

Industry Brief

Agriculture and Aquaculture

Atlantic Region

2022



ABOUT THE INDUSTRY

	Employed 2021	Industry Share (%)
Atlantic Canada	16,900	1.5%
Newfoundland and Labrador	1,300	0.6%
Prince Edward Island	3,600	4.5%
Nova Scotia	6,700	1.4%
New Brunswick	5,300	1.5%

Source: Statistics Canada, Labour Force Survey

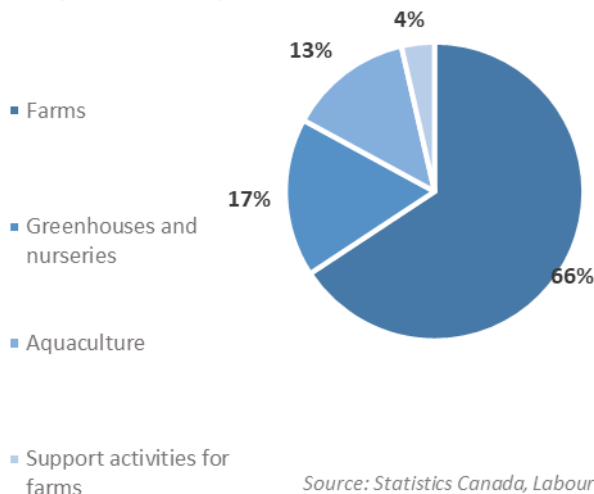
Atlantic Canada's Agriculture sector is diverse, known for its production of potatoes, maple syrup, fruits, berries and various other crops and livestock. Aquaculture has also become important in recent years, particularly salmon production. This industry's operations are typically located in rural and coastal communities and are often the primary source of income among inhabitants in these areas.

Agriculture represents nearly \$1.5B in economic activity for the Atlantic region and supports nearly 17,000 jobs. The latter figure has fallen in recent years as a result of factors like industry consolidation and automation.

Labour shortages are common in this industry and employers across all four Atlantic provinces tend to rely on temporary foreign workers (TFWs), to some extent, to fill job vacancies. Seasonality, negative perceptions about the industry (ex. long hours, hard manual labour, etc.) and lower-than-average wages often make it difficult for employers to attract and retain workers.

COVID-19 continued to create further challenges for agricultural operators through border/trade restrictions in early 2021. Additionally, mandatory quarantine periods and vaccination requirements disrupted the flow of TFWs from entering the country in 2021. High volumes of immigration application backlogs have also negatively impacted the supply of workers.

Employment Share by sub-industry



Source: Statistics Canada, Labour



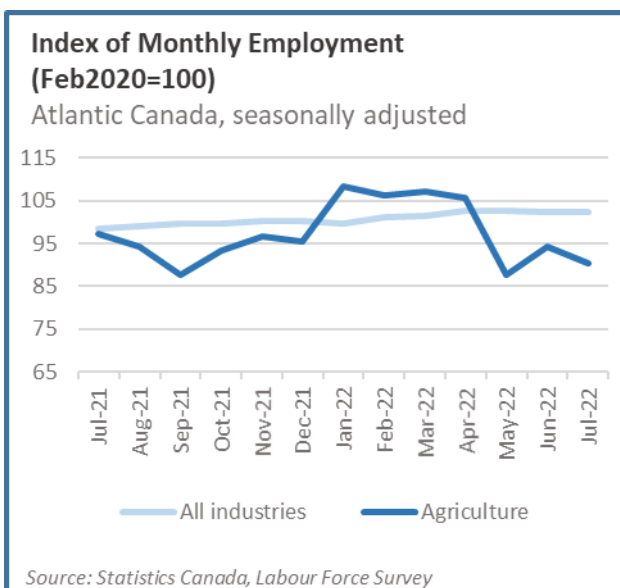
Top 5 largest occupations	Employed 2021	% Share of Industry
General farm workers	4,775	28.4%
Managers in agriculture	4,250	25.3%
Nursery and greenhouse workers	1,950	11.6%
Agricultural service contractors, farm supervisors and specialized livestock workers	975	5.8%
Aquaculture and marine harvest labourers	925	5.5%

Source: ESDC/Service Canada

While careers in agriculture are quite diverse and require a variety of different skillsets, Managers and General farm workers account for the bulk of the industry’s workforce.

Managers in agriculture are typically the owners/operators, or otherwise in charge of running the farm. General farm workers, on the other hand, mostly carry out manual labour, both skilled and unskilled. Nursery and greenhouse workers are typically responsible for planting, cultivating and harvesting trees, shrubs, flowers and plants; they may also serve nursery and green house customers.

RECENT HISTORY



Overall there were 16,900 Atlantic Canadians employed in agriculture in 2021. Compared to 2020, this represents a slight increase of 5.6% (or 900 jobs).

Agriculture GDP grew by nearly 30% in the Region on a year-over-year basis in 2021. This follows a down year in 2020 when sales dropped across the board due to the COVID-19 pandemic. Specifically, crop production, which accounts for the bulk of the agriculture industry, was up by 17.2% in 2021. This follows a near 10% decline during the pandemic year. Meanwhile revenue from animal production was up slightly (2.6%), but not enough to offset the losses experienced during the 2020 pandemic year. Conversely, the value of aquaculture production increased by 47% in the Region during 2021, more than offsetting the losses experienced during the pandemic year. Over the past 10 years, the average annual growth rate in agriculture GDP is 3.7%.

The highest revenue generating agricultural crops/commodities ranges between provinces, with the exception of dairy products which are a top three revenue generator in each of the Atlantic Canadian provinces. Between 2017 and 2021 the average top three crops/commodities produced by province are as follows:

Top-3 crop and livestock commodities by average 2017-2021 farm cash receipts

NL	PEI	NB	NS
Dairy (\$47M)	Potatoes (\$239M)	Potatoes (\$164M)	Dairy (\$149M)
Eggs (\$19M)	Dairy (\$90M)	Dairy (\$118M)	Fruit (\$66M)
Floriculture, nursery and sod (\$10M)	Cattle and calves (\$32M)	Floriculture, nursery and sod (\$49M)	Eggs (\$43M)

Source: Agriculture Canada



Aquaculture in Atlantic Canada has undergone significant expansion over the past decade, with GDP growing from \$92M in 2007 to \$200M in 2021. That same year, total sales for the region amounted to nearly half a billion dollars, with 75% owing to finfish like salmon. According to Fisheries and Oceans Canada¹, aquaculture represents about 20% of Canada's total seafood production and the Atlantic region accounts for roughly half of the nation's output.

As of 2021, there were nearly 2,200 people employed in Atlantic Canada's aquaculture sector, nearly 40% of whom were based in New Brunswick. The average wage in the aquaculture sector ranged across Atlantic Canada, from \$17.87/hr in Nova Scotia to \$21.98/hr in Newfoundland and Labrador.

As noted above, aquaculture faced a significant retraction in 2020. While some of this was due to labour shortages, the main culprit was a lack of international demand due to pandemic-related trade barriers. Between 2019 and 2020, aquaculture exports shrank by \$134M and this decline was evidently not offset by domestic sales (for which there is no recent data). International shipments rebounded impressively in 2021, climbing above the pre-pandemic levels.

With respect to agriculture overall, one of the main challenges that operators throughout the industry have been facing is securing enough labour, particularly for planting and harvesting activities and aquaculture operations. Businesses have had to rely on TFWs and a new supply of immigrant workers overall. Further, government agencies who handle immigrant admittance to Canada continue to face significant backlogs in processing applications as a result of the covid-19 fallout. As of June 2022, there were 2.4 million applications in the backlog nationally according to Immigration, Refugees, and Citizenship Canada.

While the Atlantic region, in general, is aging at a greater pace compared to the rest of the country, this is especially true for the agricultural industry. In the short amount of time between 2011 and 2018 (the only years for which data is available), the share of workers over the age of 55 has grown from 25% to 39%, far exceeding the share of older workers across the broader economy (23%). The share of younger workers (aged 15 to 24 years) remains relatively unchanged at 13%, while the proportion of workers in the prime working age group (25 to 54 years) fell considerably - from 61.0% of the industry's workforce in 2011 to less than half in 2018.

Changing consumer preferences that resulted due to the pandemic seemed to have benefited many local producers in the region with respect to how food is distributed. Prior to the pandemic, there had already been a noticeable increase in appetite for locally grown foods, which resulted in a growing number of farms selling products directly to consumers at the farm gate, as well as through stands, kiosks, U-picks and farmers markets. Since March of 2020 until recently, consumers had also moved away from restaurant dining due to public health restrictions during the pandemic, cooking more meals at home. This led to even more operators adopting a model that involves selling directly to consumers, mainly through online purchasing platforms, pick-up and home deliveries. Combined this has all generated an uptick in support for local producers of food and beverages. More than ever, Atlantic Canadians want to know where their food was grown and processed and want to continue to support the local food and beverages sector. In a Fall 2020 study, over half of the 10,000 Canadians surveyed indicated that they would pay more for locally grown foods².

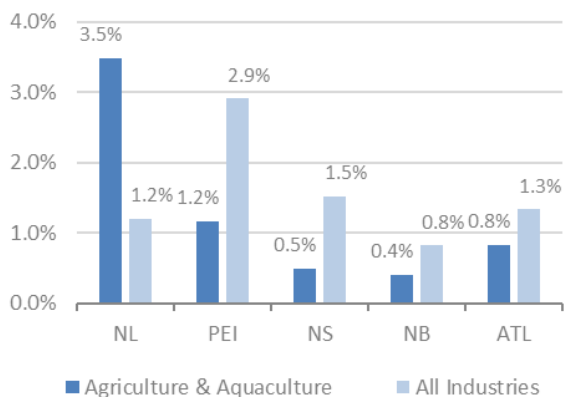
¹ Government of Canada. Aquaculture statistics. [Aquaculture statistics \(dfo-mpo.gc.ca\)](https://www.dfo-mpo.gc.ca/aquaculture/aquaculture-statistics)

²University of Dalhousie. [ww.dal.ca/faculty/management/school-of-information-management/news-events/news/2020/10/23/sim_student_featured_in_national_post_the_star.html](https://www.dal.ca/faculty/management/school-of-information-management/news-events/news/2020/10/23/sim_student_featured_in_national_post_the_star.html)



OUTLOOK

Projected Average Annual Employment Growth Rate (%), Atlantic Provinces, 2022-2024



Source: ESDC/Service Canada

The outlook for Agriculture is relatively positive over the 2022-2024 forecast horizon as the industry is expected to continue expanding beyond the pre-pandemic levels. Nevertheless, this industry is projected to lag behind the average growth rate for all industries between 2022-24.

The potential for additional waves of the COVID-19 virus remains a risk factor for the industry going forward. Any impact to this industry from such an event will depend on severity, timing and the effectiveness of the current measures to curtail COVID-19. An outbreak during the winter months will have minimal impact as most activities in this sector are carried-out from spring to early-fall.

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

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On the other hand, if such an event were to occur during the planting or harvesting season, some farms may struggle to operate at capacity.

This industry is also at risk for a number of environmental impacts that may pose threats to the safe development of crops and livestock. For example, in November 2021, the outbreak of potato wart in PEI resulted in the Canadian Food Inspection Agency banning potato shipments from PEI to the US. Exports for table potatoes resumed in April 2022, but seed potatoes, which make up roughly 10% of the Island's annual output, are still banned in the US and the rest of Canada. Additionally, the detection of H5N1 flu (avian flu) at a NS farm in February 2022 led to the European Union, the US and eight other countries imposing trade restrictions on some poultry products from NS and NL.

Output is expected to increase at a faster pace than employment driven by continued investment in automation as it becomes increasingly difficult for operators to secure sufficient labour. These changes will result in a gradual shift away from unskilled labour and an increasing share of workers will need to be skilled in new technologies and methods. TFWs will continue to fill gaps where sufficient local labour is not available.

Still, employment in the industry is expected to benefit from a growing appetite for local products, as well as maturing trade deals between Canada and its trading partners that will continue to improve access to foreign markets.



APPENDIX

Real GDP (2021) and Employment (2021) for Atlantic Canada

	Agriculture and Aquaculture			All Industries		
	Number	Share of Total	AAGR*	Number	Share of Total	AAGR*
Real GDP (M\$)	\$1,452.4	100.0%	3.7%	\$107,478.2	100.0%	0.7%
Newfoundland and Labrador	\$88.5	6.1%	-1.2%	\$30,492.9	28.4%	-0.3%
Prince Edward Island	\$297.3	20.5%	2.5%	\$6,273.2	5.8%	2.2%
Nova Scotia	\$446.5	30.7%	2.8%	\$39,082.3	36.4%	1.2%
New Brunswick	\$620.1	42.7%	6.1%	\$31,629.8	29.4%	0.7%
Employment (000s)	16.8	100.0%	0.1%	1123.6	100.0%	0.1%
Male	11.9	70.8%	0.1%	568.2	50.6%	0.1%
Female	4.9	29.2%	0.2%	555.4	49.4%	0.2%
15-24 years old	2.7	16.1%	0.4%	153.3	13.6%	-0.1%
25-54 years old	8.1	48.2%	-2.0%	701.6	62.4%	-0.6%
55 years and older	6.0	35.7%	3.9%	268.7	23.9%	2.6%
Worked full-time	14.7	87.5%	0.7%	932.8	83.0%	0.1%
Worked part-time	2.2	13.1%	-2.4%	190.8	17.0%	0.1%
Self-employed	5.0	29.8%	-1.6%	122.7	10.9%	-0.9%
Employees	11.8	70.2%	1.1%	1000.8	89.1%	0.3%
Permanent job	8.4	50.0%	3.1%	843.7	75.1%	0.7%
Temporary job	3.5	20.8%	-2.3%	157.1	14.0%	-1.6%
Less than high school	3.4	20.2%	-2.5%	93.1	8.3%	-4.5%
High school graduate	5.7	33.9%	-0.2%	270.2	24.0%	-0.8%
Postsecondary cert. or diploma	5.3	31.5%	2.1%	417.6	37.2%	0.4%
University degree	2.4	14.3%	1.3%	342.7	30.5%	2.4%
Newfoundland and Labrador	1.3	7.7%	-5.1%	220.1	19.6%	-0.5%
Prince Edward Island	3.6	21.4%	-0.5%	79.4	7.1%	1.0%
Nova Scotia	6.7	39.9%	1.6%	463.5	41.3%	0.3%
New Brunswick	5.3	31.5%	0.8%	360.5	32.1%	0.2%

Source: Statistics Canada, Labour Force Survey - Custom Table; Table 36-10-0402-01

*Average annual growth rate for last ten years of available data (GDP 2012-21 and Employment 2012-21)

