



Ontario Agricultural Labour Market Forecast to 2025

Canada's largest agricultural employer, Ontario, will face some of the most critical labour challenges in the sector over the next 10 years.

Provincial Overview

In 2014, Ontario was the largest agricultural producer, accounting for 103,000 workers, or 27% of Canada's agricultural workforce.

Ontario is home to the highest concentrations of workers for five of Canada's agriculture industries. The province accounts for a significant share of the country's agricultural employees in several industries, including: 'greenhouse, nursery, and floriculture'* (41%); 'sheep and goat' (40%); 'poultry and egg' (36%); 'field fruit and vegetable' (36%); and 'swine' (30%).

In terms of the province's agricultural workforce distribution, nearly one in four workers in the province's agriculture sector (24%) work in the the 'greenhouse, nursery, and floriculture'

* 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'.

industry. The second-largest employer is the 'dairy' industry, accounting for 12% of the province's workers. The 'tree fruit and vine' and the 'beef' industries 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 agriculture 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.

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

In 2014, Ontario's agriculture sector employed 103,000 people.

The province was unable to fill 8,600 jobs, which cost the industry \$436 million.

By 2025, the province will have 46,600 more jobs than the domestic labour force can fill.



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.

Labour Trends 2004–2014

Between 2004 and 2014, Ontario's agriculture sector experienced a relatively flat demand for labour, with some industries, such as the 'beef' industry and the 'poultry and egg' industry, requiring increasing numbers of workers and others, such as 'greenhouse, nursery, and floriculture', requiring fewer workers.

Ontario relies heavily on foreign workers to support the sector; half of the foreign workers employed by Canada's agriculture sector are employed by this province. In 2014, 23,700 foreign workers were employed, or close to one in four workers (23%). That's a significantly higher proportion than other provinces with a heavy reliance on foreign workers, such as British Columbia, at 17%, and Nova Scotia, at 15%. Three industries employ almost all of these foreign workers: 50% are employed in the 'greenhouse, nursery, and floriculture' industry; 21% in 'tree fruit and vine'; and 19% in 'field fruit and vegetable'.

Despite the high percentage of foreign workers, Ontario was unable to find enough workers to meet the needs of its agriculture sector. In 2014, 8,600 jobs went unfilled, which is equivalent to 8% of the total workforce required. This shortfall, which is on par with the Canadian figure of 7%, resulted in \$436 million in lost sales.

The province's agricultural producers face a number of challenges in addressing these labour shortages. Involuntary and voluntary turnover rates are above the national average, at 9% and 21%, respectively. Negative perceptions about agriculture made recruitment difficult for 16% of agricultural producers surveyed, and the physical nature of the work was reported as a retention challenge by 21% of them.



In 2014, labour shortages cost Ontario's agriculture sector an estimated \$436 million, or 3.5% of sales.

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

- **36%** could not find enough workers
- **23%** experienced lost sales
- **20%** experienced production delays

Industry Forecast to 2025

Over the next 10 years, a growing market demand for a number of Ontario's key agricultural commodities will place greater pressure on the labour force, with the demand for agricultural workers in the province expected to grow by 0.9% per year between now and 2025. This is nearly double the national average of 0.5% per year for Canada's agriculture sector.

At the same time, the province's supply of domestic workers is expected to shrink by an average of 0.7% per year, which is slightly lower than the national average of 0.9%. The main reason for this decline is the rising number of retirements; between now and 2025, Ontario is predicted to lose more than one in four workers (27%) to retirement.

With a growing demand for labour and a shrinking labour supply, the province's labour gap will widen. By 2025, the agriculture sector will be unable to fill 46,600 jobs with the available supply of domestic workers, which is equivalent to 38% of the total workforce required. In other words, more than one in three jobs could be at risk of going unfilled. The vast majority of these jobs (more than 42,800) will be for "general farm workers" and "managers in agriculture."



Meeting the Challenge

Ontario'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, more than one-third of the jobs required to support the sector (38%) could be at risk. No other province has a wider gap between the number of agricultural workers required and the number of domestic workers available.

Given that 8,600 unfilled jobs resulted in lost sales of \$436 million in 2014, this reality could significantly impact the sector's profitability and growth potential.

While Ontario has been reasonably successful in addressing the labour gap by hiring foreign workers, this solution is not without risks: a change in policy concerning foreign workers could reduce or eliminate access to this labour source, with devastating results.

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

- 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.

- Ontario's agricultural employers were much more likely to cite negative perceptions of the sector as a key recruitment barrier.

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

- 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.

As the labour gap widens, Ontario 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 Ontario's agriculture sector, please refer to the accompanying report available at www.AgriLMI.ca.

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.

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.

Photo credits: Rainbow Greenhouses, Alberta Pork, Murray Porteous