



New Brunswick

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 New Brunswick between now and 2025.



Key Agriculture Industries

New Brunswick's agriculture sector is relatively balanced across a number of different industries.

The province's agriculture sector isn't dominated by any one industry. The 'field fruit and vegetable' industry is the largest employer, accounting for 21% of the province's agricultural workforce. Other important employers include the 'tree fruit and vine' industry at 16%, the 'dairy' industry at 14%, and the 'greenhouse, nursery, and floriculture' industry at 12%.

New Brunswick employs a substantial share of the nation's workers for several agriculture industries: 13% of Canada's 'aquaculture' workforce and 8% of its 'field fruit and vegetable' workforce are located in this province.

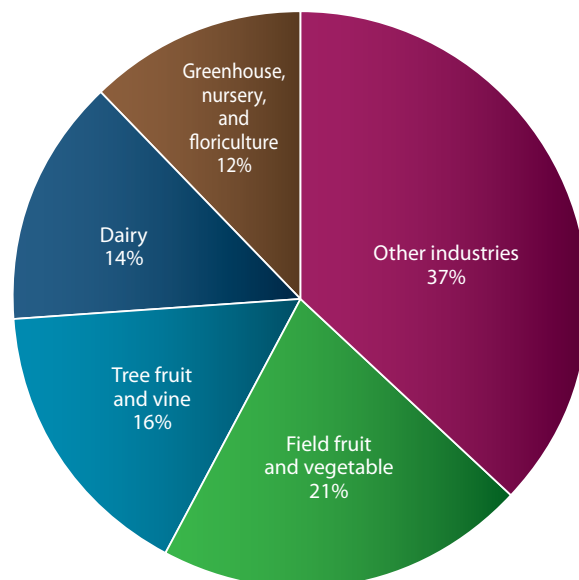
Production Trends

Several of New Brunswick's key agriculture industries will see stable production outlooks or productivity growth.

Over the past decade, the number of farms in the province has declined, a phenomenon that's part of a general trend in Canada's agriculture sector towards consolidation, where several smaller farms are absorbed into a single, larger farm. Because consolidation tends to result in a need for fewer workers, the province's demand for labour has declined. Between 2004 and 2014, New Brunswick's demand for agricultural workers dropped by an average of 1.3% per year, while the demand across Canada increased by 0.1% per year.

In addition to consolidation, a stable production outlook for the 'dairy' industry, which is New Brunswick's third-largest agricultural employer and accounted for 14% of the sector's workforce in 2014, is expected to limit the growth in labour demand even further. The 'dairy' industry is expected to see growth of just 0.3% per year between 2014 and 2025, and the industry's demand for labour is expected to fall from 1,100 workers in 2014 to just 800 in 2025.

New Brunswick's Agricultural Employment Profile



Other substantial agricultural employers in the province have stronger production outlooks. For example, the 'tree fruit and vine' industry, which is the province's second-largest agricultural employer, will see production rise by an average of 2.3% per year between 2014 and 2025. However, even for these industries, a simultaneous increase in productivity, which enables each worker to generate a higher output, will limit the demand for additional labour.



Labour Forecast

While the demand for labour will decline in this province, the labour pool will shrink even faster, resulting in a small labour gap.

A combination of stable production growth in some key agriculture industries and increased productivity in others will reduce the demand for labour in New Brunswick by an average of 0.5% per year from now until 2025. In 2014, the sector required 7,900 workers; by 2025, it will need only 7,400.

However, the domestic supply of labour will also decline during that time by an average of 1% per year. By 2025, there will be 800 fewer domestic workers in the province's agricultural labour pool.

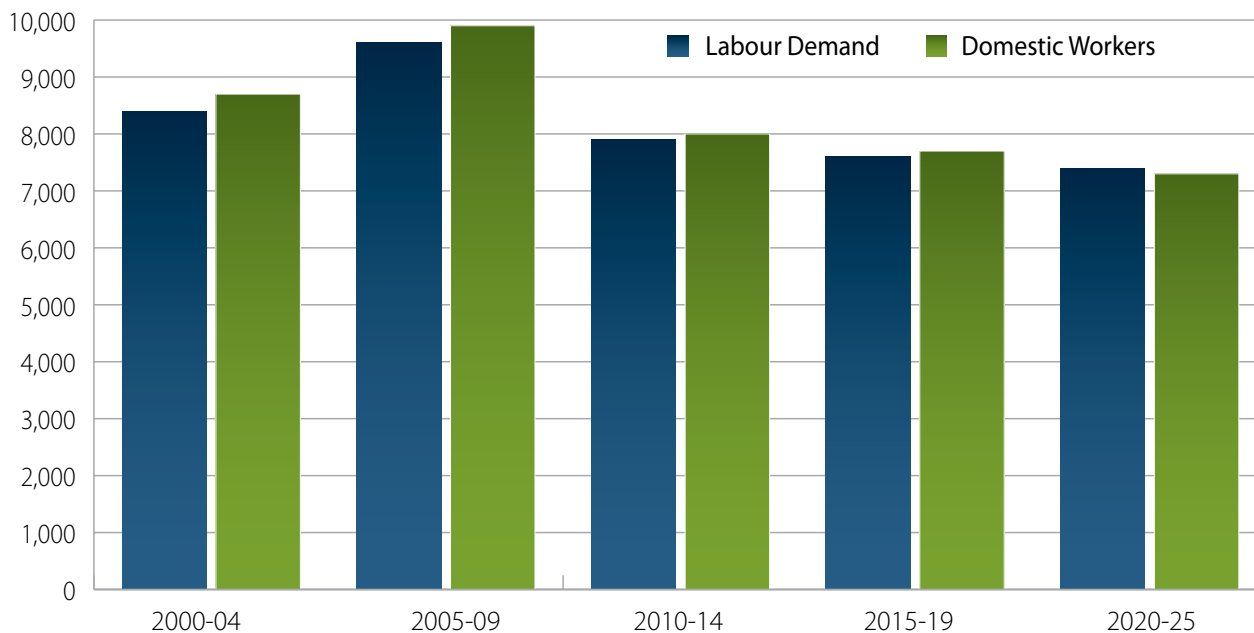
With the pool of workers shrinking faster than the sector's demand for labour, the province is expected to see a widening gap between the available workforce and the sector's labour needs. Since 400 jobs went unfilled at a time when the available workers outnumbered the available jobs, this labour



gap is expected to result in significantly more jobs going unfilled.

The labour shortage will hit some industries harder than others. The province's 'field fruit and vegetable' industry currently has one of the largest labour gaps in the sector, and that gap is predicted to widen the fastest of any agriculture industry over the forecast period. The 'dairy' industry, at the other end of the spectrum, will see its labour gap shrink significantly over the same time period.

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



Foreign Workers

New Brunswick's agriculture sector has a very low reliance on foreign workers.

With only 1.4% of its total workforce comprising foreign workers, New Brunswick has an unusually low reliance on this labour source. By comparison, Ontario's agricultural workforce comprises 23% foreign workers, British Columbia's 17%, and Nova Scotia's 15%.

New Brunswick has a much lower reliance on foreign workers than does the neighbouring province of Nova Scotia, where 15% of the workforce is made up of foreign workers. This is especially surprising given the similarities in the product mix for each of these provinces. The different levels of reliance on foreign workers may be due to a greater familiarity among Nova Scotia's agricultural employers with programs such as the Seasonal Agricultural Worker Program (SAWP) and Temporary Foreign Worker Program (TFWP), and New Brunswick's smaller number of unfilled vacancies.



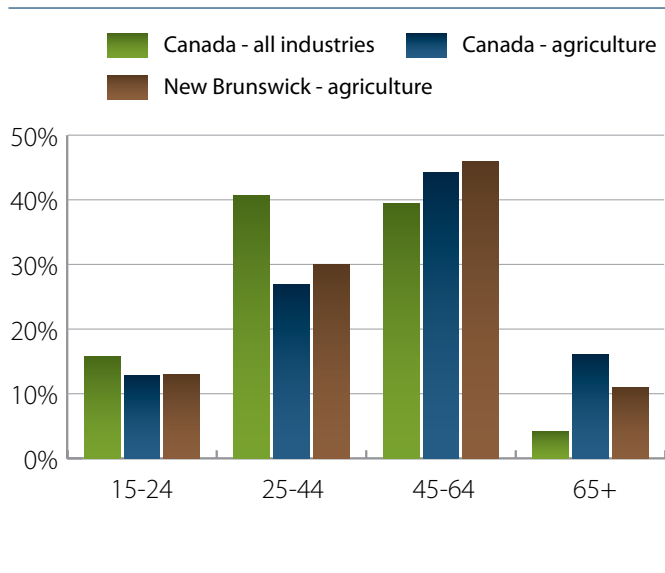
Demographic Trends

Retirement and a declining number of young people in the province will be the key factors reducing the agricultural labour supply.

In 2011, 57% of New Brunswick's agriculture sector workforce was 45 years of age or older, compared to 60% for the Canadian agriculture sector as a whole and just 44% across all industries. In spite of a younger-than-average agricultural workforce, the province is expected to see 22% of its current domestic agricultural workforce retire by 2025, compared to a 27% rate of retirement for the sector across Canada.

Another demographic trend that will affect the labour supply between now and 2025 is the declining number of young people in the province. With a smaller pool of young people in the province, the number of young people entering the agricultural labour force is expected to decline by 12% over the next decade, which is one of the most rapid declines among the provinces.

2011 Workforce Age Distribution



Financial Impact

While New Brunswick will see labour shortages in the coming years, the financial impact will be less severe for this province than for many others.

New Brunswick's agriculture sector was unable to fill 400 jobs in 2014, which is equivalent to 5% of the total workforce needed. While this is lower than the nationwide sector average of 7%, these labour challenges still cost the province \$7 million, or 1.3% of sales. However, the sales each worker represents is lower in this province than in any other, which means that each vacant job is likely to have a smaller impact on sales.

An inability to find enough workers affected New Brunswick's agricultural employers in other ways, as well. More than one in four (26%) reported that labour shortages caused production delays, 21% reported production losses, and 19% reported overtime costs.

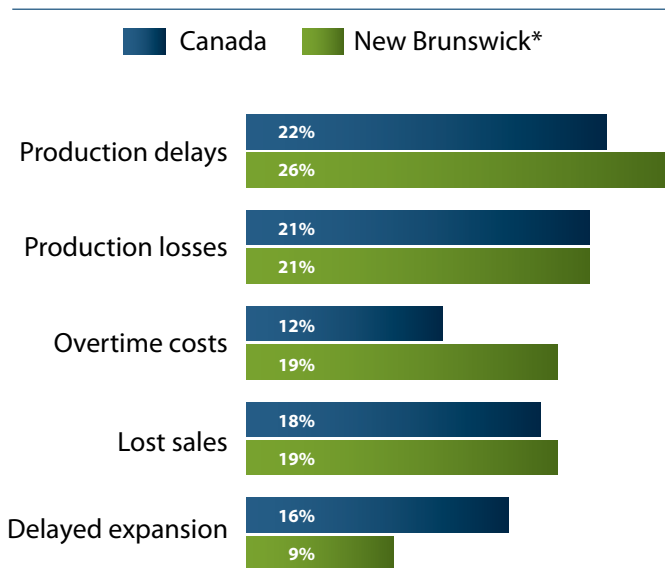
Over the forecast period, New Brunswick will transition from a labour surplus for its agriculture sector to a labour gap. As a result, the province's agricultural employers can expect to see lost sales and other negative impacts increase.

Labour Challenges

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

The sector's ability to find and retain enough agricultural workers is impeded by negative perceptions of the industry, an inability to locate workers with the appropriate skills or experience, and the physical nature of the work.

Percentage of New Brunswick Producers Impacted by Labour Shortages



*Based on the responses of 18 producers in New Brunswick



Recruiting Workers

When it comes to recruiting agricultural workers, New Brunswick faces challenges similar to the rest of Canada. The top challenge was a lack of skills and experience among job candidates, with approximately one in three employers (33%) citing this as an issue.

New Brunswick's agricultural operations tend to be located in rural areas, which also poses a recruitment challenge. Only 20% of respondents reported being close to a population centre of 10,000 people, compared to an average of 35% of respondents Canada-wide, and 30% of employers cited the rural location of their operations as a recruitment barrier. In addition, 15% of New Brunswick's agricultural employers reported declining populations in rural areas as a key barrier to recruitment, compared to just 10% of agricultural employers Canada-wide.

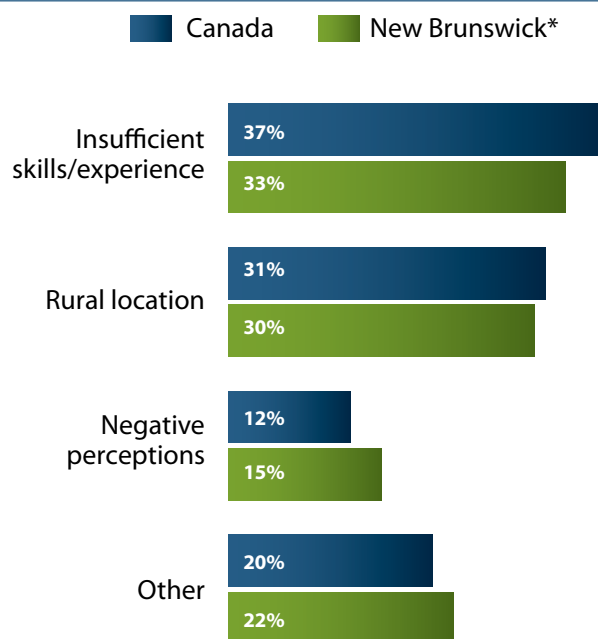
Retaining Workers

New Brunswick benefits from lower-than-average turnover rates. While the involuntary turnover rate of 6% is on par with the agricultural average of 7%, the voluntary turnover rate of 7% is the second lowest among the provinces, and well below the agricultural average of 18%.

However, New Brunswick's agricultural employers still face a number of issues that impede their ability to retain workers. The variability in working hours, including seasonal variations and long hours in season, are an issue for more than a third of the province's agricultural employers (37%), which is on par with the agricultural average of 36%. The physical nature of the work is also a key retention issue for 21% of the province's employers, compared to 17% of agricultural employers across Canada.

On a positive note, agricultural employers in this province are some of the least affected by the issue of insufficient compensation: only 11% considered compensation an issue, compared to a Canada-wide average of 18%. This is one of the lowest shares of any province.

Challenges in Retaining Workers



*Based on the responses of 53 producers in New Brunswick

Toughest Positions to Fill

Over the forecast period, New Brunswick's agriculture sector will have the most trouble filling "managers in agriculture" positions, which include both owner-operators and hired managers, and "general farm workers" positions. Together, these occupations accounted for slightly more than 50% of the province's agricultural workforce in 2014. Over the forecast period, they will continue to account for most of the province's labour gap, with approximately 460 "managers in agriculture" and 210 "general farm worker" jobs potentially going unfilled due to a lack of workers.

In contrast, the province's agriculture sector is expected to see a surplus of approximately 320 workers in all other occupations.



Conclusion

Despite being one of the few provinces expected to have seen a recent labour surplus, New Brunswick will face labour challenges in the years ahead.

New Brunswick is one of only two provinces that saw a labour surplus within its agriculture sector in 2014. However, with the agricultural labour supply shrinking faster than the demand for labour, the province's agriculture sector can expect to see its need for labour outstrip the supply, with a labour gap expected in the coming years. By 2025, the province's labour gap will represent 5% of the total demand for labour. Given that even with a labour surplus, the sector was unable to fill 400 jobs, the rapidly dwindling labour supply is likely to result in a larger number of unfilled jobs in the future.

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

- New Brunswick's agricultural employers were much more likely to cite negative perceptions about the sector as a barrier to recruitment.
- Declining populations in rural areas make it difficult for employers with operations in rural areas to attract workers.
- More than one in five employers report that the physical nature of the work creates retention issues.
- Four in five agricultural operations were challenged by a shortage of sufficiently qualified and experienced workers.

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

- New Brunswick has very low turnover rates compared to agriculture sectors in other provinces.
- The province has a younger-than-average agricultural workforce, which could help mitigate the effects of retirement on the workforce.
- Access to training programs, mentorships, and internships has the potential to create more skilled labour.
- Finding ways to lessen the physical nature of agricultural work could help make jobs in this sector more attractive relative to other industries.

Over the forecast period, New Brunswick will need to find ways to strengthen the domestic labour pool in order to address its labour gap, avoid financial losses, and reach its growth potential.



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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