

2018 REPORT

Labour Force Indicators in Agriculture and Agriculture Supporting Industries



About the Niagara Workforce Planning Board

NWPB is one of 26 planning regions in Ontario that make up the Local Boards Network. Local boards are funded through Employment Ontario. Each year we provide labour market planning that is tailored to local economic realities, delivering activities and projects to help communities achieve better results.

Niagara Workforce Planning Board's role is one of facilitation and communication. Our focus is on bringing community stakeholders together to identify labour force issues and develop possible solutions. NWPB strives to ensure that information on community initiatives and actions are disseminated in an accurate and concise manner throughout the Niagara region.

This Employment Ontario project is funded by the Ontario government.
The views expressed in this document do not necessarily reflect those of Employment Ontario.



Letter from the CEO



The Niagara Workforce Planning Board (NWPB), with the support of Ontario's Ministry of Advanced Education and Skills Development (MAESD), began this project through a strategic partnership with Niagara Region Economic Development.

Therein, Regional Economic Development asked NWPB for a greater insight into the labour force needs of agricultural employers in Niagara and, unique to this data set, those employers whose goods and/or services support agriculture in Niagara.

To that end, NWPB worked with our partners in Regional Economic Development to develop a survey tool that would allow us to measure the following areas:

- **Hiring and retirement patterns**
- **Retention and retraining of employees**
- **Professional development opportunities**
- **Automation**
- **Succession planning**

To facilitate this survey, NWPB hired three research assistants who met with employers at their place of business or conducted interviews over the phone. NWPB's initial goal was to complete 50 interviews; however, given the positive response and willingness of employers to participate in this project, the final employer count was 78. The responses and thoughts of these employers are presented throughout this report.

Although this sample is fairly large, the data should not be extrapolated to reflect all agricultural employers in Niagara or all those who support agriculture. The scope of this project was limited to building a framework for having these discussions as a first principle. Scaling the project up such that it can be responsibly extrapolated to reflect the entire region can be explored in subsequent research. Since these interviews reflect a local, rather than provincial or national, economic strength, as well as a first effort at engaging employers who support agriculture, we are not offering benchmarks for comparison. Nonetheless, we believe this data set is strong and offers value to local stakeholders and decision makers.

NWPB's staff and board would like to acknowledge the efforts of our partners at Brock University, Niagara College, and Niagara Region. Without their support this project would not have been possible. Furthermore, NWPB's staff and board would like to acknowledge each of the employers who took time out of their day to complete our survey. This data set only exists because local employers recognize the value of engaging with us and building a data-driven narrative for supporting the local economy and local economic development activities.

A handwritten signature in black ink, appearing to read 'Mario De Divitiis'.

Mario De Divitiis,
Chief Executive Officer,
Niagara Workforce Planning Board

Executive Summary

In delivering this survey, NWPB attempted to engage with employers in each of Niagara's municipalities. Among the 78 employers who completed the survey, the majority of the employers surveyed for this project were located in Lincoln (26.9%), St. Catharines (24.4%), and Niagara-on-the-Lake (15.4%).

With respect to industry of operation, those businesses operating in agriculture, forestry, fishing, and hunting represented 37.2% of respondents. The most common sectors for agriculture-supporting employers were manufacturing (17.9%) and retail trade (17.9%).

Our survey asked employers to reflect on their hiring patterns in 2017. Therein, 62 employers reported success when hiring. Across all employers that were surveyed, approximately 574 new hires were made by the respondents. Nearly half (48.8%) of new hires were in occupations in natural resources, agriculture, and related production. Additional hires were in sales and service occupations (20.7%) and occupations in manufacturing and utilities (9.4%). Notably, 84.6% of businesses surveyed did not experience any retirements in 2017.

With regard to ease of hiring, 58.7% of respondents who hired or attempted to hire in 2017 rated the hiring process as either "difficult" or "very difficult". In contrast, 20.6% of respondents rated their hiring as "easy" or "very easy". The most common challenge identified by 75.7% of employers who experienced difficult or very difficult hiring was a lack of motivation, attitude, or interpersonal abilities on the part of job seekers. Approximately 43.2% of those respondents ranked insufficient applications to adequately fill vacancies as a common challenge. Other frequently reported issues were a lack of technical skills on the part of applicants, a lack of work experience, and lack of qualifications. This corroborates with 50% of respondents stating that the quality of available workers in Niagara was "low" or "very low". A number of employers also noted their use of temporary foreign workers to offset the gap in qualified labour from Niagara.

When we asked respondents about succession planning, a total of 70.5% of respondents reported they had built some type of succession plan for their organization. Notably, approximately 28.2% employers stated that their succession plans involved passing the business on to a younger family member. When discussing automation, 43.6% of respondents did not believe automation had impacted their business at all.

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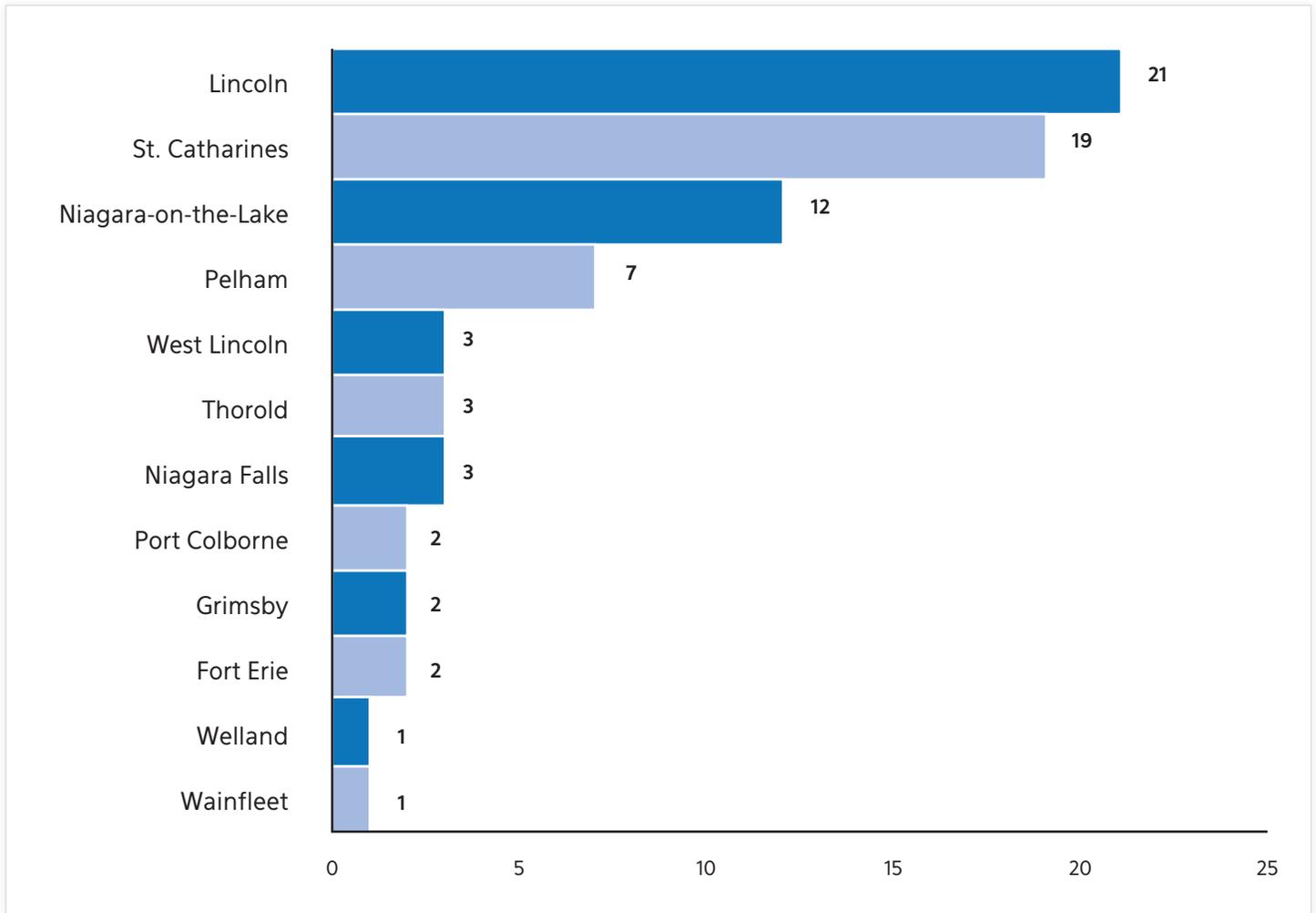
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Industry & Geographic Focus

Throughout this project, NWPB placed a priority on including representation from all municipalities within the Niagara region. As seen in Figure 1, the most responses were from employers based in Lincoln with 21 survey completions.

St. Catharines saw the second highest number of completions (19 respondents) and a total of 12 employers in Niagara-on-the-Lake completed the survey.

FIGURE 1. LOCATION OF BUSINESSES THAT COMPLETED THE AGRICULTURE SUPPORTING INDUSTRIES SURVEY

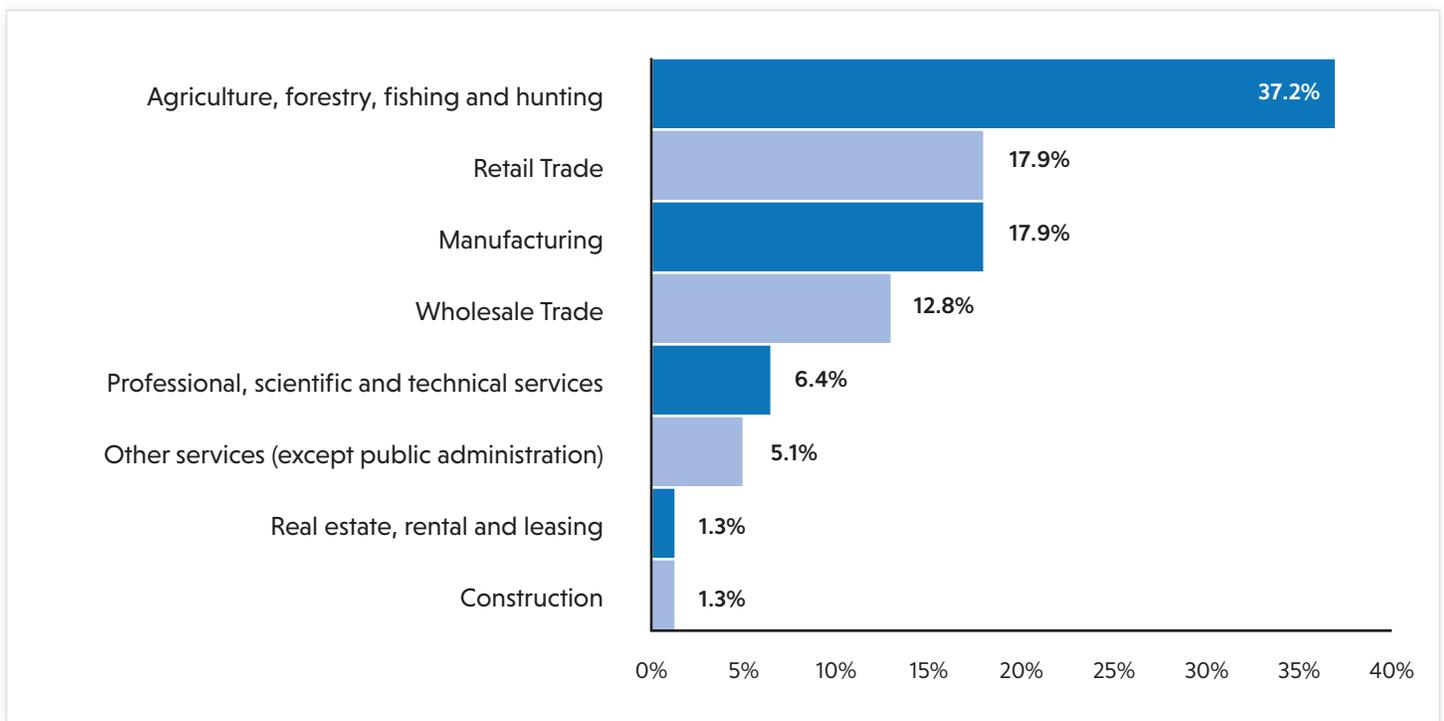


Industry and Geographic Focus Cont'd

NWPB's research team tracked the North American Industrial Classification System (NAICS) designation for each of the employers who participated in this project. Among the 78 respondents, 29 were from establishments within the agriculture, forestry, fishing, and hunting industry. These employers represented 37.2% of the total respondents, as seen in Figure 2.

Employers in both manufacturing and retail trade saw the second largest number of completions, with 17.9% of respondents subscribing to each industry classification. A total of 10 businesses, 12.8% of respondents, were classified in wholesale trade. Of note, only four out of the 78 businesses interviewed fell within the other services (except public administration) industry. This industry is typically defined as one that houses establishments engaged in the repair of vehicles and machinery or providing personal services.

FIGURE 2. NAICS DESIGNATIONS FOR BUSINESSES THAT COMPLETED THE AGRICULTURE SUPPORTING INDUSTRIES SURVEY



Labour Force Trends

To build a baseline understanding of the labour force needs of employers engaged in or supporting agriculture, thus framing a roadmap to employment within the agriculture-supporting industries, we began by assessing the new hires among respondents. Therein, the majority (79.5%) of respondents reported new hires during the 2017 calendar year.

We further attempted to understand challenges in recruiting by asking employers if they had attempted to recruit in 2017, but failed to make a hire. On this point, only one establishment tried to make hires throughout 2017 but did not hire any employees.

Respondents also shared the approximate number of hires they made, as well as the occupations where they made hires. We have broken down these data in Table 1 at a one-digit National Occupation Classification (NOC) level. The results presented in Table 1 show that the most number of individuals were hired in natural resources, agriculture, and related production occupations (48.8%). This was followed by hiring in sales and service occupations (20.7%), and occupations in manufacturing and utilities (9.4%).

TABLE 1. 1-DIGIT NOC DESIGNATIONS OF HIRED EMPLOYEES THROUGHOUT 2017

Major Occupation Grouping Classification	# Hires	% Hires
Natural resources, agriculture, and related production occupations	280	48.8%
Sales and service occupations	119	20.7%
Occupations in manufacturing and utilities	54	9.4%
Trades, transport and equipment operators, and related occupations	41	7.1%
Business, finance, and administration occupations	40	7.0%
Unknown	21	3.7%
Natural and applied sciences and related occupations	12	2.1%
Management Occupations	7	1.2%
Total	574	100%

¹Some employers were not able to provide NWPB with exact figures on hires. To that end the data in Table 1 should be treated as strong estimates and not an exact headcount of hires.

Assessing Labour Force Quality

Building on a baseline knowledge of hiring patterns, we asked employers to evaluate their perceived difficulty in hiring. Respondents were given a choice of five responses with options ranging from “very easy” to “very difficult”. This five-point scale was used throughout our study.

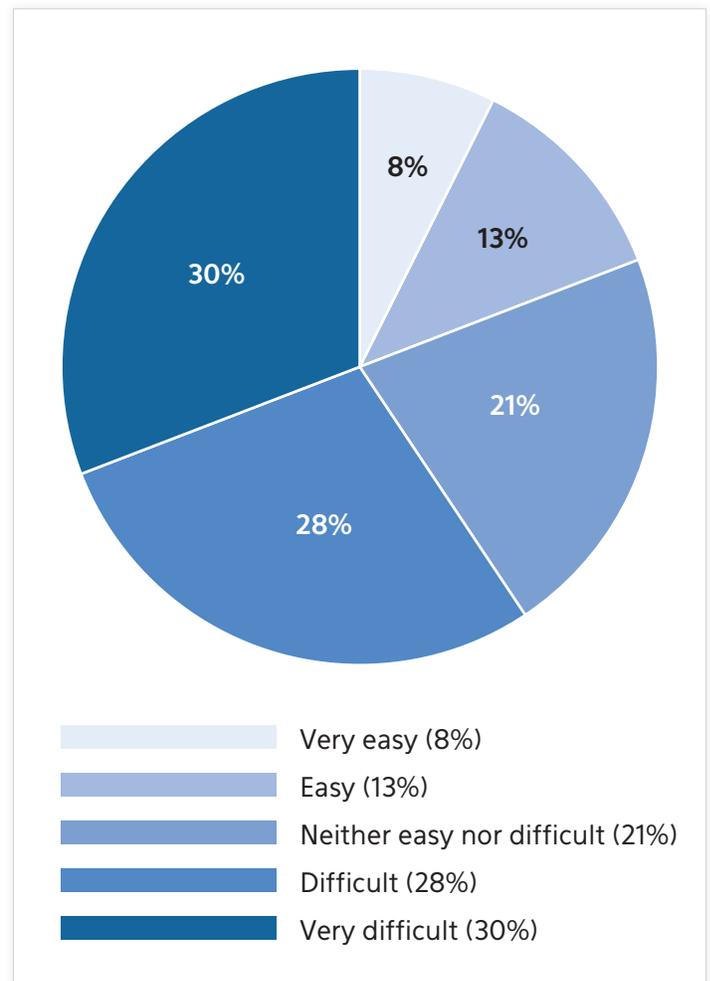
When we asked the employers who reported hiring (or attempting to hire) about their perceived level of difficulty in hiring, most respondents indicated their hiring process over the last year was difficult (28.6%). A majority of employers rated their hiring difficulty as either difficult or very difficult (58.7%). Figure 3 presents a detailed breakdown of these ratings.

FIGURE 3. PERCEIVED LEVEL OF HIRING DIFFICULTY

To gain insight into what made hiring applicants particularly difficult, we asked what specific challenges employers faced when hiring. Employers could identify a variety of responses which were then sorted into pre-existing hiring challenges measures.

These measures are ones that NWPB developed for use in the Employer One Survey. Figure 4 shows responses from employers who noted their hiring process was either difficult or very difficult. Therein, 75.7% of employers identified “lack of motivation, attitude, or interpersonal abilities” as one of their challenges.

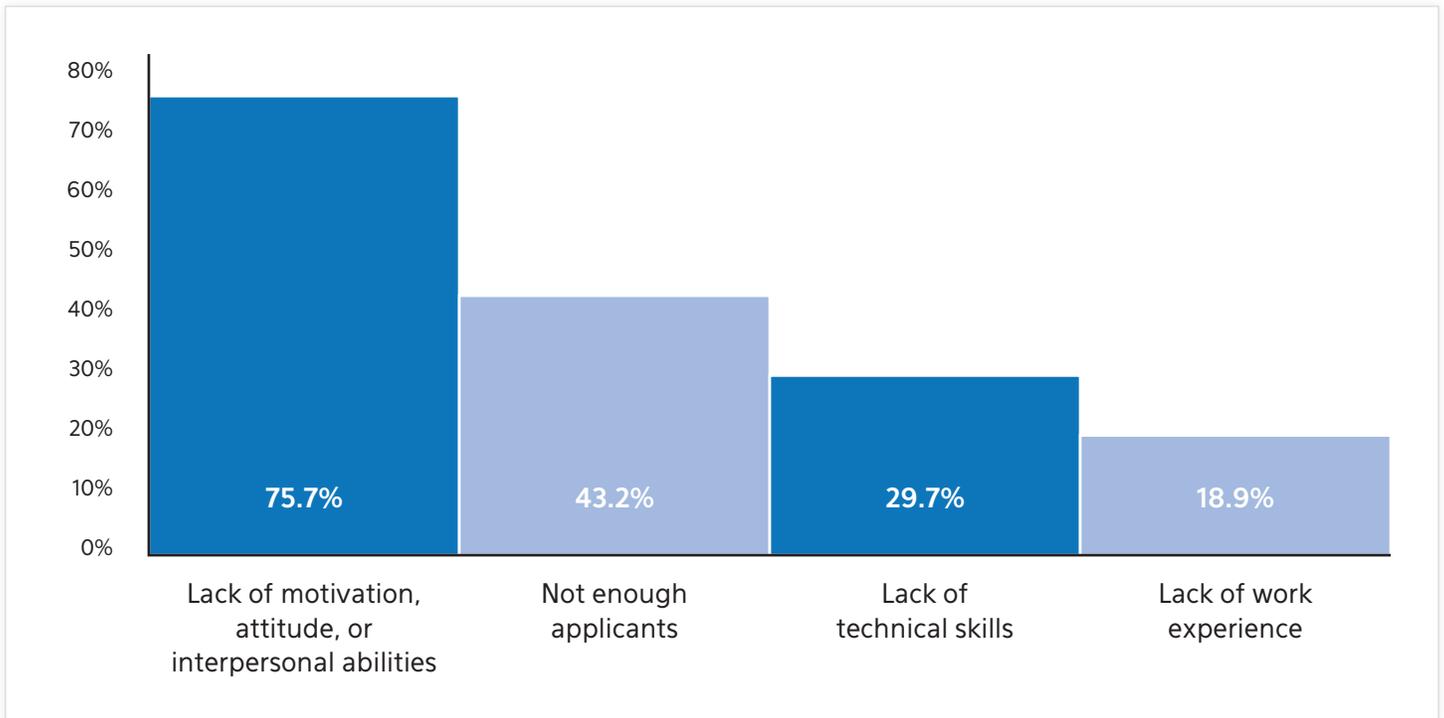
The second most frequently selected challenge was a lack of applicants at 43.2%. Slightly less than one-third (29.7%) of employers identified a lack of technical skills as a challenge.



Labour Force Trends Cont'd

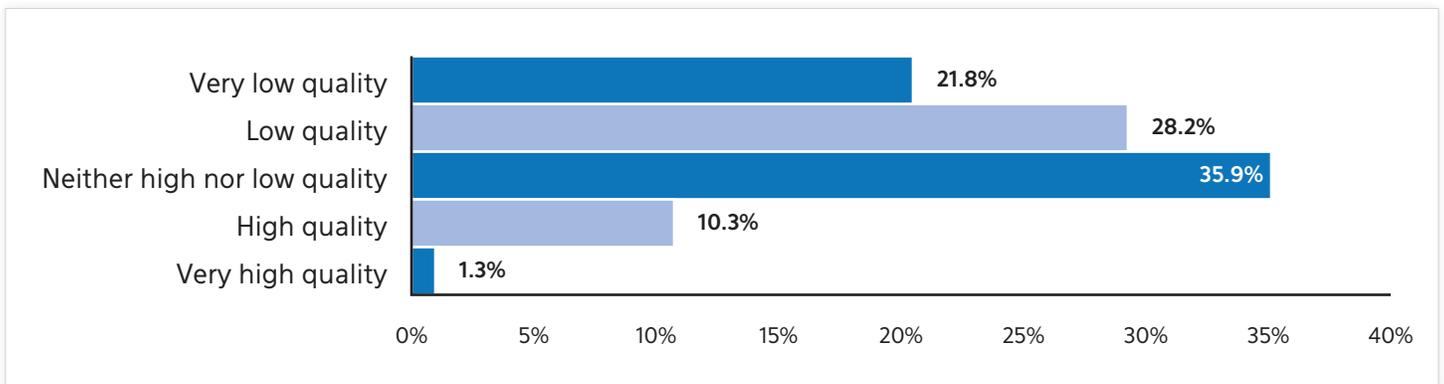
Our questionnaire also asked employers to rate the general impressions on the quality of Niagara’s available workforce on a five-point scale from “very low quality” to “very high quality.” The most frequently selected rating was “neither high nor low quality,” representing 35.9% of responses. The second and third most selected ratings, respectively, were “low” (28.2%) and very low (21.8%).

FIGURE 4. COMMON CHALLENGES EXPERIENCED WHEN HIRING



Of the 39 employers that described the quality of available workers in Niagara as “low” or “very low”, 15 operated within agriculture/crop production. Despite their low ranking of the available workforce, 32 of these 39 respondents reported hiring in 2017. Of the seven that did not make any new hires, only one was unable to do so. Of the nine businesses surveyed who rated the quality of available workers in Niagara as “high” or “very high”, eight had made new hires in 2017.

FIGURE 5. AVAILABILITY OF QUALIFIED WORKERS IN NIAGARA

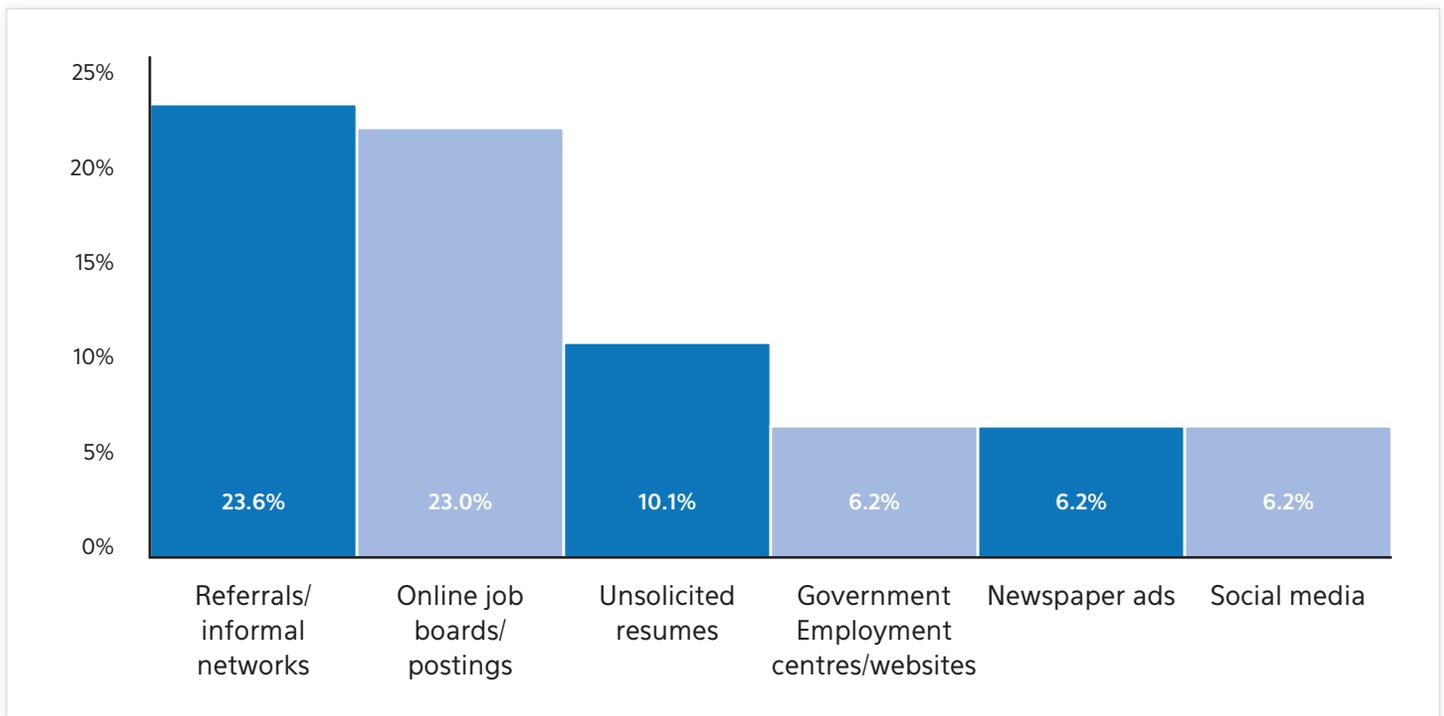


Labour Force Trends Cont'd

Employers provided further insights into their hiring efforts through an identification of their preferred hiring methods. This question allowed respondents to select any relevant recruiting methods that they utilized.

Out of 178 responses, word of mouth/personal contacts/referrals/informal networks were identified as the most common recruitment methods (23.6%) followed by online job postings (23.0%) and unsolicited resumes (10.1%). The lowest methods of recruitment were on-site job postings (1.1%) and job fairs (1.1%). Figure 6 summarizes the six most frequently occurring methods of recruitment, which account for 75.3% of all responses.

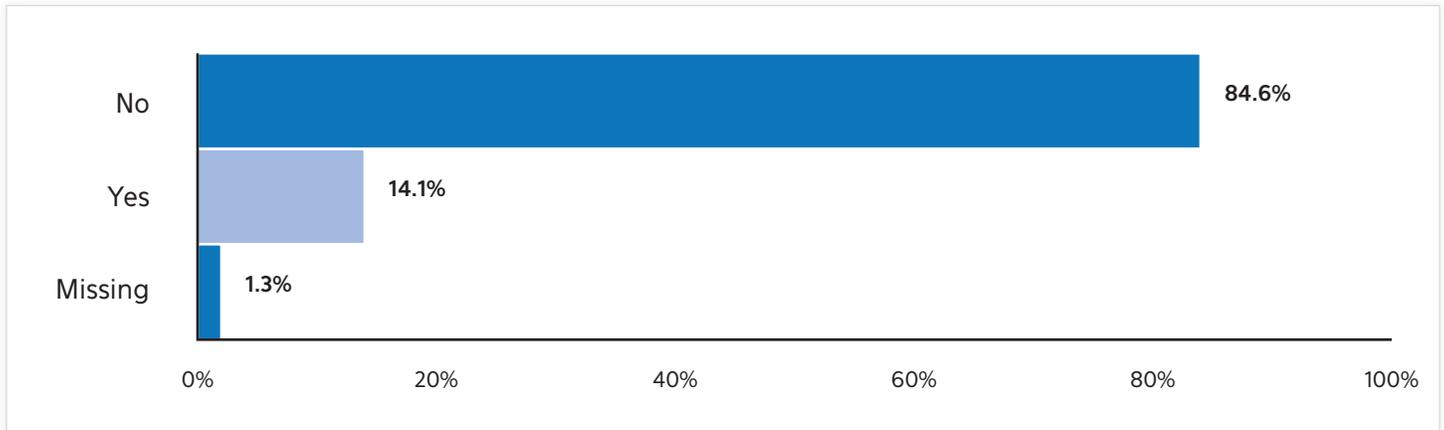
FIGURE 6. PREFERRED METHODS OF HIRING



Labour Force Trends Cont'd

Our final labour force question asked respondents to consider the impact of retirements and retraining on their operations. Surprisingly, the vast majority of businesses surveyed (84.6%) did not experience any retirements in 2017. These data are reflected in Figure 7.

FIGURE 7. RETIREMENTS IN 2017



NWPB also asked employers to disclose any professional development opportunities that were made available to their employees. Of the businesses surveyed, 53.8% indicated that they had provided their employees with professional development training that exceeded the mandatory health and safety training. Relevant to this training 24.4% of respondents indicated they had retained an employee whose former position had been eliminated or made redundant, by retraining them for another role within the organization.

Long-Term Planning & Industry Shifts

In addition to exploring labour force issues, we sought to gain a deeper understanding of practices that businesses utilize when adapting to changes in their organization, whether they be brought on by internal or external forces.

Respondents had the opportunity to provide insight on how their business sustains itself and prepares for any significant changes. To that end, we asked businesses if they had engaged in any succession planning activities. That is to say, we assessed whether the current owners/operators were working to ensure the company's long-term survival.

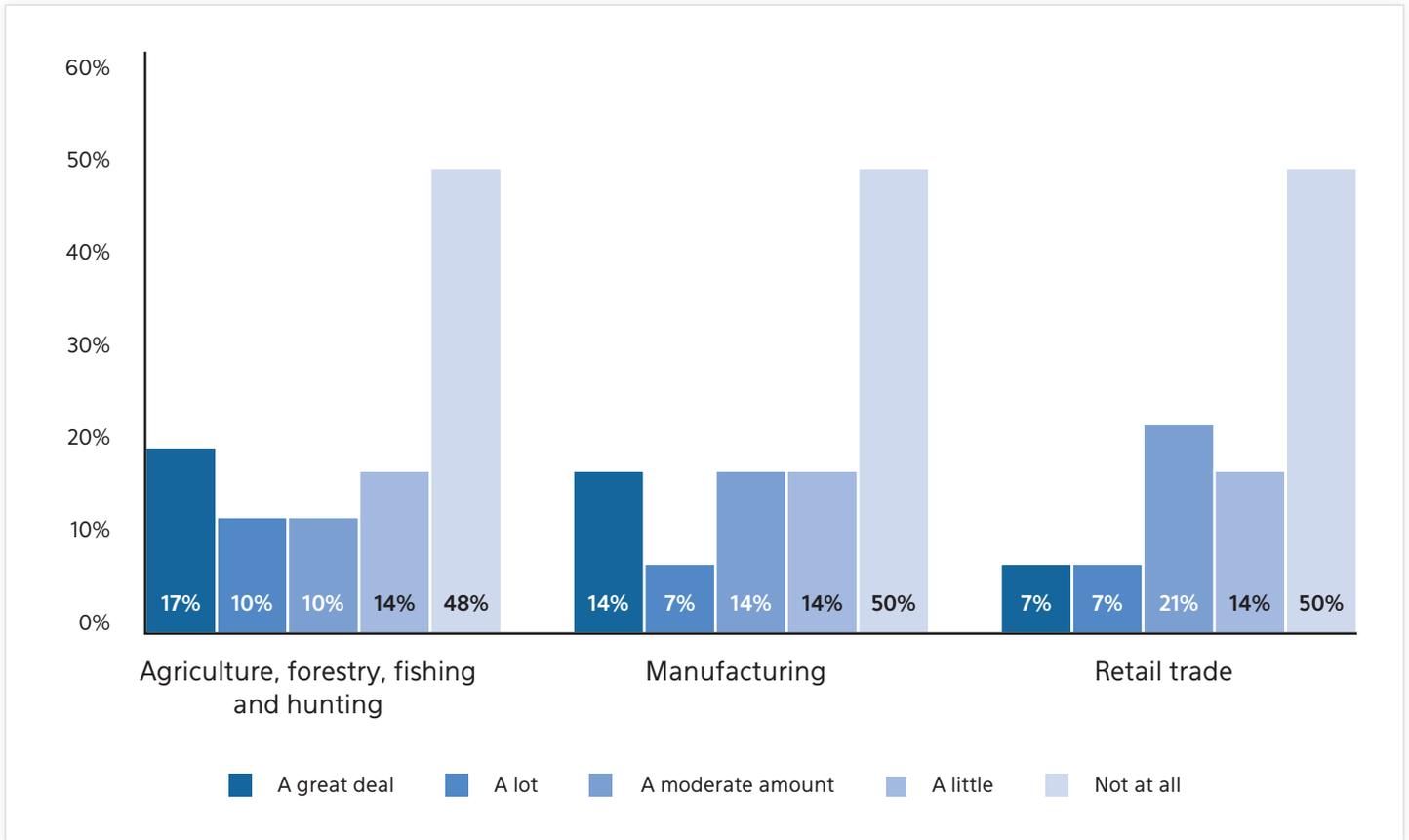
Fifty-five respondents (70.5%) stated that they had engaged in long-term planning activities to ensure the continuity of their business. Of these 55 businesses, 22 noted their plans to pass transfer ownership to the owners' children or other family members. It was also noted that several of these respondents are, themselves, the family members of previous owners. For instance, many family-owned and operated orchards and greenhouses have been located in Niagara for generations. Some respondents noted that while family-based succession was in their plans for the future, the younger generation they anticipate to assume leadership of the business may not have the skills or interest necessary to ensure its survival.

A predominant factor that affects the operations and needs of businesses is the rapid enhancement brought about by automation. Employers were asked to rank the extent to which automation has impacted their operations over the past 5 to 10 years on a five-point scale that ranged from "not at all" to "a great deal". A total of 42.3% of respondents indicated that automation had affected their business "a moderate amount", "a lot", or "a great deal."

In contrast, 43.6% stated that automation had not impacted their operations at all. It is important to note that this question does not assess whether the impact of automation was positive or negative; it simply assesses whether automation has had any type of impact on their business. Figure 8 breaks down the results of this question through the lens of respondents in agriculture, manufacturing, and retail trade.

Labour Force Trends Cont'd

FIGURE 8. PERCEIVED AUTOMATION EFFECTS FOR THE THREE LARGEST SURVEYED INDUSTRIES



Open-Ended Questions

Interviews concluded with an open-ended question regarding any other challenges or successes faced by the employers which were not encapsulated in the other interview questions.

Of the 52 employers that replied to this question, nine noted that the increases to minimum wage presented a challenge to them. These businesses all fell under the agriculture, wholesale trade, or retail trade classifications. Seven of these employers made new hires in the 2017 calendar year, accounting for approximately 129 new hires in total.

Challenges imposed by government regulations (including the increase to minimum wage) were noted by a number of employers. These include but are not limited to: the lack of a farm labour pool to fill job vacancies; land use and zoning including the Greenbelt; extensive inspections and auditing; taxation when passing the business on to family; cap and trade; extensive permits and licensing; and the legalization of marijuana, which, employers feel, has increased competition for workers and greenhouse space.

Conclusion

The purpose of this research project was to gather the perspectives of employers in agriculture and those businesses whose goods and services support agriculture. The diverse perspectives of the 78 employers engaged may present as a mix of opinions, but there are commonalities.

Among the employers who completed our survey and attempted to hire or hired in 2017, there appears to be a strong perception that the available labour force is not presenting itself with the expected soft skills (i.e. those skills which do not directly connect to technical abilities or qualifications) required for employment. Indeed, responses citing a lack of motivation, attitude, or interpersonal abilities among candidate pools occurred with triple the frequency of those pointing to a lack of qualifications as roadblock to hiring. This underscores the need for continued soft skills development. It also invites interesting questions on assumptions of skills shortages/misalignments as reflected within this particular data set. Employers citing a lack of applicants and applicants lacking soft skills occurred with considerably more frequency than any responses that explored skills.

Although many employers who completed our survey espoused the benefits of automation in the agriculture industry, nearly half of the businesses surveyed did not believe that automation had affected their operations at all over the past decade. For a sector as vital to Niagara's economy as agriculture, the scope of modernization and the effects it will have on the demand for labour should be considered in future projects.

Finally, this snapshot of Niagara's agriculture and agriculture-supporting industries shows that many employers are experiencing challenges beyond their control. While these challenges should not be seen as true for all employers in these sectors, it must still be taken into consideration that a number of employers are struggling to find qualified workers to meet their demand for employment. This is occurring within a climate where employers are reporting increased regulatory, taxation, and cost challenges.

NWPB intends to work with our partners in Niagara Region Economic Development on exploring the potential for providing additional insights into this data set, or potentially expanding the scope of this research in the coming years.