

EXECUTIVE SUMMARY

The purpose of this study was to provide an economic analysis of the Seasonal Agricultural Worker Program (SAWP) in the context of the economic contribution of the Ontario horticulture sector. To do so, an overview of the key features of SAWP program was developed, the economic impact of Ontario horticulture was estimated, a survey of employers using the SAWP was conducted, and the trends in the domestic workforce were surveyed.

The results showed that the SAWP is a lynchpin for Ontario horticulture, supporting an economic impact of \$5.4 billion based on output and about 34,280 jobs- which is especially significant in parts of rural Ontario, where economic opportunities are more limited. The SAWP is an important and significant source of seasonal farm employees in Ontario, with just under 18,000 workers employed annually under the program, the vast majority of which work in horticulture.

SAWP is relied upon by Ontario horticulture to build farm businesses at sufficient scale that they can support hiring Canadians, as well as fill in gaps in the local workforce. Foreign workers hired under the SAWP represented an expense for 2013 averaging about \$238,000 per farm in the survey, and surveyed farms reported that labour costs, both domestic and foreign, commonly amount to 38% or more of total production costs.

The costs of using the SAWP are material. The variable costs associated with housing reported in the survey averaged the equivalent of \$.52/hour, and local transportation costs were about \$5759/farm or the equivalent of \$.18/hour. Thus, there are quantifiable premium costs of about \$.70/hour associated with SAWP, and it is acknowledged that this is only a portion of the extra costs entailed in the program.

SAWP helps the horticultural segment in Ontario confront a future in which it will look to fill roughly the same number of job openings as it has today, but with a domestic workforce not well oriented to laborious and highly seasonal jobs with repeated tasks. Thus, SAWP is a premium cost program, and one that is critical for the economic development provided by Ontario horticulture, and extends of the domestic workforce so that the natural resource base supporting horticultural production can be more fully capitalized upon.