

SEASONAL AGRICULTURAL LABOUR ISSUES IN PRINCE EDWARD ISLAND

Prepared for:

P.E.I. Agricultural Human Resources Development Council

Canada / Prince Edward Island Labour Market Development Agreement

February 28th, 2003

Canada 



Matheson Consulting Ltd.

Charlottetown, P.E.I.



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1 INTRODUCTION

1.1 BACKGROUND

The P.E.I. Agricultural Human Resources Development Council (AHRDC) has been requested by various farm organizations and commodity groups to research the issues surrounding the recruitment and retention of seasonal labour, particularly during the important planting and harvesting periods.

The issues of seasonal agricultural labour and associated problems have been long-term and are complex at the local, national and international level. In Prince Edward Island this issue has been studied previously, e.g. Industrial Adjustment Committee Report in 1990 and various HRDC reports. Solutions identified were not a cure-all, nor is there evidence that any one solution can fully solve what appears to be a historic and continuing problem for agricultural producers.

Matheson Consulting Ltd. in association with Enterprise Management Consultants were commissioned to conduct the research by identifying the relevant issues, the extent of the problems, generate statistical profiles and make viable recommendations to address the issues identified.

1.2 OBJECTIVES

The objectives for this study, as described in the request for proposals, are:

The P.E.I. Agricultural Human Resources Development Council requires the services of a firm to research the labour market issues of seasonal labourers within various agricultural commodities in PEI. Specific objectives are:

- 1. To research labour market issues of seasonal agricultural labourers. This includes the identification of the seasonal agricultural occupations involved, developing an understanding of the nature and extent of the issue, and the resultant impacts on the producer and on the industry. This will also include research into the reasons why some seasonal labourers have chosen to leave the industry over the last few years and why others have chosen to remain. The research will be both quantitative and qualitative in nature. The P.E.I. Agricultural Human Resources Council will provide the names and contact information for the producers, and producers will be asked to supply the names of former and current seasonal workers. This includes all agricultural crop commodities.*
- 2. To develop a statistical profile of each commodity based on the above research combined with established data sources such as P.E.I. Department of Agriculture & Forestry, Agriculture and Agri-Food Canada, Human Resources Development Canada, etc.*
- 3. To recommend long-term and short-term options for addressing the identified labour market issues. This includes a costing of the options, a review of applicable federal and provincial programs, etc.*

The request for proposals contained a Statement of Work which included the following tasks to be completed:

- 1) *Meet with the steering committee to discuss the work plan and approach.*
- 2) *Develop the quantitative research methodology required to research the nature, extent and impact of the shortage (this would include the development of the appropriate survey instruments).*
- 3) *Develop the qualitative research methodology to be used to consult with the former and current seasonal workers, including the appropriate interview guide.*
- 4) *Meet with the steering committee for approval of the methodology and receive any relevant feedback.*
- 5) *Pilot test the survey instrument(s)*
- 6) *Revise the survey instrument(s) based on the results of the pilot test. Any changes must be approved by the steering committee.*
- 7) *Conduct the research with producers based on the approved methodology. The research should present reliable results by commodity, and identify any significant differences that exist across the province.*
- 8) *Conduct the research with current and former seasonal workers.*
- 9) *Prepare the data file and conduct a statistical analysis of the quantitative data.*
- 10) *Conduct the analysis of the qualitative research.*
- 11) *Review existing data sources to contribute to the development of a statistical profile of each commodity.*
- 12) *Produce a status report to update the steering committee on how the project is coming along.*
- 13) *Develop long-term and short-term options for addressing the labour market issues. This will include consultations with federal and provincial officials*

Our workplan, presented in the next section, summarizes our activities to address these objectives and tasks.

1.3 WORKPLAN

Our twenty task workplan for this study was completed in the seven week period from January 13th, 2003 to February 28th, 2003. These activities were:

- Steering Committee meeting
- Identify information sources
- Literature/Internet review
- Research other jurisdictions
- Industry workshop
- Initial issue analysis
- In-depth producer interviews
- Obtain producer data
- Prepare draft questionnaires
- Pre-test and revise questionnaires
- Prepare focus groups formats/agendas
- Finalize research methodology
- Steering Committee meeting
- Implement producer survey
- Analyze survey results
- Obtain employee data
- Employee focus groups and interviews

- Implement employee survey
- Evaluate results, prepare draft report
- Steering Committee meeting and present final report

A significant portion of our methodology involved phone surveys both to producers from each commodity group and also to agricultural workers. We discuss each of these below.

The provincial Department of Agriculture and Forestry provided several databases with names and phone numbers of possible producers in each commodity group. After eliminating duplications (e.g. those related to multiple ownership) we assembled an initial producer database of 1,971 names from which the survey sample was drawn. The sample size was determined by census for the smaller commodity groups and by choosing a confidence level of 95% and a maximum confidence interval of 10% for the commodity groups with larger numbers of producers. As the producer survey progressed, we found that more than 300 potential respondents refused to participate since they did not hire seasonal workers. We were able to reach or targeted sample size for potatoes, tobacco and grain while our response rates for blueberries, strawberries and vegetables was very close to the targeted levels. The response rates for the remaining commodities were low resulting in quite large confidence intervals. While legitimate industry-wide or commodity-wide extrapolations could be done for the producer survey as a whole and even for certain survey questions for the higher response rate commodities, we have (for the most part) confined our reporting and analysis to the actual survey results.

The worker phone survey was based on a very limited number of names (175) provided to us primarily from a few producers and from the AHRDC. While we received response from almost one third (57) of these workers, due to the lack of information about the seasonal agricultural worker population as a whole, we only presented statistics from the actual survey. We do not make any representations about how these survey results reflect on all PEI agricultural workers.

In addition to our producer and employee surveys, interviews and focus groups, we have reviewed secondary data from numerous reports, studies and statistical documents. Details of the phone surveys are described in subsequent sections of this report. We have relied on information provided by a number of informed sources and steering committee members have clarified a number of issues. A list of contacts is attached in Appendix A.

Chapter 2 of this report analyzes the labour force and the supply of workers while in Chapter 3 we present our findings related to producer demand for seasonal labour. Chapter 4 discusses several seasonal worker issues in more detail and Chapter 5 presents our conclusions and recommendations.

2 SUPPLY OF AGRICULTURAL SEASONAL LABOUR

2.1 OVERVIEW OF PEI LABOUR MARKET

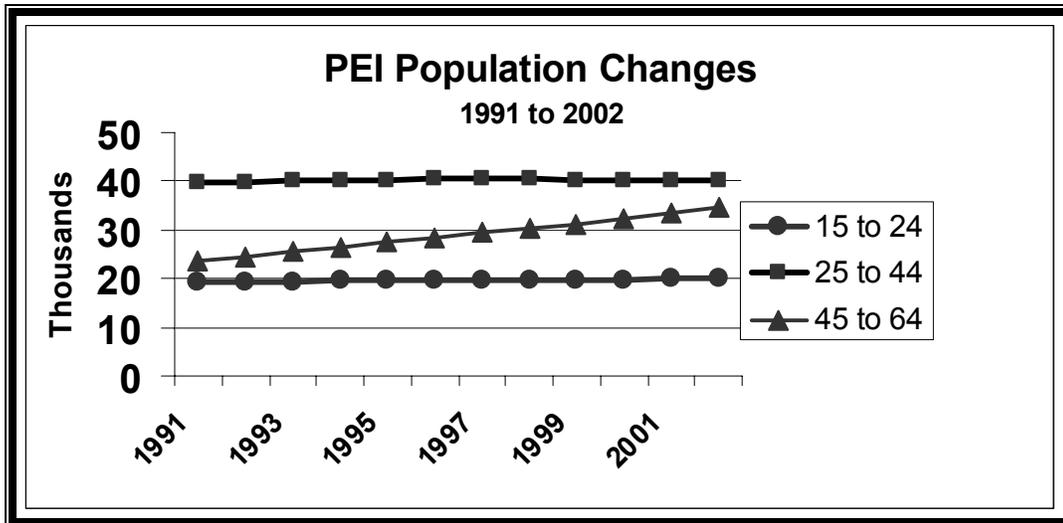
In 2001, out of the province's total population of 139,913, there were 74,700 people in the PEI labour force. In 1990, there were 64,200 in the PEI labour force. This growth of 14% over ten years in the labour force represents a relatively strong labour market and strong participation rates for the Island when compared to the rest of the country. In 1990, 10% of the province's labour force was employed in agriculture. By 2001, due to lesser number of family farms, more mechanization and productivity, the size of the Island's agriculture labour force declined 25% to 4,900 representing 6.6% of the total labour force. For Canada as a whole, agriculture represents less than 4% of the labour force.

PEI Labour Market			
Labour Market	1990	2001	Increase
Provincial Total	64,200	74,700	16%
Agriculture Industry	6,500	4,900	-25%
Percent of Labour Market	10%	6.6%	

Source: Statistics Canada

PEI employment is more seasonal than most other provinces and territories in Canada resulting in high unemployment during the winter. During summer peaks there are many people employed (e.g. 74,100 in August 2002) and in winter low points (e.g. 59,100 in January 2001). One key measure of labour market conditions is the unemployment rate at the summer peak – and this has declined over the past ten years, reaching 5,200 people or 6.7% of the labour force in the peak of summer 2001.

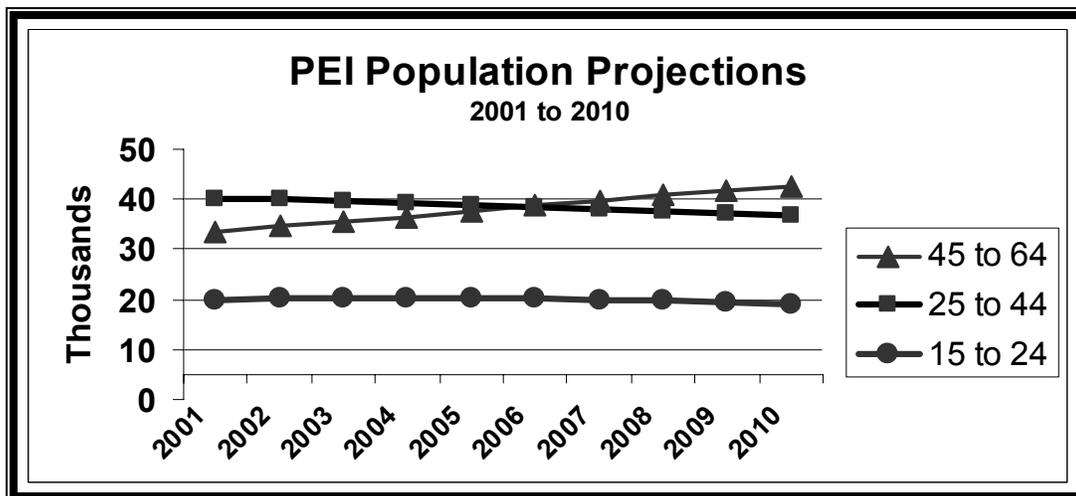
Another dynamic that is impacting on the size of the labour market is population demographics. PEI's population has been growing at a steady rate close to the national average. The province has avoided the loss of people that has characterized other Atlantic provinces, and has managed a rough balance of inter-provincial migration – losing people at some intervals and gaining at others. The exhibit below reports the change in population in the labour market age groups over the past twelve years -- from 1991 to 2002. This period includes the full impact of the last business cycle and captures key trends. Over this period the population of PEI expanded by 10,000 people or about 0.5% annually. The problem is that the growth was not evenly divided among age groups.



Source: PEI Department of the Provincial Treasury, Economic, Statistics and Federal Fiscal Relations Division

The supply of new entrants in the labour market is drawn from the younger population. The trend is typical of the Baby Boom pattern seen all over North America. The youngest group (age 15 to 24) is the traditional source of new labour and its growth by only 600 has been relatively flat between 1991 and 2002. Similarly, the robust segment of the population between 25 and 44 only increased 400 in the same period, and the older segment 45 and 64, which will exit the labour force over the next decade increased by 10,800.

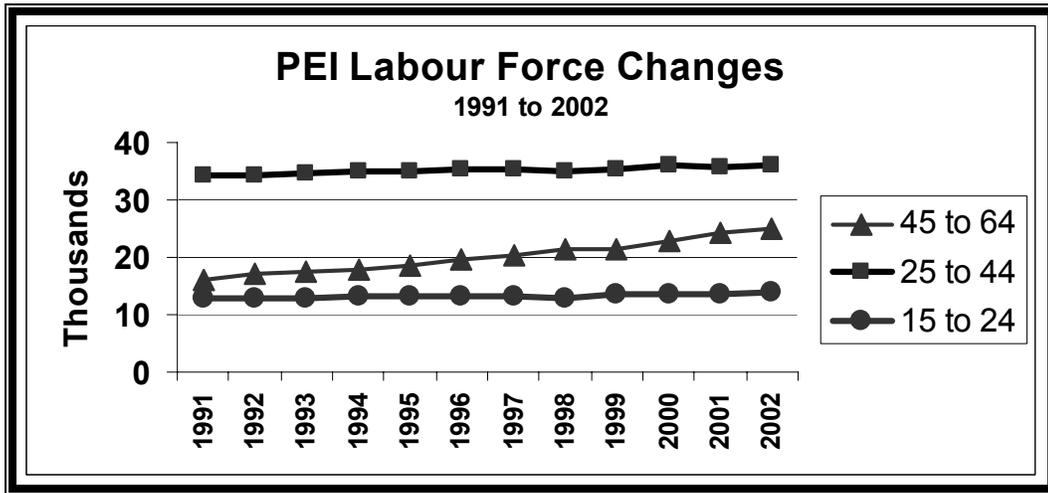
Projecting population growth in these age segments over the next 10 years makes the labour market even tighter as the baby boom dynamic becomes more significant. The 15 to 24 age cohorts loses 1,028, the 25 to 44 declines by 3,231, and the 45 to 64 group increases by 9,303.



Source: Prepared by Economics, Statistics and Federal Fiscal Relations Division, PEI Department of the Provincial Treasury

The make up of the labour force between 1991 and 2002 also shows the dynamics of the demographics. Again the labour market's 15 to 24 age group remains relatively flat with growth of only 1,100 from 13,000 in 1991. The 34,200 population in the 25 to 45 age cohort of the labour force grew only 1,900 in

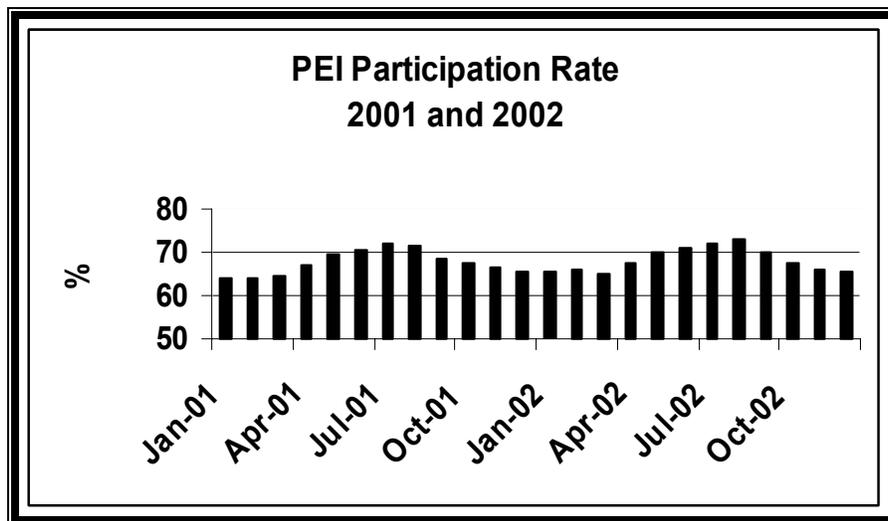
the last decade, and the older 45 to 64 group increased the size of its labour market from 15,900 to 24,900, an increase of 9,000.



Source: Statistics Canada

Given the general population dynamics and labour market changes, it is not difficult to understand why agricultural producers are concerned that the current (and future) labour market is experiencing sustained shortages of needed workers.

This remarkable change is further aggravated by patterns of labour force participation – the proportion of the population working or seeking work. It is a common perception that work opportunities in PEI are weaker than elsewhere in Canada; in fact, employment has grown at or slightly above the national average. Another important, recent development in the labour market is the increase in the proportion of the population seeking work (the participation rate). Participation rates (the percentage of the population over 15 working or seeking work) have reached record high levels ranging from 65% to 72%. Varying participation rates throughout the year also reflect seasonal changes in the PEI economy. This means that during some peak employment months, a significant part of the total population over 15 years of age is in the labour market.

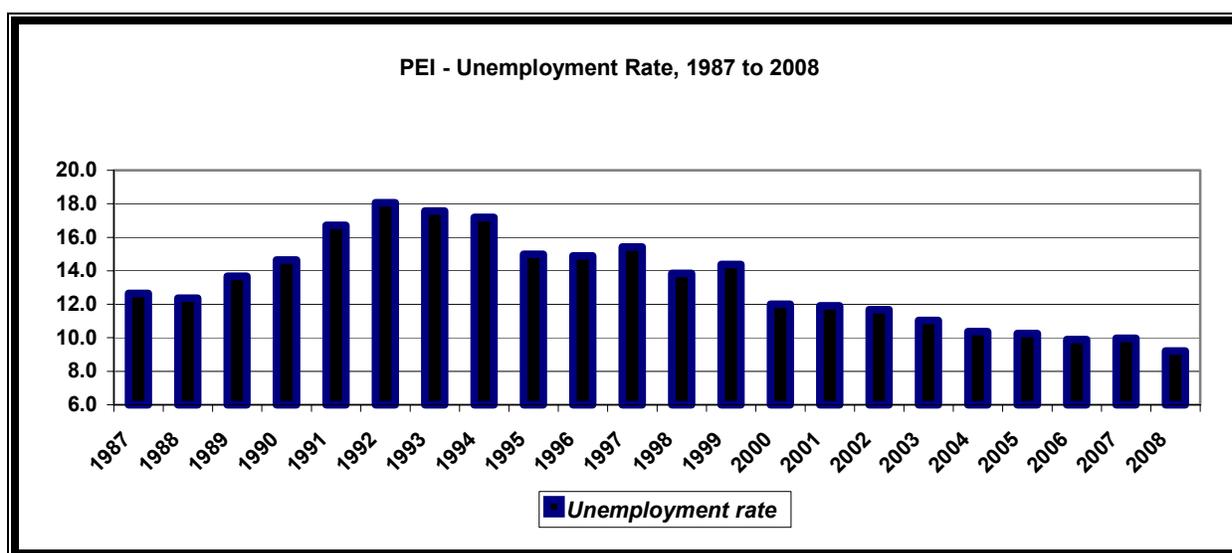


Source: Statistics Canada

After hovering in the low 60s in the early 1990s, the participation rate in PEI began a steady rise across the decade that has continued until the present. Participation is seasonal and differs widely by age group. In fact, the participation rate rose dramatically during the summer of 2002 and reached a new peak of 73%, up over 1% from 2001. For the prime working age group 25-44 this corresponds to a participation rate of 93%. The corresponding unemployment rate was 9.4% and this was a small increase from the previous year.

The implication here is that labour markets were very tight and there is little reserve for hiring. A certain proportion of the unemployed are not likely to be able to fill the demand and the high participation rates may be approaching an upper limit. These broad market conditions underline that repeated theme in this report that shortages are likely a current problem and that internal remedies are being depleted.

Projections for the next six years continue this trend. Unemployment rates are projected to decline to national averages over the next six years.



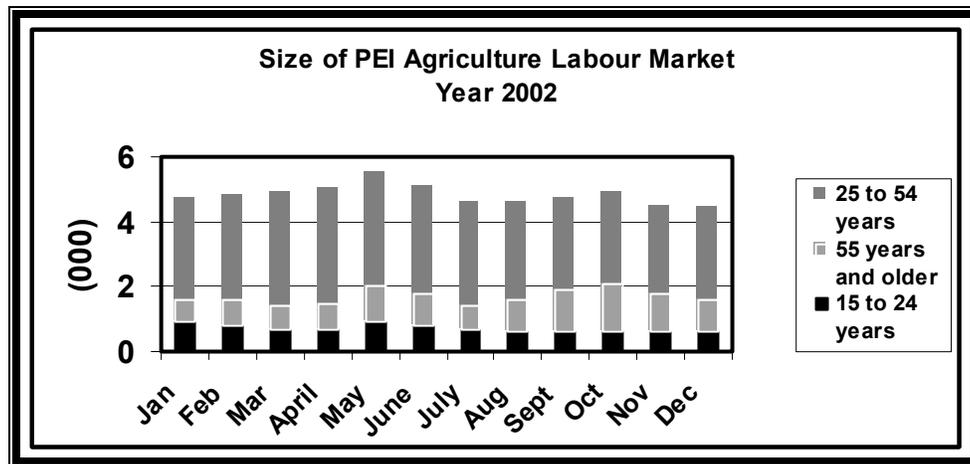
Source: Statistics Canada, Labour Force Survey with projections by Prism Economics and Analysis.

2.2 PEI AGRICULTURE LABOUR MARKET

This next section of the report considers the agriculture labour market and the matter of available workers in more detail within the context of the overall PEI labour market.

Agriculture is a seasonal industry. The size of its labour force varies each month, and its unemployment and participation rates also fluctuate throughout the year.

As noted earlier, the Statistics Canada Labour Force Survey calculated the PEI agriculture labour force in 2002 at 4,900. In 2002, the agriculture labour force peaked at 5,500 in May and October and declined in December to 4,400.



Source: Statistics Canada

The high seasonality of PEI's agriculture industry is demonstrated by the following data. While the number of farms is dropping, the use of seasonal workers is increasing on PEI. Weeks of paid work for year round and seasonal or temporary employees is shown below:

Weeks of Paid Work for PEI Farm Employees			
Type of Work Weeks	1995	2000	% change
Year round	44,947	51,828	15.3
Seasonal or Temporary	43,111	52,530	21.8

Source: Statistics Canada

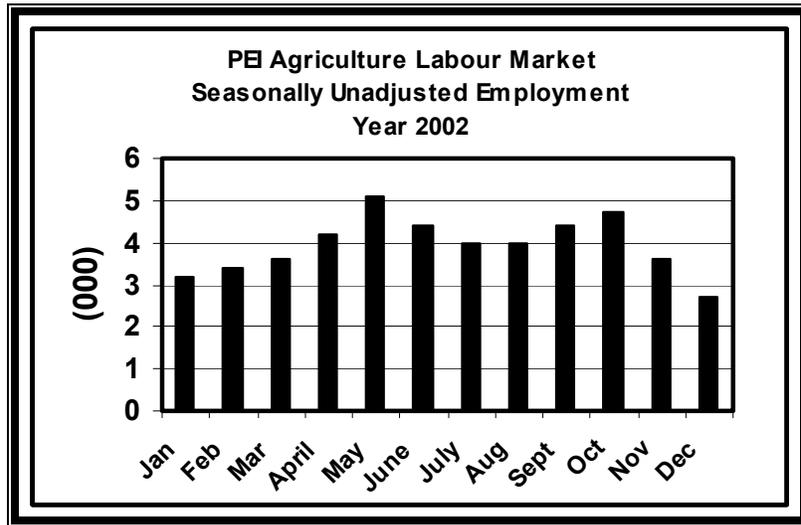
Similar nationwide statistics show that seasonal work is much more important to PEI farms than to farms in other provinces. The number of seasonal paid work weeks on PEI farms in 2000 was more than half (50.3%) of the total paid weeks, whereas seasonal work represents only 35.3% of the total work weeks nationally. This data is presented below:

Canada Farms - Weeks of Paid Work for Farm Employees - 2000				
Province	Year round	Seasonal	Total	% Seasonal
Newfoundland	15,379	11,827	27,206	43.5%
Nova Scotia	98,689	73,963	172,652	42.8%
New Brunswick	88,268	66,983	155,251	43.1%
PEI	51,828	52,530	104,358	50.3%
Quebec	850,496	411,344	1,261,840	32.6%
Ontario	1,376,166	911,030	2,287,196	39.8%
Manitoba	343,346	150,116	493,462	30.4%
Saskatchewan	487,180	250,363	737,543	33.9%
Alberta	805,212	279,640	1,084,852	25.8%
British Columbia	481,194	295,698	776,892	38.1%
Canada	4,597,758	2,503,494	7,101,252	35.3%

Source: Statistics Canada

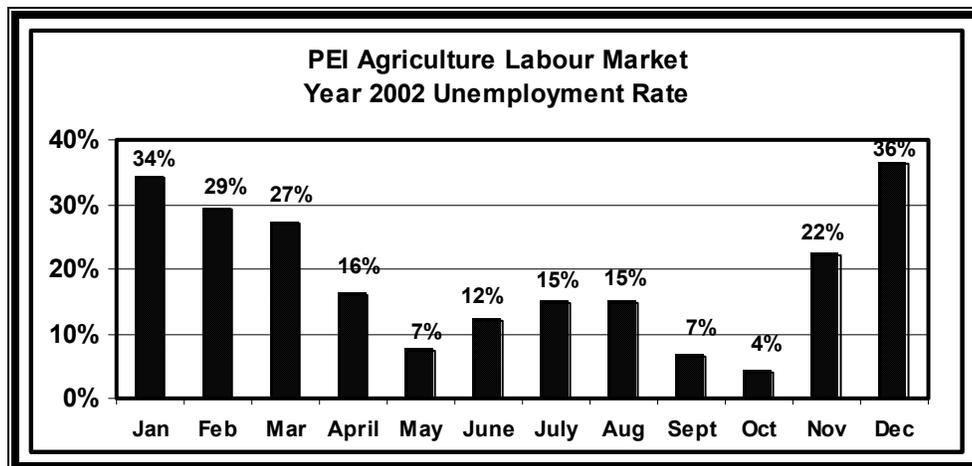
Another measure of the high rate of seasonality of the agriculture labour market is monthly employment.

In 2002, employment levels ranged from 2,100 in December to 5,100 in May.



Source: Statistics Canada

The unemployment rate is another gauge of seasonality. The following exhibit reveals that during the traditional harvesting periods in the fall, the unemployment rate in agriculture is virtually at a minimum, given that full employment is generally considered to be in the 5% unemployment range, as there is a constant turnover of people changing jobs, new members entering the workforce and others leaving.



Source: Statistics Canada

2.3 SOURCES OF LABOUR

The challenges faced by agricultural producers with recruitment of seasonal labour are characterized by frustration arising from a variety of circumstances:

- lack of available labour in the market;
- high rate of seasonality and unpredictability of supply and demand;
- lack of commitment and “work ethic” from workers; and
- lack of support in the labour market system.

The producer surveys indicated the primary method of recruitment is “word of mouth” (86%) followed by Employment Centres/Job Banks/Job Line (12%). The surveys and informed sources interviews highlighted issues and concerns surrounding recruitment. There are several sources available to producers to try to find suitable seasonal labour. The principal sources are discussed in the following sections.

2.3.1 HRDC Job Bank

The HRDC Job Bank is an electronic listing of jobs provided by employers. There is a Job Search component that allows job seekers to search by occupation or to search all jobs posted in the last 48 hours. The producer survey reveals that this service is only used by 12% of the producers. The employee survey revealed that 22% used this service. The focus groups revealed those employees that use this service use it mostly by phone or by visiting the HRDC offices since their accessibility to a computer and internet is limited.

HRDC also offers a student employment service that operates between April and September. There is very little evidence that the Student Centre places very many agriculture workers except for strawberry and blueberry harvests.

Comments from employers reveal they are not fully aware how the Job Bank system works e.g. that they can fax in job orders and can set up a computerized account with HRDC for job entries. An interesting aspect of the Job Bank is that the employers register their job requirements and potential employees check into the system for any opportunities. However, seasonal employers are constantly seeking a “list of names” of potential employees. The system as currently designed does not establish such a list, instead only allows for individual worker requests for vacancies.

2.3.2 Government of Prince Edward Island Employment Agencies

The PEI Government sponsors employment related programs including the Department of Development’s Employment Development Agency and Health and Social Service Regional Employment Enhancement Programs. These programs are seen by some as a potential source of seasonal labour.

The Employment Development Agency provides employment opportunities and training incentives to targeted individuals. This agency creates employment opportunities for targeted individuals with the cooperation of community groups, business organizations and governments throughout PEI.

In the year ending March 31, 2002 the Agency reported on 600 special projects with non-profit organizations. The Agency also funds public and private sector Jobs for Youth Programs. In total, the Agency had 1,199 employees employed for 10,943 weeks and 691 youth employees for 5,425 weeks. The PEI Blueberry Growers Association was a project sponsor in the 2001/2002 period. Agriculture has not been a major source of Agency employment.

The Ministry of Health and Social Services through the various Regional Health Authorities deliver a Job Creation Program (JCP) and the Employment Enhancement Program (EHP) The JCP is designed to assist social assistance recipients to retain or learn new work skills through short term employment as they move toward independence. JCP generally provides for a wage subsidy that is cost shared with the employer. The EHP is intended to assist social assistance recipients by providing work and training opportunities that help remove barriers to employment. These programs are part of the client’s case planning to assist them in eventually exiting the Financial Assistance Program and to stay in the

workplace and/or to upgrade their skills so that they may obtain employment. The program expenditures in 2000/2001 were \$1.8 million involving 822 JCP and 1,727 EEP clients.

Consultations regarding the activities of the Employment Development Agency and the Social Services Employment Enhancement Programs and their relevance to agriculture seasonal work revealed the following:

- blueberry growers used provincial programs but were not happy with the quality of the workers;
- the EDA has done agriculture employment but it is not the focus;
- requests from employers often come too late to get workers;
- EDA does follow ups to referrals to see how things worked out but not on a regular basis;
- EDA target marginalized individuals and youth;
- social assistance recipients are handled by social services via case management – a more intensive process; and
- many clients have not shown any interest in working in agriculture.

2.3.3 Labour Pools

There are three private labour pools that function on a fee for service basis on Prince Edward Island. They are constantly challenged to find workers and are not geared to placing workers for short term employment normally offered in harvesting. Private labour pools are utilized more for longer-term jobs and/or specialized assignments such as potato roguing.

Government funded labour pools go back to 1974, when the federal government served the agricultural industry in a limited manner through the Canada Manpower Offices across Prince Edward Island. By 1974, the federal government addressed the seasonal farm labour issues by introducing and developing a National Farm Labour Pool Program(s) across Canada. In Prince Edward Island, the Farm Labour Pool was managed by a private contractor.

The mandate of the Farm Labour Pool Contractor was to act as a central information clearinghouse for the farming community, as a labour exchange having a central pool of workers, a listing of farms/producers by crop and the geographical area where the jobs were located. The Farm Labour Pool also provided transportation to the workplace and paid the workforce directly.

The Farm Labour Pool maintained a record of farm employers requesting farm labour service and matched the farm workers with farms. The Farm Labour Pool also worked with the Province of PEI in terms of Employment Standards and with Canada Manpower in providing Labour Market Information.

In 1985, Human Resources Development Canada changed the national program name, Farm Labour Pool, to Agricultural Employment Services (AES). By 1991, the program concentration of a farm labour pool of workers seemed to shift its emphasis to agricultural career awareness and training.

By 1994, Human Resources Development Canada had notified the AES contractors that the role of AES offices in seasonal farm labour needs would be phasing out. By March 1995, the federal government closed down all AES offices across Canada. The two AES contractors on Prince Edward Island closed their offices when the HRDC national program was terminated.

In Prince Edward Island, an Agricultural Human Resources Development Council was formed in 1995 with representation from the various farm organizations and commodity groups within the agricultural industry. Its main objectives is to act as a clearinghouse for agricultural training needs, to coordinate and promotion training activities for the farm labour force, to disseminate agricultural training information to both the farm employers and the farm workforce, to develop an awareness of the careers in agriculture and training opportunities at the college and university levels, and to address human resource issues facing the agricultural industry.

2.3.4 Migrant Workers

The Canadian Seasonal Agricultural Worker Program (SAWP) began in 1966 with agreements between Canada and the Organization of Caribbean States and with Mexico in 1974. It has been administered by Canadian agencies and the representative foreign governments through Memorandums of Understanding (MOU). Throughout this report our references to SAWP or the Migrant Worker Program refer to this initiative.

The total number of guest workers has been rising steadily since the program's inception with 12,500 workers in 1990. In 2002, almost 18,000 foreign workers were allowed entrance into Canada. Approximately 50% were from Mexico and the remainder primarily from Jamaica. The expectation is that it will continue to increase based upon the demand for seasonal workers and increased program participation. Presently, Alberta, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and to a limited extent Prince Edward Island participate in the program. The majority of the guest workers are employed in Ontario in essentially all commodities.

Producers in approved commodities apply to HRDC for guest workers after demonstrating that their efforts to recruit local labour were not successful in meeting their needs. Producers are responsible for certain costs including workers' transportation, accommodation, visas, provision for meals, workers compensation, insurance etc. While some of these costs are recoverable from workers wages it is not an inexpensive source of labour. Wages paid to migrant workers are established by HRDC and are based on the rates paid to local labour.

We have learned that many farm operations in other provinces and in Maine have used migrant workers successfully and in some instances have become dependant on guest workers. Producers have expanded their acreage with the knowledge they will have a reliable work force. These expansions have helped offset the additional costs associated with migrant workers.

For the last two years Westech Agriculture in Alberton, PEI has used workers from Mexico. While they have found the costs are significant, they had no other options due to the shortage of available local workers. While many other Island producers are looking forward to access to this program, they should be aware of the procedures, costs and administrative overheads associated with it.

Appendix B provides more detail related to the Seasonal Agricultural Workers Program. A survey of workers, and two focus groups provided workers' perspectives of the circumstances and issues surrounding seasonal agricultural labour.

2.4 WORKERS PERSPECTIVE

2.4.1 Workers Survey

A total of 175 names of seasonal workers were provided from a variety of sources including the producers on the Steering Committee. All were called and fifty-seven workers completed interviews on a variety of questions surrounding their working conditions, wages, search methods, etc. The following tables reflect the survey results:

The majority (74%) of respondents were males, 82% of the total sample were between 19 and 49 years of age. Most respondents (78%) either completed or were currently enrolled in high school while 22% had completed or were currently enrolled in college or university.

The intense but seasonal nature of the work was clear with employees working more than 46 hours per week on average for 16.7 weeks per year. These workers tended to stay with one employer with the average tenure being 5.1 years. Wage levels were comparable to those detailed in the producer survey at an average of \$8.59 per hour.

The level of satisfaction with farm employment rated very high with 50 (88%) out of 57 either happy or very happy. The over all weighted scale on level of satisfaction with farm employment was 3.5 out of 4. The level of satisfaction with wage level was considerably lower with 56% (32 out of 57) either happy or very happy. The overall weighted scale on this question was 2.7 out of 4.

In the last 3 years, only 9 had taken formal courses or training related to their farm job. Courses or training taken included: truck driving, roguing, farm mechanics and pesticide management. More than half (56%) rated the training as “very useful” or “somewhat useful” while the other 44% felt it was “not very useful” or “a complete waste of time”.

As with the producers, word-of-mouth was the preferred job search method used to obtain farm work. The common responses are summarized below:

- Word of Mouth – 38 (66%)
- Employment Centers/Job line/Job bank – 13 (22%)
- Newspaper Ad – 7 (12%)

When workers were asked to rate seasonal employment issues related to working conditions their responses showed less concern than from producers who were asked to rate the same issues:

Worker Survey Responses to Working Conditions			
Working Conditions	Not a Problem	Somewhat of a Problem	Serious Problem
Safety	30 (63%)	13 (28%)	5 (9%)
Worker Transportation	50 (89%)	5 (9%)	1 (2%)
Water and Washroom Facilities	40 (71%)	11 (20%)	5 (9%)
Attitude of Employer	45 (75%)	10 (18%)	1 (7%)

Source: Worker Survey

Similarly, when workers were asked to rate seasonal employment issues related to workers, their responses indicated that there are no major concerns:

Worker Survey Responses to Worker Issues			
Worker Issues	Not a Problem	Somewhat of a Problem	Serious Problem
Worker Attitude	39 (68%)	14 (25%)	4 (7%)
Worker Skills/Training	38 (68%)	18 (32%)	0 (0%)
Absenteeism	36 (63%)	14 (25%)	7 (12%)
Too much drinking or drugs	45 (80%)	7 (13%)	4 (7%)
Child care	46 (82%)	9 (16%)	1 (2%)

Source: Worker Survey

2.4.2 Focus Groups

Two focus groups were held with seasonal agricultural workers, one in Summerside with western PEI workers and one in Charlottetown with central/eastern PEI workers. The topics of discussion with the focus groups included: work experience, job security, seasonality, pay and benefits, working conditions, training and public attitudes to seasonal workers.

Most participants were workers who return to their employers on an annual basis. They are “core” seasonal workers who farmers rely on to be part of their annual seasonal work force requirements. Most go back to the same farm every year; thus can be characterized as “regulars”. They have skills (and experience) most casual hires don’t have.

Most of their employers give them recognition and treat them well which is why they like to return. When the employer is very supportive, respectful, understanding and displays a positive attitude, the workers are loyal. Participants appreciated very much the fact that some owners were in the workplace working beside them and not away from the farm workplace. It gave a good feeling that they were working as a team and everyone pulling their weight, employers included. They also generally like what they do, especially working outdoors.

The workers were paid varying amounts. All focus group participants were on Employment Insurance. They expressed frustration with not earning enough with seasonal work and EI to make a viable living. There was general frustration with wait times for EI cheques to arrive and the low rate percentage for EI. They expressed the need for an EI formula that creates an incentive to those who work longer in the season and provides a higher claim percentage. Workers in the focus groups also expressed strong concerns about inequities between the fishery and agriculture sectors regarding requirements and benefits in the EI system.

Job security, even on a seasonal basis is important to this group. They expressed frustration working with those who don’t stay very long at one farm job. They desire a stable work environment preferring to work more regular hours rather than the intensive long weeks during planting and harvest periods followed by layoff. Most were confident that work would be available for them in the future.

Safety and working conditions discussions revealed that employers need to be more diligent with these matters. Generally, workers saw the need for improved working conditions e.g. washroom and lunch facilities.

Some ideas on how to expand the seasonality of work related to sharing their skills with other employers, using skills in other areas, e.g. machine operations. Some noted because they work long hours during the season, they like some time off, particularly if they are female and have a family.

It was obvious that those workers who had some training and specialized skills were able to get more weeks of work than those with less training and skills.

When discussing the value of their work and public attitudes regarding seasonal work the groups were generally positive about the public's recognition that seasonal workers have value in the PEI society. There were issues expressed around the use of seasonal workers on "road crews" and paying them more than the private sector. This creates animosity and unfairness in the system.

The focus group participants were generally not in favour of hiring migrant workers. They questioned the value of paying more for migrant labour. ("Why not pay Islanders more?") However they recognized the issue of reliability with migrant labour, particularly during peak harvest periods when labour is difficult to find.

3 DEMAND FOR AGRICULTURAL SEASONAL LABOUR

3.1 ALL COMMODITY SUMMARY

In the following sections we provide a statistical profile of each of the twelve commodities. In this section we summarize, for all commodities, the data gathered from our producer survey. From this survey we received 315 detailed responses from growers of the prescribed crops. The response summary is presented in the following table:

Producer Phone Survey Status Summary					
Commodity	Completed	Refused	Not Contacted*	Not Called**	Total
Potato	86	11	22	263	382
Grain	97	19	31	829	976
Blueberry	40	3	42	0	85
Strawberry	17	1	2	0	20
Cranberry	7	4	4	0	15
Raspberry	6	1	2	0	9
Vegetables	36	10	19	0	65
Apples	6	2	3	0	11
Rutabagas	4	1	4	0	9
Cole Crops	13	1	7	0	21
Tobacco	1	0	0	0	1
Herbs	2	0	3	0	5
Total ***	315	53	139	1,092	1,599

* Not contacted due to phone problems or after repeated call backs

** Not called because our sample number of completed surveys was reached

*** The response rate of 315 completed surveys from a population of 1,599 implies a confidence interval of $\pm 4.95\%$ nineteen times out of twenty.

In 2002, 315 survey respondents employed 2,105 farm workers of which 1,915 (91%) were listed as seasonal employees. While most of these seasonal employees worked on only one commodity, a significant number (513 or 27%) worked on multiple crops for the same employer. The demand for seasonal workers continues to increase with farm operators suggesting that 2,315 seasonal workers will be needed for 2003.

Further evidence of the degree of seasonal worker shortages is supplied from surveyed producers stating that they would have hired an additional 418 workers in 2002 had the labour supply been available. These shortages have resulted in 19 operators planting fewer acres in 2002 and 31 instances of crops not fully harvested. The production value lost as a result of the shortfall of seasonal workers was estimated at almost \$1.3 million for the 315 responding growers.

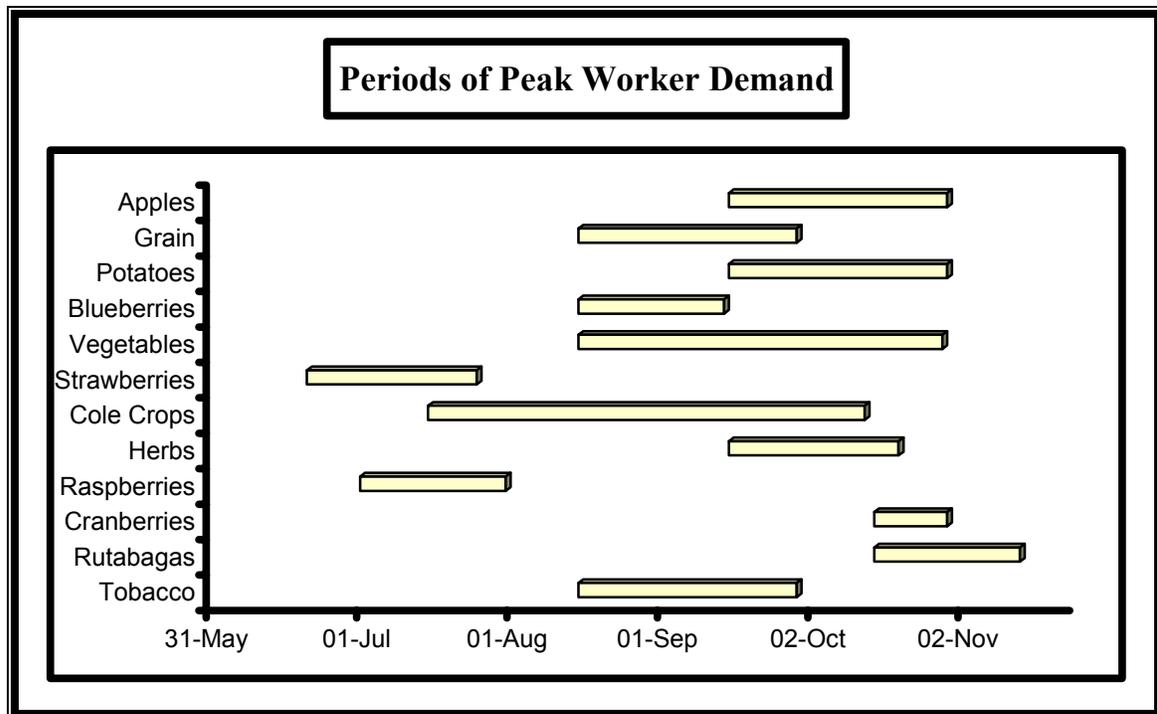
Average wage rates varied by commodity but generally were in the range of \$7.00 to \$9.00 per hour. Seasonal workers averaged more than 50 hours per week during the peak season. The number of weeks these seasonal workers were needed also varied considerably by commodity but on average was approximately 6 weeks.

A series of questions were asked in the survey related to the importance of seasonal employment issues in agriculture. These issues, ranked in order of importance to the producers, were:

- Ability to recruit seasonal labour (highest concern);
- Employment Insurance;
- Worker turnover;
- Underground economy;
- Worker Attitude;
- Absenteeism;
- Worker skills/training;
- Worker transportation;
- Worker safety;
- Workers Compensation;
- HRDC job bank;
- Too much drinking/drugs;
- Child care;
- Water and washroom facilities (lowest concern).

When asked for opinion related to possible solutions to the shortage of seasonal workers, the most common response was to change Employment Insurance (EI). Specific producer comments related to EI are presented in Appendix C. Other popular suggestions were to pay higher wages and to allow migrant workers. When asked specifically about allowing PEI producers access to migrant workers, 76% were in favor. Almost half (48%) of respondents were interested in a fee-for-service recruitment agency to help in their seasonal worker needs.

The following graph shows the peak periods for each commodity's demand for seasonal workers.



Source: Producer Survey

The individual commodity specific profiles that follow are based on information gathered primarily from our producer survey, government data from Statistics Canada, P.E.I. Department of Agriculture and Forestry and interviews with informed sources.

3.2 APPLES

According to the Statistics Canada 2001 Census of Agriculture there were 21 apple operations in PEI in 2001. This is a 19.2% decrease from the 26 farms that were reported in 1996. Acreage decreased by only 2.3% over the same period from 109 acres to 106. Tree fruits (most of which are apples in PEI) accounted for 1.2% of total farms. Average acreage per farm is 5 acres. Statistics Canada estimates 94 acres were under cultivation in 2002.

Of the 20 producers on our original survey call list, 9 reported that they do not have any seasonal workers. Of the remaining 11 growers, we completed 6 surveys (55%), 2 refused to answer and 3 could not be contacted. The 6 respondents had a total of 61 acres, 17 seasonal workers and average wages of \$7.37 per hour. Eight of the 17 employees worked in more than one commodity.

The following data have been compiled from our survey relative to apple producers:

- Apple producers did not report any losses due to a shortage of seasonal workers;
- Word of mouth was reported as the most effective method of recruiting workers;
- Four out of five growers were in favor of access to the migrant worker program;
- Two out of five growers were interested in a recruitment agency for assistance.

It is difficult to form strong conclusions pertaining to the impacts of the seasonal worker shortage on apple growers due to the small number of respondents. Two respondents felt that problems with Employment Insurance and also with the ability to recruit seasonal labour were serious. It is clear that while labour shortages may concern some apple growers, the issue is not as critical as it is for several other commodities.

3.3 BLUEBERRIES

The number of blueberry farms increased by 79.3% from 58 in 1996 to 104 in 2001. Total acreage increased by 44.8% over the same period from 5,375 acres to 7,781 acres. Statistics Canada reported farm values are also increasing with 1998 production valued at \$1,730,000 and the 2000 crop valued at \$3,000,000. Estimated values dropped to \$2,315,000 in 2001 with a total of 2,650 tons marketed.

Our original list of possible blueberry growers contained 197 names. After eliminating duplicate names, those who are no longer farming, those without seasonal workers etc, we were left with 85 producers. Almost half of those remaining (40) completed our survey while 3 refused and 42 could not be contacted due to problems related to phone numbers or due to no answer after repeated call backs.

The 40 respondents accounted for a reported 6,208 acres or almost 80% of the acreage shown by Statistics Canada in 2001. The total of 228 seasonal blueberry workers (43 were listed as working on other crops) drew an average wage of \$8.94 per hour. (This hourly wage figure should be used with caution as approximately 60% of the growers pay their workers on a piece work basis which does not easily convert into an hourly wage.) Only 14 out of 38 respondents (37%) felt that the rate of pay

affected their recruitment efforts. Seasonal blueberry workers tend to be needed for a 4 to 6 week period during August and September.

Five of the forty respondent growers left a portion of their crop unharvested last year due to a shortage of labour with an estimated lost production value of \$68,000. As many as 90 more workers would have been hired if they had been available.

Although blueberry producers tended to be less critical of Employment Insurance, they rated the ability to recruit seasonal labour and worker turnover as serious problems.

Other data from blueberry growers' responses include:

- More than half (20 out of 37) would be interested in a recruitment agency;
- Almost 80% (29 out of 37) are in favor of allowing Island producers access to migrant workers;
- Newspaper ads and signs in the community were the preferred recruitment methods;
- Paying higher wages and allowing migrant workers were the two most often listed solutions to the shortage of seasonal workers.

The quickly expanding blueberry sector is under considerable pressure (especially in the short term) to recruit adequate numbers of harvest workers. Growers are concerned about maintaining a competitive balance with their counterparts in Maine given the numbers of migrant workers they employ. Higher productivity per acre for Island operations has helped to keep them competitive but the future is uncertain.

In the long term, improvements to mechanized harvesting equipment (currently there is evidence machine harvesting can result in plant damages and diseases) may result in less need for seasonal blueberry workers – but in the short term the requirement for remedial labour force action is clear.

3.4 COLE CROPS

Detailed Statistics Canada data for this group of crops (cabbage, broccoli, brussels sprouts and cauliflower) is somewhat limited for PEI. In 1996 there were 515 acres planted in total increasing by 29% to 662 acres in 2001. The most recent farm value statistics show that these crops had a 1999 value of \$816,000 on 556 acres.

Our original sample call list had 35 names of which 14 were found to be either no longer growing cole crops or not employing seasonal labour. We received completed surveys from 13 of the remaining 21 producers. These respondents hired 147 seasonal workers in 2002 of which 59 worked on other crops. They were paid an average wage of \$8.70 per hour.

The 13 growers reportedly planted 962 acres of cole crops with 4 stating they would have planted more if not for the anticipated shortage of labour. Four growers also said they left a portion of their crop unharvested with a production value loss of \$39,000. An additional 34 labourers would have been hired had they been available.

Cole crop producers tended to view the ability to recruit labour, Employment Insurance and worker turnover as more serious problems than the average survey respondent. The use of migrant workers was the more often opinion regarding possible solutions to the labour shortage.

Those surveyed also reported that:

- 70% would be interested in a recruitment agency;
- 40% felt wages impact the ability to recruit;
- 90% were in favor of allowing access to migrant workers.

Labour issues for producers of cole crops are typical of the industry as whole. While this commodity group is fairly small, growers' harvests are at risk due to seasonal worker shortages and workable solutions are necessary.

3.5 CRANBERRIES

A relatively new addition to the Island, cranberries are reported in 2001 to have 12 operations with a total of 52 acres. Our survey had 7 respondents from a total of 15 possible growers with 4 refusing to participate and 4 not contacted. These 7 producers had 42 acres in production and had only 9 seasonal workers at an average wage of \$8.57 per hour. A shortage of labour is apparent even in this small sector as an additional 7 workers would have been hired if they had been available.

None of the cranberry growers reported any losses due to crops left unharvested or due to planting fewer acres. The ratings of issues in this commodity were similar to the average of all respondents with Employment Insurance and ability to recruit rated as most serious. All three respondents were in favor of allowing access to migrant workers by PEI producers and to the use of a recruitment agency.

With such a short harvest window in the cranberry sector and because there are so few seasonal workers, there does not appear to be a requirement for migrant workers. Labour shortages for cranberry growers are probably best met through other solutions.

3.6 GRAINS

For the historical statistics presented below, we have used the crop information for wheat, oats, barley, soybeans and mixed grain as reported by Statistics Canada. In 1996, PEI had a total of 159,379 acres in grains with a farm value of \$38,115,000. By 2001 this acreage had fallen by 10% to 143,877 acres.

We received completed surveys from 97 grain producers from an overall list of 976 names. Although these operations reported a total of 396 seasonal employees most (314) were also listed as working on potatoes. Only 82 workers were shown as "grain only" employees at an average wage of \$8.45 per hour. An additional 14 workers would have been hired if they had been available. From a seasonal employee perspective at least, grain and potato farms should be considered as combined operations.

The 97 respondents grew a total of 25,145 acres in 2002 with two growers stating that they planted fewer acres and one instance of the crop not being completely harvested due to a shortage of workers. The value put on production losses was estimated at \$10,000.

A smaller proportion (68%) of grain producers are in favor of allowing access to migrant workers, while 44% were interested in a recruitment agency. Employment Insurance was less of an issue for this group than for all respondents but 25% of grain growers felt it was a serious problem. In fact, grain producers were less concerned about the seriousness of almost all of the potential labour issues compared to all

other commodities. One issue that is relatively more important to grain growers related to worker training.

Other data related to our survey show that:

- Most growers (57 out of 92 or 62%) do not think wage levels impact recruitment;
- Word of mouth and the HRDC job bank are the preferred sources of labour;
- Changing Employment Insurance is mentioned most frequently as a possible solution.

While grains represent our largest commodity in terms of the number of farms, acreage and of survey participants, the shortage of seasonal labour has less impact for this group of producers than for other crops. While migrant labour will probably not be a significant solution to this sector, other recommendations such as those related to a recruitment agency and worker training will assist the farm operators with labour concerns.

3.7 HERBS

We were not able to find statistical data on herbs either from Federal or Provincial government sources. Furthermore, we had only two respondents to our producer survey and any description of the results would breach our confidentiality guidelines.

3.8 POTATOES

Economically the most important crop on PEI, the potato sector has been consolidating in recent years. In 1996 there were 652 farms reporting while in 2001 there were only 468 – a decrease of 28%. Acreage fell by only 1% during the same period from 108,160 to 106,890 acres. Farm value statistics are very dependant on prices and fluctuate widely from year to year. In 1996 the farm value for potato production was \$139 million while in 1998 the value was \$218 million.

We received 86 completed surveys from (from a total population of 382) potato producers accounting for 26,119 acres. This sector accounted for 43% of all seasonal agricultural workers reported in our survey with 817 employees. As detailed above, 314 of these employees worked in both grain and potatoes. The average wage for potato workers of \$9.07 per hour was higher than any other commodity and probably reflects the number of “core” seasonal workers. (As discussed in more detail later in this report, core seasonal workers are those that return to the same employer year-after-year.) Training courses and certification levels of these core workers also contribute to the higher average wage rate. Potato workers tend to work more hours per week (58) than do those in other commodities.

Of our 86 respondents, 5 reported that they planted fewer acres due to worker shortages and 6 were forced to leave a portion of their crop unharvested. The estimated value of lost production was over \$900,000. Potato growers declared that they would have hired 99 more workers had they been available.

Problems with Employment Insurance were rated the major concern for potato growers – more so even than for other respondents from other commodities. Ability to recruit seasonal labour was a lesser but still quite important concern. More than half (43 out of 84) growers were interested in a recruitment agency while 77% felt that PEI producers should be allowed access to migrant workers.

Other excerpts from the survey:

- 46% of growers feel wage level affects the ability to recruit – this is slightly higher than average;
- A large majority of potato growers find word of mouth to be the best recruiting method;
- Changes to Employment Insurance and paying higher wages are the most often listed solutions to the labour shortage.

Traditionally the labour shortage in potatoes has not been as problematic as in other commodities (or has been overshadowed by other potato issues) but lately labour shortfalls are becoming more noticeable in the Island's most important commodity. With the labour shortage trends expected to continue, industry planners must be especially careful to ensure potato planting, harvesting and packing are not put further at risk.

3.9 RASPBERRIES

Raspberries are another small volume commodity with an estimated 21 farms in 2001 covering 30 acres. Statistics Canada estimated that there was 25 acres under cultivation in 2002. The most recent data on farm value are \$35,000 in 2000 and \$25,000 in 2001.

Our producer survey contacted 6 of 9 growers who were still growing raspberries and who had seasonal workers. These respondents farmed 13 acres and hired 40 seasonal workers of which 32 also worked in strawberries. Average wages were not available since most workers were paid on a piece work basis.

Three of the six respondents planted fewer acres than they wanted due to labour shortages. Three growers also reported that a portion of their crop was not harvested with an associated loss in production of \$5,000.

The ratings of labour issues were not significantly different than the industry averages. Raspberry growers were strongly in favor of both a recruitment agency and access to migrant workers by PEI producers.

3.10 RUTABAGAS

In most statistical reports rutabagas and turnips are reported together. The number of rutabaga farms decreased by 32.8% from 64 in 1996 to 43 in 2001. Total acreage increased by 13.8% over the same period from 484 acres to 551 acres. Farm value in 1999 was \$1.6 million increasing to \$1.9 million in 2001.

Our survey response rate for this crop was quite low with only 4 completed surveys. These respondents grew a total of 43 acres and employed 19 workers at an average wage of \$8.43. Twelve of these employees also worked in vegetables on the same farm.

Two respondents planted fewer acres due to worker a shortage with an estimated loss in production of \$25,000. Issues for rutabaga producers were not substantially different from the industry average.

3.11 STRAWBERRIES

The Statistics Canada 2001 Census of Agriculture reported that in 1996 there were 52 strawberry farms reporting which fell by 15.4% to 44 farms in 2001. Acreage increased slightly (0.8%) over the same period from 297 to 299 acres. Farm value in 2000 was estimated at \$720,000 and at \$640,000 in 2001.

The producer survey resulted in 17 strawberry grower respondents from an original list of 34. Fourteen contacts do not have seasonal workers or are no longer farming resulting in a sample population of 20. A total of 173 acres were cultivated by these respondents.

Among our survey respondents, this commodity is second only to potatoes in PEI in terms of the number of seasonal workers employed. Strawberry growers reported 327 employees 51 of which are shared with other crops. Average wages were \$7.07 per hour for the few respondents (5 of 17) who were not paying piece work rates.

Labour shortages caused four growers to plant fewer acres and four did not harvest their entire crop with a total production value lost estimated at \$90,000. Producers thought they could have hired an additional 75 workers if they had been available.

In rating problem issues with seasonal labour, strawberry producers tended to diverge from the industry averages. The following problems were all rated as more serious by these growers than in other commodities:

- Ability to recruit seasonal labour;
- Employment Insurance;
- Worker turnover;
- Underground economy; and
- Worker Attitude.

The remaining issues were rated as less problematic than the survey average. Ninety percent of strawberry growers were in favor of access to migrant workers while half were interested in a recruitment agency. There was no clear consensus on the best solution to the problem.

With the exception of growers near urban areas, strawberry producers are faced with labour shortages that are perceived to be somewhat worse than other crops which have a smaller demand for workers.

3.12 TOBACCO

There is only one tobacco grower (this survey data is presented with his permission) in PEI with 56 acres in production and employing 18 seasonal workers. Five of these employees also work in another commodity. The average wages are \$7.10 per hour while employees may work as much as 70 hours per week during peak periods. This grower was forced to leave approximately \$30,000 of his crop unharvested due to lack of labour. Access to migrant workers and interest in a recruitment agency are both favored by this grower.

Although there is only one tobacco producer in PEI, any solutions to labour shortage problems must consider his circumstances.

3.13 VEGETABLES

The number of vegetable farms decreased by 25.7% in the five years between 1996 and 2001 from 167 to 124 farms. Total acreage decreased by 38.7% over the same period from 4,062 acres to 2,491 acres. The average farm size is 20 acres. Vegetable farms comprise 6.7% of the provincial total.

Our survey resulted in a 55% response rate and 36 completed surveys. Most of the larger producers were among the respondents as total production was reported to be 2,257 acres. Vegetable growers employed 186 seasonal workers of which about half also worked in other commodities. Wages averaged \$8.39 among our respondents for a longer than average period of 8 weeks.

Seven growers left crops partially unharvested while eight respondents planted fewer acres due to a shortage of labour. Lost production value was estimated at \$75,000. Vegetable producers would have hired 68 more labourers had they been available last year. The ability to recruit seasonal labour was rated as a more serious problem than most other commodities.

Access to migrant workers was favored by 70% while only 35% were interested in a recruitment agency. The most frequently mentioned solution was to change Employment Insurance.

4 SEASONAL LABOUR SHORTAGE ISSUES

Several important issues have been raised consistently throughout our research. While these issues have been noted previously in this report, we present more detailed discussions for each in this chapter.

4.1 FINANCIAL IMPACT OF WORKER SHORTAGES

Our producer survey revealed many examples of financial losses due to worker shortages. As shown below, respondents losses were estimated in excess of \$1.2 million.

Production Lost Due to Labour Shortage 2002 (Surveyed Producers Only)	
Commodity	\$
Apples	-
Grain	10,000
Potatoes	939,000
Blueberries	68,200
Vegetables	45,100
Strawberries	89,600
Cole Crops	38,500
Herbs	-
Raspberries	4,500
Cranberries	-
Rutabagas	25,000
Tobacco	30,000
Total	1,249,900

Source: Producer Survey

The data in this table presents estimated losses from the respondents to our survey and who represent only a portion of the operation in each commodity. With potatoes, for example, we received completed surveys from slightly more than 20% of the operations in the sector. While caution should be used in extrapolating survey data, on an industry wide basis we would expect financial losses to total several million dollars annually.

In addition to the survey data, our interviews revealed further reports (of growers who did not participate in the survey) of crops left in the ground due to shortage of harvest labour. It has also been suggested that operations forego expansions due to anticipated lack of workers and that where expansion has occurred it has been limited to commodities which can be harvested mechanically.

In current markets for most commodities there are very low tolerances from buyers for supply disruptions. If a producer cannot guarantee product delivery as expected, purchasers will look to other sources. In some cases the lack of a reliable work force has forced PEI producers to make crop decisions as extreme as abandoning a commodity altogether. We expect that if many of the labour supply issues can be addressed successfully, there will be expanded acreage in many commodities – especially those that are labour intensive. The financial impacts would be realized not just by the primary producers but by associated industries such as processing, trucking and other agri-business.

4.2 EMPLOYMENT INSURANCE

The Employment Insurance System (EI) is often quoted as a deterrent to hiring seasonal workers and its role in the labour market is often not well understood. The producer survey ranked EI as the second highest concern after the recruitment of seasonal labour. However, it can be argued that without the EI system, seasonal employers would have even more difficulty recruiting workers because the labour pool would not be in the region, standing by and available.

Changes made to the EI in 1997, as part of EI-reform, directly impact seasonal workers. The move to count hours rather than weeks has a greater benefit on seasonal workers because they work longer hours per week than non-seasonal workers during the intense harvesting periods. Under the old UI system, it made no difference whether individuals worked 15 hours a week or 50, they got the same number of benefit weeks. That's why EI's hours-based system encourages people to work as long as they can. Every hour worked is insurable and helps to increase their weeks of entitlement to benefits. Workers in seasonal industries, for example, tend to work long hours - often 50 to 60 hours a week - during peak season.

Also, the formula used in calculating weekly insured earnings is based on total earnings and a divisor (minimum of 14) depending on the unemployment rate. In order to maximize their weekly insured earnings, seasonal workers who have fewer weeks than the divisor number have an incentive to work and earn more in the number of weeks up to the minimum divisor week. That incentive should be a benefit to producers seeking EI eligible workers. Unfortunately, after the worker has more weeks than the divisor figure, the divisor rule sometimes works in reverse. It can act as a disincentive because the divisor figure increases as it now becomes the number of the weeks worked (for weeks with wages in excess of \$150).

Many producers look to EI claimants as a major source of labour, and complain the system keeps many of them unavailable for work. However, the number of claimants on the system is not as plentiful as producers may believe. In 2002, HRDC conducted an analysis of seasonal harvesting occupations and their Employment Insurance experience. This research concluded that using the EI claimant count as an indicator of available workers can be problematic. EI claimant count simply reports on those who have an active or open claim. This is not necessarily the best proxy for surplus labour supply. It is not uncommon for individuals to have an active EI claim while reporting that they are working at a seasonal, casual or part time job. In such cases, the claimant is keeping a claim open and reporting employment earnings. The level of benefits paid to a claimant is adjusted based on the level of employment earnings. In many cases the claimant is in fact not drawing any benefits.

For example, the HRDC analysis reveals that in September 2001 there were 597 EI claimants who were general farm workers. Only 350 were receiving benefits and 24 of them were receiving reduced benefits because they reported employment earnings. If a claimant is not receiving benefits, or is receiving reduced benefits and reporting employment earnings, then that claimant likely has an attachment to a job and is not part of the pool of surplus labour available to fill job openings. Using the number of claimants to estimate surplus labour supply would normally overstate the number of available workers. Therefore, a better proxy for available, or surplus, labour supply is the number of EI beneficiaries without employment earnings.

The HRDC analysis revealed there was little change between 2000 and 2001 in the size of the surplus labour supply for the harvesting occupations reviewed. In September 2000 there were only 375 claimants who received EI benefits and who did not have employment earnings. This number increased only slightly to 393 in September 2001.

During this same 2001 period there were 117 advertised positions for agriculture workers, which by some estimates is between 10% and 20% of the actual demand for workers. Therefore, during this period, the analysis suggests worker demand from producers was approximately double the number of EI claimants who did not have employment earnings.

Factors such as the declining agricultural labour force, fewer workers unemployed and little change in the size of the surplus labour pool, combined to make it more difficult for farmers to find harvest workers.

4.3 COMPETITION FOR LABOUR AND WAGE RATES

Competition from other sectors of the economy, other agricultural commodities and particularly from government are frequently mentioned contributors to the labour shortage faced by farm operators. Examples have been provided showing that higher wage levels in other jobs have resulted in a smaller pool of potential agricultural workers. While this is not inaccurate, there are other factors that draw workers away from agriculture.

Provincial government road crews hired at \$13 per hour is considered by some to be the employment-of-choice by many seasonal workers. It is fair to assume that few farms can compete with this wage rate. Other seasonal positions described as attracting workers include tourism, fish processing, and localized competition from processors such as McCains and Cavendish Farms. Career oriented jobs with call centres and the GST centre have also been cited as contributing to the problem.

Our employer survey shows wages for seasonal workers to average from \$7.00 to \$9.00 depending on the commodity as shown below:

Producer Survey Wage Rate Summary			
Commodity	Average Hourly Wage	Range of Highest Hourly Wage	Range of Lowest Hourly Wage
Apples	\$7.37	7.30 to 8.00	7.00
Blueberries*	\$8.94	8.00 to 14.00	7.00 to 12.00
Cole Crops	\$8.70	8.00 to 11.50	7.00 to 9.00
Cranberries	\$8.57	8.00 to 10.00	8.00 to 10.00
Grain	\$8.45	7.00 to 12.00	7.00 to 12.00
Herbs	n/a	n/a	n/a
Potatoes	\$9.07	7.00 to 13.00	6.00 to 10.00
Raspberries*	n/a	n/a	n/a
Rutabagas	\$8.43	9.50 to 10.00	6.50 to 9.00
Strawberries*	\$7.00	6.00 to 8.00	6.00 to 8.00
Tobacco	n/a	n/a	n/a
Vegetables	\$8.39	6.00 to 13.00	6.00 to 9.00

Source: Producer Survey

* Most of the blueberry, strawberry and raspberry producers paid on a piece work basis. Only those providing hourly data have been included above. Commodities with too few responses are shown as "n/a".

Wage rates from occupations competing for seasonal labour are presented in the following table. The General Farm Worker average wage, while not the highest paying, is not uncompetitive with occupations in other sectors. While wage data for the Harvest Labourer occupation was not available, we expect

(since fewer skills are required) the average wage is lower than for General Farm Worker. For many producers, the worker shortage is most pronounced in this Harvest Labourer category.

HRDC Occupational Profile Data	
Occupation	Average Wage
General Farm Worker	\$8.54
Labourers Fish Processing	\$8.70
Other Labourers in Processing, Manufacturing and Utilities	\$9.23
Other Trades Helpers and Labourers	\$9.68
Labourers in Food, Beverage and Tobacco Processing	\$7.03
Kitchen and Food Service Helpers	\$7.42
Other Attendants in Accommodation and Travel	\$5.92

Source: HRDC Occupation Profiles

Wages can be an important factor in an individual’s employment decisions. When a public sector employer pays \$4 to \$5 an hour more than the private sector wages can become the only factor. In many instances, however, it is non-wage job characteristics that are most important.

Working conditions are a good example of these non-wage job characteristics. Producers stated, correctly, that with more computer jobs available, people would rather work in air-conditioning than under the hot sun outdoors. Demanding physical jobs will always be less popular than their counterparts. Safety and pesticide issues add to farm recruitment problems. Furthermore jobs that offer year-round employment (e.g. call centres or GST centre) will usually be preferable to seasonal work.

In short, it is not just wage levels but working conditions, specific job demands and seasonality are all conditions that workers consider and which producers must address in their recruitment efforts.

4.4 OTHER ISSUES IDENTIFIED DURING CONSULTATIONS

The consultations with industry revealed issues related to underground economy (work for cash), training, transportation, workforce demographics, worker and employer attitudes and mechanization. These are discussed in this section.

4.4.1 Underground Economy

Employers are often faced with requests to compensate workers on a cash basis. These workers may be on EI or social assistance and are seeking to supplement their income. The 25% earning allowance allowed by the EI system is not effective for harvest labour because producers need them for more intensive periods (long hours for a few weeks). Generally the consultations and research reveals that while there are social and economic pressures to support an underground economy, we have not found enough quantitative evidence to determine if it is a critical issue in the labour market.

Notwithstanding the pressure to pay cash, this does not appear to be the norm in the seasonal labour system. Where piece work is the basis of compensation, cash payments are sometimes and recorded in situations where weekly pay amounts reach EI compliance amounts.

However, given the highly regulated nature of the migrant labour program, any abuse currently taking place in the underground economy will certainly be reduced as pressure to hire local labour for cash will

be reduced with the migrant labour choice.

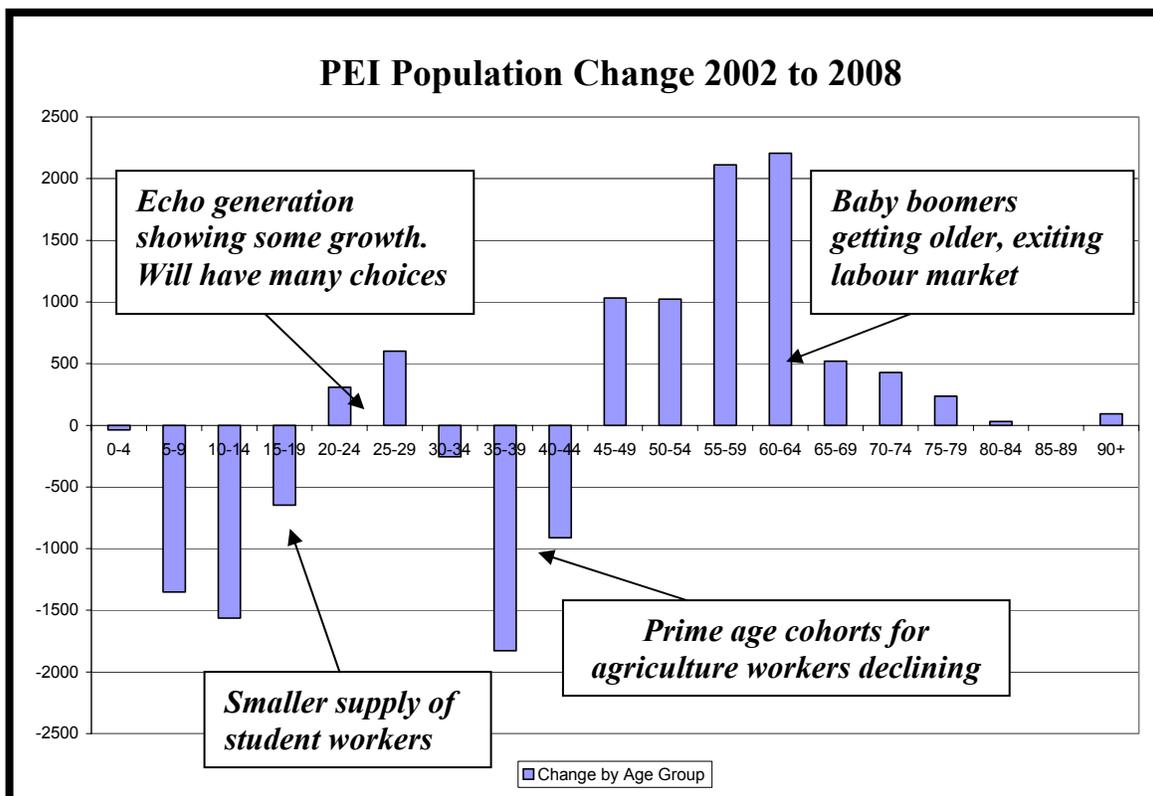
4.4.2 Training and Education

Training for seasonal farm labour has been the responsibility of the AHRDC and the PEI Dept. of Agriculture and Forestry. The AHRDC's Agriculture Industry Training (offered from January to May of each year) has been a training project with partnership from the industry and HRDC. When this short course skills development training began many seasonal "core" agricultural workers enthusiastically responded as a means to upgrade their skill levels to meet the required certification levels requested by the farm employers, (e.g. Class 3A Truck-Driving and pesticide certification) and to gain longer seasonal employment by moving around to different jobs on the one farm (e.g. welding, hydraulics and farm tractor maintenance).

As of 2002, it appears that the Agriculture Industry Training did achieve its objective in enhancing the skills of the "core" seasonal farm labourer. Declining interest in the 2003 courses is attributed to 1) the fact that most workers already have taken the courses and 2) HRDC payments to participants are lower than in the past. Agri-education from kindergarten to grade 12 became a primary objective of the AHRDC and partnerships were developed and continue to be developed to enhance this objective.

4.4.3 Workforce Demographics

We discussed the population shifts in Prince Edward Island in Chapter 2. The Island's demographic projections signal the continuing loss in younger population cohorts and gains in the older population cohorts. The Exhibit below tracks population forecasts from 2002 to 2008 when the baby-boomers begin to retire.



Source; PEI Department of the Provincial Treasury, Economic, Statistics and Federal Fiscal Relations Division

The division in the province’s demographics separates the declining younger population (under 45 years old) from the growing older group. From 2002 until 2008 the population will increase by 2000 people – but this small change is dwarfed by the shifts noted above – 7,700 more “older” people offset by 5,700 fewer “young” people. Notice that we retain the “echo” generation, now age 20 to 29, and who now constitute a small increase in the youth population. This small group will be the target of intense recruiting pressure.

These stark divisions of population trends present a clear and significant challenge to all PEI industries including agriculture.

4.4.4 Worker and Employer Attitudes

Attitudes towards agriculture seasonal labour vary according to who is the opinion maker, e.g. the general public, employer or employee. Generally, field harvest labour is probably considered one of the most demanding jobs in PEI because it requires good endurance, strength and commitment to working under sometimes harsh weather conditions. As labourers normally work in teams, working well with others is an important requirement.

The consultations and surveys with employers revealed that poor worker attitude among the highly transient group is becoming an increasing problem. Indeed, of the worker and working conditions issues queried in the employer survey, worker attitude was the fifth highest of 14 concerns identified. The employee survey rating in this category was third out of 9.

Level of Employer and Employee Concerns (1= Not a Problem, 2= Somewhat a Problem, 3= Serious Problem)		
Seasonal Labour Issue	Employer Survey Average	Employee Survey Average
Ability to recruit seasonal labour	1.86	
Employment Insurance	1.83	
Worker turnover	1.55	
Underground Economy	1.50	
Worker Attitude	1.48	1.39
Absenteeism	1.47	1.52
Worker Skills/Training	1.46	1.32
WCB	1.28	
Safety	1.28	1.48
Worker Transportation	1.28	1.13
HDRC Job Bank	1.24	
Too much drinking/drugs	1.24	1.27
Child care	1.21	1.20
Water and Washroom Facilities	1.17	1.38
Employer Attitude		1.21

Source: Producer and Worker Surveys

Higher level of concerns by the employers were in the areas related to recruitment and management of labour, whereas worker concerns rated highest in areas related to working conditions.

4.4.5 Mechanization

Prince Edward Island farmers have remained competitive in the global market place by using technology to reduce their costs and to expand production. The potato harvesting, holding, packing and processing facilities are up to world class standards. New potato planting, harvesting and storage technologies are major reasons why the Island's potato industry has grown in acreage from 70,000 in the early 1990s to today's over 100,000 acres while there are about one half the number of farms there was a decade ago.

Mechanization is also increasing in the blueberry industry with increasing use of machinery to clear land for blueberries and more use of mechanical harvesters to harvest the crop. However, the blueberry industry will always need harvesting labour because the terrain in many fields is too rough for efficient use of the mechanical harvesters. Also, mechanical harvesters tend to damage fragile blueberry vines, so alternating seasons for mechanical harvesting will require manual harvesting labour.

Mechanization has also been a major contributor to the reduced number of workers over the years in the agriculture labour market. Although mechanization has reduced the number of labour hours for harvesting, overall employment in packaging and processing operations, particularly in potatoes and blueberries, has risen due to increased production.

As Island farmers target more organic production, the use of mechanical means to plant, maintain and harvest their crops becomes less an option. By its nature, organic farming is more labour intensive, thus producers who are moving in this direction will need to be more cognizant of their labour needs and sources.

Further advances in planting and harvest technology in other commodities will bring limited reductions in labour needs. Harvest mechanization offers farmers at least three ways to maintain profitability. It has reduced costs per unit, contributed to the ability to expand total production volumes and provided a more reliable, cost effective replacement for the diminishing labour pool.

4.4.6 Transportation

Our consultations and surveys have not identified significant issues related to transportation of workers. Worker transportation as a concern rated in the lower quartile in both the producer and worker surveys. Some producers willingly provide transportation to and from their work place, particularly for low income workers and students who have no means of commuting.

Transportation of workers can be an issue in more remote regions where there are large concentrations of producers who need to expand their search for workers to a larger radius. This was noted by a potato producer in Tryon and is a challenge in other commodities such as in the blueberry industry in Kings County.

Transportation of workers will certainly be an issue for a migrant worker program. An essential element of the program is the provision of transportation to and from the work place. As accommodation facilities (e.g. church camps/lodges) for the migrant workers may be far removed from the farm location, producers will need to adequately plan for such transportation services.

5 RECOMMENDATIONS

5.1 MIGRANT WORKERS

One of the foremost issues discussed throughout this study centered on migrant workers. Although many are in favour of allowing access to migrant workers, arguments have been made that these guest workers are more costly than local labour and that if locals were paid more then there would not be a labour shortage. Others suggested that allowing migrant workers would take jobs away from Islanders. A few even suggested that since migrant wages are not spent in PEI, there are economic impact concerns. We have concluded that none of these concerns is legitimate. The points below respond to each of these concerns:

- While increasing wages for local workers would entice more to work in agriculture, as was discussed in Section 4.3 wages are only one of many job characteristics. Producers have provided many examples of workers only working for a few days or not showing up for work. This lack of reliability in the local work force is unacceptable when a crop is ready to harvest. The dependability of migrant workers and certainty of having an adequate number of harvest workers will offset the additional costs to producers.
- Surveyed growers stated they would have hired more than 400 additional workers had they been available. We expect that with reliable migrant labour to supplement the local supply, industry will be more likely to expand acreage in several commodities. The migrant worker program requires certification of labour opportunities which ensures domestic workers have first access to employment opportunities and therefore does not threaten the domestic labour force. It seems unlikely that Islanders looking for agricultural work will be disappointed due to the introduction of a small migrant labour force.
- The recovery of lost opportunities in the form of economic benefits (both to producers and to related agri-business) from the expected crop expansions and from growers not leaving their crops unharvested due labour shortages will far outweigh the leakage of wages to Mexico or the Caribbean. Any local harvesting jobs replaced by migrant labour are more than replaced by downstream, value added packing and processing jobs in the food distribution chain due to expanded production.

Furthermore there is some evidence that for the core seasonal work force, a supplementary migrant work force could actually help their situation since they are at risk of burn out from very long work weeks during harvests. Also, increased production from migrant labour during peak harvest periods can provide the “core” seasonal worker with additional spin-off employment during the less busy periods.

The lack of access to migrant workers causes competitive imbalances within commodities in different provinces or states. For example a vegetable grower in Ontario with the option to hire migrant workers has a competitive advantage over the Island grower who is forced to rely only on the diminishing supply of available and reliable local labour. The same holds true for the Island blueberry industry in competition with Maine which has a large contingent of guest labourers. If one commodity on the Island has access to migrant workers and another commodity does not then there is the potential for competitive imbalances between these commodities within PEI for local labour.

We are convinced there is overwhelming evidence in support of allowing access to migrant labour for many commodities in PEI and that by not allowing all producers access to this supplementary source of labour artificial competitive imbalances would be introduced.

Therefore, we recommend that producers in all commodities be given the option of hiring workers through the Seasonal Agricultural Worker Program.

The approval of migrant worker access to PEI producers will not create undue burdens on either the Federal or Provincial governments. Federal responsibilities for HRDC and Immigration Canada are well defined and understood based on this program's implementation in other provinces. The province's role would include provision of health services and insuring that accommodations facilities are inspected. In some cases (e.g. church camps) these inspections would already have been done for other users of the facility.

It should be recognized that the use of migrant workers is not a comprehensive long-term solution to the shortage of seasonal agricultural workers. It is a program that may not be accessible by smaller producers due to its associated costs. These costs will be the producer's responsibility but could become more manageable through cooperation and the use of joint planning, administration and accommodations. This subject is addressed in the next section.

5.2 AGRICULTURAL RECRUITMENT ORGANIZATION

It has become clear through our research that there is a significant need for more coordination between the farm employers and those seeking employment. Perhaps the most striking example of this is the survey finding that 86% of producers state that "word of mouth" is their most effective method of recruiting labour. Farm operations are modern businesses that rely heavily on a dependable supply of labour to complete their production cycle. They cannot be operating as efficiently as possible if forced to rely on this type of hit-or-miss recruiting.

While there are several agencies that assist individuals with their job searches (as described in Section 2.3 above), the province lacks a province-wide service to assist producers in their efforts to hire willing and dependable workers. An organization is needed similar to a labour pool but with a wider mandate. The British Columbia Agricultural Labour Pool is a user-pay service mandated to fill labour requirements in the industry and to attempt to develop a stable-trained workforce. Its activities have included identifying labour market imbalances and solutions, training advice, labour market information, identifying needs, mediation and advertising.

A similar organization should be established in PEI to meet not only the critical recruiting requirements but also to play an important role in coordinating efforts related to migrant workers. We anticipate that to make this program accessible to as many producers as possible there will be a need for cooperative (cost shared) services including accommodation, transportation and translation.

Other services which could be provided by this organization are:

- Provide payroll services;
- Collect labour market data;
- Maintain a database of registered agricultural workers from entry level to experienced workers and professionals;

- Provide cooperation between producers and government employment agencies;
- Educate both workers and employers on the other's needs;
- Work closely with AHRDC in training and education initiatives.

This organization probably would not pay for itself initially (until enough producers recognized the benefits of its services) and would require some assistance from both Federal and Provincial governments. A comprehensive business plan should be prepared as soon as possible to investigate the mandate, demand for services, financial feasibility and governance options for such a service.

Therefore, we recommend an agricultural recruitment agency be established as a private sector, fee-for-service business to provide a wide variety of labour market services for PEI's agricultural industry.

In short, this organization could take on many human resource related activities for producers from all commodities and representing all sizes of operations. Its scope would only be limited by the entrepreneurial imagination of its owners. Governments' only role in this organization would be to assist in initial planning and financing.

5.3 AGRICULTURAL HUMAN RESOURCES STRATEGY

This report documents and reinforces seasonal labour force challenges facing PEI's agricultural industry. While migrant labour is part of our recommended short term solution, the challenge for the PEI agriculture industry will be to mobilize a comprehensive human resource strategy for the agriculture industry to address more mid and long-term challenges facing the industry.

The earlier analysis of seasonal labour supply and demand confirms that significant challenges face the industry. An agriculture industry human resources development strategy, driven by agriculture industry leaders with the assistance of all levels of government, training and education authorities, and industry organizations is both essential and timely.

The first challenge, therefore, is to engage these stakeholders in developing and implementing a PEI agriculture human resources strategy for labour supply and human resources management.

We recommend that the Agricultural Human Resources Development Council should expand its priorities and activities to take the lead in developing and implementing a comprehensive agriculture human resources development strategy.

The agriculture industry and the Council have a direct stake in and shared responsibility for the emerging human resources issues in the industry. The AHRDC is mandated to undertake initiatives outside of its current training programs. Engaging the PEI agriculture industry, government, community and education stakeholders in building and implementing an industry human resources development plan will bring a collective and coordinated focus to the issues.

Within the comprehensive human resources development plan, the following issues should be examined and addressed:

- Improving industry image and recruitment - Develop positive industry messages e.g. healthy lifestyle and work, recruitment campaigns to target potential workers, and facilitate communications with job seekers;
- Retention – create initiatives to keep agricultural workers from leaving employers and the industry;
- Improving Worker Skills - investing in upgrading, education and professional development of current workforce and training programs for new workers;
- Conduct comprehensive wages and benefits surveys to improve understanding of compensation issues and better awareness of benefits from small increase in wages or a bonus system - especially to core workers;
- Improve understanding of Employment Insurance and its impact on agricultural labour;
- Promote and deliver life-long learning among agriculture industry employers and workers;
- Encourage operators to give a higher priority to their human resource management issues and assist them to improve their human resource management skills, e.g. supervisory training, better working conditions, communication, labour planning;
- Expand in-school agriculture education programs, school-to-work transitions and student employment initiatives;
- Establish a process whereby provincial social services and employment agencies can be a better source of labour and transitions to the work place for their clients.

5.4 COMMUNICATION STRATEGY

This study process has identified a number of labour market issues facing PEI agriculture industry that could be better addressed through well planned and executed public relations and lobbying effort. The involvement of migrant labour, issues of Employment Insurance and the desire for an agriculture labour pool agency all will need industry/public education and lobbying. There are misconceptions in the industry and in the public about all these issues. Also, generally improving the image and understanding of agriculture, farming and the food industry amongst the general public requires a concerted and organized communications strategy.

To improve the image of agriculture, there is a need to promote greater awareness among the non-farming community about modern agriculture, the rural environment and food safety. A part of this image building is the need to increase farmer awareness of the importance of best farming practice in the protection of the environment, animal welfare and food safety. Compiling and distributing information about agriculture and food, particularly at school level will also increase awareness.

Information should be provided to the non-farming community and the public at large on modern farming methods, and their importance to ensuring a continuous supply of high quality food at competitive prices as well as to inform the non-farming community of the important role of the Island's farming and food industry plays in the provincial economy.

We recommend that the agriculture industry in partnership with commodity groups should mount a well planned public relations strategy designed to communicate and lobby the priority issues facing the industry.

APPENDIX A - CONTACTS LIST

The study team would like to thank the following individuals who assisted our research:

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We also wish to thank the members of the Steering Committee for their advice and guidance:

John A. MacDonald – Chair	Wendy Weatherbie
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APPENDIX B – SEASONAL WORKER PROGRAM BACKGROUND

INTRODUCTION

Increasingly, in many jurisdictions, the preferred solution to the availability of seasonal labour has been to use and become increasingly dependent on “guest workers” or foreign migrant workers in a wide variety of agricultural crops.

The purpose of this review is to focus on the use of guest workers. This research is not suggesting it is the only option, but rather the one most frequently used in other provinces. In doing so, the research review will first examine an extensive piece of research conducted for HRDC in 1992. The report very comprehensively lays out problems, complicating factors, and solutions. In retrospect, it describes where we were in 1992 and where we have and have not gone ten years later in terms of solutions to the availability of labour.

This appendix will focus on foreign agricultural labour, on the program in use by HRDC and on the issues surrounding the use of guest workers. The review of issues will focus on both current and what appears to be emerging in the longer term. The report recognizes the fact that due to increased demand and dependence on agricultural labour in a global labour market, the need for productive labour and retain it in the long term will become more competitive.

PREVIOUS RESEARCH

In 1992, Ernst and Young provided a very detailed research report on the Horticultural Industry to government which detailed the many human resource issues and opportunities for changes. It was commissioned as the industry experienced many short and long term human resource needs for higher skilled workers and a consistent supply of farm labour.

It recognized the primary “change drivers” and labour issues which are still dominant concerns amongst most producers and the industry. The major drivers were identified as:

- Globalization of produce markets
- Trade agreements - CUSTA, NAFTA, etc.
- Competition in local fresh and processed markets
- Control of costs including energy
- Regulatory issues (pesticides, PVYn, environmental)
- Availability of young people to work, especially as the population of youth is decreasing
- Technological change

At present, despite the various differences between industries, the “drivers” remain the same and more imposing. However, the issues regarding the availability and character of seasonal farm labour have increased in number and have become more complex. For example, the level of unionization was extremely low in 1992, the trend, as we will report, has dramatically changed in the US and increasingly so in Canada. The number of regulations in safety, health, housing, and wages have also increased.

Because of continuous changes in agriculture, labour requirements are no longer simply unskilled. Semi-skilled jobs in planting, cultivating, and harvesting were and are becoming an increasingly part of the demand for agricultural labour. Skilled labour because of technological change and supervision was

and continues to be required by producers. Despite demand, domestic seasonal workers tend to not enter or continue to exit these occupations for other alternatives.

As we will later note, training and development patterns have not dramatically increased in 10 years, despite the increased need. Skill shortages still occur and the need for retraining and upgrading continue. In short, agricultural occupations are not as attractive as working at Macdonald's, driving long haul trucks, and work in food processing.

The key human resource issue continues to be the long term pattern of recruiting and retaining seasonal workers due to the image of the industry and, as more recent research notes, – the barriers to recruitment – other seasonal labour demand, EI, government regulations and other social assistance programs. Training continues as an issue, both in terms of infrastructure for semi-skilled and more skilled workers on a continuous basis.

Of most importance are the recommended priorities in the 1992 report. They still need to be more fully addressed. They include:

- Industry images;
- Management and supervisory training for both workers and producers;
- Technical skill upgrading (worker and employer);
- Expanded apprenticeship;
- Recruitment of immigrant workers;
- Legislative changes in EI and social assistance;
- Labour pool programs.

These issues continue and will be more fully addressed given current research and practice across Canada.

SAWP BACKGROUND

The Canadian Seasonal Agricultural Worker Program began in 1966 with agreements between Canada and the Organization of Caribbean States and with Mexico in 1974. It has been administered by Canadian agencies and the representative foreign governments through Memorandums of Understanding (MOU). It is continuously updated and since the early 1990s provides a role for the private sector in the program. In 2000, the Secretariat for Tri-National Cooperation on Migrant Agricultural Work more fully specified Constitutional and other rights, laws governing Health, Safety and Labour contractors, legal jurisdictions, and case law (Commission on Labour Cooperation, Feb. 2000).

In 2002, 19,000 foreign workers were allowed entrance into Canada. Approximately 50% were from Mexico and the remainder primarily from Jamaica. The total figure has been rising steadily since the mid-90s. The expectation is that it will continue to increase based upon the demand for seasonal workers and increased program participation. Presently, Alberta, Manitoba, Ontario, Quebec, Nova Scotia and now New Brunswick participate in the program. The majority of the workers are employed in Ontario (75-80%).

SYNOPSIS OF PROGRAM OPERATION

HRDC works with the producers who start the process of securing foreign farm workers by submitting requests for workers in terms the length of employment, wages and other specified conditions.

Employment has to last for a minimum of 240 hours (e.g. 40 hours per week for six weeks). The employer will provide housing and either meals or cooking facilities. Wages will be in line with Provincial Wage Rates or the prevailing piece rate offered to Canadian farm workers.

Producers must submit job requests to HRDC within eight weeks of the required employment. Canadian workers are first sought for employment. If there are insufficient numbers of workers located, then HRDC will approve the request and it will proceed to a private organization which charge the producer a fee and arrange transportation. Over time, many workers return to the same employers who will often specify the names of past workers in their request. Some reports state that many workers have more than five years experience in Canadian agriculture.

Producer requests for un-named workers are processed by the Mexican government, for example, and they recruit the workers for the jobs. Employers are responsible for transportation from Mexico to Canada and return air fare. Employers are also responsible for standard deductions (CPP, EI) from wages and specified additional charges. Caribbean workers also have an additional 25% of their wages deducted for a forced savings program.

In two provinces, Ontario (FARMS) and Quebec (FERME), non-profit organizations are responsible for the processing of approved job orders. Costs are covered by charging producers a per worker fee for services. Provinces are involved through ministries of Labour, Agriculture, Health, and other services.

MANAGED MIGRATION AND GUEST WORKERS

At the national-international level, reports suggest that Canada's Seasonal Agricultural Worker Program is continuing to be successful. Other studies, suggest that although there maybe success but short-long term problems have arisen which need to be addressed to ensure that the program operates effectively in the future. This is of particular concern for provinces examining the option of using guest workers to alleviate some of the problems of labour shortages.

According to Greenhill (2000), the Canadian experience is being proposed as an effective model for managing migrant worker movement, because of its formal national and international agreements, public acceptance and support for workers' rights in agriculture.

The program, as previously mentioned, requires certification of labour opportunities which ensures domestic workers have first access to employment opportunities and does not threaten the domestic labour force. Second, producers who are assured of a labour supply has are actually encouraged farmers to expand horticultural production which in turn expands jobs in other industries such as processing, trucking and other agribusiness (DeVortez, 1998). This also allows some producers to more effectively compete with producers in other countries with more adequate supplies of labour.

The formal arrangement and operating guidelines are seen to be essential to the program's success. Government agents are provided to ensure the program operates effectively by ensuring "contract compliance," complaints are dealt with, and ensuring workers comply with regulations. Reviews are conducted annually.

Other reviews of the program (Weston, 2000), argue that living conditions and housing conditions for foreign workers present difficulties for the programs future success and ability to not only secure labour but retain it in a changing international labour market. It is argued that the need and scope of improving conditions should be addressed soon.

As is known, consumer unwillingness to pay higher prices for food and global competition has made producers less willing to raise wages and improve conditions to attract more people in the domestic labour force. To foreign workers, C \$7/hour is an attractive wage rate, however \$7 US/hour is an even more attractive rate for unskilled labour.

Of particular concern to the Weston report by the North-South Institute are wages-deductions and working/ living conditions. All seem to relate to the securing of labour and the short and long term retention of that labour. Wage rates in Ontario have remained near the minimum wages which hadn't changed in four years, while other rates to domestic workers moved higher. In terms of deductions, foreign workers have to pay CPP but both workers and producers question these deductions for EI, due to the fact that most immigrant workers are not eligible. Work disruption without allowable transfer to other farmers requires the workers to return to their country of origin. Given these deductions and others such as meals (6.50/day), health insurance costs, part of travel costs, possible costs of return travel, it has become difficult for workers to anticipate any real set level of earnings after contracts are completed. More difficulties arise if contracts are incomplete. In 1997, there were some charges by countries that contracts were breached prematurely to reduce travel costs to producers.

Some workers want to increase their hours to obtain more income. In other words maximize their return over the term of employment. At the same time, workers in different working conditions (12-15 hour days) want less hours for adequate rest. Employment agreements further complicate hours and days worked. Foreign workers are supposed to be treated similar to Canadians. Producers can be left with complicated management problems.

As in the United States, major concerns have arisen over health and safety of farm workers, both domestic and foreign due to the increasing use of mechanized equipment and farm chemicals. In many cases, farm workers (e.g., Ontario) are not covered by health and safety regulations. Standards and regulations are provincial matters. Likewise, access to health care has become a concern due to problems of language, coverage, denial of treatment and accident coverage. Some US states have greatly enhanced medical and other services for migrant workers.

In terms of living conditions, the issues are as in many other countries, using guest workers is the adequacy of standards, enforcement and complaints. There appear to be sufficient evidence that there are problems even though accommodations may have been inspected and approved. HRDC now requires that producers provide housing inspection certificates before authorizing job orders.

In the US and individual states, wide and strong debate continues over whether or not another guest worker program in the US remains in the national interest. In 1998, the US Senate authorized the AgJOBS program. The debate over the H2, H2A and H2B programs continue.

Some of the lessons learned both in the US and Germany, according to Martin (2000), is that temporary workers eventually become permanent, foreign workers distort the agricultural economy because farmers can't invest in labour-saving and productivity technologies.

Moreover, Martin (2001) points out that many producers have become increasingly "dependent" on imported labour, its fluctuations, and availability.

ASSOCIATION POSITIONS

The Canadian Federation of Agriculture has agreed that "seasonal offshore workers" assure harvests and will allow the Ontario horticultural industry to grow. Likewise, the Canadian Horticultural Council in

addressing the shortage of labour suggest that national programs be developed to “enhance the availability” of labour.

The CHC in a recent document urges the government to make changes to income tax, EI, deductions for seniors, and expand the Canada Mobility Program. Second, it urges the government to expand the Foreign Agricultural Resource Management Program (FARMS) to all provinces. More specifically, they have requested a shortening of the approval time for permits to immigrants and visitors to forty-eight hours, allow work without visas at certain periods, removing the requirement to pay the prevailing wage rate, and increase the deductions for health insurance.

Of particular note is the Council’s stand on allowing persons who are collecting either EI or social assistance to perform seasonal agricultural work without charge or penalty to their status. Second, a change is requested in the two week waiting period for benefits and allocated benefits on the basis of 30 weeks rather than 20 weeks.

In addition to recommendations on training and payroll reductions, the Council encouraged HRDC and the provinces to commence a seasonal housing program for workers and facilities for work sites.

SUPPORT TO LOCAL AND MIGRANT LABOUR

One means of assisting resident and migrant farm workers is to address the needs of potential workers with children which has been a regular source of difficulty in securing and retaining seasonal farm labour. The Rural Child Care Project* in the South Okanagan/ Similkameen region of B.C. provided extended child care services for children up to 12 years old to allow parents to take advantage of seasonal work at a nominal cost (\$30/month).

The evaluation of the pilot project conducted by Rivers and Associates indicated that although it was not a financially viable operation in its present form because of extended care and duration, its outcomes were very beneficial. It offered high quality care that was accessible and affordable in a rural area and was responsive to “unique” needs of seasonal workers. In addition, it had to be multi-ethnic and lingual based upon the background of its clients (French, Punjabi, Spanish and Mandarin). One unintended outcome was the need for a more expanded role for the service for the tourism sector.

What may be of additional interest is the number of clients who had been on income assistance and others who reported they “needed” the care in order to work. The evaluation did not conduct a comprehensive review of seasonal work outcomes.

SAW PROGRAM COMMENT

This section, contrary to what may be perceived, is not to negatively assess the use of foreign agricultural labour, rather to make producers aware at one level of some of the problems with the current Canadian program. The difficulties discussed have arisen elsewhere and will continue to arise. The focus here is on factors that influence the securing and retaining of labour in the short and long-term given changing global labour market conditions. Of equal importance is to also identify factors associated with foreign labour that can affect productivity, quality and attitudes toward what is deemed “hard work.”

* funded under the HRDC – “Improved Access to Child Care” Strategic Initiative.

In the past 36 years, no traditional evaluation material has been available to the public on the Seasonal Agricultural Worker Program. So information about accountability, operations, and outcomes are not readily available for program operators and participants.

The UFCW Canada and Canadian Labour Congress has presented two (2001, 2002) reports/briefs to the Minister of Human Resources Development on the status of the program. Those documents, although not from a producer's perspective, provide insight into some of the areas of the program that were ineffective and failures of adequate protection of migrant workers.

In 2001, a Migrant Agricultural Workers Support Centre was established in Leamington, Ontario which was supported by volunteer and paid staff, local churches and community organizations. By description, it appears to be similar to Centres currently in use in the United States. Albeit the Centre reports being "overwhelmed" with cases, it provided legal clinics, workers' compensation advice, health and safety guidelines, government & financial information, and medical assistance. In short, similar to some US state programs they were attempting on a mini-scale to address some of the needs of migrant workers, given their overall reluctance to complain for fear of reprisal. HRDC and Ontario do not provide such support Centres.

The report exposed some unfair and inadequate provisions of SAWP that should be addressed by the program sponsors who are also co-signors of several bi-lateral, tri-lateral international agreements.

The recommendations include:

- The transfer of the SAW program to the Ministry of Labour due to their much greater expertise in labour issues and policy.
- The inclusion of migrant workers under health and safety regulations.
- To provide training and employment services to farm workers. (Note: because workers have been paying into EI for 37 years and are not eligible for benefits.)
- To provide a transparent national program for migrant farm work. (Note: this is similar to many regulations available in the US which provide national standards.)

Contrary to many US states, migrant farm workers do not receive or have access to training, employment support services, support services (medical, etc.) and EI benefits. As well, programs are needed to help producers become better human resource managers.

In the 2001 report, problems were reported to the Minister of Labour and the Mexican Consulate. They included the following problems which had been observed:

- Delays in health cards, delays in access to medical help, and difficulty in receiving reimbursement for medical care.
- Substandard accommodations, even compared to country of origin.
- Hours of work, rest periods, and overtime pay.
- Pay issues (CPP, EI, vacation pay, etc.).
- Receiving tax refunds, Social Insurance Numbers, collecting wages owed.
- Recovering payment from mandatory health plans (Royal Bank Health).
- Inadequate training in chemical use and equipment operation.
- Representation, repatriation and the process of appeal.

EMERGING ISSUES IN GUEST WORKER PROGRAMS

■ Unionization.

As noted previously, the UCFW and Canadian Labour Congress have presented research reports to the federal government on seasonal domestic and foreign agricultural workers. This is obviously part of their campaign to unionize workers in Ontario and British Columbia. They have successfully had the Supreme Court rule that Ontario's farm labour legislation was unconstitutional and forced the Ontario government to repeal one bill and approve Bill 187 which allows workers to form associations. Their current activities follow much of the strategy used in the US by the United Farm Workers which has grown dramatically in the past while using very successful boycotts of producers, processors, grocery chains, and restaurant chains. This trend will increase in intensity.

■ Health

In the US, the National Advisory Council on Migrant Health of the US Department of Health and Human Services has been providing government with priority recommendations for standards and programs (see Valdez, 2001). These actions are in addition to the Occupational Safety, Health and Housing regulations that are now in place. A number of states in the US, Michigan and Oregon, for example, have comprehensive and expanding health programs for migrant workers to deal with day to day medical and dental requirements and with some of the diseases that are most common amongst migrant workers such as tuberculosis, diabetes, asthma, cardiovascular and now AIDS. Since we are part of a number of bi-lateral and tri-lateral agreements and do not offer such services, we will probably be expected to do so in the future.

■ Housing

As is well known, housing for domestic and foreign agricultural workers can vary significantly and is traditionally marginally standard. Housing can be certified by municipal, county, state or provincial inspectors. The variation in standards and enforcement can vary. In the US, the Federal Department of Agriculture has adopted a series of housing regulations specifically for migrant workers. Other states have added regulations to provide an additional set of standards. Standards include everything from the physical nature of the site, to shelter construction, furnishings, septic, water, cooking facilities, heat and garbage.

■ Bi-Lingual Services

Many US states require availability of bilingual translation (English-Spanish) for many services including health, legal, housing, mental health and employment.

■ Service Delivery

In compliance with federal regulations, many states have created multiple service delivery sites, similar to those in Michigan, which not only provide services but also to check on compliance with standards. Florida, which claims to be in the forefront of WIA legislation, provides a number of One Stop Centres to provide multiple services but also to deal with worker or producer related complaints. In addition, the state now uses a number of Out Reach workers in the "field." Other services provided to producers are in the form of pre-season evaluation and planning of labour needs, job openings, and recruitment of workers for specific jobs. Most important, they assist producers in filling out government forms and reports.

APPENDIX C – EMPLOYMENT INSURANCE: SELECTED PRODUCER COMMENTS

- HRDC doesn't screen workers well enough before sending them out to the farm.
- Getting someone to work for one or two weeks work can be difficult and some employees don't like short weeks for EI.
- People who are receiving EI sometimes do not want to work, if the system was more flexible for the people that are on either it might work better for them and employers.
- EI - when someone can collect EI they are not willing to work for the wages farmers can afford.
- EI - I think people have too much of their EI benefits taken off when they work. Many workers do not make very high wages.
- The EI system is a major problem. There is no incentive to work with the current EI rules.
- We can't compete against unemployment. They only work long enough to get their stamps. The provincial government promotes it.
- Employment insurance system should be adjusted because there are a lot of people who want to work, but if they want to work for the season, they would be penalized while on EI. If they could work the hours for the few weeks during the harvesting season
- Once people get their weeks in to qualify for EI they're not interested in working.
- Unemployment, it can motivate people not to work at times.
- HRDC should be more flexible with their EI rules to better suit the agriculture sector.
- EI - if they were allowed to make more money then workers would want to work more.
- EI is the biggest problem. If workers won't get enough weeks they don't want to work and if they make too much EI takes it away.
- It's difficult to get workers to work for short periods of time because of the EI regulations.
- No one wants to work in the winter and jeopardize their EI unless they would be paid underground.
- People on EI should be able to make more money without being penalized.
- I think the way EI is set up is not good for seasonal workers.
- I think the EI is set up for fishermen, I'm self employed but I can't draw EI.
- If people are on EI it doesn't seem worth it (there's no incentive) to come work for me for just a few days at a time.
- It's a major thing that workers are deducted dollar for dollar from their claim when they come to work for me.
- Those on EI, aren't making enough money ... but when they try to make extra money they get penalized for it. People who are on EI want to work, but those on welfare don't want to work at all.
- The EI system should be changed for people that work seasonal.
- People on EI should be required to come and help with the harvest if they are able.
- EI hurts seasonal workers because of the amount they can work before it get deducted.
- It's tough to get people for 4 or 5 weeks that are on EI
- Younger people just don't want to work. Also, the EI system doesn't provide incentive for people to get out and work.
- It's the inability to compete with the stamp business. That's my problem. When people make more money staying at home, they're not going to work for me.
- HRDC is absolutely useless in getting people to work in agriculture.

- Relax EI rules so that workers are not penalized for taking short-term work on a farm. Also, if we open things up to migrant workers maybe it will smarten up the local workforce and eliminate some of the cash jobs - it may motivate locals if the job mar
- People on EI are penalized for working a few days. The EI system should be changed.
- People who need EI to supplement their income should be allowed more leeway when it comes to calculating how much they are penalized for their income each week. This isn't fair to people who are willing to work and only have a limited income.
- The EI program needs to be changed, people are penalized too much for when they work. There should be another way of averaging what they are able to make, especially for seasonal workers.
- You can't force people on EI to work. Make work projects are a problem for us.