



## Grain and Oilseed Industry Forecast to 2025

One of Canada's largest and fastest-growing agricultural employers, the 'grain and oilseed'\* industry faces a widening labour gap that could significantly impede its ability to grow and reach its full market potential over the next decade.

### Industry Overview

The 'grain and oilseed' industry includes farm operations that produce a wide variety of crops. Wheat, canola, soybeans, and feed corn are the industry's key products, along with other crops including pulses (such as lentils and dry peas), barley, oats, and fodder crops. Because industry exports account for more than 90% of sales, production growth is driven mainly by the global market demand.

In 2014, the 'grain and oilseed' industry was Canada's second-largest agricultural employer, employing 55,800 people, including self-employed, paid labour, and foreign workers. Only the 'greenhouse, nursery, and floriculture' industry

employed more people. The 'grain and oilseed' industry is also very reliant on domestic labour, with foreign workers accounting for only 0.3% of its labour pool, which is one of the lowest levels of reliance on foreign workers of any agriculture industry.

Since 2004, the 'grain and oilseed' industry has grown quickly, with average production gains of 6% per year. While the industry's labour force has also grown by more than 20% during this time, it still hasn't kept pace with the demand for labour. In 2014, the industry was unable to fill 5,700 jobs, which significantly impacted its ability to meet the market demand for products.

Looking ahead to 2025, the industry's labour gap is predicted to widen even further, tripling in size over the next decade. The gap between the industry's labour needs and the availability of domestic labour threatens to significantly inhibit potential growth during the forecast period.

**In 2014, the 'grain and oilseed' industry employed 55,800 people.**

The industry was unable to fill 5,700 jobs, which cost it \$569 million.

By 2025, the industry's labour gap will more than triple, with as many as 17,400 jobs potentially going unfilled.

\* 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

Between 2004 and 2014, high crop yields and a shift away from animal production towards 'grain and oilseed' production both contributed to strong growth in the labour force and production gains. The number of workers grew by more than 9,000 people, or 20%, and the output per worker rose by 2.9%, well beyond the average for Canada's agriculture sector. The industry also saw the highest rate of growth for its output of any agriculture industry, with gains averaging 6% per year.

The industry had 5,700 unfilled vacancies in 2014, equivalent to 9% of the total workforce required. Nearly half (44%) of all 'grain and oilseed' operators reported worker shortages that year, with the biggest impacts being lost sales, production delays, production losses, and delayed or cancelled expansion plans. The industry's sales losses of \$569 million were the greatest of any agriculture industry in Canada.

Close to 80% of the 'grain and oilseed' industry labour force is concentrated in the Prairies, with 39% located in Saskatchewan, 23% in Alberta, and 17% in Manitoba.



**In 2014, labour shortages cost the 'grain and oilseed' industry an estimated \$569 million, or 3% of sales.**

When 'grain and oilseed' farm operators were surveyed about the impact of labour shortages:

- **26%** reported production delays
- **18%** reported production losses
- **17%** reported lost sales
- **16%** reported delayed expansion plans

## Industry Forecast to 2025

Now that the shift away from animal production has already had its effect on the industry, production gains over the next 10 years are predicted to decrease. From now until 2025, labour demand is expected to grow by 0.6% per year, which is lower than the growth rate between 2004 and 2014, but higher than the agricultural average of 0.3%.

At the same time, 32% of the current domestic workforce is expected to retire by 2025, which is part of the reason the available labour pool will shrink by 1.4% per year over the next 10 years.

With the demand for labour growing and the available pool of domestic workers shrinking, the industry will see a widening labour gap. While there are 4,500 fewer workers today than there are industry jobs to be filled, that number will rise to 17,400 over the next decade. This number is equivalent to 26% of the total labour demand. In other words, by 2025, one in four jobs could go unfilled due to a lack of domestic workers available.



## Meeting the Challenge

The 'grain and oilseed' industry has seen some of the strongest production, productivity, and labour-force growth of any industry in the agriculture sector. While production and productivity growth is expected to slow over the next decade, the industry's labour needs will continue to grow, and the domestic labour pool will continue to shrink, creating a labour gap equivalent to 26% of the workforce.

Having lost \$569 million due to unfilled vacancies in 2014, which is the greatest financial loss of any agriculture industry, the 'grain and oilseed' industry faces even greater losses in the future if the labour gap can't be addressed.

The industry also faces significant challenges in attracting and retaining workers:

- The depopulation of rural areas is making it harder to find help locally or organize transportation to remote operations.
- Seasonal fluctuations in labour demand are higher than average, making it harder to staff operations effectively.
- Access to foreign workers is limited, as 'grain and oilseed' operations are not eligible to participate in the Seasonal Agricultural Worker Program.

## 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](http://www.AgriLMI.ca).



- 'Grain and oilseed' production is concentrated in the Prairies, where the oil and gas industry competes intensely for the same pool of workers.
- A high rate of retirement in the industry is eroding the workforce even further.

However, the 'grain and oilseed' industry also has several strengths that it could leverage, including a work environment that is less physically demanding and a public image that is more attractive to job seekers than those of other agriculture industries.

For more information on production trends and labour market challenges for the 'grain and oilseed' industry, please refer to the accompanying report available at [www.AgriLMI.ca](http://www.AgriLMI.ca).

The study was initiated by the Canadian Agricultural Human Resources Council (CAHRC), a national, nonprofit 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](http://www.cahrc-ccrha.ca).

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