



Agriculture Forecast to 2029

How Labour Challenges Will Shape the Future of the 'Field Fruit and Vegetable' Industry

The 'field fruit and vegetable'* industry is a significant agriculture employer with substantial labour challenges. Over the next decade, those challenges will intensify as a shrinking pool of domestic workers and an increased reliance on foreign workers will make the industry even more vulnerable to labour policy changes and lost sales due to labour shortages.

Industry Overview

The 'field fruit and vegetable' industry includes farms that produce potatoes and other root vegetables, melons, sweet corn, tomatoes, peppers, and other vegetables not grown under cover. Jobs in this industry tend to be labour intensive and highly seasonal.

In 2017, the 'field fruit and vegetable' industry employed 24,000 people, or roughly 7% of the total agricultural workforce.

Most of the industry's workforce (43%) is located in Ontario, followed by Quebec (14%), British Columbia (13%), and Alberta (12%).

The industry relies heavily on foreign workers to stay productive. Foreign workers accounted for 43% of the industry's workforce. Even with a high percentage of foreign workers, the industry was unable to fill 1,500 jobs in 2017. Those shortages resulted in production losses and delays, as well as \$403 million in lost sales.

Historically, the 'field fruit and vegetable' sector has outpaced other horticulture commodities in terms of the average output of each worker. Since 2007, the industry has increased output-per-worker by an average of 2.4% per year. The industry's productivity gains and the market demand for products has enabled the industry to increase overall product output by 2.5% during this time.

* 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 'field fruit and vegetable' industry employed 24,000 people.

The industry was unable to fill 1,500 jobs, which cost the industry \$403 million, or 6.2% of sales.

By 2029, the industry will be unable to fill 14,500 jobs with the available pool of domestic workers.

However, the market for 'field fruit and vegetable' products is becoming increasingly saturated, with market demand and industry output growth expected to slow over the next decade. As such, the industry will still be challenged to find enough workers to maintain this production growth and avoid lost sales due to worker shortages.

Labour Forecast

While market demand and industry productivity are slowing, the industry is still at risk of losing sales and missing production targets due to domestic labour shortages and a growing need for workers.

Over the forecast period, the number of workers required by the 'field fruit and vegetable' industry is expected to grow by an average of 0.6% per year, rising from 25,500 in 2017 to 27,500 in 2029.



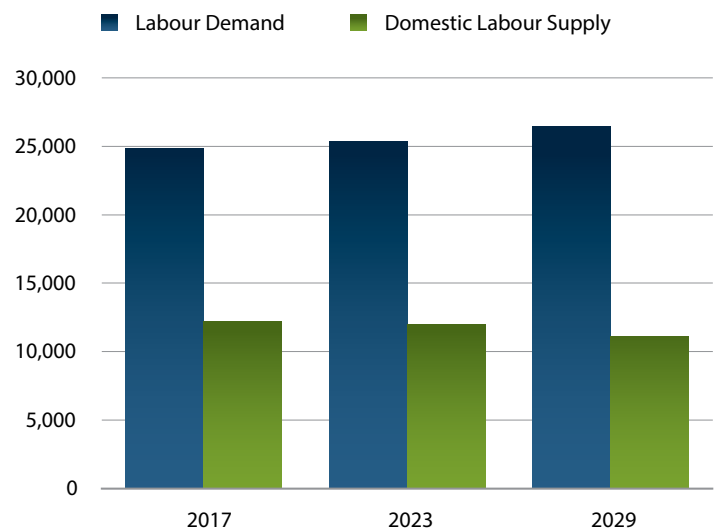
During the same time, the domestic supply of labour is expected to shrink by 1,800 workers.

As a result, the number of jobs that can't be filled by the domestic labour supply will increase by 3,800 over the next decade, reaching 14,500 jobs, which is 53% of the total demand for workers in 2029. This is the second largest imbalance, in relative terms, of any agricultural commodity. In other words, to reach its production potential and meet the market demand for product, this industry will be tasked with finding 14,500 workers beyond what can be expected from domestic sources.

By 2029, the industry's labour challenges will hit Ontario the hardest, with 8,500 jobs that can't be filled by the supply of domestic workers. British Columbia and Alberta will also experience significant shortages, with 1,800 and 1,400 jobs that will either go unfilled or be filled by foreign workers.

The forecast for 2029 indicates that general farm worker jobs and harvesting labourer jobs will be the hardest for the 'field fruit and vegetable' industry to fill over the next decade. Between 2017 and 2029, the widening labour gap in this industry will create an additional 1,800 general farm worker jobs and 520 harvesting labourer jobs that the domestic labour supply can't fill.

The Labour Gap Widens for the Field Fruit and Vegetable Industry



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

- **49%** could not find enough workers
- **70%** of employers who experienced labour shortages lost sales as a result
- **28%** reported zero Canadian job applicants for job postings



Meeting the Challenge

While increased productivity will help the 'field fruit and vegetable' industry meet the market demand for product with fewer workers, the demand for labour is still expected to increase by an average of 0.6% per year. At the same time, the domestic labour supply is expected to decrease by 1,800 workers. As a result, this industry will become even more dependent on the unpredictable availability of foreign labour.

In addition to its heavy reliance on foreign workers, the industry faces additional workforce challenges:

- Seasonal fluctuations in labour demand and the hard physical labour required on the job can make it harder to attract and retain workers.
- The industry has above-average turnover rates, which creates considerable cost and strain for employers.
- Labour shortages will heavily affect specific provinces, especially Ontario and British Columbia.

To meet these labour challenges, the industry has several strengths it could leverage:

- Tapping into pools of workers who may only be interested in working part of the year (e.g. retired people) may help to address the sector's need for large numbers of workers for limited periods of time.
- It could explore innovative recruitment and retention practices.



- It could find ways to offset seasonal fluctuations, such as banking hours or partnering with employers whose seasonal peaks occur at different times of the year.

Finding solutions to the industry's considerable labour challenges will ensure that it can 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.cahrc-ccrha.ca.

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