



**Study of Labour Supply and Demand  
Within the PEI Agriculture Sector**

**Summary Report**

**October 2007**

# Acknowledgements

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The opinions and interpretations contained in this report are those of the authors and do not necessarily reflect the views of the Government of Canada and the Government of Prince Edward Island.

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# **1. Introduction**

## **1.1 Background**

The PEI Agriculture Sector Council Board of Directors identified the recruitment and retention of agriculture workers as a major issue facing the PEI Agriculture Industry that required further research. A local consulting firm, the Atlantic Evaluation Group Inc. was contracted to complete the research.

## **1.2 Purpose**

The purpose of this labour supply and demand study is to assist industry stakeholders to be aware of, and better understand, the dynamics of the agriculture labour force and issues related to recruitment and retention of workers. The study will also assist in the development of more effective human resource planning and practices across the industry.

This report summarizes key findings and strategies from this study. Readers wishing more detail are directed to the full Technical Report from this study and/or the companion Literature Review and Statistical Analysis report available from the PEI Agriculture Sector Council.

## **1.3 Objectives**

The study objectives included:

- To improve understanding of the nature of supply and demand for labour in the PEI agricultural industry by sector.
- To investigate the labour recruitment and retention issues in the PEI agriculture sector.
- To analyze labour shortages/surpluses and project future supply and demand in the PEI agriculture sector.
- To provide a profile of the agricultural labour force by agricultural industry and to profile current skill requirements.
- To provide an overview of supply and demand issues and trends facing the industry and identify best practices with some attention to feasibility of implementation.
- To provide a foundation for strategic human resource planning in the sector.

## **2. Methodology**

### **2.1 Overview**

To address the study objectives, a series of research/work tasks were completed including:

- A review of available reports/documents and secondary data (primarily Census Data).
- Two telephone surveys, one for farm operators/employers and one for farm workers, were designed and administered to gather information regarding current and future farm labour market requirements. A total of 167 employers and a total of 116 farm workers completed the respective surveys.
- A series of interviews were held with farm operators/employers, farm workers, and other external stakeholders. In total, 15 key informant interviews were conducted across the industry sectors to gather the views, perceptions and suggested solutions. Nine of the key informants were farm operators.
- Seven focus groups were conducted; four with farm operators/employers (29 employers in total participated) and three with farm workers (36 workers in total participated).
  - One employer focus group was conducted in each county. Efforts were made to include employers in the major industry sub-sectors (potato, dairy, hog, cattle, fruit, vegetable), and to ensure there was a good cross-section of small and large farm operations. A fourth employer focus group was held with a group of young farm operators attending the Conference for New Generation Farmers (Agriculture Unleashed) in Charlottetown from February 22-23, 2007.
  - Three worker focus groups were held: one session was held in each county, with representation from the Farm Supervisor and Specialized Livestock Worker occupation, the General Farm Worker occupation, and the Harvesting Labourer occupation.

### **2.2 Farm Employer Survey Respondents**

With regard to the employer survey, 167 farm employers responded, with a good cross-section of commodity groups represented. Employers from all three counties were included; 43% were from Queens County, 41% were from Prince County, while 14% were from Kings County. Table 1 provides a breakdown of the main and secondary commodities represented among farm employer survey respondents.

Differences among five commodity groups (main and secondary sectors combined) were examined for differences from the industry as a whole: potato, dairy, beef, grains, and vegetable and cole crop/fruit and berry combined (due to smaller numbers). Other commodity groups could not be analyzed due to smaller sample sizes. Only commodity groups with statistically significant differences are noted in the text.

<b>Table 1: Primary and secondary commodities produced by farm employer survey respondents (PEI, 2007).</b>		
<b>Commodity</b>	<b>Main</b>	<b>Secondary</b>
Potatoes	30%	5%
Dairy	28%	3%
Beef	11%	14%
Fruit and berry	10%	2%
Swine	7%	2%
Other animal	5%	4%
Grains	4%	25%
Vegetable/cole crops	2%	2%
Other	2%	8%

Seventy-six percent of employers surveyed had paid employees in 2006. Table 2 provides a breakdown of the number and type of paid employees.

<b>Table 2: Workforce profile (by duration of employment) of employer survey respondents with one or more paid employees in 2006, n=127 (PEI, 2007).</b>		
<b>Type of employee</b>	<b>Mean # employees per farm</b>	<b>Total employees for all 127 respondents combined</b>
Full year employees	1.8	234
Seasonal employees	3.3	418
Temporary employees	4.4	561
<b>Total employees</b>	<b>9.6</b>	<b>1213</b>

There were some differences among sectors examined. Employer respondents from the potato (mean of 13.1 employees), and the combined vegetable and cole crop / fruit and berry (mean of 17.9 employees) sectors had more total employees than other sectors. Employer respondents from the dairy sector (mean of 3.8 employees) had fewer total employees than other sectors.

## 2.3 Farm Worker Survey Respondents

A total of 116 farm workers responded to the survey. The type of farms on which respondents most commonly worked (all jobs combined) included potatoes (74%), followed by vegetable and cole/crops (16%), dairy (12%), beef (10%), mixed farming (8%), fruit and berry (6%), other animals (3%), grains (3%), and other commodities (3%). The age distribution of respondents is shown in Table 3.

<b>Age category</b>	<b>% Respondents</b>
24 or under	28%
25-34	11%
35-44	22%
45-54	22%
55-64	17%
65 or over	0%

Seventy-six percent of survey respondents were male and 24% were female. In terms of total personal income, 29% had income less than \$15,000 in 2006; 36% had income between \$15,000 and \$24,999; 20% had income between \$25,000 and \$34,999; and 15% had income of \$35,000 and up. In addition, 51% of respondents indicated that they had received EI benefits in 2006.

With regard to the highest education level completed, 41% indicated that they had less than high school; 31% had completed high school; and 28% had completed post-secondary education. Eleven percent of all respondents (or 40% of those who had completed post-secondary education) had completed post-secondary education specifically in agriculture.

Further details of the research methodology and profile of survey respondents are included in the full Technical Report available from the PEI Agriculture Sector Council.

### 3. Document Review

The document review looked at three studies:

- A literature review and environmental scan of agricultural human resource issues in Canada, conducted in 2005 by the George Morris Centre for the Canadian Federation of Agriculture. This study noted several major human resource issues including:
  - A tightening of a skilled labour force in agriculture due to an aging labour force.
  - Increased difficulty recruiting and retaining quality people.
  - A negative public perception of careers in agriculture.
  - The lack of availability of seasonal and harvest labour.
  - A lack of a culture within the industry toward training and continuous learning.
- Two major studies completed in 2003 and 2004 by NeoInsight (an Ottawa based consultant company) that were commissioned by the PEI Agricultural Human Resources Development Council (predecessor to the current PEI Agriculture Sector Council). The 2003 study identified six broad factors affecting the PEI agricultural labour market:
  - Farms are declining in number and increasing in size.
  - Farm labour and skills are in demand, driven by a range of factors including declining supply, seasonality, competition from other industries, and a cost-price squeeze.
  - Increasing regulatory and food safety requirements require new skills, knowledge, and attitudes.
  - There is a gap between education levels and skills required, even with younger farmers.
  - Use of technology on farms continues to increase, reducing labour demand.
  - Capital-intensive farming approaches are requiring farm operators to further develop their financial and management expertise.

This study was followed up in 2004 by a more targeted examination of farm operator and farm worker skills training needs; this second study provided guidance to the subsequent design of two major agricultural human resource programs, including the Future Farmers Program, and the Farm Technician Apprenticeship Program.

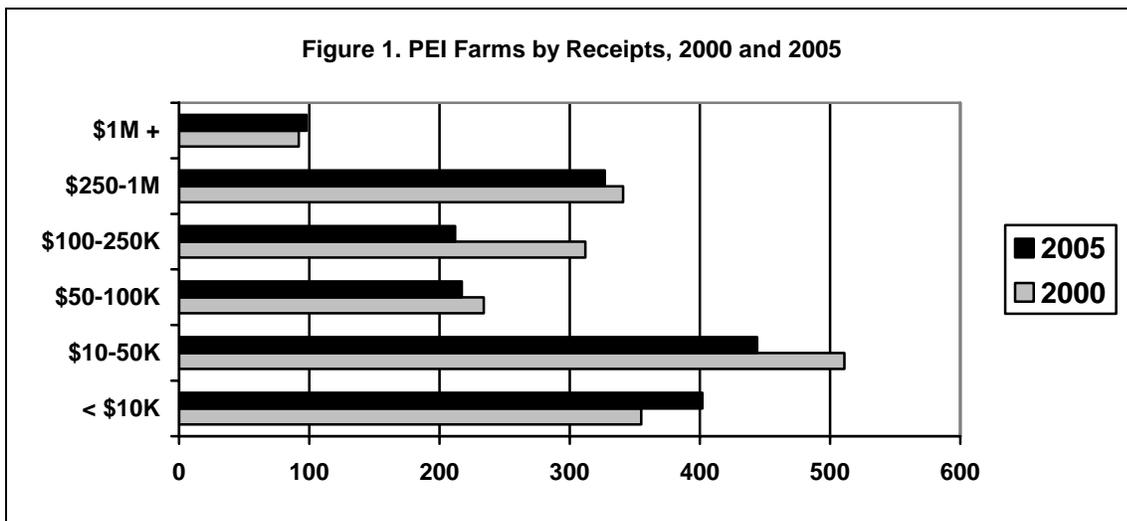
## 4. Farm Trends

### 4.1 National Farm Trends

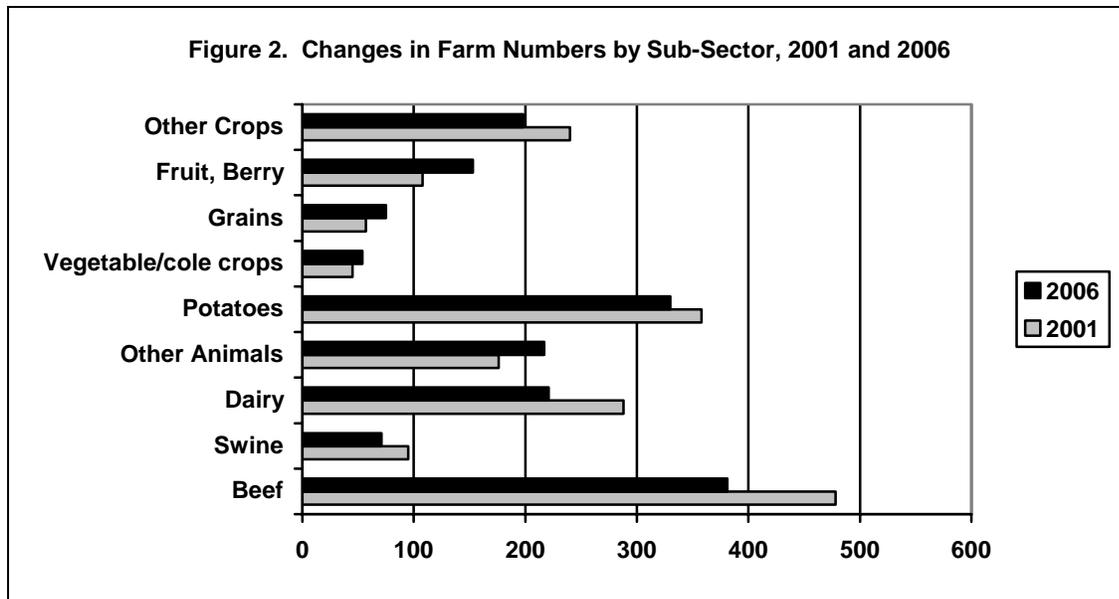
At a national level, the 2006 Census data indicates that farm size continues to increase, and the number of large farming operations continues to increase. The amount of land in agriculture remained largely unchanged since the 2001 Census data; however, the number of actual farms was down by 7.1%, and the number of operators was down by 5.5%.

### 4.2 PEI Farm Trends

In PEI, the farm trends mirror the national trends; the number of farms was down by 7.9%; from 1,845 farms in 2001 to 1,700 farms in 2006. Figure 1 shows that there was some growth among the largest and smallest farms, while there were declining numbers in all the middle ranges (\$10K to \$1M); the largest decline was in farms grossing in the \$100-250K range.



In terms of individual commodity sectors, there were declines in the larger sectors, while there was growth in the smaller sectors, as shown in Figure 2. For example, livestock farms (hogs, dairy, beef) were down by 14%, crops were down by 2%; however, there was growth in other livestock farms (due primarily in equine and poultry farms). In terms of crops, there were declines in potato and hay, while there was growth in other crops such as berries and vegetables.



### 4.3 PEI Farm Operator Trends

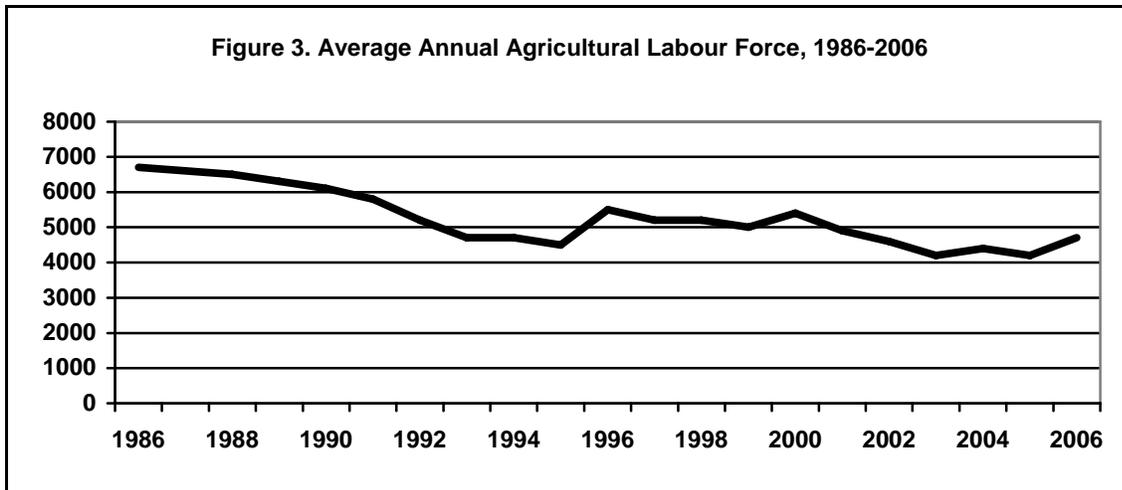
Between 2001 and 2006, the number of farm operators in PEI declined by 5.9%, down 145 operators, from 2,455 to 2,310. The decline was somewhat unevenly spread across counties, with Kings seeing a 7% drop, Queens a 5% drop, and Prince a 2.4% drop.

There was a distinct gender trend in the number of farm operators. The number of male operators declined by 8%, while the number of female operators increased by 10%. There were also noticeable shifts in the age of farm operators; operators under age 35 were down 21% since 2001, those aged 35-54 were down 13%, while those in the 55+ group increased by 12%.

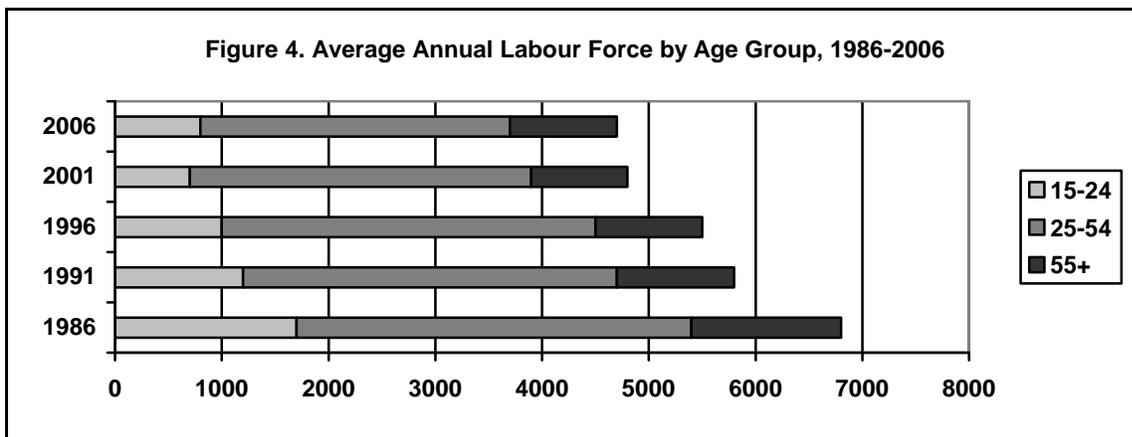
The level of educational attainment of farm operators increased significantly over the 1991 to 2001 time period. The proportion with less than high school dropped sharply from 57% to 41%. The share with a high school diploma or uncompleted post-secondary education remained essentially unchanged, while the share with a post-secondary credential increased strongly from 26% to 40%.

#### 4.4 PEI Agricultural Labour Force Trends

The PEI agricultural labour force dropped 30% from 6,700 to 4,700 employees (including the farm operators) over the past two decades (see Figure 3 below).



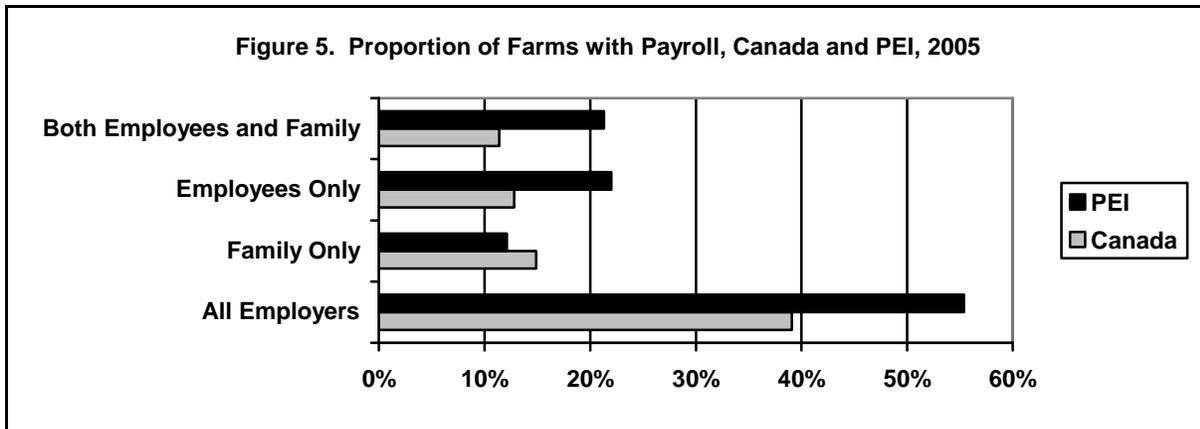
The largest decline occurred among farm workers aged 15-24. From 1986 to 2006, this age group dropped 53%, from 1,700 to 800, falling from one-quarter to one-sixth of the agriculture labour force. The age group 25-54 dropped 22%, from 3,700 to 2,900, but its share increased, going from 54% to 62% of the agriculture labour force. The age group 55-plus dropped 29%, from 1,400 workers to 1,000 (see Figure 4 below).



Currently, males account for 77% of the total agriculture labour force, while female workers account for the remaining 23%. In 1986, males accounted for 5,200 workers and 78% of the agricultural labour force, while women accounted for 1,500 workers or 22%. Between 1986 and 2006, males dropped in number somewhat more rapidly than women, falling by 31% to 3,600 in 2006.

## 4.5 PEI Farm Wage and Salary Trends

Wage and salary trends for PEI farm operations were higher than the national trend; 55% of Island farms had payroll, compared to 39% nationally, as shown in Figure 5.



Wages make up a larger than average share of Island farm expenditures; this area grew faster than other expenditures for Island farms. Among farms with payroll, wage and salary expenditures increased 24% since 2001, and wages and salaries increased from 15% of expenditures to 16% of overall farm expenditures over that time period. The increase in the proportion of expenditures spent on wages and salaries was evident despite large increases in other input costs such as fuel and fertilizer and decreases in the number of workers over that time period. Possible explanations include more hours worked per worker and/or greater hourly wages.

Readers wishing more detail are directed to the companion Literature Review and Statistical Analysis report available from the PEI Agriculture Sector Council.

## 5. Supply of Labour

When looking at farm labour, there are three distinct occupations (as per the National Occupational Classification code or NOC): Farm Supervisors and Specialized Livestock Workers, General Farm Workers, and Harvesting Labourers. The NOC descriptions<sup>1</sup> of these occupations are as follows:

### 5.1 Farm Supervisors and Specialized Livestock Workers (NOC 8253)

Farm supervisors supervise the work of General Farm Workers and Harvesting Labourers and perform general farm duties. Specialized Livestock Workers carry out feeding, health and breeding programs on dairy, beef, sheep, poultry and hog farms and may also supervise General Farm Workers and Harvesting Labourers. Workers in these occupations may be required to have a college certificate or other specialized training in agriculture or livestock husbandry. Farm supervisors may specialize in dairy, poultry, swine, beef, sheep, fruit, vegetable, mixed, specialty and equine farms.

#### Census Data Trends

Farm Supervisors and Specialized Livestock Workers represent a small occupation within agriculture, and their numbers are declining. The overall numbers are down from 130 in 1991 to 105 in 2001. Over 90% of workers in this occupation were male, two-thirds work in full-time jobs, and their average hours per week dropped from 57 to 49 hours. The average age in this occupation increased rapidly with the number under the age of 55 down by 30% since 1991, while the number of those over age 55 doubled. However, the level of educational attainment within this occupation has improved over the past decade.

### 5.2 General Farm Workers (NOC 8431)

General Farm Workers are employed on crop, livestock, fruit, vegetable and specialty farms. These workers are often tasked with planting, fertilizing, cultivating, spraying, irrigating and harvesting crops; feeding and tending livestock and poultry; transporting livestock; operating and maintaining farm machinery and equipment; monitoring disease and health problems in crops, livestock and poultry; and preparing produce for market. While farm employers would prefer to employ workers who have some experience and prior training, they are often faced with employing workers without much experience and/or prior training. Most of these workers learn and/or develop their skills and experience through gaining 'on the job' experience, or through short training courses designed to a particular job.

#### Census Data Trends

There were approximately 2,200 General Farm Workers in 2001. General Farm Workers most commonly worked 14-26 weeks or the full year. Those workers who work for a limited number of weeks tended to work 50 or more hours per week, while full year workers tended to work a 40-hour week. Male General Farm Workers also tended to work a longer season, and more hours

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<sup>1</sup> See <http://www23.hrdc-drhc.gc.ca/2001/e/groups/8.shtml>

per week, than female farm workers. Overall, General Farm Workers tend to be younger than the overall PEI labour force, but the average age has increased. In addition, the levels of formal educational attainment continued to be low, and showed little improvement over the past decade.

### **5.3 Harvesting Labourers (NOC 8611)**

The Harvesting Labourer is involved in assisting other farm workers to harvest, sort, and pack crops. The occupation has no training or education requirements. The work is usually outdoors and physically demanding, requiring physical stamina, effective verbal communications skills, and the ability to follow directions and adhere to safety standards and procedures.

#### **Census Data Trends**

Census data on Harvesting Labourers tends not to be accurate as it often underestimates the actual size of the occupation. This is due to at least two factors; one, during the Census year data is usually collected in the month of May, and there is no one working at harvesting work at that time; and secondly, a harvest worker may work at several jobs during the year, and he/she may list another job as their primary occupation on the Census form.

The 2006 Census data indicates that Harvesting Labourers is a small and sharply declining occupation within the agriculture sector. Since 1991, Census data indicates that it decreased almost 50% from 345 to 185 workers. The biggest declines have been younger women workers, this group decreased by 60%, while the number of male workers decreased by 30%. In addition, educational attainment continued to be low; in 2001, virtually all Harvesting Labourers had less than high school completion.

### **5.4 Farm Employer and Farm Worker Perceptions**

While the supply of farm supervisors was viewed by farm operators as relatively stable, livestock operators indicated it was becoming increasingly difficult to find experienced Specialized Livestock Workers. While there are training programs for new entrants through the Nova Scotia Agricultural College (NSAC), it remains difficult to recruit and/or retain these graduates into on-farm positions.

*“A lot of graduates of NSAC do not end up on the production side of the industry ....although many likely started out wanting to do this .... but many have become employed with the agriculture business side of things such as farm finance and banking, farm machinery sales, and so on .....” (Employer key informant)*

Employers noted the labor pool for both the General Farm Worker and Harvesting Labourers is quickly shrinking, and many employers describe this labour pool as limited in terms of the available numbers as well as their knowledge and skill level.

*“... A farmer used to draw his labour from a rural population, and you could generally expect that the people you were hiring had experienced what working on a farm would be like ....had driven machinery and worked at other ‘hands on’ jobs ....nowadays this is not the case .... many have never been near a farm and may never have had to do any manual, ‘hands on’ work ....you often have to train them from ‘scratch’ .... this is one of the biggest changes....” (Employer key informant)*

Employers tend to see many of the Harvesting Labourers who are available as quite unstable and unpredictable regarding their work ethic and motivation, and in the view of employers many tend to have a number of social and/or addictions issues. Many employers are moving toward increased mechanization, and to migrant farm workers to addressing this growing labour gap. These employers believe that the increased use of ‘off shore’ labour will become a more prominent labour recruitment strategy in the future.

*“...The big issue for the farmer during cropping time is security regarding his labour ... with the migrant workers he knows that this many workers will be available for so many weeks, and this will get his crop in...” (Employer key informant)*

Farm worker focus group participants had mixed feelings about the use of the migrant worker program. The perception is that it undermines the potential opportunities for local workers, and perhaps it gives the message to younger workers that ‘we don’t need you.’ Several workers noted that if the industry and farm operators could address the low wage issue, this could begin to turn things around for local workers.

*“...hiring Mexican workers might be good for the farmer.... but it’s not good for the Island farm worker .....it seems to give the message to the Island worker that ‘we have given up on you’..... ‘we don’t need you.....’ ” (Worker focus group participant)*

Workers who were Farm Supervisors and Specialized Livestock Workers, or full-time General Farm Workers indicated that they like working in agriculture, and many have worked with the same employer for a number of years. The General Farm Workers tended to have a more ‘mixed sense’ of their future. For some, the seasonal nature of farm work fits with their family/home situation and needs, and as long as there is seasonal work, many see themselves continuing to work in agriculture. Most Harvesting Labourers viewed their work in agriculture as a short-term job activity to make a bit of money; very few see harvest work as a ‘stepping stone’ to a stable job or occupation in agriculture.

*“...if you are not able to make a living at farm work .....even if this is what you would most like to do .....why would you work at it other than for summer wages?” (Worker focus group participant)*

## 5.5 Anticipated Worker Retirements

Many farm employers are beginning to acknowledge a situation where some of their older and most experienced and skilled staff are going to want to retire over the next three to five years. The retirement of experienced farm workers in the coming years will be a huge challenge for farm operators. Table 4 shows that the estimated proportion of their existing workers that employers expected to retire in the next five years was fairly steady at between 10% and 12% by duration of employment. There were few differences by sector.<sup>2</sup>

<b>Table 4: Predicted employee retirement <u>by length of employment</u> according to employer survey respondents with one or more paid employees in 2006, n=127 (PEI, 2007).</b>	
<b>Type of employee</b>	<b>% retiring in next five years (employers' estimates)</b>
Full year employees (49-52 weeks)	11%
Seasonal employees (13-48 weeks)	10%
Temporary employees (1-12 weeks)	12%
<b>All employees</b>	<b>11%</b>

Table 5 shows that the estimated proportion of their existing workers that employers expected to retire in the next five years was also fairly steady at between 8% and 13% by occupation. There were few differences by sector.

<b>Table 5: Predicted employee retirement <u>by occupation</u> according to employer survey respondents with one or more paid employees in 2006, n=127 (PEI, 2007).</b>	
<b>Occupation</b>	<b>% retiring in next five years (employers' estimates)</b>
Harvesting Labourers	13%
Farm Supervisors and Specialized Livestock Workers	8%
General Farm Workers	11%
<b>All employees</b>	<b>11%</b>

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<sup>2</sup> Differences among five commodity groups (main and secondary sectors combined) were examined for differences from the industry as a whole: potato, dairy, beef, grains, and vegetable and cole crop/fruit and berry combined (due to smaller numbers). Other commodity groups could not be analyzed due to smaller sample sizes.

## 6. Competition for Labour

### 6.1 Other Sectors

With regard to competition for labour, 51% of farm employer survey respondents indicated that competition with other PEI industries for workers was a minor or major problem in recruiting or retaining employees in 2006. These other sectors include: trucking, construction, aerospace, forestry, and the emerging wind energy industry. In addition, 50% of survey respondents indicated that competition with Alberta or other provinces was a problem, and 35% indicated competition with other farm employers in PEI was a problem.

### 6.2 Employment Insurance and Government Employment Programs

Many employers noted that the Employment Insurance Program (EI), and government employment programs (summer road crews), are also big factors in accessing available labour (especially in the rural areas of the province). While acknowledging that EI is critical to maintaining a stable and available labour force for primary sector industries on PEI, and that some improvements have been made to EI regulations recently (# of weeks, banking hours, amount of income earned, etc.), many employers believe that more adjustments are needed. In particular, many employers felt that the current EI regulations around hours of work and earned income need to be further adapted to allow EI claimants to earn more income (at least during the harvest periods) while maintaining an active claim.

*“...The Employment Insurance (EI) Program needs to change .... if work is there and pays a reasonable wage .... the worker should have to take this ... we need the EI system to be in place to provide income when industry has down time ... but with a good industry and labour market strategy this down time could be a lot less.....” (Employer focus group participant)*

*“...if you could hire local guys, and work out the barriers/disincentives regarding the EI issue this would be a better long-term option .....the labour is there .....many of the community’s best and smartest are not doing anything because they don’t want to jeopardize their EI benefits .....” (Employer focus group participant)*

Some employers and other key informants noted that many farmers are still ‘coming to grips’ with the new realities of the labour market.

*“Many farm operators do not yet realize how much they are in competition with other sectors for labour ....could they pay more? ...probably yes ....but there is a strong tendency within the industry to pay only so much for farm labour.” (Employer key informant)*

*“Employers need to be very flexible regarding type of job, hours worked, wages, and so on .... many people want jobs that fit better with other parts of their life (family time) .....employers in today’s world need to be flexible or they simply won’t be able to find workers....” (Employer key Informant)*

## 7. Demand for Labour

The employer survey revealed that slightly more employers had increased the size of their operation (21%) than had decreased the size of their operation (14%) in the past two years. More employer survey respondents thought their farm operation would increase in size (27%) than decrease (14%) over the next five years while the remainder predicted no change or were not sure.

There was considerable variance in whether this would lead to an increase or decrease in demand or need for each type of worker over the next two years. Slightly more employers predicted the need for more full year, seasonal and temporary workers than predicted the need for less. Conversely, slightly more employers predicted the need for less Farm Supervisors and Specialized Livestock Workers over the next two years than predicted the need for more Farm Supervisors and Specialized Livestock Workers although it is important to note that 50% of respondents were not sure.

## 8. Recruitment and Retention

### 8.1 Issues with Recruitment and Retention

Farm operators indicated that labour is the biggest investment for most farmers, and recruitment and retention of workers is a constant preoccupation for most farmers.

*“Labour is the number one issue; I am recruiting for someone almost 90% of the time.”  
(Employer key informant)*

*“One of the first questions I ask myself when considering whether or not to grow a new crop .... can I harvest it ....can I get it out of the ground?” (Employer key informant)*

While individual farm employers and particular commodities groups may pursue certain avenues or practices, there is currently no industry-wide recruitment or retention strategy within the agriculture industry on PEI. The main recruitment methods of individual operators were word of mouth, and family and friends, followed by other methods such as government job line, an Agriculture Employment Officer, newspaper ads, and other methods.

Many operators also believe that the prevailing negative image of agriculture is a major barrier to recruitment of new workers.

*“The image of the industry is an issue ..... we have difficulty attracting younger people to agriculture .... the industry gets so much negative press .... we get to the point that sometimes farm families discourage their own kids from agriculture work or studies ....many young people are discouraged by the media, their parents, or their teachers because it is perceived to have a negative future...” (Employer focus group participant)*

The nature and role of women working in agriculture was explored. Employers noted that they may not be recognizing and/or utilizing the skills and abilities of women to their full potential, and even though women generally are excellent farm workers they (employers) don't make any special effort to recruit women workers. The women who participated in the farm worker focus groups confirmed this view. These women indicated that, while it is slowly changing, most farm employers do not see women as a prime recruitment target, and have not begun to address the barriers, and needed incentives, that may attract and retain more women in the sector.

### 8.2 Other Strategies Used in Lieu of Labour

Given the worker recruitment and retention challenges, employers indicated that they have taken a number of steps to complete the work other than hiring additional workers. These steps included: employers did more work themselves; farms became more mechanized (new equipment); family members did more work; more specialized tasks were contracted out (e.g., crop scouting); the amount of commodities produced changed; or the overall size of the operation was decreased.

### 8.3 Emerging Human Resource Practices

A number of employers, and other key informants, noted several emerging human resource practices that are proving to be successful in recruiting and retaining workers, including:

- Offer a competitive wage and benefit package; and be aware of what other sectors are offering.
- To the degree possible, develop and practice a positive work/life balance philosophy; e.g., regular work hours, flexibility around hours and work shifts, etc.
- Create more full-time (and/or longer term) employment for workers, thus allowing the farm operation to retain the more critical, skilled and experienced staff; explore the option of 'cross training' farm workers so that they can move between various types of farm jobs and operations at different times of the year.
- Include workers, particularly the Farm Supervisors and Specialized Livestock Workers, in the planning, consultation, and decision-making part of the business; this builds interest and commitment to the farmer and the farm operation. E.g., an equipment operator should have input into the purchase of any new machinery.
- Build a team approach; provide opportunities for the farmer and key farm workers to come together and understand the new information, technology and advances emerging in a particular commodity.
- Invest more time and effort in working with and communicating with employees; look for little (and perhaps less costly) ways to reward good workers; things like subsidizing gas/transportation costs, provide some perks (coffee, occasional lunches), a Christmas bonus, an annual company 'get together,' or end of harvest barbeque.
- Become more open to employing individuals and/or groups who traditionally have been underrepresented in the labour force; i.e., persons with disabilities, newcomers/immigrants, and older/retired persons.

The move to adopt these practices seems to be supported by the preferences of those farm workers surveyed who were asked to rate a number of factors as to whether it would support their staying in agriculture or potentially cause them to leave agriculture. The top-rated factors that supported workers to stay in agriculture included: how far the farm was from where one lived (77%); how one was treated by their employer (72%); the opportunity to work 'outside' (68%); the possibility for advancement (53%); the ability to work a flexible schedule (51%); transportation to the work site (50%); the provision of meals (49%); opportunities for future training (47%); and the level of wages provided (46%). Conversely, 23% of workers surveyed indicated that their wage levels actually led them to potentially leave agriculture.

Employers surveyed rated the importance of wages highly. However, the worker survey data shows that wage level received was actually a positive factor for many, but not all, employees and was just one of many important factors. Overall, this suggests that there is a range of worker retention options available to farm employers; for many farm workers it is not just the 'wage thing' when it comes to where they might choose to work.

## 9. Training

Both farm employers and farm workers noted an increasing need for more structured training opportunities within the industry as a whole. Employers indicated that agriculture has been facing major trends that require the farm operator to be more prepared than ever before.

*“In the future there is likely to be less ‘hands on’ labour .... farms will need to continue to mechanize and automate .... and they will need a smaller workforce of workers who are higher skilled technically and mechanically .... all the advances we are seeing in farm technology and farming methods will drive this...” (Employer key informant)*

With regard to their workers, many farm operators have ‘mixed feelings’ about worker training. They recognize that there is an increasing need for worker training from a farm productivity, farm safety and food security standpoint; however, many tend to see training as a cost rather than an investment.

*“..... farmers have this fear that if someone is trained, or gets more training, one of two things will happen .... he will want more money ....or he will end up going to another farm who will pay more money... most farmers still tend to see training as a cost not an investment....” (Employer key informant)*

However, despite these fears, farm operators are encouraging and supporting their employees to take various training courses. Training programs specific to new equipment and farm technology, truck driving (Class 3A), environmental and food safety regulations, and safety and first aid training are among the main areas identified by employers.

Employers were also critical of the issue of linking eligibility for training costs to EI eligibility. They viewed this as a barrier to accessing training dollars to assist with training for their existing workforce.

*“The EI attachment is a barrier to training for employed workers .... this should not be the case ..... the farmer pays out a lot of dollars each year for his share of the EI premiums .... and he receives none of the benefits .... he can’t access training dollars to send his employed workers to necessary training” (Employer key informant)*

Many employers suggested that some level of training subsidy should be available to assist; especially for existing farm workers who work full year and are not eligible for any Employment Insurance training subsidy dollars.

And lastly, several employers noted that the province (schools and educational institutions) must begin to place a much stronger focus on exposing younger people to ‘hands on’ work and the trades.

*“ The worst thing they could have done for any industry that relied on ‘hands on’ aptitude, skill and experience was to ‘get rid of’ PVI<sup>3</sup> and the trades programs in the high schools” (Employer focus group participant)*

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<sup>3</sup> Provincial Vocational Institute

## 10. Summary of Findings

The foregoing sections of this report provide a wide range of detail regarding the current state of the PEI agricultural industry, and the subsequent impacts of these changing dynamics and trends on current and future labour supply and demand. As the data indicates, many of the critical factors impacting on farm labour are the result of regional, national and global trends that go beyond the capacity of a single farm operation, and in some cases a single industry, to address. Some of these trends include:

- A decline in the number of farms, while those remaining farms are increasing in size, requiring more capital intensity, which in turn requires more business and financial management expertise;
- An increase in specialized equipment and farm technology, and the subsequent impact on farm jobs/work tasks and skills required;
- An increasing gap between education levels of existing and/or available workers and rising skill demands of agriculture jobs/work tasks; and
- An increasing consumer interest in the quality and safety of food products (regulations and food safety standards); farm operators will need to have employees who are 'tuned into' customer service issues, and are trained and experienced in food safety standards.

In terms of current and future labour supply, all data sources describe a tightening labour market; one that will become more challenging for the agriculture sector in the decade ahead. However, it is not likely that the industry will face a sudden or abrupt labour 'crunch'; rather the impacts will likely continue to be of a gradual or incremental nature, and at the more experienced worker levels (farm managers, livestock workers, herdsman). This is on one level 'good news' for the industry in that it will allow the industry time to design and implement strategies to address these impending shortages.

The data from this study was used to develop a simple model of labour market supply and demand in the agriculture industry on PEI. Estimates were provided for the total labour force (all three occupations combined) excluding farm operators. It was estimated that between 360 and 576 workers will need to be recruited to the industry each year from 2008 to 2012 to replace those exiting the industry and, possibly, to meet new demand in some sectors. As with all forecasts, caution should be used since any changes made by the industry to improve future labour supply will obviously influence the accuracy of these projections as will any other unexpected events or trends affecting the industry or the labour market more generally.

The following section outlines a number of the critical issues emerging from the data that are impacting on the labour supply and demand within the agriculture industry, and a series of proposed 'go forward' strategies. These issues are not new, and the industry has been making efforts to more effectively address some of these issues over the past several years. Hence, the industry is not starting from 'ground zero;' and the strategies offered in this section are intended to strengthen and build on what has already been happening.

# 11. Proposed Strategies

## 11.1 Declining Labour Force

This issue has become increasingly evident over the past decade, and is mostly driven by broad demographic factors including: an aging labour force, a shrinking younger population, and increased out-migration of younger, skilled workers.

### Strategies to Move Forward

- Implement the Farm Technician Apprenticeship Program to better prepare and support new workers coming into the industry.
- More deliberately 'break out' prospective farm workers by age, gender, experience, non-traditional groups, etc., and begin to develop specific job promotion activities/events to engage these groups; (e.g., retired persons, persons with disabilities, newcomers, immigrants).
- Explore more directly the potential of expanding the role of women in terms of the scope and variety of jobs available to them; this would include ensuring that they have access to the training required to work in such jobs, and the strategy would need to address child care needs.
- Explore with Service Canada the option of developing/implementing a 'pilot program' to provide a wage subsidy to existing workers to be trained/mentored to take over more senior/advanced jobs as a means of filling positions left vacant by retirements (especially Farm Supervisor and Specialized Livestock Worker positions).
- Expand/develop farm employer awareness of the need to develop human resource approaches and methods such as: a focus on the positive nature of the work; offering a broader range of supports to employment; developing more options for training of existing workers, and offering the potential for advancement along a 'career path.'
- Explore initiatives to more effectively address the barriers that make it difficult for prospective workers (e.g., transportation, work safety, proper clothing or equipment, etc.).
- Establish a full-time agriculture farm worker agency to coordinate employment opportunities and potential workers; (e.g., identify employer needs, identify potential labour supply, match employer and worker, etc.). This agency would work to coordinate placement of local labour, out-of-province workers, migrant farm workers, etc. The model for such an agency could be the existing Agriculture Employment Officer Program.

## **11.2 Competition from other Industry and Jurisdictions**

Farm operators are facing stiff competition for farm labour from a variety of industries and jurisdictions including: Aerospace, Trucking, Forestry, Construction, the emerging Wind Energy field, Provincial Government employment programs, and from other Canadian provinces.

### **Strategies to Move Forward**

- Explore the potential of farm operators working in collaboration with each other, and with other relevant industry sectors (fishing, forestry, construction, tourism) to 'share employees' with similar skills and experience over the course of the work year. Identify the type of infrastructure and supports needed to implement this concept (a pilot project).
- Build up the industry's career promotion and planning profile, especially with the younger generation. Begin to more actively promote the positive aspects to choosing a career in agriculture; promote the new technology theme (e.g., agriculture is now 'high tech' using computers, sophisticated equipment and technology, innovative production techniques/methods, science and research based, etc.).
- Develop and promote an industry 'career path' based on the industry's utilization of the above 'knowledge economy' elements; promote a 'career path' that helps a person see how they might be able to advance in terms of jobs, responsibility, wages, etc.
- Tailor/align recruitment and training efforts to support new areas or commodities of increasing revenue and need for labour to ensure growing segments of the industry have the necessary skilled labour to support that growth.
- Examine existing recruitment practices re: methods, approach, language/messages presented in job ads, etc. with the objective to present the sector as a forward thinking, leading 21<sup>st</sup> century industry.

## **11.3 Disengaged Younger Generation**

The current generation of Island young people has grown up with very limited or no exposure to farming and farm work except what they hear in the media. As a consequence, very few young people view farming and farm work as a possible career or occupational path.

### **Strategies to Move Forward**

- Continue to work with educators, schools and parents to further strengthen and expand the presence/profile of agriculture programs and courses within Island schools.
- Provide young people with early exposure to agriculture and farm work; develop a locally-based youth farm orientation program. E.g., a few farms in each county provided with resources/supports to orient youth to the farm environment and work tasks. Interested students in the high school Work Coop Program might be assigned to these farm operations for work placement.

- Work in collaboration with the PEI Association of Sector Council's Career Promotion Initiative; ensure that agriculture as a business field and farm work as a career path are an active part of the industry's career promotions initiative.
- Identify several young farm workers across the province who can be trained and supported to be public 'role models' for other youth; ensure that these young workers participate in, and have high visibility in, school job fairs, career days, etc.

## **11.4 Training and Development**

While there are a variety of short-term training courses and initiatives offered, the PEI agriculture community has very little access to locally-based formal career training. This is a critical gap in an era where farms have become larger and more mechanized, regulatory standards more stringent and complex, and consumer food safety and security concerns are paramount.

### **Strategies to Move Forward**

- Continue to build on the existing menu of training available to farm workers; develop a 'packaged approach' to delivering the training (a series of courses) that will lead to some formal level of recognition in that the worker receives a certificate/diploma of achievement (the career path approach).
- Expand the farm employer human resource training workshops including a focus on exploring general recruiting and employment attitudes; addressing employment barriers such as language, transportation, and child care; providing small jobs benefits/perks such as lunch, gloves, regular breaks, etc.; and exploring the potential of recruiting workers from underutilized groups within the population (e.g., persons with disabilities).
- Acknowledge and provide some level of recognition and reward for employers who adopt and practice positive human resource practices.
- Strengthen existing 'succession planning' and/or transfer of operation initiatives to assist farm operators who are moving toward retirement, and who want to ensure that the farm operation continues to be viable, and contributes to the economy.

## **11.5 Public Perception of the Industry**

There is a negative public perception of the industry; media stories often portray the industry as an industry 'in trouble.' Many farm operators and industry stakeholders believe that this image is having a negative impact on the interest and motivation of people to consider farming as an occupation or career.

### **Strategies to Move Forward**

- The PEI Agriculture Sector Council continue to work in collaboration with the PEI Agriculture Awareness Committee to develop a strong, high profile industry promotion strategy; develop a set of 'messages' around the strengths/assets of the industry and strongly promote these using various public information/education methods and media approaches.

- Develop strategic partnerships with other high profile industry stakeholders such as the emerging BioScience and Nutriscience fields, the work of the Food Technology Centre. The objective is to demonstrate that agriculture is a science-based, 21<sup>st</sup> century industry and to present a positive and more progressive image to the public.
- Engage existing specialized farm workers and begin to profile their knowledge, skills and experience in a broader and more public way; e.g., establish a Canada farm skills competition along the same lines as the existing annual Canada Skills competition that is targeted at other trades such as carpentry.

## **11.6 Employment Insurance and Other Social Programs**

Many farm employers believe that the Employment Insurance Program, and other provincial employment or income support programs (Employment Development Agency, Summer Road Crews, Social Assistance) limit access to available labour. At the same time, the importance of EI in maintaining the availability of a seasonal labour force was noted. There are several existing initiatives and other possibilities that could be explored to make optimal use of existing income support programs.

### **Strategies to Move Forward**

- Work with Service Canada to conduct regional workshops with farm operators and farm workers to review and better understand existing EI rules and requirements.
- Explore with Service Canada the concept of developing a PEI agriculture-specific 'pilot project' to address the barriers and constraints that appear to be preventing some seasonal workers from being available to work in agriculture during high demand parts of the year such as harvest time.
- Work with the appropriate provincial government officials to review the provisions regarding employment and social assistance programs that appear to be barriers and constraints to farm operators accessing local labour.

## **12. Conclusion**

While agriculture remains critically important to Prince Edward Island, not only economically but in the social and cultural domains as well, it is experiencing an ongoing decline in both the number of farm operators, and in the farm labour force. At the same time, much of the industry is becoming more skilled, and science and technology-based.

In the short-term, as the industry moves to a smaller number of more highly skilled farm operators and farm workers: more advanced recruitment and retention practices, more proactive human resource practices, and the ongoing training of the existing workforce will be vital to ensure that the industry can adapt and prosper.

In the long-term, as many farm operators and workers move into retirement: effective career promotion, recruitment, and entry level training will be needed to ensure the renewal of the labour force. In addition, the sector faces long-term challenges of renewal through attracting young people and career changers to become farmers or farm workers.

It is hoped that the data, analysis, and suggested strategies contained in this report will assist the PEI Agriculture Sector Council in its efforts to address these challenges. Readers wishing more detail are directed to the full Technical Report from this study and/or the companion Literature Review and Statistical Analysis report available from the PEI Agriculture Sector Council.