



Prince Edward Island Agricultural Labour Market Forecast to 2025

Strong production outlooks and a dwindling labour supply are expected to widen the labour gap and create employment challenges for this province's agriculture sector in the coming years.

Provincial Overview

In 2014, Prince Edward Island had the second-smallest agricultural workforce out of all the provinces, employing 4,900 people, or roughly 1% of Canada's agricultural workforce.

Although Prince Edward Island's share of Canada's agricultural workforce is small, the province depends heavily on its agriculture sector. More than 4% of the province's workforce was directly employed in agriculture in 2014; only Saskatchewan had a higher percentage of its workforce employed in this sector.

The province is the fourth-largest employer of 'field fruit and vegetable'* workers in Canada,

* 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'.

accounting for 8% of the industry's workforce in 2014. Prince Edward Island also accounts for 10% of the country's 'aquaculture' industry workforce.

The 'field fruit and vegetable' industry is the province's largest agricultural employer, accounting for more than one-third (34%) of its agricultural workforce. The 'dairy' and 'aquaculture' industries are the second- and third-largest employers, accounting for 11% and 8% of the workforce, respectively.

Prince Edward Island's agriculture sector has a lower-than-average reliance on foreign workers. In 2014, foreign workers accounted for 9% of its agricultural workforce, compared to 12% for all of Canada. Close to two-thirds of these workers were employed in the 'field fruit and vegetable' industry.

In 2014, Prince Edward Island's agriculture sector employed 4,900 people.

The province was unable to fill 200 jobs, which cost the industry \$4 million.

By 2025, a predicted 1,100 jobs could be at risk due to a lack of domestic labour.

In 2014, the province's agriculture sector saw a moderate labour gap, with 200 jobs going unfilled due to a lack of workers. The inability to find enough workers cost the industry \$4 million in lost sales.

Between now and 2025, the gap is expected to widen and place more jobs at risk. Two factors are contributing to the widening gap. First, the province's need for agricultural labour is expected to rise as a result of production growth in a number of its key agricultural industries. Second, an aging agricultural workforce and a declining number of young people in the province will significantly reduce the number of domestic agricultural workers available.

As a result of these demographic and production trends, Prince Edward Island's agricultural labour gap is expected to expand to 1,100 workers by 2025, a number equivalent to 19% of the total demand for labour.

Labour Trends and Industry Forecast

The agricultural workforce in Prince Edward Island has undergone a significant transformation over the past few decades. Since 2004, the province has seen an 18% drop in the number of farms, but rising productivity, which enables each worker to generate a higher output, has kept labour demand flat. In addition, growing labour demand in some industries, such as the 'grain and oilseed' industry and the 'field fruit and vegetable' industry, were offset by declines in others, such as the hog industry.



In 2014, labour shortages cost Prince Edward Island's agriculture sector an estimated \$4 million, or 0.8% of sales.

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

- 40% experienced production delays
- 20% experienced production losses
- 17% experienced lost sales

However, between now and 2025, the 'aquaculture' and the 'grain and oilseed' industries, which are the province's third- and fourth-largest agricultural employers, are forecast to see the strongest production growth. As production potential rises, more workers will be required to maintain those production levels.

Over the same time period, two factors will help to limit the demand for more agricultural workers. First, several of the province's key agricultural industries will see increased productivity. Second, its 'dairy' industry will see both increased productivity and limited growth in the demand for its products.

Despite these limiting factors, agricultural labour demand in Prince Edward Island is expected to grow by an average of 0.8% per year until 2025, which is higher than the national average of 0.5%.

At the same time, a rising number of retirements and a declining number of young people entering the agricultural workforce will result in a shrinking labour pool. Between 2014 and 2025, the province's domestic labour supply is expected to decline by an average of 0.8% per year.

With a growing need for workers and a shrinking workforce, the province's agriculture sector will face a widening labour gap. In 2014, the province saw a small gap of 200 unfilled jobs, which was equivalent to 3% of the total workforce needed. By 2025, there will be 1,100 more jobs than the domestic workforce can fill, and nearly one in five jobs, or 19% of the total number of jobs needed to service the sector, will potentially be at risk.

While the entire sector will be affected by the labour gap, the gap will be highest in the province's 'field fruit and vegetable' industry.

Meeting the Challenge

After years of stability in the demand for agricultural labour, Prince Edward Island is looking at positive production outlooks in some of its largest agricultural industries, which will support modest growth in labour demand.

Over the next few years, the effect of a high rate of retirement and a dwindling supply of young people in the province will increase this gap considerably. By 2025, there will not be enough domestic workers to fill the nearly one in three jobs (31%) required for the agriculture sector to reach its production potential.

These production trends, combined with a decline in the province's domestic labour supply, is expected to widen the labour gap substantially. From 2014 to 2025, Prince Edward Island's agricultural labour gap will rise from 3% to 19% of the total demand for labour, and 1,100 jobs will be at risk of going unfilled.

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

- Declining populations in rural areas make it difficult for employers with operations in rural areas to attract workers, with more than one in three of the province's agricultural employers (34%) citing this as a key recruitment challenge.
- More than half of employers were challenged by the inability of the province's educational system to meet the needs of the agriculture sector.
- Turnover rates in the province's agricultural sector are above average, and the voluntary turnover rate, at 23%, is the highest of any province.

- Significant use of foreign workers makes employers vulnerable to the risk of policy changes, such as a change to the Temporary Foreign Worker Program (TFWP).
- Variability in hours affects retention in this province significantly. Nearly one in five agricultural employers (18%) cite this as a retention challenge, compared to a national average of just 5%.

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

- The physicality of farm work poses less of a retention issue for this province's agricultural employers.
- The province has a younger-than-average agricultural workforce, so it will benefit from a lower-than-average retirement rate over the forecast period.
- Providing advancement opportunities could help make work in the agriculture sector more attractive to workers and improve retention.
- Access to training programs, mentorships, and internships has the potential to create more skilled labour.

Over the forecast period, Prince Edward Island will need to find ways to strengthen the domestic labour pool in order to address its fast-growing labour gap, avoid financial losses, and reach its growth potential.

For more information on production trends and labour market challenges for Prince Edward Island'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.

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