



Saskatchewan Agricultural Labour Market Forecast to 2025

As the province with the highest reliance on the agriculture sector, Saskatchewan will be heavily impacted by the labour challenges that are expected to affect the sector over the next decade.

Provincial Overview

In 2014, Saskatchewan was a significant employer in Canada's agriculture sector, employing 43,600 people, or 12% of Canada's agricultural workforce.

Saskatchewan also had the heaviest reliance on agriculture employment of any province, with more than 7% of its workforce directly employed in agriculture production.

The top agricultural employer in the province is the 'grain and oilseed'* industry, which accounts for half of the province's agricultural workers. Saskatchewan is also the biggest employer of 'grain and oilseed' workers in Canada, accounting

for 40% of the nation's total workforce for this industry.

The province's second most significant agricultural employer is the 'beef' industry, accounting for nearly one in five or 18% of the province's agricultural workers.

Saskatchewan's agriculture sector has the lowest reliance on foreign workers: only 1.1% of the province's agricultural workforce is foreign, compared to 12% Canada-wide.

In 2014, Saskatchewan's agricultural employers were unable to fill 4,500 vacancies. This was equivalent to nearly one in ten jobs, or 9% of the workforce required, and it cost the sector \$239 million, or 1.8% of sales.

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* 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'.

Looking ahead to the next 10 years, Saskatchewan's labour challenges are expected to intensify. The province's agriculture sector is entering a decade of moderate growth in the demand for labour, but the size of the agricultural workforce is expected to shrink. Saskatchewan's agricultural workforce has the highest average age of all the provinces in Canada: in 2011, 70% of the workforce was 45 years of age or older. Over the next decade, a wave of retirements is expected to reduce the size of the workforce by nearly a third (30%) and widen the labour gap significantly.

Unless Saskatchewan can find alternative sources of domestic or foreign labour, the growth potential of one of its vital sectors, and its key contribution to Canada's 'grain and oilseed' industry, will be at risk.

Labour Trends 2004–2014

Between 2004 and 2014, the number of farms in Saskatchewan declined by nearly one-quarter (22%), with smaller farms consolidating into fewer but larger farms. In many of these cases, consolidation resulted in more efficient farms that were able to boost productivity without hiring additional workers.

Despite the flat demand for labour, the province's agriculture sector still had difficulty finding enough workers. In 2014, Saskatchewan's agricultural employers were unable to fill 4,500 jobs, which is equivalent to 9% of the total workforce required. While this is a relatively small percentage, these labour challenges resulted in \$239 million in lost sales for the sector. Labour shortages also caused production delays and production losses.

While foreign labour sources have helped to alleviate labour challenges in some provinces, Saskatchewan has made limited use of foreign workers. This is because the province's biggest agricultural employer, the 'grain and oilseed' industry, does not qualify for the Seasonal Agricultural Worker Program (SAWP) or the Agricultural Stream, the two most common access points connecting agricultural employers to foreign workers. As a result, foreign workers made up just 1.1% of Saskatchewan's agricultural workforce, which is the lowest share of any province.

In 2014, labour shortages cost Saskatchewan's agriculture sector an estimated \$239 million, or 1.8% of sales.

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

- **47%** could not find enough workers
- **25%** experienced production delays
- **24%** experienced production losses

Saskatchewan's agricultural workforce had voluntary turnover rates that were slightly higher than the national average (21% compared to 18%), but its involuntary turnover rates were slightly lower (6% compared to 7%). When it comes to recruiting and retaining workers, 41% of the province's agricultural employers said the rural locations of their operations posed recruitment challenges, and 14% said that long working hours make it difficult to retain workers.

Industry Forecast to 2025

In the years ahead, positive production outlooks for many of Saskatchewan's agricultural industries, including its two biggest employers, the 'grain and oilseed' industry and the 'beef' industry, will increase the demand for workers. Between 2014 and 2025, the demand for agricultural workers in Saskatchewan is expected to grow by an average of 0.3% per year, climbing from 48,200 to 49,600.

At the same time, the province's supply of domestic workers is expected to decline substantially, falling by an average of 1.7% per year. This is considerably higher than the national average of 0.9%.

Saskatchewan's agricultural workforce will shrink more rapidly because of its aging workforce. In 2011, more than two in three (70%) workers were aged 45 or older, compared to 60% of agricultural workers across Canada, and just 44% of the general worker population. By 2025, the province's agriculture sector will have lost 30% of its workforce 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 13,000 jobs with the available supply of domestic workers, which is equivalent to 26% of the total workforce required. In other words, more than one in four jobs will be at risk of going unfilled. The vast majority of these jobs (nearly 12,500) will be "general farm workers" and "managers in agriculture."

Meeting the Challenge

Saskatchewan'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, 26% of the jobs required to support the sector could be at risk. Given that a labour gap equivalent to just 9% resulted in lost sales of \$239 million in 2014, this reality could significantly impact the sector's profitability and growth potential.

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

- Many workers are not interested in moving to rural areas or are unable to travel to farms from the city for work, which presents a recruitment barrier for agricultural employers with rural operations.
- In 2011, 70% of Saskatchewan's agricultural workforce was aged 45 years or older, compared to 44% of Canada's general worker population. By 2025, 30% of these agricultural workers will have retired.

- In 2014, four in five agricultural operations reported challenges in attracting young workers.
- Saskatchewan's biggest agricultural employer, the 'grain and oilseed' industry, does not qualify for access to foreign workers through SAWP and the Agricultural Stream.

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

- Its agriculture sector has the lowest year-round involuntary turnover rate of any province.
- Highly mechanized production in the 'grain and oilseed' industry helps to reduce the need for physical labour, which could be a significant impediment to retaining workers.
- A mild inflow of international migrants and a stable number of young workers entering the workforce are expected to provide some support to the province's labour supply growth.
- 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, Saskatchewan 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 Saskatchewan'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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