



CANADIAN AGRICULTURAL
HUMAN RESOURCE COUNCIL

LABOUR MARKET INFORMATION **on recruitment and retention** **in primary agriculture**

Executive Summary



Funded by the Government of
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EXECUTIVE SUMMARY

The Canadian Agricultural Human Resource Council (CAHRC) was created to address human resource issues facing primary agriculture across Canada. CAHRC works with industry leaders, governments, and education stakeholders to research, develop and communicate solutions to the challenges in agriculture employment and skills development.

This report examines the degree to which labour shortages are an issue for primary agriculture – by geographic region, commodity grouping, and major occupation type – and the factors impeding on-farm employee recruitment and retention. In addition, the report projects five-year agriculture labour demands and recommends actions to address the issues and challenges identified in the study. The information was based on responses from more than 550 employer surveys, 50 key industry stakeholder interviews, an extensive review of labour market information from official data sources and thirteen farm profile studies. The project began in May 2007 and was completed in May 2009.

Canada's agricultural sector employs a large number of workers

Based on the Statistics Canada Labour Force Survey (LFS), on-farm agriculture employed an estimated 336,200 people, in 2008, across all farm sizes. Approximately 244,500 of these individuals were employed by operations with receipts of more than \$100,000.

The sector's high vacancy rate and growing use of foreign worker programs suggest that Canadian producers are facing human resource challenges

The sector's vacancy is approximately 9%, with more than three in four employers surveyed reporting at least one vacant position within their operation. This translates into more than 25,000 job vacancies for non-seasonal positions across to the entire sector.

Furthermore, employers reported a 20% vacancy rate for seasonal positions or an estimated 16,560 vacant positions. In response to the high vacancy rate, there has been a steady increase in the use of temporary foreign workers.

Employers in primary agriculture indicate that they will need a considerable number of workers over the next two to five years

Over the next five years, employers expect that they will need more employees due to retirement, attrition and expansion. Survey responses indicate that by 2013 approximately 50,900 non-seasonal positions, and an additional 38,800 seasonal positions, will need to be filled. While approximately half of these are general farm worker positions, there will be a considerable need to fill a variety of technical, trade and supervisory positions. The non-seasonal workforce is expected to require approximately 2,800 technical/specialist workers, 8,600 machinery/equipment operators and 4,100 supervisors/managers.

Employment requirements will differ based on region, commodity type and major occupational group

Survey results suggest that employment requirements will differ across regions, commodity types or major occupational groups. For example, over the next five years:

- The mechanics/machinery operator occupation is expected to grow by 39%;
- Employment needs are expected to increase by 15% across all regions; and
- Employers in the horticulture sector expect that they will need up to 52% more employees. This sector has the highest vacancy rate (28% of positions were vacant at the time of the survey).

The sector has not sufficiently developed its human resource capacity

While research confirmed that almost all farm establishments have or will have a need for more workers, it also identified significant gaps in the sector's human resource capacity. For example, only 25% of employers have a human resource plan and a third are not undertaking any specific activities to recruit or retain workers.

Farm profiles completed with a sample of agricultural employers show that while some have embraced new and innovative human resource practices, there are still challenges recruiting and retaining workers on the farm. Some employers rely on the use of the Seasonal Agricultural Worker Program (SAWP) to meet some of their employment needs.

Research identified three broad strategy areas to be addressed

This study identified three broad issues that need to be addressed:

1. Increased labour market research is needed to better understand the labour market dynamics affecting the sector;
2. Recruitment strategies are needed to help fill existing vacancies and to meet future labour demands;
3. Primary agriculture needs human resource tools to help employers manage and retain their workforce.

Recommendations

This study highlighted three major human resource issues facing the Canadian agricultural sector.

1. There is limited accurate statistical data on the size and characteristics of Canada's agricultural workforce.

A review of available information suggests that it is difficult to determine the true size and nature of Canada's agricultural workforce. Due to the large seasonal or harvest workforce combined with the increasing use of foreign workers, official statistics currently available may not be providing an accurate picture of agricultural employment.

2. There are considerable current and future demands.

The employer survey confirmed that most operations have numerous vacant positions across all job classifications. The estimated vacancy rate of 9% is nearly double that of other sectors, and implies that there are currently in excess of 25,000 vacant non-seasonal positions and 16,500 vacant seasonal positions across the sector. In addition, due to workforce retirements, attrition and demand growth, it is projected that the sector will need to attract almost 90,000 new workers (including seasonal and non-seasonal projections) by 2013.

3. There is a need for programs and policies that would better meet the sector's human resource needs.

Results of the employer survey, key informant interviews and farm profiles indicate that there is a need to enhance human resources practices in the sector.

The following recommendations are proposed to address these challenges.

Recommendation #1 - Improve Labour Market Information for the Sector

1.1: Improve Data Collection from the Agriculture Sector

The ongoing monitoring of labour trends is needed to proactively address recurrent or emerging labour issues in the sector. The analysis of labour market demand data for this industry reveals discrepancies between the data collected from the LFS, the Census of Agriculture and the 2006 Census. Furthermore, these sources provided little information on seasonal and foreign workers employed in the sector.

Sector-wide employment data collection that supplements the existing sources is needed to adequately identify emerging labour trends.

Current data that accurately depicts specific commodities or occupations in a supply and demand model is incomplete. Supplementary data will need to be collected from individuals and/or employers within the sector.

CAHRC will implement the following items to improve labour market information in primary agriculture:

- Working with the Census of Agriculture to capture more comprehensive data on the state of human resources on Canadian farms. This could include collecting information on the number of non-seasonal/seasonal workers employed, and current vacancies.
- Confirming with Statistics Canada and other government departments what processes are used, if any, to include seasonal and foreign farm workers in the LFS. Since the LFS is the only ongoing data collection mechanism to track employment in the sector, discussions will be held with Statistics Canada to verify that current data collection processes will capture the increasing use of seasonal and foreign workers.

1.2: Advocate for Special Studies to Address Sector Labour Market Information Requirements

Given the shortcomings of current labour market information data sources (e.g. Census, LFS, Census of Agriculture), advocating for a special study of primary agriculture by Statistics Canada or other organizations is recommended. Statistics Canada already does a number of sector studies that capture a range of information including employment dynamics.

The report also recommends that CAHRC adopt a strategy to improve labour market information for the sector. This would involve managing large-scale employer surveys (in partnership with producer organizations) and exploring other avenues to collect reliable labour market information for the sector.

Recommendation #2 - Take Action to Increase the Supply of Workers in Agriculture

As noted throughout the report, the Canadian agricultural sector is facing considerable labour challenges, exemplified by the high vacancy rate, a significant proportion of employers reporting difficulties in hiring workers, and the significant number of workers that will be needed to meet employer demands over the next five years. Several action items have been proposed to address current and future labour demands in the sector.

2.1: Share Information on Vacancy Rates to Support Policies Designed to Increase the Number of Agricultural Workers in Canada

Canada's agricultural sector is often overlooked when examining labour market issues. The relatively high proportion of vacant positions in the sector (9%) suggests that policymakers should support a range of initiatives designed to increase the number of workers in the sector. These policies could include expansion of Canadian educational programs, the maintenance of immigration-based programs and other programs that could increase the pool of workers available to the sector.

2.2: Meet with Citizenship and Immigration Canada to present research findings and discuss implications

While farmers' use of temporary foreign worker programs has increased over the past number of years, these programs are only partially addressing the sector's seasonal workforce needs. A longer-term strategy would include modification of Canada's current immigration policy, which currently attaches considerable weight to knowledge of official languages and education. Modification of immigration criteria to enable individuals with the desire to work in the agricultural sector could enhance long-term supply of skilled workers to the sector.

2.3: Examine the Feasibility of Implementing Changes to Employment Insurance/Social Assistance Regulations

Stakeholders noted that under current Employment Insurance (EI) and Social Assistance (SA) regulations, there was little incentive for individuals receiving EI or SA to accept employment on farms. The disincentives include the limited number of weeks available (seasonal period could be short), the loss of income (EI payments are reduced by the earnings made through work), and the loss of subsidized benefits for individuals on SA. Where possible, changes in EI and SA policies could be considered so that individuals on EI or SA are not penalized for taking short-term employment in the agricultural sector.

2.4: Market the Sector to Students

Students are our future workforce. As such, they need to realize the wide range of opportunities for employment in agriculture for both skilled and unskilled jobs. The benefits of working in agriculture need to be strongly communicated. Today's students use different media that may require innovative methods of attracting them to agricultural jobs. Efforts need to be directed to promoting the benefits of working in agriculture as a career that can lead to self-employment, working in the outdoors and working with new and innovative technologies. There is significant competition from other sectors to attract students; however, this does not preclude marketing to this population.

Teachers, parents and career counsellors can have a significant impact on the future goals of students. By developing a promotional campaign targeted at student groups, more youth may be encouraged to look to agriculture for their future employment.

2.5: Improve the Sector's Image

Generally, jobs in agriculture are not seen as being highly valued and respected in the eyes of the general public. A strategic initiative focused on the improvement of the overall image of the agriculture sector should be developed to encourage recruitment. Information from stakeholder consultations, the employer survey, and CAHRC's LMI Forum revealed that recruitment could be greatly improved through positive promotion of the sector. Sector image may have significant relevance when vying for employees in competing sectors.

Improvement of the sector's image could include the development of promotional materials such as TV commercials, flyers, pamphlets, posters, etc. As more and more consumers focus on their food source, this is an opportunity to promote the importance of the industry and the values of being involved in Canada's agriculture industry.

Recommendation #3 – Enhance Human Resource Practices in the Sector

In addition to initiatives that would improve labour market information and increase the supply of workers in the sector, there is also a need to enhance the human resource management capacity in Canada's agricultural sector. Action items that could help employers address issues related to recruitment and retention include the following:

3.1: Explore the Feasibility of Developing Human Resource Management Training for the Sector

Changes in agricultural production have led to a need for a labour force skilled in new technologies. The demand for more workers in primary agriculture demonstrates the value of establishing human resource related plans and practices.

Few agricultural employers have training in human resources and only 25% of employers surveyed state that they have a human resource plan. As human resource skills are critical for both hiring and retaining employees, training programs should be developed specifically for employers and employees in the sector to address this gap. Agricultural employers must be made aware of the value of human resource professionals and their role in assisting with retention and recruitment.

3.2: Develop Additional HR Tools to Support the Sector

Examples of human resource tools that were recommended:

- A factsheet illustrating how employers can recruit foreign workers can come to Canada to work in the agricultural sector;
- Materials that highlight potential employment opportunities or career paths by region and sector; and
- National sector-wide initiatives that would support recruitment and retention, such as a national benefit program for employers and workers.



Conclusion

This research highlights that labour shortages are an important issue facing the primary agriculture sector, and that farmers expect that their need for workers will increase over the next five years.

The labour gaps and the factors affecting on-farm recruitment and retention vary by geographic region, commodity grouping, and by major occupation type. The information gathered in this report will be used to increase awareness and address shortages in labour supply.

CAHRC has moved forward with recommendations to develop HR tools for the sector and continues to network with government departments, industry, and stakeholder organizations to implement strategies and initiatives to address the issues and challenges identified in the research.