including insufficient skills and experience among potential workers, and rules and regulations for temporary foreign workers. However, it also faces a number of unique barriers. Employers in this province are much more likely to cite perceptions of low wages in agriculture as a key recruitment barrier; nearly one in two employers (49%) cite this as a recruitment challenge, compared to 38% across Canada. Only employers in Quebec and New Brunswick were more likely to cite this as a recruitment barrier. British Columbia producers were also more likely to report the limited exposure of young people to career opportunities in food production, with 30% citing it as a barrier to recruitment, compared to 19% across Canada.

Prior research conducted by the Canadian Agricultural Human Resource Council has found that nearly one in four employers in British Columbia (24%) reported being close to a population centre with more than 100,000 people, and nearly three in four (72%) reported being close to an area with more than 10,000 people. As a result, rural operations were less of an issue, with only 30% of the province's employers citing remote locations as a recruitment barrier, compared to 38% across the country.

Challenges in Recruiting Workers



*Based on responses of 76 producers in British Columbia.



Retaining Workers

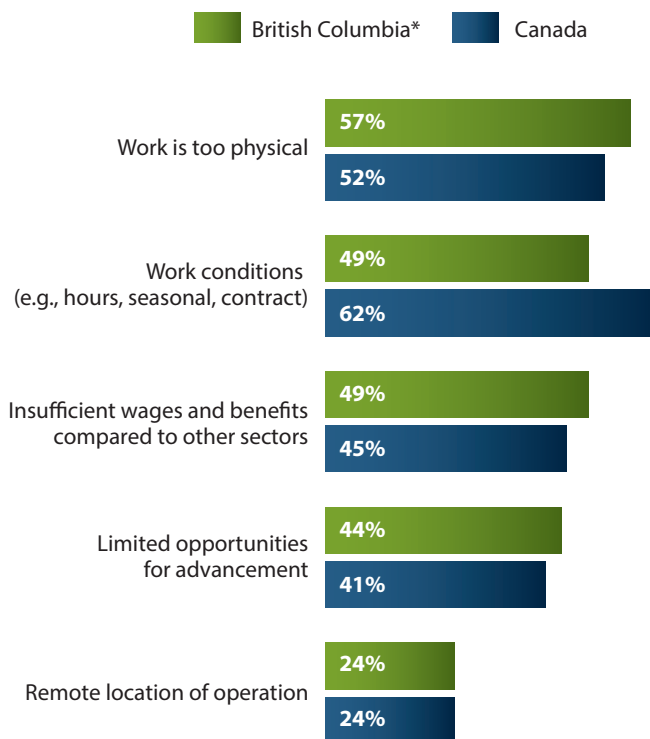
British Columbia's agricultural workforce has higher voluntary and involuntary turnover rates than the national average. The voluntary turnover rate is 21%, compared to a national average of 10%, and the involuntary turnover rate is 2.8%, slightly higher than the national average of 2.5%. The province also has above-average turnover rates among its seasonal workforce.

British Columbia's agriculture sector is less challenged by variability in hours. While 62% of producers nationally report that work conditions, including seasonality and long hours in season, affects retention, only 49% of British Columbia's producers considered it an issue. In particular, employers in this province were much less likely to suggest that too many working hours created a retention challenge.

However, insufficient compensation compared to other sectors and low job security were bigger retention issues for British Columbia's producers, with 49% citing compensation and 12% citing low job security, compared to a national average of 45%, and 8%, respectively.



Challenges in Retaining Workers



*Based on responses of 75 producers in British Columbia.

Toughest Jobs to Fill

British Columbia's agriculture sector will have the most trouble filling general farm worker positions and nursery and greenhouse worker positions. Together, these positions accounted for 38% of the province's sector employment in 2017 and 79% of the jobs that couldn't be filled by domestic workers. By 2029, there will be as many as 9,700 general farm worker jobs and 2,000 nursery and greenhouse worker jobs that can't be filled by the available domestic labour pool.



Conclusion

With a high reliance on foreign workers and a high percentage of jobs going unfilled, British Columbia's agriculture sector faces challenges ahead. Unless the province can find ways to build the sector's labour force, the widening labour gap will threaten its growth and profitability.

The agricultural workforce in British Columbia has undergone a significant transformation over the past decade, driven by the shift away from raising animals and toward crop production. While the total number of farms in the province has declined, the size of its agricultural workforce began to recover after reaching a decade-low in 2011. As the domestic workforce has remained flat, the province's agriculture sector has increasingly relied on foreign workers to meet its labour requirements.

Because of its heavy reliance on foreign workers and the significant number of unfilled vacancies, British Columbia currently has one of the largest labour gaps of any province in proportion to the size of its workforce requirements. Looking to the future, the gap will continue to widen until it reaches 30% of the total labour demand within the next decade. In other words, by 2029, just under one in three agriculture jobs in British Columbia are at risk of going unfilled unless more workers can be found, a reality that will hamper the sector's ability to thrive in this province.



British Columbia faces challenges in growing its workforce:

- The province's biggest employer, the 'greenhouse, nursery, and floriculture' industry, is characterized by seasonal fluctuations that negatively affect workforce retention.
- The province's agricultural operations are confronted with higher-than-average turnover rates, both voluntary and involuntary.
- A high reliance on foreign workers puts the province's agriculture sector at risk, as policy changes could reduce or eliminate this source of labour.

In terms of meeting these challenges, the province could leverage these strengths:

- Farm operations in this province are located closer to larger population centres.
- A continued influx of international migrants to the province could provide a labour source in the coming years.
- Finding ways to communicate the benefits of agricultural work to a younger demographic could help to attract more young workers.
- The sector has the potential to use training programs, mentorships, and internships to create more skilled labour.

Finding solutions to labour challenges and increasing the pool of available domestic workers will ensure that British Columbia is better prepared to take advantage of an upcoming decade of growth.



About this Report

This report represents an update to the Labour Market Information (LMI) study that the Canadian Agricultural Human Resource Council (CAHRC) undertook between 2014 and 2016. The purpose is to re-assess the labour market, project supply and demand for agricultural workers from 2018 until 2029, 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 several industry consultation activities conducted Canada-wide, including:

- **A large-scale survey** of 1,316 employers, 278 workers, and 110 industry stakeholders
- **Eight webinars** focused on specific commodity groups, with 160 participants in total.
- An Advisory Group presentation.

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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LMI Advisory Group

Chair: Alberta Federation of Agriculture, Humphrey Banack
Aboriginal Aquaculture Association: Marguerite Parker
AGRIcarrières: Robert Ouellet
Agricultural Alliance of New Brunswick: Marc Ouellet
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Agri-Food Economic Systems: Al Mussel
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New Brunswick: New Brunswick Post-Secondary Education, Training and Labour, John Calhoun
Prince Edward Island: Prince Edward Island Department of Agriculture and Forestry, Darryl O'Brien
Newfoundland and Labrador: Advanced Education, Skills and Labour, Derrick Barrett
Agriculture and Agri-Food Canada: Li Xue and Alejandro De Maio-Sukic

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Canadian Agricultural Human Resource Council
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T: 613.745.7457

E: info@cahrc-ccrha.ca

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