



Agriculture Forecast to 2029

How Labour Challenges Will Shape the Future of Agriculture in Prince Edward Island

Between now and 2029, a growing demand for agricultural labour and a shrinking workforce will pose challenges for Prince Edward Island's small, but vital, agriculture sector.

Provincial Overview

In 2017, Prince Edward Island had the second smallest agricultural workforce out of all the provinces, employing just under 3,500 people, or roughly 1% of Canada's agricultural workforce.

Although Prince Edward Island's share of Canada's agricultural workforce is small, the province depends heavily on its agriculture sector. More than 4% of the provincial workforce was directly employed in agriculture in 2017; only Saskatchewan had a higher percentage of its workforce employed in this sector. The province also accounts for an outsized number of Canadian 'aquaculture'* workers and those employed in 'field fruit and vegetables'.

In addition to employing a significant share of the country's 'field fruit and vegetable' workers, this industry is also the largest agricultural employer in the province, accounting for just under one-third (30%) of its agricultural workforce. The 'dairy' and 'aquaculture' industries are the second- and third-largest employers.

Prince Edward Island's agriculture sector has a lower than average reliance on foreign workers. In 2017, foreign workers accounted for 11% of its agricultural workforce, compared to 17% for all of Canada.

In 2017, the pool of available domestic labour in agriculture did exceed the number of workers in demand by employers. Nevertheless, there were still roughly 190 jobs that went unfilled in the province which likely reflects a skills mismatch between the needs of employers and what employees have to offer, and the fact that employees willing to work in agriculture are not located where the jobs are located. This imbalance resulted in production losses and delays, as well as \$15 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, Prince Edward Island's agriculture sector employed 3,471 people.

The province was unable to fill **190 jobs**, which cost the industry **\$15 million**, or **3.1%** of sales.

By 2029, the province will have **220** more jobs than the domestic labour force can fill.

Between now and 2029, the need for labour will grow and the available supply of domestic labour will shrink, caused in large part by a high percentage of workers lost to retirement. This will widen the labour gap even further and prevent the province's vital agriculture sector from reaching its full potential.

Labour Forecast

Increasing demand for labour combined with an expected contraction in the available labour supply will result in a widening labour gap between now and 2029.

Brighter production prospects in key industries will help increase the demand for agricultural labour in the province by 0.5% per year. Between 2017 and 2029, the number of workers required to support the sector will increase from 3,700 to 3,900.

At the same time, the supply of agricultural workers in Prince Edward Island is expected to shrink due to a rising number of retirements and fewer young people entering the industry.

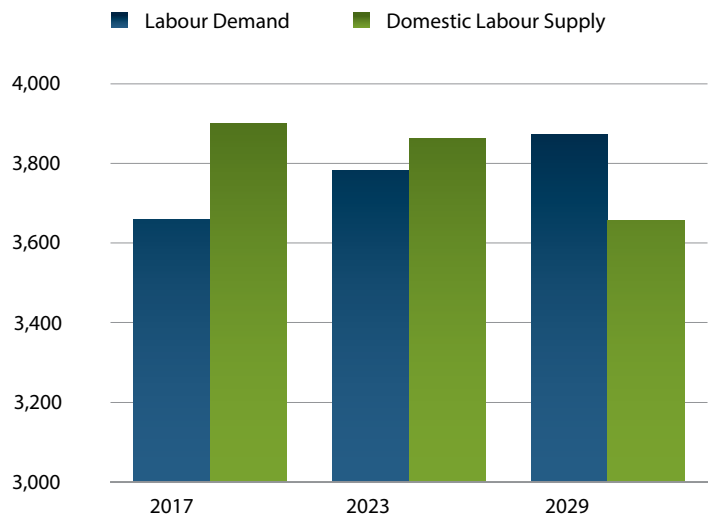


The combination of a growing need for labour and a shrinking supply will widen the province's agricultural labour gap considerably. Indeed, the number of jobs at risk of going unfilled due to a lack of domestic workers will expand from a surplus of 240 workers in 2017 to a deficit of 220 workers by 2029. By the end of the forecast, we expect that 6% of jobs in the province could be at risk of going unfilled due to domestic labour shortages.

The labour shortage will hit some industries harder than others. By 2029, the province's 'field fruit and vegetable' industry will see 430 jobs at risk. The 'aquaculture' and the 'greenhouse, nursery, and floriculture' industries will account for another 100 and 80 jobs at risk, respectively. In contrast, the 'dairy', 'beef', and 'swine' industries are expected to enjoy a surplus of workers relative to their needs.

From an occupational perspective, Prince Edward Island's agriculture sector will have the most trouble filling managers in agriculture positions. Indeed, by 2029, this occupation is expected to see its labour gap increase to roughly 120 workers. More than half of all unfilled jobs in 2029 will be managers in agriculture positions.

Labour Surplus to Become Deficit for Prince Edward Island's Agriculture Sector



Based on our 2018 survey of the province's agricultural employers:

- **53%** could not find enough workers
- **47%** of employers who experienced labour shortages lost sales as a result
- **27%** reported zero Canadian job applicants for job postings



Meeting the Challenge

After years of shrinking demand for agricultural labour, more workers will be required in Prince Edward Island to support the bright production outlook for some of its largest agricultural industries over the next ten years. These production trends, combined with a decline in the province's domestic labour supply, brought about by a rising number of retirements and a dwindling supply of young people in the province, is expected to widen the labour gap substantially. From 2017 to 2029, the balance between labour supply and demand will go from a surplus of 240 workers to an expected deficit of 220 workers. That is equivalent to 6% of workforce requirements at that time.

To address its agricultural labour issues, the province will need to overcome a number of key challenges:

- Declining populations in rural areas make it difficult for employers with rural operations to attract workers, with more than one in three of the province's agricultural employers (38%) citing this as a key recruitment challenge.
- The province's voluntary turnover rate of 26% is the highest in the country and significantly above the national average of 10%.
- Insufficient work affects retention in this province. Nearly one in six agricultural employers (16%) cite this as a retention challenge, compared to a national average of just 10%.
- Significant use of foreign workers makes employers vulnerable to policy changes, such as a change to the Temporary Foreign Worker Program (TFWP).

However, the province's agriculture sector also has strengths that it could leverage:

- Compensation poses less of a retention issue for agricultural employers in Prince Edward Island.
- The province has a younger-than-average agricultural workforce, so it will benefit from fewer retirements over the forecast period.
- Providing advancement opportunities could help make work in the agriculture sector more attractive and improve retention.
- Access to training programs, mentorships, and internships has the potential to create more skilled labour.

Over the forecast period, Prince Edward Island will need to find ways to strengthen the domestic labour pool in order to address its fast-growing labour gap, avoid financial losses, and reach its growth potential.

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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