



# Ontario

## *Agricultural Labour Market Forecast to 2025*





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 Ontario between now and 2025.



## Provincial Overview

Ontario is Canada's largest agricultural employer, and a province with significant labour challenges that are expected to become more acute over the next decade.

In 2014, Ontario was the largest agricultural sector employer, employing 103,000 people (including self-employed, paid labour, and foreign workers), or 27% of Canada's agricultural workforce.

Ontario is home to the highest concentrations of workers for five of Canada's agricultural industries. The province accounts for 41% of the nation's workforce in the 'greenhouse, nursery, and floriculture'\* industry, 40% in the 'sheep and goat' industry, 36% in the 'poultry and egg' industry, 36% in the 'field fruit and vegetable' industry, and 30% in the 'swine' industry.

In terms of the province's agricultural workforce distribution, nearly one in four workers in the province's agricultural sector (24%) work in the 'greenhouse, nursery, and floriculture' industry. The second-biggest employer is the 'dairy' industry, accounting for 12% of the province's workers. The 'tree fruit and vine' industry and the 'beef' industry each employ a further 9% of the province's agricultural workforce.

Ontario has the heaviest reliance on foreign workers to meet its agricultural labour requirements. Currently, nearly one in four workers in the sector (23%) is foreign.

The heavy reliance on foreign workers enables Ontario's agricultural sector to fill part of the sizable gap between its workforce requirements and the domestic labour supply. In 2014, the province had 28,700 more agricultural jobs than domestic workers available to fill them.

\* 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'.

### Ontario's agriculture sector at a glance

#### In 2014:

- 103,000 people employed
- 23% foreign workforce
- 8,600 jobs left unfilled
- \$436 million in lost sales due to labour shortages

#### In 2025:

- 121,600 workers needed
- 27% of the workforce lost to retirement
- 46,600 jobs at risk of going unfilled

Even with help from the foreign labour force, the province's agricultural sector was still unable to fill 8,600 jobs in 2014, a shortfall that cost the industry \$436 million.

Between now and 2025, 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.

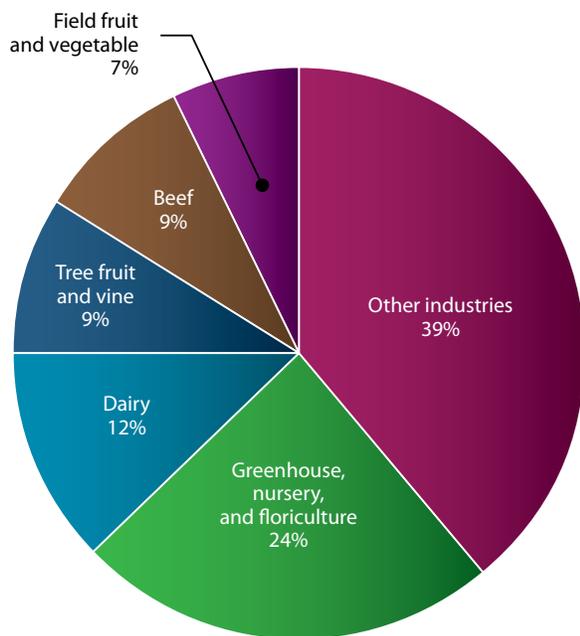


## Key Agriculture Industries

With large tracts of land that are suitable for both livestock and crop production, Ontario accounts for a considerable share of Canada's agricultural employment. In 2014, the province employed the highest share of workers in half of the country's agriculture industries, including 'greenhouse, nursery, and floriculture'; 'sheep and goat'; 'field fruit and vegetable'; 'poultry and egg'; and 'swine'. Ontario was also the second-largest employer of the country's 'beef', 'dairy', and 'tree fruit and vine' workers.

Within the province, Ontario's agricultural employment profile is more evenly balanced across a range of industries. The 'greenhouse, nursery, and floriculture' industry is the largest employer in the province's agriculture sector, with the 'dairy', 'tree fruit and vine', 'beef', and 'field fruit and vegetable' industries also being significant employers.

### Ontario's Agricultural Employment Profile



## Production Trends

Bright production outlooks for a number of Ontario's agriculture industries will support a growing demand for labour across the province.

While some industries experienced production growth and others experienced a decline, the overall demand for labour in Ontario's agriculture sector has remained relatively flat over the past decade.

However, looking ahead to the next 10 years, a number of Ontario's key agricultural industries are forecasted to experience bright production outlooks that will increase the demand for labour. Between now and 2025, four of Ontario's top five agricultural employers will see some of the strongest growth: the 'greenhouse, nursery, and floriculture' industry and the 'beef' industry will both see production grow by an average of 2.5% per year over the next decade, 'tree fruit and vine' will see growth of 2.3% per year, and 'field fruit and vegetable' will see growth of 2% per year. Weaker production forecasts for other industries and improved productivity, which is the output each worker can produce, in others will reduce the overall number of workers required, but the province's agriculture sector as a whole will need to grow its workforce by 0.9% per year to meet production targets.



## Labour Forecast

A growing demand for labour and a shrinking supply of domestic workers will widen Ontario's labour gap considerably, with the 'greenhouse, nursery, and floriculture' industry hardest hit by labour shortages.

The demand for agricultural workers in Ontario is expected to grow by an average of 0.9% per year over the next 10 years, rising from 112,000 workers in 2014 to 124,000 by 2025. This growth rate is nearly double the national average of 0.5%.

While the demand for labour will rise, the supply of domestic workers is predicted to shrink, with 6,300 fewer Canadian residents available to work in Ontario'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 increase by 4.5% per year, rising from 28,700 to 46,600. That number is equivalent to 38% of the total workforce required to support the industry. In other words, within 10 years, more than one in three jobs in this province

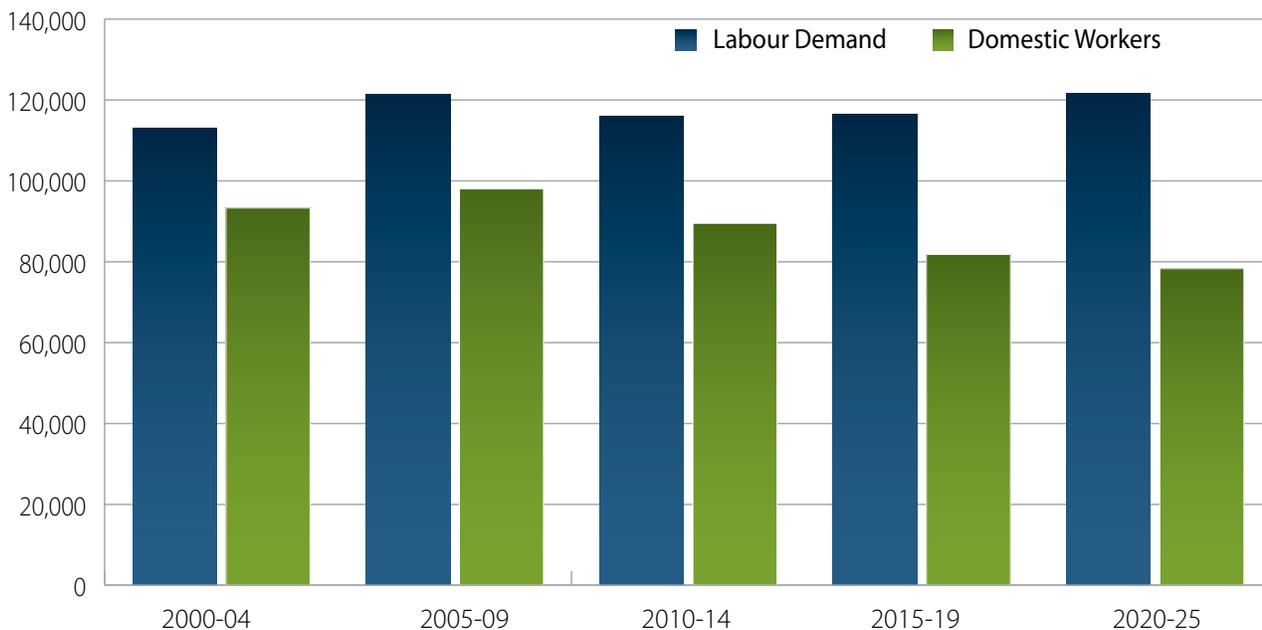
### RESEARCH HIGHLIGHTS

- **36%** of Ontario farmers were not able to find all the workers they needed in 2014, compared to 41% across Canada.
- **54%** of Ontario farmers expect employment at their farm to rise over the next five years, while only 5% expect to see a decline.

will remain vacant unless more foreign or domestic workers can be found.

The 'greenhouse, nursery, and floriculture' industry is predicted to be hardest hit by labour shortages, with 15,900 jobs at risk of going unfilled. The 'field fruit and vegetable' industry will see 6,500 jobs at risk, and the 'tree fruit and vine' industry will see 5,100 jobs at risk, with the remaining agriculture industries accounting for the remaining 19,100 jobs at risk.

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



## Foreign Workers

Ontario's agriculture sector has the highest reliance on foreign workers of any province.

Ontario's agriculture sector employed 23,700 foreign workers in 2014, a number equivalent to 23% of the province's total agricultural workforce. This is the highest share of any province in Canada, and considerably higher than other provinces with a heavy reliance on foreign labour, including British Columbia at 17% and Nova Scotia at 15%. It's also nearly double the average of 12% across all provinces.

The high share of foreign workers is linked to the importance of the 'greenhouse, nursery, and floriculture'; 'tree fruit and vine'; and 'field fruit and vegetable' industries in Ontario. These industries face labour pressures, particularly during seasonal peaks, because of the need to hand-pick or package many of these products. Together, these industries account for 90% of the foreign workers employed by the province's agriculture sector, with the 'greenhouse, nursery, and floriculture' industry alone accounting for 50%.

### RESEARCH HIGHLIGHTS

- **53%** of Ontario farms reported employing foreign workers in 2014.



## Demographic Trends

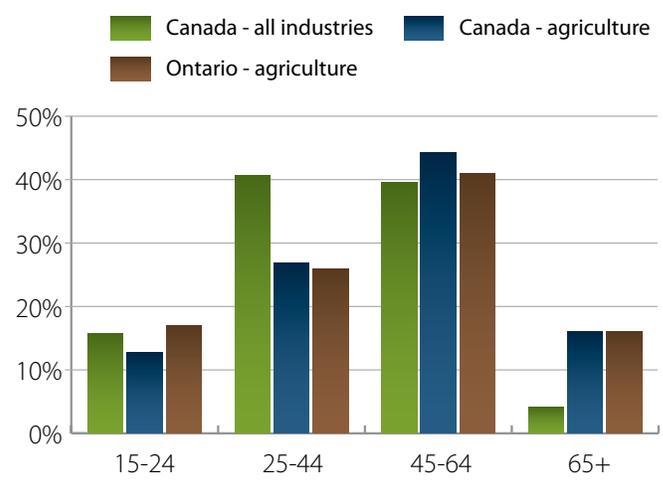
Ontario's aging agricultural workforce will reduce the supply of available workers in the coming decade.

While Ontario benefits from above-average rates of international and interprovincial migration and a smaller decline in school graduates than other provinces, these factors will not offset the rising number of retirements driven by the province's aging agricultural workforce.

In 2011, 57% of Ontario's agriculture sector workforce was 45 years of age or older, which was lower than the Canadian agriculture sector average of 60%, but much higher than the average of just 44% across all Canadian industries.

Because of the province's age profile, it is predicted to lose more than one in four (24%) of its current domestic agricultural workers to retirement between now and 2025.

### 2011 Workforce Age Distribution



## Financial Impact

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

Ontario's agriculture sector was unable to fill 8,600 jobs in 2014, which is equivalent to 8% of the total workforce needed and slightly above the average for Canada's agriculture sector. Labour shortages in this province resulted in sales losses of \$436 million, or 3.5% of sales. Nearly one in four Ontario agricultural producers (23%) experienced lost sales as a result of labour shortages, and the total losses were higher, in dollar terms, than for any other province.

Producers also reported other issues related to labour shortages: 20% reported production delays and 19% reported production losses. Labour shortages are also likely to impede the province's future growth potential, as 15% of producers surveyed indicated delaying or cancelling expansion plans was a direct result of not having enough workers.

### Percentage of Ontario Producers Impacted by Labour Shortages



\*Based on the responses of 73 producers in Ontario

## Labour Challenges

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

The province's ability to find and retain enough agricultural workers is impeded by negative perceptions of the sector, a lack of interest in the sector, and the physical nature of the work.

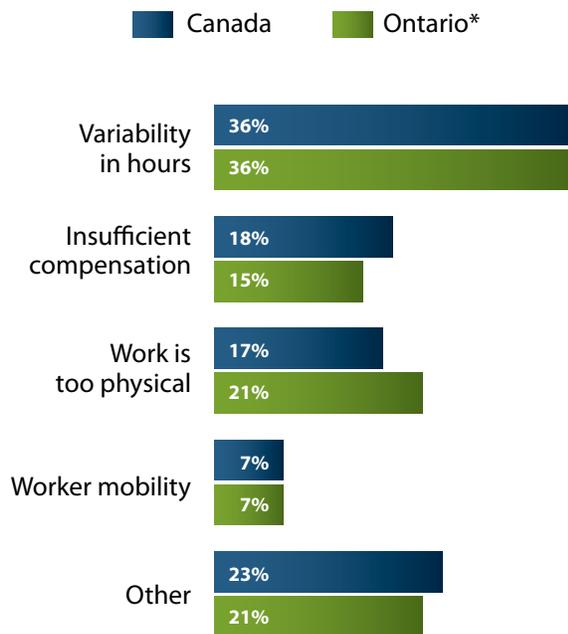
### Recruiting Workers

Ontario'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 is unique in a few ways. Ontario producers are more likely than the national average across the sector to be close to population centres of more than 100,000 people (14%, compared to 8%) or 10,000 (52%, compared to 35%). As a result, rural locations of agriculture operations and declining populations in rural areas was less of an issue for producers in this province, with only 4% citing it as a barrier to recruitment, compared to 10% of producers Canada-wide.

Ontario producers were more likely to be concerned about negative perceptions of agricultural work, with 16% reporting that this was a barrier to recruitment, compared to 12% across Canada. This is the highest share of producers in any province to be affected by this issue. A lack of interest in agriculture and a disinclination toward hard work among potential workers were also among the issues most commonly cited by the province's agricultural employers as recruitment barriers.

## Challenges in Retaining Workers



\*Based on the responses of 177 Ontario producers

## Retaining Workers

Ontario's agricultural producers have difficulty retaining workers. The province has the second-highest voluntary turnover rate for year-round workers, with 21% of Ontario's agricultural workers choosing to terminate their employment, compared to 18% across all provinces. Only Newfoundland and Labrador, at 24%, have a higher voluntary turnover rate.

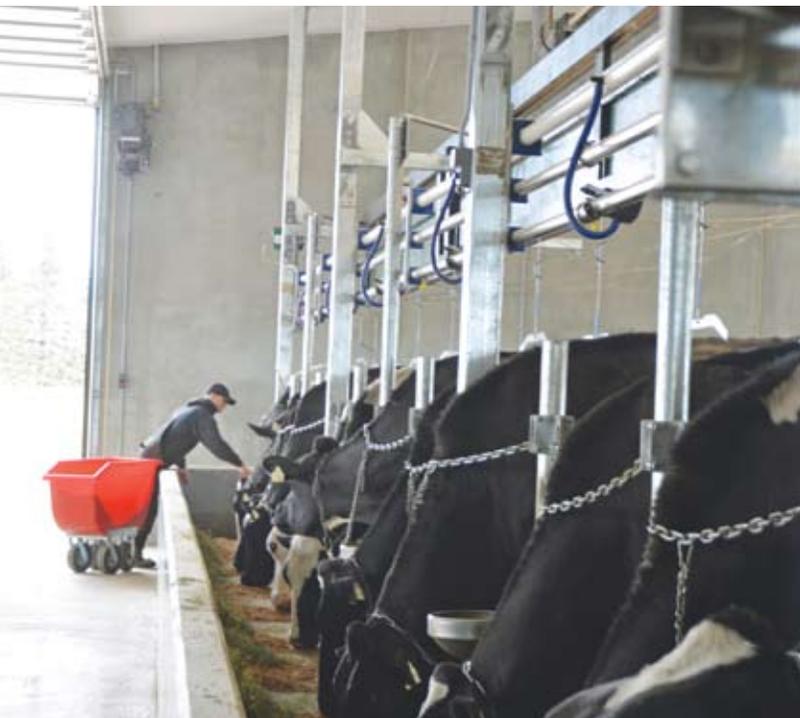
The province's involuntary turnover rate, at 9%, is also higher than the 7% national average.

The physical nature of agricultural work is one of the province's biggest retention challenges, with more than one in five agricultural producers (21%) reporting it as an issue, compared to just 17% of producers nationwide. The variability in working hours was also an issue for 36% of Ontario producers surveyed.

On a positive note, compensation was less of an issue, with only 15% of Ontario producers reporting it as an issue, compared to 18% of producers nationwide.

## Toughest Positions to Fill

Nursery and greenhouse workers, harvesting labourers, and managers in horticulture will be some of the more challenging jobs to fill over the next decade, but Ontario'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 69% of the province's sector employment in 2014, and they will make up 92% of the jobs at risk as the labour gap widens. By 2025, there will be 4,200 "managers in agriculture" jobs and 21,300 "general farm worker" jobs in excess of the available domestic labour pool.



## Conclusion

Ontario'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 that has remained relatively flat in terms of the demand for agricultural labour, Ontario is entering a period of increased production and a growing need for workers to support higher production targets.

However, while the demand for labour has remained relatively unchanged, the supply of domestic workers has continued to shrink. As a result, the province has developed a growing reliance on foreign workers, with nearly one in four jobs (23%) currently filled by foreign labour. While this labour source helps Ontario's agriculture sector remain viable, this solution is not without risks. A change in policy around foreign workers could reduce or eliminate access to this labour source, with devastating results.

Looking ahead to 2025, Ontario's labour challenges will worsen, with as many as 46,600 jobs going unfilled due to a potential lack of domestic or foreign labour. While the sales losses Ontario sustained due to labour shortages reached \$436 million in 2014, that figure will be substantially higher in the years ahead unless the province's labour challenges are addressed.



Ontario faces challenges in meeting the labour needs of its agriculture sector:

- In 2014, nearly three in five agricultural operations reported challenges in attracting young workers.
- Half of Ontario's agricultural employers cited retention as a key factor affecting their operations negatively.
- Ontario's agricultural employers were much more likely to cite negative perceptions of the sector as a key recruitment barrier.
- Changes to the Temporary Foreign Worker Program (TFWP) could reduce or eliminate this vital source of labour.

In terms of meeting these challenges, the province could leverage these strengths:

- Agricultural operations in this province tend to be located closer to bigger cities with larger labour pools.
- The province will see some of the healthiest demographic trends over the next 10 years, including above-average immigration rates and only a small decline in the number of school graduates.
- Finding ways to communicate the benefits of agricultural work to a younger demographic could help to attract more young workers.
- Creating more advancement opportunities within the sector could help to attract more workers.

Finding solutions to labour challenges and increasing the pool of available workers will ensure that Ontario 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](http://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](http://www.cahrc-ccrha.ca).





## Acknowledgements:

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Canadian Association of Diploma in Agriculture Programs: Peter Enright  
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Canadian Herb Spice and Natural Health Products Coalition: Connie Kehler  
Canadian Federation of Agriculture: Jack Greydanus  
Canadian Young Farmers Forum: Pierre-Luc Lacoste  
Farm Credit Canada: Jean-Philippe (JP) Gervais  
Farm Management Canada: Heather (Ferrier) Oakley and Heather Watson  
Flowers Canada Growers: Ken Lington  
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