



Newfoundland and Labrador Agricultural Labour Market Forecast to 2025

The agricultural workforce in Newfoundland and Labrador is the smallest of any province, and also the most balanced. However, it will be challenged to find enough skilled workers over the next decade.

Provincial Overview

In 2014, the province of Newfoundland and Labrador was the smallest agriculture sector employer in Canada, employing 3,400 people, or 1% of Canada's agricultural workforce.

The workforce is fairly evenly divided among several industries, including: 'dairy*'; 'poultry and egg'; 'greenhouse, nursery, and floriculture'; and 'field fruit and vegetable'. Approximately 400–600 workers are employed in each of these industries.

The province's agriculture sector has a very low reliance on foreign workers: only 2% of its workforce is foreign, and three-quarters of those are employed by the 'dairy' industry.

* 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'.

The province currently has a younger-than-average agricultural workforce, but the number of young people entering this workforce is expected to decline significantly as young people increasingly opt to leave the province.

Over the next decade, a rising number of retirements and fewer young people entering school is expected to shrink the province's agricultural labour supply. However, the demand for labour is expected to shrink faster, resulting in the only surplus of agricultural workers anywhere in Canada over the forecast period.

Despite a labour surplus, the sector is expected to face labour shortfalls that affect its profitability and growth. In 2014, the province had a small surplus of agricultural workers, but 200 jobs still went unfilled, costing the sector \$3 million in lost sales.

In 2014, Newfoundland and Labrador's agriculture sector employed 3,400 people.

The province was unable to fill 200 jobs, which cost the industry \$3 million.



The sector's inability to fill available jobs despite the surplus of labour could be explained by a mismatch between workers' skills and job requirements, or by a lack of workers in areas where jobs were available.

Between now and 2025, stable production outlooks and increasing productivity in the 'dairy' and the 'poultry and egg' industries will reduce labour demand in Newfoundland and Labrador even further, and the labour surplus will grow. Despite this growing surplus, the province's agriculture sector could still experience difficulty filling available jobs, due in part to a lack of skilled and experienced workers.

Labour Trends and Industry Forecast

The agriculture sector of Newfoundland and Labrador is small but thriving. Since 2004, Newfoundland and Labrador has seen a 15% increase in the number of farms in operation as well as significant production gains.

However, rising productivity, which enables each worker to generate a higher output, has kept labour demand flat during this time. An increased demand for workers in some industries, such as 'poultry and egg', has been offset by reduced demand in others. As a result, the province has the most balanced labour market for agricultural



In 2014, labour shortages cost Newfoundland and Labrador's agriculture sector an estimated \$3 million, or 2.8% of sales.

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

- 23% experienced production losses
- 27% delayed expansion plans

workers in the country. In 2014, supply exceeded demand by approximately 100 workers.

Looking to the future, the 'dairy' and the 'poultry and egg' industries, which are the province's largest agricultural employers, are forecast to see the slowest production growth over the next decade. This trend, combined with improved productivity will reduce the number of agricultural workers required even further. The province's demand for agricultural workers is expected to fall by 3.5% per year between 2014 and 2025, which is the steepest decline of any province.

At the same time, the supply of domestic labour is expected to shrink. A rising number of retirements and a dwindling supply of younger workers will reduce the size of the agricultural workforce by an average of 1.8% per year over the next 10 years. This is double the annual average decline of 0.9% for all of Canada.

However, the net result is that Newfoundland and Labrador will be the only province to experience a surplus of agricultural workers over the forecast period. This surplus will affect different agriculture industries to varying degrees. For example, the 'dairy' industry will persistently have the highest labour surplus, while the province's aquaculture industry will see a growing labour shortfall.



Meeting the Challenge

Newfoundland and Labrador enjoys one of the most balanced agricultural workforces of any province. And because its sales per agricultural worker are the lowest in Canada, this province is less affected financially by each unfilled vacancy.

However, that does not mean that the province's agriculture sector will not face challenges in the coming years. Agricultural employers say that an inability to locate workers with the appropriate skills or experience is the top recruiting issue, and nearly one in five (19%) suggest that a lack of qualified workers in the proximity of their operations is a key barrier to recruitment.

The province's agriculture sector also has the highest involuntary turnover rate in the country. At 21%, this is three times the average across Canada. Coupled with the fact that "managers in agriculture" (an occupation that includes both owner-operators and hired managers) will be the most difficult position to fill and the only occupation with an expected labour gap, this suggests that finding workers with the right training and experience will be a challenge.

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

- Difficulty in attracting young workers is an issue that affects 87% of agricultural operations.
- A lack of workers with enough experience was more likely to be reported as an issue for agricultural employers in this province.

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.



- Difficulty keeping workers is also an issue for agricultural employers, as evidenced by the high involuntary turnover rate.

The province's agriculture sector also has strengths that it could leverage:

- Finding ways to communicate the benefits of agricultural work to a younger demographic could help to attract more young workers.
- Access to training programs, mentorships, and internships have 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, and despite a labour surplus, Newfoundland and Labrador 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 Newfoundland and Labrador'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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