



Alberta Agricultural Labour Market Forecast to 2025

A significant employer with a bright production outlook, Alberta's agriculture sector faces a rapidly shrinking workforce and a widening labour gap caused by high levels of retirement.

Provincial Overview

In 2014, Alberta was the third-largest agriculture sector employer in Canada, employing 67,000 people, or 18% of Canada's agricultural workforce.

Alberta's agriculture sector has a very low reliance on foreign workers: only 5.2% of the province's workforce is foreign. Of those, more than half, work in the 'greenhouse, nursery, and floriculture'* industry, which tends to be highly seasonal and labour-intensive.

Alberta's agriculture sector has an aging workforce: in 2011, nearly two of three workers were aged 45 years or older. Over the next decade, the impact of retirements on the size of the workforce is expected to be acute, with the province's domestic

agricultural labour supply declining by an average of 1.2% per year.

The province's agricultural employers must compete for labour with the high-paying energy sector of Alberta's economy, which makes it harder to attract and retain the labour force required to meet production targets.

In 2014, the province was unable to find enough workers, and 3,900 jobs went unfilled as a result of labour shortages. Those shortages resulted in production losses and delays as well as \$406 million in lost sales.

The top agricultural industries in the province are 'beef', which employs 21% of the workforce, 'grain and oilseed', at 19%, and 'greenhouse, nursery, and floriculture', at 18%. Between now and 2025, these industries are all predicted to have strong productivity and a growing demand for labour, which will create even greater labour challenges as the province's domestic supply of agricultural labour diminishes in the years ahead.

In 2014, Alberta's agriculture sector employed 67,000 people.

The province was unable to fill 3,900 jobs, which cost the industry \$406 million.

By 2025, a predicted 23,300 jobs could be at risk due to a lack of domestic labour.

* 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'.



Labour Trends 2004–2014

Alberta's agriculture sector has undergone a significant transformation over the past decade. Since 2005, the number of beef-industry operations has dropped by more than a third, and the industry's workforce declined by more than a quarter. However, with many farms transitioning to the grain and oilseed industry, the total demand for labour has grown steadily during this time, having risen by 0.7% per year between 2004 and 2014.

At the same time, the available pool of domestic labour has dwindled, although it has rallied in the last five years, averaging 3,500 more people between 2010 and 2014 than in the previous five-year period.

The province's agriculture sector is predominantly supported by domestic workers, with foreign workers accounting for just 5.2% of the workforce. This is a much lower percentage than the nationwide agriculture sector average of 12%.

Industry Forecast to 2025

Over the next 10 years, a growing demand for labour and a diminishing supply of domestic workers will widen Alberta's labour gap, with the beef industry hardest hit by labour shortages.

In 2014, labour shortages cost Alberta's agriculture sector an estimated \$406 million, or 3.2% of sales.

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

- **56%** could not find enough workers
- **23%** experienced production losses
- **20%** experienced production delays

While the province's agricultural workforce has benefited from above-average inflows of international and interprovincial migrants and a steady number of school graduates entering the labour force, it is still expected to decline by 1.2% per year over the next decade. This is largely due to the age of the workforce. In 2011, 65% of workers were 45 or older, and 21% were 65 or older. Between now and 2025, more than one in four workers (28%) are expected to retire.

The demand for labour will rise due to bright production outlooks for the province's 'beef', 'grain and oilseed', and 'greenhouse, nursery, and floriculture' industries. Between now and 2025, agricultural labour demand in Alberta will grow by 1.1% per year, compared to just 0.5% nationwide.

As the demand for labour rises and the domestic workforce shrinks, the sector's labour gap in this province will widen significantly. By 2025, there will be 23,300 more jobs in the sector than there are domestic workers available. This is an amount equivalent to 29% of the total workforce required to support the sector. In other words, more than one in four agricultural jobs in this province is at risk of staying vacant. While the labour gap will impact virtually every industry in the sector, the 'beef' industry will be hardest hit, accounting for more than 7,000 of the jobs that could potentially go unfilled due to a lack of domestic workers.



Meeting the Challenge

Alberta's agriculture sector will have to navigate a future in which a strong production outlook and a growing need for labour coincides with a shrinking domestic labour pool. Looking ahead to 2025, 29% of the jobs required to support the sector could be at risk. Given that a gap equivalent to just 5% resulted in lost sales of \$406 million in 2014, this reality could significantly impede the sector's profitability and growth potential.

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

- Finding skilled, experienced workers in the proximity of their operations was a recruitment barrier for 15% of Alberta's agricultural employers, compared to 13% nationwide.
- Nearly three-quarters of Alberta's agricultural employers cited retention as a key issue. This is the highest share nationwide, and largely due to the competition for labour with the province's high-paying energy sector.
- Many workers are either not interested in moving to rural areas or unable to travel to farms from the city for work, which presents a recruitment barrier for agricultural employers with remote operations.
- Alberta's agriculture sector has a high voluntary turnover rate of 23% compared to 18% for the sector nationwide.
- Alberta has one of the oldest workforces in the sector; four of five sector employers report difficulties in attracting younger workers.

About This Fact Sheet

The data cited in this fact sheet is based on the results of a three-year study that examined the labour market in Canada's agriculture sector. Information was collected by modelling labour demand and supply by province, commodity, and occupation; conducting a survey of and interviews with more than 1,000 sector stakeholders; and validating the results through focus groups and webinars. To read the accompanying report, or to access additional provincial, commodity, or national fact sheets and reports, please visit www.AgriLMI.ca.



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

- Involuntary turnover rates are below the national sector average.
- Above-average immigration rates and a stable number of school graduates will help to boost the province's labour pool.
- Creating more advancement opportunities within the sector could help to attract more workers.
- Finding ways to communicate the benefits of agricultural work to a younger demographic could help to attract more young workers.

As the labour gap widens, Alberta will need to find ways to strengthen the domestic labour pool in order to avoid financial losses and reach its growth potential.

For more information on production trends and labour market challenges for Alberta's agriculture sector, please refer to the accompanying report available at www.AgriLMI.ca.

The study was initiated by the Canadian Agricultural Human Resources Council (CAHRC), a national, non-profit 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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