



Tree Fruit and Vine Industry Forecast to 2025

A significant employer with a heavy reliance on foreign workers, the ‘tree fruit and vine’* industry has one of the biggest labour gaps of any agriculture industry. That gap is predicted to widen over the next decade, placing the industry’s growth potential at risk.

Industry Overview

The ‘tree fruit and vine’ industry includes farms that produce all types of tree fruits (such as apples and peaches), tree nuts (such as walnuts and hazelnuts), berries (such as strawberries, blueberries, and raspberries), and vineyards.

The industry is a significant agricultural employer, employing 26,100 people and accounting for 7% of the total agricultural workforce in Canada. The gap between the supply of domestic workers and the demand for labour is high. In 2014, the ‘tree fruit and vine’ industry had 7,100 more jobs than the domestic supply of workers could fill.

* 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’.

Work in the ‘tree fruit and vine’ industry is labour intensive, requiring extensive hand-picking and packaging. As a result of these difficult labour conditions, the industry relies more heavily on foreign workers to meet its labour requirements than any other agriculture industry.

The industry is also subject to the most pronounced seasonal pattern of any agriculture industry. At its seasonal peak, the domestic workforce is typically 2.5 times bigger than it is during the seasonal low. When seasonal workers are factored into the equation, the total workforce could be as much as 3.5 times bigger.

The majority of the industry’s workforce (36%) is located in British Columbia, with Ontario a close second at 32%, and Quebec having the third-largest industry workforce at 16%.

The industry is predicted to see an increase in the output each worker can produce, which will limit the demand for labour. However, the industry still faces a widening labour gap as the available domestic workforce may shrink by 1,000 workers over the next 10 years.

In 2014, the ‘tree fruit and vine’ industry employed 26,100 people.

The industry was unable to fill 1,900 jobs, which cost it \$13 million.

By 2025, an estimated 9,100 jobs could go unfilled due to a lack of domestic labour.



Labour Trends 2004–2014

Between 2004 and 2014, the 'tree fruit and vine' industry saw a strong productivity performance and a healthy workforce growth rate, with the number of workers rising from 19,000 to 26,100. However, this workforce growth was not enough to meet the industry's demand for labour. In 2014, the industry had 7,100 jobs that could not be filled by the available domestic workforce, a number that was equivalent to 25% of the total workforce required. In other words, one in four jobs in the 'tree fruit and vine' industry could not be filled by a domestic worker. These jobs were either taken by foreign workers or left unfilled.

Foreign workers accounted for 37% of the industry's workforce at its seasonal peak, which is one of the highest levels of reliance in the agriculture sector. The vast majority of these foreign workers is employed in either Ontario, which employs half of the industry's foreign workers, or British Columbia, which employs 40% of them.

Despite support from the foreign labour market, another 1,900 jobs went unfilled by either foreign or domestic workers, costing the industry \$13 million in lost sales.



In 2014, labour shortages cost the 'tree fruit and vine' industry an estimated \$13 million, or 1.5% of sales.

When 'tree fruit and vine' operators were surveyed about the impact of labour shortages:

- **21%** reported production delays
- **27%** reported production losses
- **17%** reported overtime costs

Industry Forecast to 2025

Over the next decade, the industry will continue to see strong productivity growth of 2% per year. This is one of the strongest growth trends of any agriculture industry. Strong productivity will limit the need for additional labour, which is forecast to rise very moderately, from 28,000 today to 29,000 workers by 2025.

However, the domestic labour supply is expected to shrink by 1,000 people during the same time period, due primarily to retirements. This will increase the labour gap, adding another 2,000 jobs that can't be filled by the available domestic labour pool. In total, the 'tree fruit and vine' industry will have a total of 9,100 jobs that will either need to be filled by foreign workers or go unfilled. That number is equivalent to 32% of the total workforce required to support the industry. In other words, by 2025, one in three jobs will be at risk of going unfilled if enough foreign workers can't be found to fill them.

The jobs at greatest risk of going unfilled in this industry are "managers in agriculture," which include both owner-operators and hired managers, and "general farm workers." Together, these occupations account for 64% of the industry's current employment and 92% of the labour gap.





Meeting the Challenge

As the domestic labour supply shrinks and labour requirements grow, the 'tree fruit and vine' industry will need to find and retain more domestic workers or rely even more heavily on foreign workers to meet production targets, minimize lost sales, and support continued growth.

The industry has been reasonably successful in filling the labour gap with foreign workers, but this solution makes it highly vulnerable to changes in foreign-worker policy.

To grow its domestic labour force, the industry will need to overcome a number of key challenges.

- Industry employers report that negative industry perceptions are a top concern when recruiting.
- The work tends to be physical and strenuous, with long hours required during the peak season.
- The high turnover among seasonal workers creates considerable cost and strain for employers.
- The industry has the sector's highest seasonal fluctuation, creating a lack of stability and predictability for workers.

However, the 'tree fruit and vine' industry also has strengths that it could leverage in building its domestic workforce:

- The industry has a younger workforce than the sector average, which will reduce the number of experienced workers lost to retirement over the next 10 years.
- It has operations that tend to be located near urban areas, which means it has access to larger labour pools.

While access to a foreign workforce has enabled the 'tree fruit and vine' industry to manage its labour gap and minimize the share of sales lost to labour shortages, the industry will need to find ways of strengthening the domestic labour pool to avoid greater losses and a heavier reliance on foreign workers in the future.

For more information on production trends and labour market challenges for the 'tree fruit and vine' industry, 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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