



Manitoba

Agricultural Labour Market Forecast to 2025



CANADIAN AGRICULTURAL
HUMAN RESOURCE COUNCIL
CONSEIL CANADIEN POUR LES
RESSOURCES HUMAINES EN AGRICULTURE



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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 Manitoba between now and 2025.



Provincial Overview

An important economic force with a bright production outlook, Manitoba's agriculture sector faced a costly labour gap in 2014, and that gap is expected to widen over the next 10 years.

In 2014, Manitoba was home to the sixth-largest agriculture sector in Canada, employing 23,900 people, or 6% of Canada's agricultural workforce. Agriculture plays an important role in the province's economy, with 3.5% of the province's workforce directly employed in agriculture. Only Saskatchewan and Prince Edward Island have a higher economic dependence on the sector.

Manitoba's top three agricultural employers are the 'grain and oilseed*', 'beef', and 'swine' industries. Manitoba is the third-largest employer of 'grain and oilseed' workers in Canada, with 39% of the province's agricultural workforce employed by this industry. The 'beef' industry and 'swine' industry account for another 12% and 10% of the workforce, respectively.

The province has a very low reliance on foreign workers; only 1.4% of the province's agricultural workforce is foreign.

Manitoba's agriculture sector has an aging workforce. In 2011, nearly two in three workers (61%) were aged 45 years or older, and by 2025, 30% of the workforce will be lost to retirement. Over the next decade, this trend will contribute to the decline of the province's domestic agricultural labour supply, which will fall by an average of 1.2% per year. This is considerably higher than the national average of 0.9%.

In 2014, the province was unable to find enough workers, and 1,800 jobs went unfilled as a result of labour shortages. Those shortages resulted in production losses and delays, as well as \$282 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'.

Manitoba's agriculture sector at a glance

In 2014:

- 23,900 people employed
- 1.4% foreign workforce
- 1,800 jobs left unfilled
- \$282 million in lost sales due to labour shortages

In 2025:

- 26,100 workers needed
- 30% of the workforce lost to retirement
- 4,900 jobs potentially left unfilled

Between now and 2025, the need for labour will grow even faster, driven by strong production growth in the 'grain and oilseed', 'beef', and 'swine' industries that collectively account for 61% of the province's agricultural workforce. With a growing demand for labour and a shrinking supply of workers, the labour gap will continue to widen, preventing the sector from reaching its full potential.



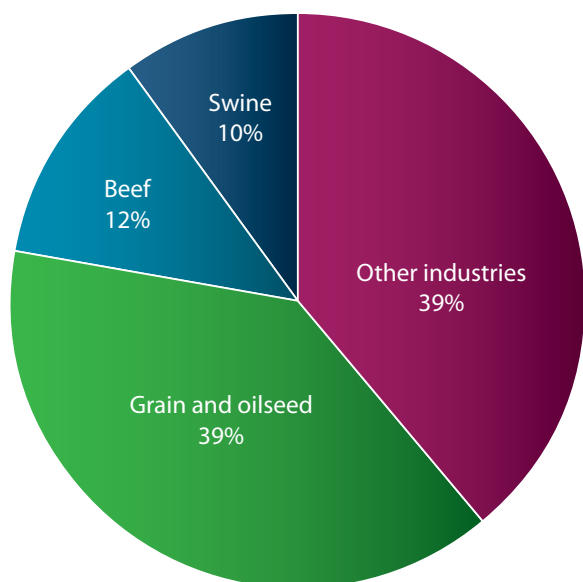
Key Agriculture Industries

Manitoba's agricultural workforce is dominated by the 'grain and oilseed' industry, with the province's 'beef' and 'swine' industries being the second- and third-largest employers.

In 2014, 39% of agricultural workers within the province were employed by the 'grain and oilseed' industry, with the 'beef' and 'swine' industries accounting for a further 12% and 10% of the workforce, respectively.

Manitoba accounts for a considerable share of Canada's agricultural employment in several industries. For example, the province employed 18% of the 'swine' industry's workforce, making it the third-largest industry employer after Ontario and Quebec, which accounted for 30% and 22% of the workforce, respectively. Manitoba is also the third-largest employer of 'grain and oilseed' workers, accounting for 17% of the industry's workforce. Only Saskatchewan and Alberta, at 39% and 23%, respectively, accounted for a larger share.

Manitoba's Agricultural Employment Profile



Production Trends

A strong production outlook for Manitoba's top three agriculture industries will boost the demand for labour across the province.

Over the past decade, a drop in the market demand for beef, dairy, and pork products resulted in a decline in the number of animal farms in Manitoba. As a result, the province's need for workers declined more steeply than any other province, dropping by an average of 2.3% per year, compared to an overall growth of 0.1% per year across Canada.

However, looking ahead to the next 10 years, a number of Manitoba's key agriculture industries have bright production outlooks that will reverse this downward trend and increase the demand for labour. Manitoba's top three agricultural employers are forecasted to see the strongest production growth: 'grain and oilseed' will grow by 2.6% per year, 'beef' by 2.5% per year, and 'swine' by 2.3% per year between now and 2025.

When a predicted increase in productivity, or the output each worker can produce, is factored into the equation, it reduces the overall demand for workers to some extent. However, to reach its production potential, Manitoba's agricultural workforce will need to grow.



Labour Forecast

A growing demand for labour and a shrinking supply of domestic workers will widen Manitoba's labour gap considerably, with the 'grain and oilseed' industry hardest hit by labour shortages.

The demand for agricultural workers in Manitoba is expected to grow by a modest 0.3% per year over the next 10 years, rising from 25,700 workers in 2014 to 26,400 by 2025. This growth rate is slightly lower than the national average of 0.5%.

While the demand for labour will rise, the supply of domestic workers is predicted to shrink, with 3,000 fewer Canadian residents available to work in Manitoba's agriculture sector by 2025. This means that over the next decade, the number of jobs that can't be filled with domestic labour will more than quadruple, increasing from 1,100 to 4,900, and the percentage of jobs at risk will rise from 7% to 18% of the total workforce required to support the industry. In other words, within 10 years, nearly one in five

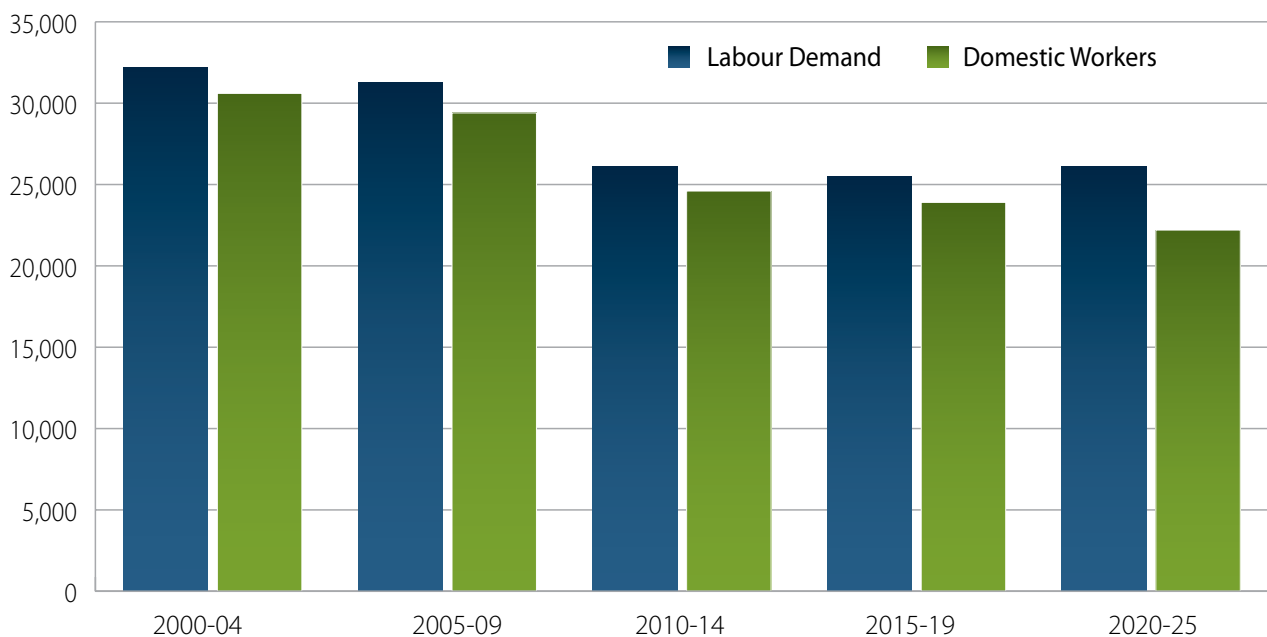
RESEARCH HIGHLIGHTS

- **55%** of Manitoba farmers were not able to find all the workers they needed in 2014, compared to 41% across Canada.
- **69%** of Manitoba farmers expect employment at their farm to rise over the next five years, while only 2% expect to see a decline.

agricultural jobs in this province will remain vacant unless more domestic or foreign workers can be found.

The labour gap will widen further for some industries than others, and Manitoba's three most important agriculture industries will be hardest hit by labour shortages. The 'grain and oilseed' industry will need to cope with roughly 2,300 additional jobs that the available domestic labour pool can't fill, while the 'beef' and 'swine' industries will see an additional 800 and 400 jobs, respectively.

2000 – 2025: The Labour Gap Widens for Manitoba's Agriculture Sector



Foreign Workers

Manitoba's agriculture sector has one of the lowest shares of foreign workers.

Foreign workers accounted for just 1.4% of the province's agricultural workforce in 2014, compared to 12% for all of Canada. Only Saskatchewan had a lower share of foreign workers.

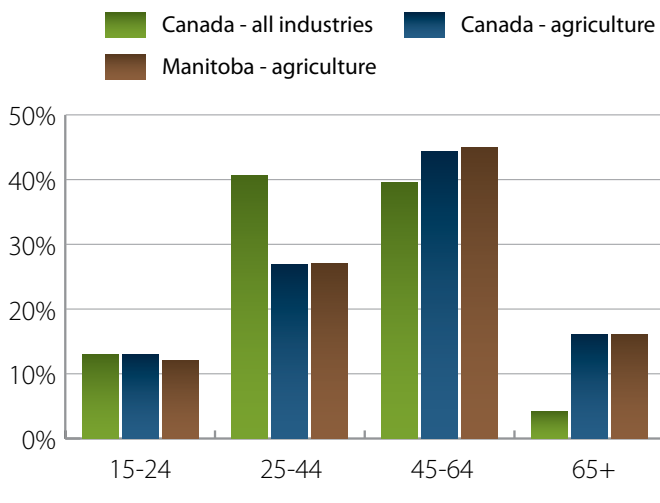
The low share of foreign workers is linked to the comparatively large number of workers in the province's 'grain and oilseed' industry. 'Grain and oilseed' commodities are not included on the National Commodities List, which is a list of agricultural commodities maintained by Employment and Social Development Canada. Only producers of commodities on the list qualify for the Seasonal Agricultural Worker Program (SAWP) and the Agricultural Stream, which are the two most common ways that farm operators gain access to foreign workers.

Demographic Trends

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

While Manitoba benefits from modest rates of international and interprovincial migration and a healthy number of school graduates, these factors

2011 Workforce Age Distribution



will not offset the rising number of retirements driven by the province's aging agricultural workforce.

In 2011, 61% of Manitoba's agriculture sector workforce was 45 years of age or older, which is on par with the Canadian agriculture sector average of 60%, but much higher than the average of 44% across all Canadian industries.

Because of the province's age profile, it is predicted to lose nearly one in three workers (30% of its current domestic agricultural workforce) to retirement between now and 2025.



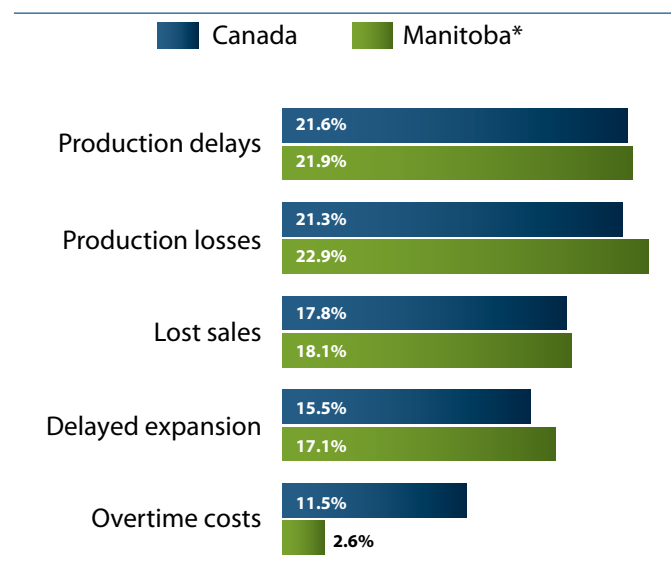
Financial Impact

Labour shortages hurt the province financially in 2014 and will continue to restrict profitability and future growth over the forecast period.

Manitoba's agriculture sector was unable to fill 1,800 jobs in 2014, which is equivalent to 7% of the total workforce needed. While this put Manitoba on par with the average across Canada, it resulted in the highest share of lost sales of any province. Manitoba's agriculture sector lost 4.8% of its sales to labour shortages in 2014, a percentage equivalent to \$282 million. Because the product mix in Manitoba's agriculture sector results in a much higher ratio of sales per worker, each unfilled vacancy has a larger impact on sales.

Manitoba's agriculture producers also reported other issues related to labour shortages: 23% reported production losses and 22% reported production delays. Labour shortages are also likely to impede the province's future growth potential, as 17% of respondents indicated delaying or cancelling expansion plans was a direct result of not having enough workers.

Percentage of Manitoba Producers Impacted by Labour Shortages



*Based on the responses of 35 producers in Manitoba

Labour Challenges

Manitoba's agriculture sector faces a number of challenges in recruiting and retaining enough workers.

The ability of the province's agricultural employers to find and retain enough agricultural workers is impeded by the rural locations of agricultural operations, negative perceptions of the sector, and the variability of working hours.

Recruiting Workers

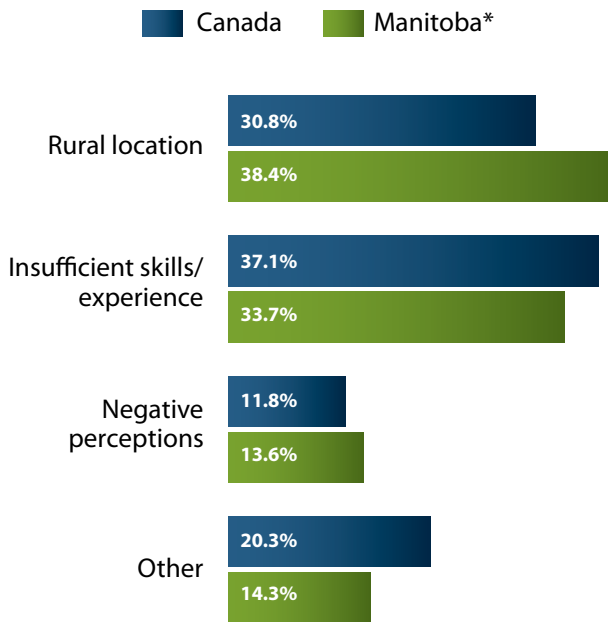
Manitoba's agriculture sector is affected by many of the same recruitment issues facing the sector across the country, including insufficient skills and experience among potential workers.

However, the province also faces some unique challenges. Only 17% of producers surveyed said that they were close to a population centre of more than 10,000 people, compared to 35% for agricultural operations nationwide. As a result, producers are more likely to have issues related to rural locations: 38% cited this as a recruitment problem compared to 31% of producers across Canada. Specifically, declining populations in rural areas is a greater concern for producers in this province, with 14% of survey respondents indicating that it's a key barrier to recruitment, compared to 10% of producers across Canada.

Manitoba producers were also more likely to be concerned about negative perceptions of agricultural work, with 14% reporting that this was a barrier to recruitment, compared to 12% across Canada.

While fewer producers cited an inability to find workers with the appropriate skills or experience than the national average, it was still a key challenge for more than one in three (34%).

Challenges in Recruiting Workers



*Based on the responses of 63 producers in Manitoba

Retaining Workers

Manitoba’s agricultural producers have difficulties retaining workers, with two-thirds of respondents citing retention as a key factor affecting their operations. While the province has an involuntary turnover rate of just 3%, which is the lowest in the country and less than half of the national sector average of 7%, it has an above-average voluntary turnover rate of 22%, which is much higher than the national sector average of 18%. Voluntary turnover rates among seasonal workers are nearly double the national sector average at 54%.

The variability in hours, which includes seasonality and long hours in season, is the top retention challenge for Manitoba’s producers, with 40% reporting it as an issue, compared to 36% of all producers nationwide. The physical nature of the work was the second-biggest challenge, with nearly one in five (19%) of Manitoba’s producers reporting this as a retention barrier, compared to the national average of 17%.

On a positive note, producers in this province were less likely to consider insufficient compensation as a retention challenge: only 10% of survey respondents reported it as an issue, which was the lowest percentage of any province and far less than the national average of 17%. This is due in part to the high level of mechanization in the ‘grain and oilseed’ industry, which employs 40% of the agricultural workforce in this province.

Toughest Positions to Fill

Manitoba’s agriculture sector will have the most trouble filling “managers in agriculture” positions, which include both owner-operators and hired managers, and “general farm worker” positions. Together, these positions accounted for 76% of the province’s sector employment in 2014, and they will make up the majority of the jobs at risk as the labour gap widens. By 2025, there will be an additional 2,400 “managers in agriculture” jobs and an additional 2,400 “general farm worker” jobs potentially going unfilled due to a lack of domestic workers.



Conclusion

Manitoba's agriculture sector has a bright production outlook, but a growing demand for labour, combined with a shrinking domestic workforce, threatens its profitability and growth.

After a decade of reduced market demand for animal products, a decline for Manitoba's animal farms, and an attendant drop in the province's need for agricultural labour, Manitoba is now entering a period of growth, with its top three agricultural employers (i.e. the 'grain and oilseed', 'beef', and 'swine' industries) forecast to see the greatest production increases in the years ahead.

However, the workforce is trending in the opposite direction, with an additional 3,000 workers lost to retirement and other factors. As a result, the labour gap will widen, with nearly one in five agricultural jobs in the province (18%) potentially going unfilled by 2025. Labour shortages cost Manitoba's agriculture sector \$282 million in 2014: in the future, those shortages will result in even greater losses and affect the sector's ability to thrive.

Manitoba faces challenges in growing its workforce:

- The rural location of operations is a major recruitment barrier, with many workers unwilling to move to rural areas or commute to work from the city.
- Agricultural employers have difficulties keeping employees because of the variability in hours and the physical demands of the job.
- An aging workforce will result in 30% of today's workers being lost to retirement between now and 2025.
- Not enough workers are qualified for the jobs, with 86% of employers reporting a shortage of skilled, experienced workers.



To meet these challenges, the province could leverage these strengths:

- Manitoba benefits from the lowest involuntary turnover rates in Canada.
- Modest rates of international and interprovincial migration and a healthy number of school graduates have the potential to increase the labour supply.
- The sector has the potential to use training programs, mentorships, and internships to create more skilled labour.
- A high share of operations already employ a small proportion of foreign workers, which could make it easier to scale up the sector's foreign labour supply.

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



About This Report

This report features data collected during a three-year research project to examine Canada's labour market situation for primary-production agricultural businesses. The project was led by the Canadian Agricultural Human Resources Council (CAHRC) and was launched in response to the unique workforce challenges faced by the agriculture sector.

The purpose was to assess the current labour market, project supply and demand for agricultural workers from 2015 until 2025, 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 a number of industry consultation activities conducted Canada-wide, including:

- **A large-scale survey** of 813 employers, 132 workers, and 89 industry stakeholders
- **Phone interviews** with 80 industry stakeholders
- **Six focus groups** with 100 participants in total, including employers, workers, and other stakeholders
- **Seven webinars** focused on specific commodity groups, with 100 participants in total

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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