



SOWING SEEDS OF CHANGE

AGRICULTURE LABOUR MARKET
INFORMATION FORECAST TO 2030



AGRI
LMI



EXECUTIVE SUMMARY



Canada's agriculture sector is experiencing a severe and chronic labour shortage. Although labour shortages are a challenge for employers in many sectors across the country, they are particularly acute for agriculture employers. More than 28,200 agriculture jobs were estimated to have gone unfilled in the agriculture sector during peak season in 2022¹. These unfilled vacancies have consequences. Based on the recent survey conducted by the Canadian Agricultural Human Resource Council (CAHRC), labour shortages caused a 3.7% decline in sales in 2022, which, when applied to total sales in agriculture, resulted in an estimated \$3.5 billion in lost sales.²

Collaboration is needed to find solutions to current and future labour challenges. By working together, the sector can implement a variety of approaches, such as improving the perception of the sector, enhancing Human Resources (HR) management practices, attracting skilled immigrants, and other equity-deserving groups, ensuring workers have the skills needed, and embracing evolving automation and technology. These combined efforts hold the potential to significantly improve the labour outlook for the agriculture sector in the future.

¹ The agriculture sector includes crop production (NAICS 111), animal production (112), support services (1151 & 1152), and agriculture wholesale industries (4111 & 4183). Based on The Conference Board of Canada's Model of Occupations, Skills, and Technology (MOST).

² Canadian Agricultural Human Resource Council Employer Survey 2023. Total sales in agriculture comes from farm cash receipts from Statistics Canada. Does not include sales lost by support services or wholesale industries.

CURRENT LABOUR MARKET CHALLENGES

The agriculture sector plays a critical role in the Canadian economy, fulfilling both domestic and global food demands. In 2022, the Canadian agriculture sector generated \$38.8 billion in GDP, or 1.9% of the national total.³ Canada has established itself as a major producer of diverse and high-quality agricultural products, ranking among the world's largest exporters with \$92.8 billion in exports in 2022.⁴

The success of the agriculture sector relies on a skilled and motivated workforce. The sector, including crop and animal production, support services, and agriculture wholesale employed over 351,000 Canadian workers and 71,000 Temporary Foreign Workers, including Seasonal Agriculture Workers Program (SAWP) workers, in 2022.⁵ Over the next decade, expanding global markets for Canadian goods are expected to drive substantial growth in this sector. However, Canada's agriculture employers grapple with labour challenges that could impede this potential for growth.

Labour shortages have been an increasingly common issue for Canadian employers. However, in 2022, the agriculture sector reported a peak vacancy rate of 7.4% – well above the 5.9% Canada-wide rate.⁶ Two out of every five agriculture employers could not hire all the workers they needed that year.⁷ Further, a third of employers reported not receiving any applications from Canadians during the hiring season and 28% received just one or two applications. These recruitment challenges resulted in lost sales, production delays, cancelled expansions, as well as excessive stress on owners and staff.

Unfilled vacancies affect an employer's bottom line. Lost sales and cancelled expansion plans hamper the agriculture sector's growth potential. Although the 3.7% of lost sales reported by employers in 2022 was slightly lower than reported in previous CAHRC research, the estimated amount of lost sales has increased to 3.5 billion dollars due to growth in total sales – supported by demand for exports, higher commodity prices, and enhanced labour productivity.

Although agriculture employers endeavour to hire Canadians first, labour shortages have led many to increasingly turn to foreign workers in both crop and animal production. The number of foreign workers employed in primary agriculture has increased more than 30% from 2017 to 2022 (53,842 to 70,365)⁸. While crop production continued to employ the large majority of foreign workers, the most growth in foreign worker employment has been in the poultry and egg, beef, dairy, and swine industries.

³ Agriculture GDP includes crop production (NAICS 111), animal production (112), support services (1151 & 1152), and farm product merchant wholesalers (411). Statistics Canada, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610040201>.

⁴ Agriculture and Agri-Food Canada, "Overview of Canada's agriculture and agri-food sector." <https://agriculture.canada.ca/en/sector/overview>.

⁵ Canadian employment at peak from the Labour Force Survey (custom data) and total TFW employment from Agriculture and Agri-food Labour Statistics Program and Employment and Social Development Canada (custom data).

⁶ Custom data from the Job Vacancy and Wage Survey, Statistics Canada. <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1410032501>. Does not include wholesale industries.

⁷ Canadian Agriculture Human Resource Council Employer Survey 2023.

⁸ Does not include support services or wholesale industries. Agriculture and Agri-food Labour Statistics Program, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210021801>.

CONTINUED SHORTAGE OF WORKERS EXPECTED

CAHRC's agriculture labour market forecast estimates that the domestic labour gap in Canada's agricultural sector will increase 15% over the next 8 years from 87,700 in 2023 to 101,100 by 2030 during peak season.⁹ The ageing population will continue to decrease the availability of Canadian workers in agriculture industries with over 85,300 retirements expected over the next 8 years – equaling almost 30% of the current Canadian workforce in agriculture.¹⁰

Approximately four out of five of these otherwise vacant positions are expected to be filled by foreign workers, leaving 22,200 unfilled job vacancies during peak

season in the agriculture sector by the end of the decade.¹¹

Greenhouse and nursery production, fruit and tree nut farming, and vegetable farming, are poised to experience a substantial rise in the number of positions not filled by Canadians. Overall, the domestic labour gap during peak season for crop producing industries is projected to increase by 17% between 2023 and 2030, reaching 80,900 in 2030.¹² This will leave 15,200 vacant positions in crop production in 2030.¹³ Support service industries are expected to see similar growth in their domestic labour gap, reaching nearly 1,600 by 2030.¹⁴

⁹ Agriculture GDP includes crop production (NAICS 111), animal production (112), support services (1151 & 1152), and farm product merchant wholesalers (411). Statistics Canada, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610040201>.

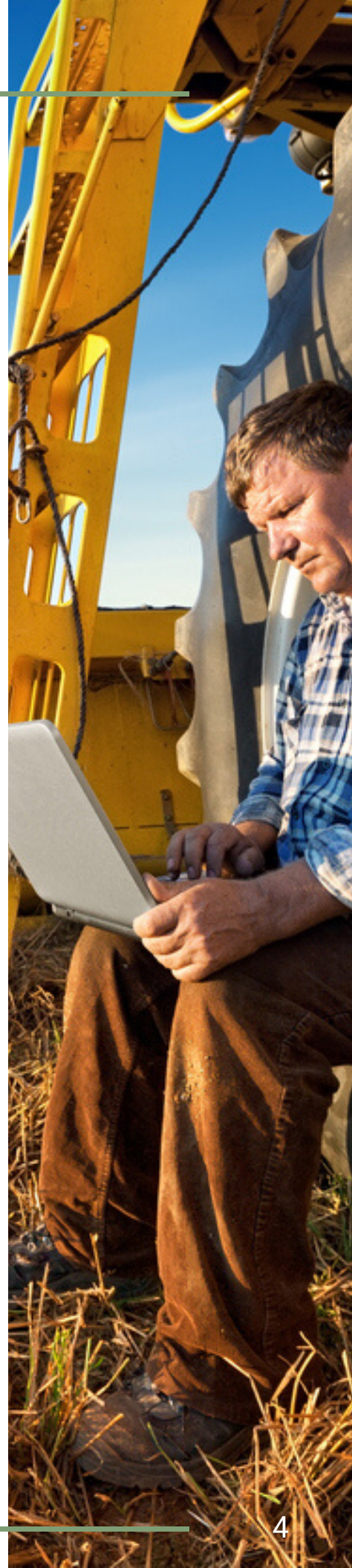
¹⁰ Agriculture and Agri-Food Canada, "Overview of Canada's agriculture and agri-food sector." <https://agriculture.canada.ca/en/sector/overview>.

¹¹ To estimate the number of foreign workers employed during peak times, we combine the year-round foreign workers with 75% of the total seasonal foreign workers, acknowledging that not all seasonal workers are in Canada simultaneously. Based on The Conference Board of Canada's Model of Occupations, Skills, and Technology.

¹² Crop producing industries includes NAICS 1111, 1112, 1113, 1114, and 1119. Based on The Conference Board of Canada's Model of Occupations, Skills, and Technology.

¹³ During peak season. Based on The Conference Board of Canada's Model of Occupations, Skills, and Technology.

¹⁴ During peak season for crop and animal support services. Based on The Conference Board of Canada's Model of Occupations, Skills, and Technology.



In animal production, the peak domestic labour gap is forecast to experience a more modest 9% increase from 2023 to 2030 leading to nearly 4,100 vacant positions by 2030.¹⁵ Additionally, the domestic labour gap in agriculture wholesale industries is expected to ease slightly, decreasing 3% between 2023 and 2030. Nevertheless, over 1,100 vacancies will remain by 2030.¹⁶



In labour-intensive occupations like harvesting labourers and livestock labourers, the number of job vacancies are anticipated to decrease over the forecast period, due to increased employment of foreign workers, upgraded automation, and gains in labour productivity. However, despite these improvements, labour-intensive occupations will continue to account for the large majority vacancies by 2030. Conversely, landscape and horticulture technicians and specialists, along with horticulture managers, are projected to see a significant rise in the number of job vacancies over the coming years. Consequently, it will be essential to implement targeted strategies to address labour shortages in occupations with specific skill sets within the agriculture sector.

¹⁵ During peak season. Based on The Conference Board of Canada's Model of Occupations, Skills, and Technology.

¹⁶ During peak season. Based on The Conference Board of Canada's Model of Occupations, Skills, and Technology.



BUILDING AN AGRICULTURE WORKFORCE FOR THE FUTURE

Solving the current and future structural shortage of Canadian workers and decreasing unfilled vacancies will not be easy. It is essential that plans are in place now to ensure there are enough people with the right skills to continue growing the agriculture sector.

Improving the perception of agriculture as a career is necessary in building a sustainable future workforce. Doing so can cultivate an understanding of agriculture's role in securing both local and global food supplies and dispels the misconception that the only work in the sector is as a farmer. Supporting and expanding hands-on learning experiences and exposure to career opportunities within agriculture will be key to inspiring Canadians to

consider careers in agriculture in the future.

Developing good HR management practices and a positive work environment plays an important role in retaining workers. Almost 30 per cent of workers said their main reason to leave would be because of poor management practices, and similarly, 34 per cent said good management practices is what keeps them working in agriculture.¹⁷ Stakeholders agree that it is important to educate employers about the benefits of HR training and help employers find the right HR supports and programs.¹⁸ This effort can bridge the gap between employers' awareness and the resources available, ultimately fostering better HR practices and workforce development.

¹⁷ Canadian Agricultural Human Resource Council Worker Survey, 2023.

¹⁸ Canadian Agricultural Human Resource Council Stakeholder Survey, 2023.

Immigration is the main driver of population growth in Canada, providing a valuable opportunity for agriculture to attract immigrants to work in the sector. A combined effort between government, placement agencies, and farm operators is needed to find individuals with relevant skills and experience and encourage them to settle in rural communities where there is agriculture work. In turn, this could involve offering employment, education, and cultural integration support in rural areas, not only for potential workers, but also for their families.

Additionally, supporting apprenticeship programs in agriculture plays an important role in building a qualified workforce by developing the technical and specialized skills required in various industries. Formalizing and promoting skilled trades within agriculture can increase the sector's recognition for the high-skilled jobs and rewarding career opportunities it offers. This shift in perception can help draw more individuals into the sector, including from equity-deserving groups such as women, visible minorities, persons with disabilities, Indigenous Canadians, and newcomers.

Over the past decades, the agriculture sector has transformed into a highly mechanized industry, leading to large increases in labour productivity. Adoption of new technology including digitization, automation and new crop varieties will continue to increase the sector's productivity and competitiveness. However, a concerted effort to find, train, and keep workers will be needed to ensure that the adoption of new technology continues to transform the sector into the future.

Through a combination of public education, training and upskilling, improved HR management practices, targeted immigration supports, and increased adoption of automation and technology, progress can be made to ensure this vital sector has the workforce needed to meet its potential. There is no single solution to labour market challenges facing employers in the agriculture sector. Solving current and future challenges requires collaboration among employers, industry representatives, government agencies, educators, among other stakeholders. By working together, a variety of approaches can be implemented to significantly improve the labour outlook in the agriculture sector.



ABOUT THIS RESEARCH

The data cited in this executive summary is based on an update to the Labour Market Information (LMI) study that CAHRC undertook between March and September 2023. This study involved modelling labour demand and supply by province, commodity, and occupation; conducting a survey of more than 1,400 sector stakeholders; conducting five regional focus groups; and validating the results through webinars as well as an advisory group presentation. For more information about agriculture LMI please see [CAHRC's Agri LMI page](#).

The study was initiated by CAHRC, a national, nonprofit organization focused on addressing human resource issues faced by agricultural businesses across Canada and was

funded in part by the Government of Canada's [Sectoral Workforce Solutions Program](#). For more information about the Council and its products and services for Canada's agriculture sector, please visit www.cahrc-ccrha.ca.

This research was conducted by The Conference Board of Canada, our country's foremost independent organization for applied research. Through the use of sophisticated data modelling, best-in-class forecasting, and multi-method research approaches, they deliver research to help leaders take action.

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PHOTO CREDITS

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