



2020

LABOUR MARKET INFORMATION SURVEY

CANADIAN FOOD & BEVERAGE MANUFACTURING INDUSTRY REPORT



LABOUR MARKET INFORMATION
POWERED BY FOOD PROCESSING SKILLS CANADA



FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

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Food Processing Skills Canada (FPSC) is formally known as Food Processing HR Council (FPHRC)

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About Us

Food Processing Skills Canada (FPSC) is the food and beverage manufacturing industry's workforce development organization. As a non-profit, located in Ottawa with representatives across Canada, we support food and beverage manufacturing businesses from coast to coast in developing skilled and professional employees and workplace environments.

Our work directly and positively impacts industry talent attraction, workforce retention and employment culture. We care about assisting the industry in finding, training and retaining the very best people for the job. Through our partnerships with industry, associations, educators and all levels of governments in Canada, FPSC has developed exceptional resources for the sector including the **Food Skills Library™**, **Canadian Food Processors Institute™**, **FoodCert™** and Labour Market Information Reports.

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EXECUTIVE SUMMARY

Most food & beverage processors surveyed are experiencing at least some challenges, recruiting and retaining workers. In fact, more than half are experiencing challenges finding qualified applicants while slightly fewer are experiencing challenges with applicants who lack proper training or have unrealistic wage expectations. The availability of labour is top-of-mind for many, as three-fifths think it poses a great challenge in terms of its impact on their business. While over half claim recruitment challenges are no different compared to what they were a year ago, those who do report change overwhelmingly say recruitment challenges have increased, as opposed to decreased, during this time period. Companies surveyed report an overall annual turnover rate of about nineteen percent, on average.

Only about one-third (35%) of positions were filled by women, one-quarter (24%) by workers under the age of 30, (9%) filled by recent immigrants. Well over half are making concerted efforts to recruit women and youth under 30 though considerably fewer are doing the same for all other underrepresented groups. Half of firms have experienced a lack of applicants with proper training (48%) or wage expectations that are too high (49%). Employee referrals are also among the more common recruitment tactics utilized.

Half of food and beverage companies surveyed rate the educational programming designed to produce graduates for their sector as being inadequate or non-existent, a figure which suggests improvements or possibly even reforms to educational & training programs are needed.

“ Well over half of the companies surveyed are making concerted efforts to recruit women and youth under 30 though considerably fewer are doing the same for all other underrepresented groups. ”



Additionally, developing new programs that aim to better equip workers with highly specialized and sector-specific knowledge & skills could become a key area of focus.

Even though very few companies surveyed have completely integrated industry 4.0 production processes, most have made at least some effort to move in this direction. Two-thirds are either HACCP certified or at a minimum, are attempting to become HACCP certified, though as many as eight percent admit they have never even heard of HACCP certification. A plurality aren't sure what, if any, government programs their company

makes use of, indicating that more can be done to increase awareness of such programs. The highest proportion of those who say they use government programs appear to be using funding for training.

Nearly half of food and beverage companies surveyed rate the educational programming designed to produce graduates for their sector as being inadequate or non-existent. This suggests that better links with academic institutions need to be created to produce graduates more suited to work in the industry. These new links will also help to improve the industry image which was identified as an issue.

“ Nearly half of food and beverage companies surveyed rate the educational programming designed to produce graduates for their sector as being inadequate or non-existent. ”

PROFILE OF FIRMS



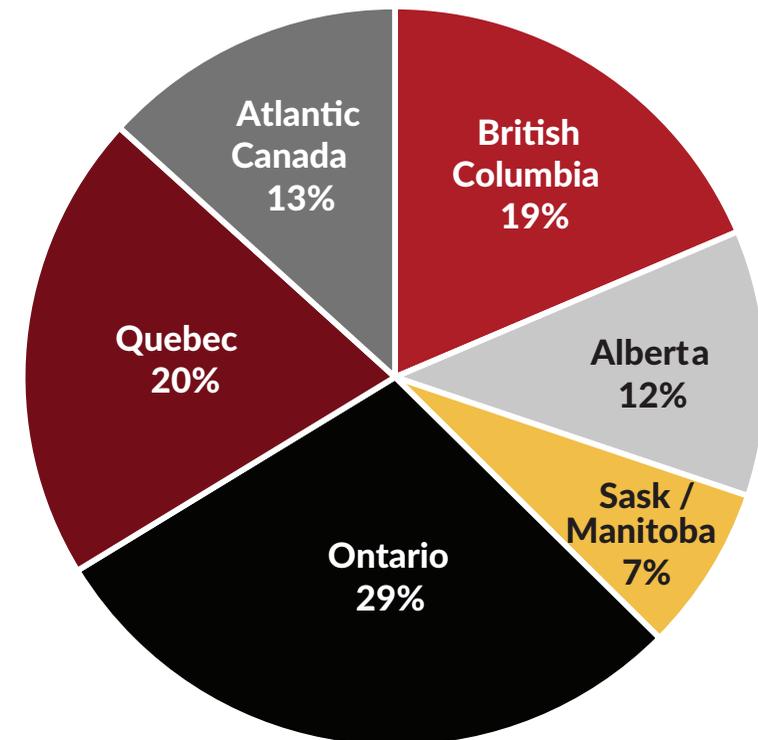
INDUSTRY SECTORS INCLUDED IN THE SURVEY

- A total of n=740 food & beverage manufacturing companies took part in the survey, of which n=269 took the survey online & n=471 by telephone.
- The vast majority of seafood processors are based in Atlantic Canada, most beverage processors are based in British Columbia, grain & oilseed manufacturers are overwhelmingly found in Manitoba or Saskatchewan, and the lions share of meat processors surveyed are based in either Alberta or Ontario.

**Q. Which of the following food or beverage products does your company produce or develop?
Please select all that apply.**

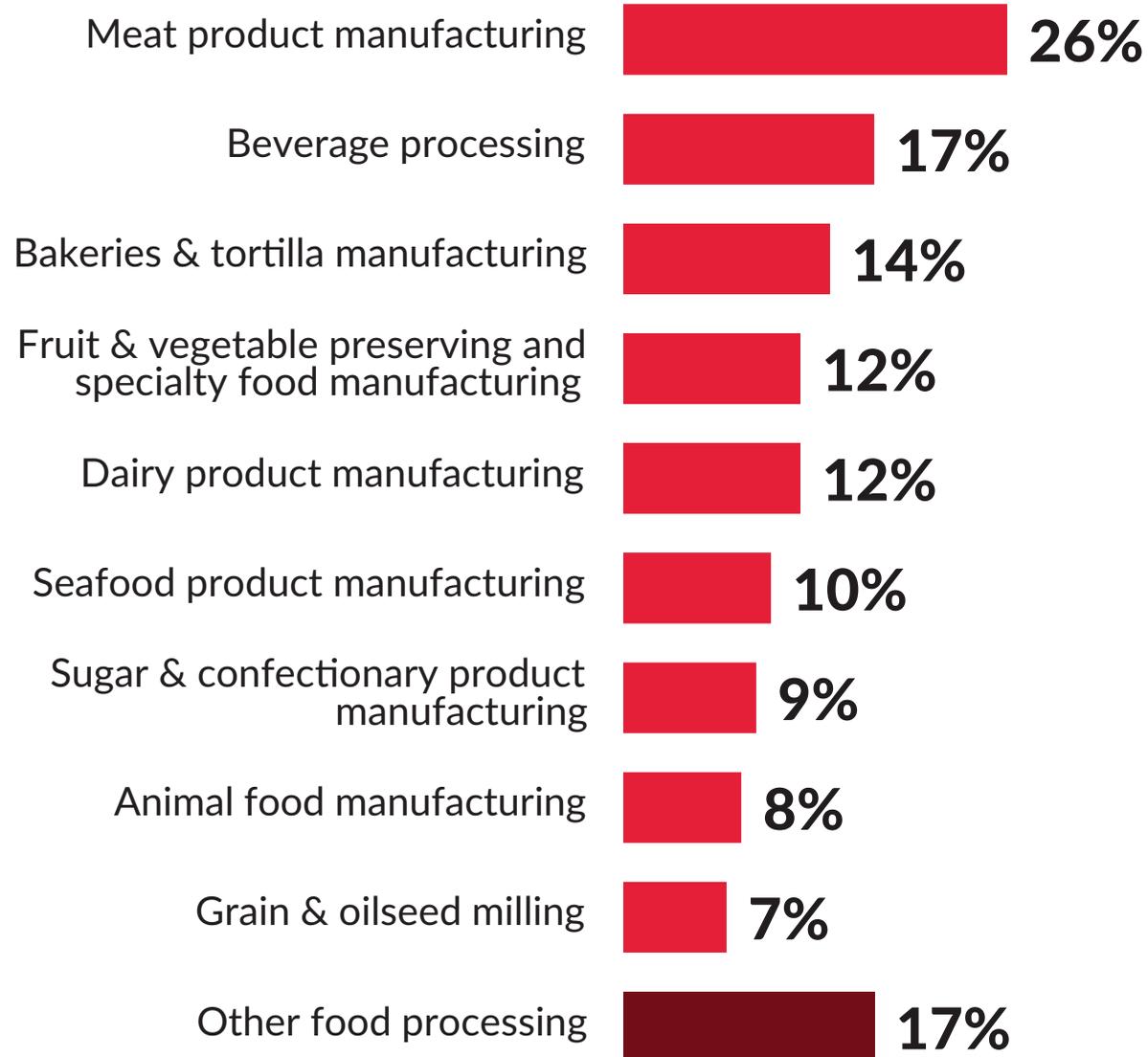
Base: All respondents (n=740)

Regional Distribution



“ There were at least 50 respondents from every sector and respondents from every province. ”



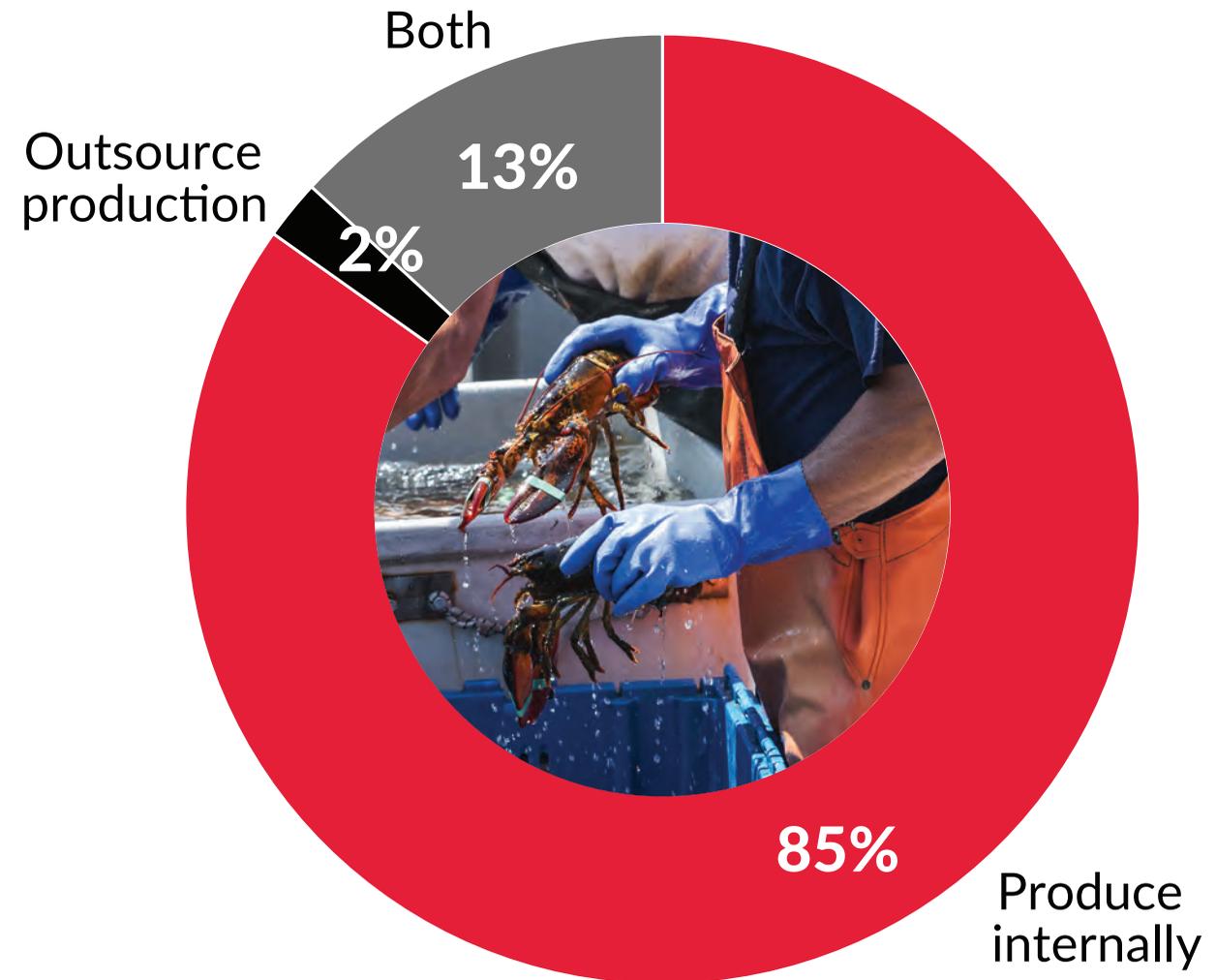


PRODUCTION

- The vast majority (85%) of companies surveyed process or manufacture their products internally. Only two percent (2%) outsource production. Thirteen percent (13%) report that they both produce internally & outsource production.
- Companies in fruit & vegetable preservation (22%) as well as grain & oilseed milling (25%) sectors tend to be more likely to both produce internally & outsource production (vs. 13% all other sectors).

Q. Does your company process or manufacture the product(s) internally or outsource production to a third-party manufacturer?

Base: All respondents (n=740)





The vast majority (85%) of companies surveyed process or manufacture their products internally.

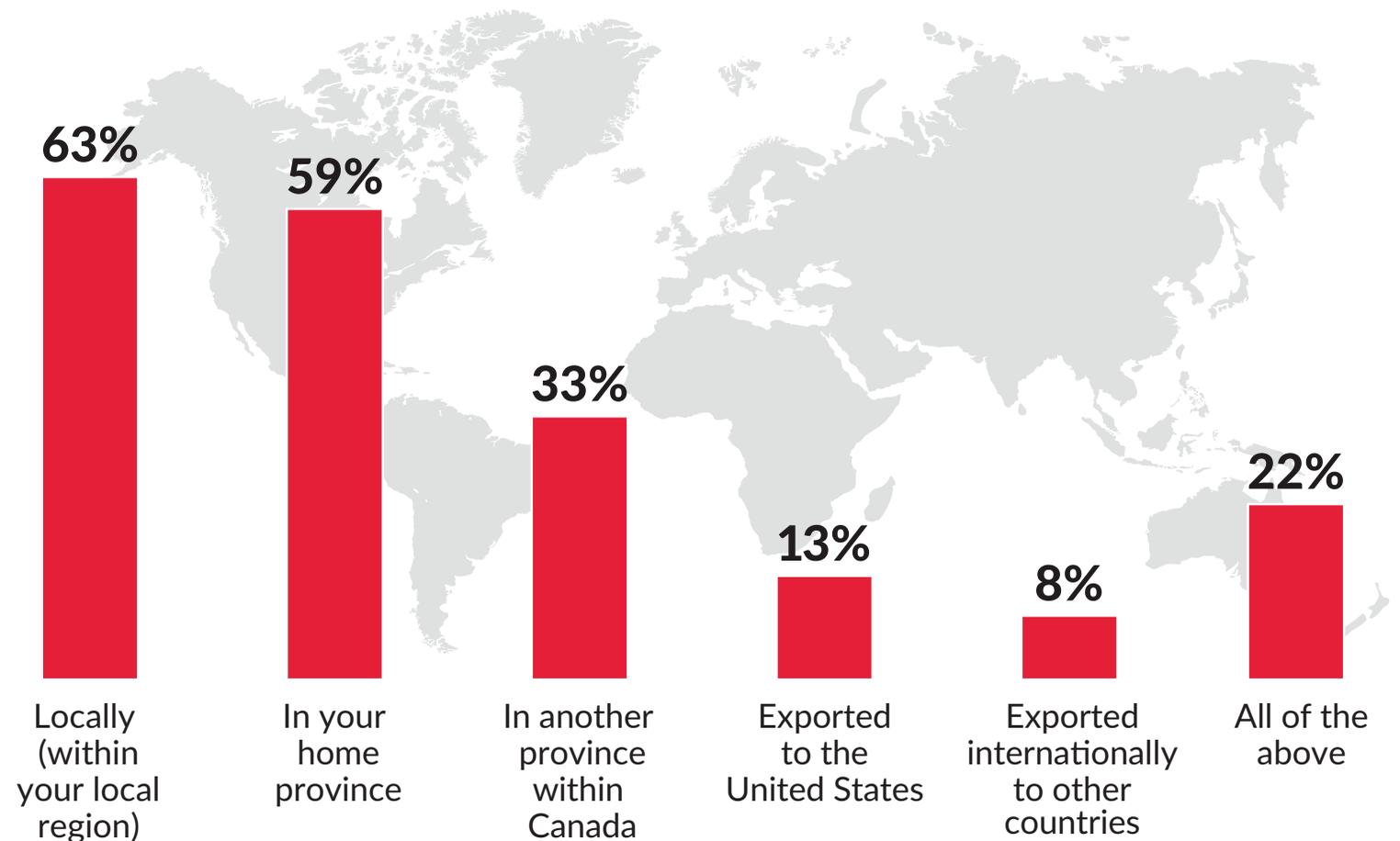
LOCATIONS WHERE PRODUCTS ARE SOLD

- As many as one in five (22%) companies surveyed sell their products locally, in their home province, in another province within Canada, in the United States, and elsewhere around the globe. Around six in ten sell their products locally (63%) or in their home province (59%)
- Seafood (54%) & grain manufacturers (49% vs. 16% all other sectors) as well as manufacturers based in Manitoba/Saskatchewan (36%) and Atlantic Canada (39% vs. 18% ROC*) are among the most likely to indicate that their products are sold locally, in their home province, in another province, in the United States and elsewhere around the globe.

* Rest of Canada

Q. Where are your food or beverage products sold?

Base: All respondents (n=740)



FOOD & BEVERAGE PROCESSORS TODAY



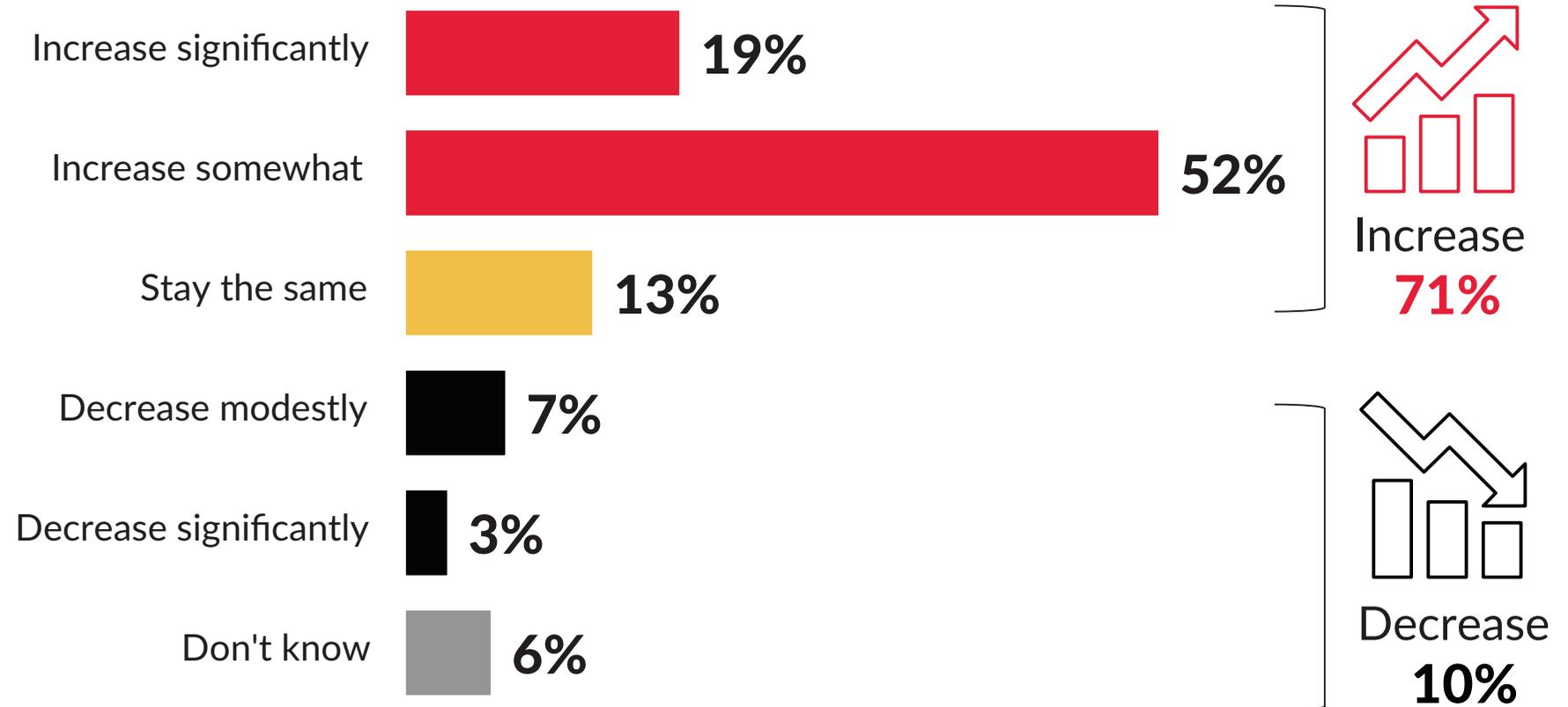
BUSINESS OUTLOOK: NEXT 12 MONTHS

- When asked about their business outlook for the next year, most (71%) companies surveyed expect revenues to increase, though as many as six percent (6%) feel like they don't know enough to offer an opinion.

- Given that this question was only asked in the online survey, which saw the vast majority of its distribution prior to the outbreak of COVID-19, responses to this particular question should be interpreted with a high degree of caution.

Q. Thinking about your business outlook for the next year, do you expect revenue to?

Base: Online respondents (n=269)

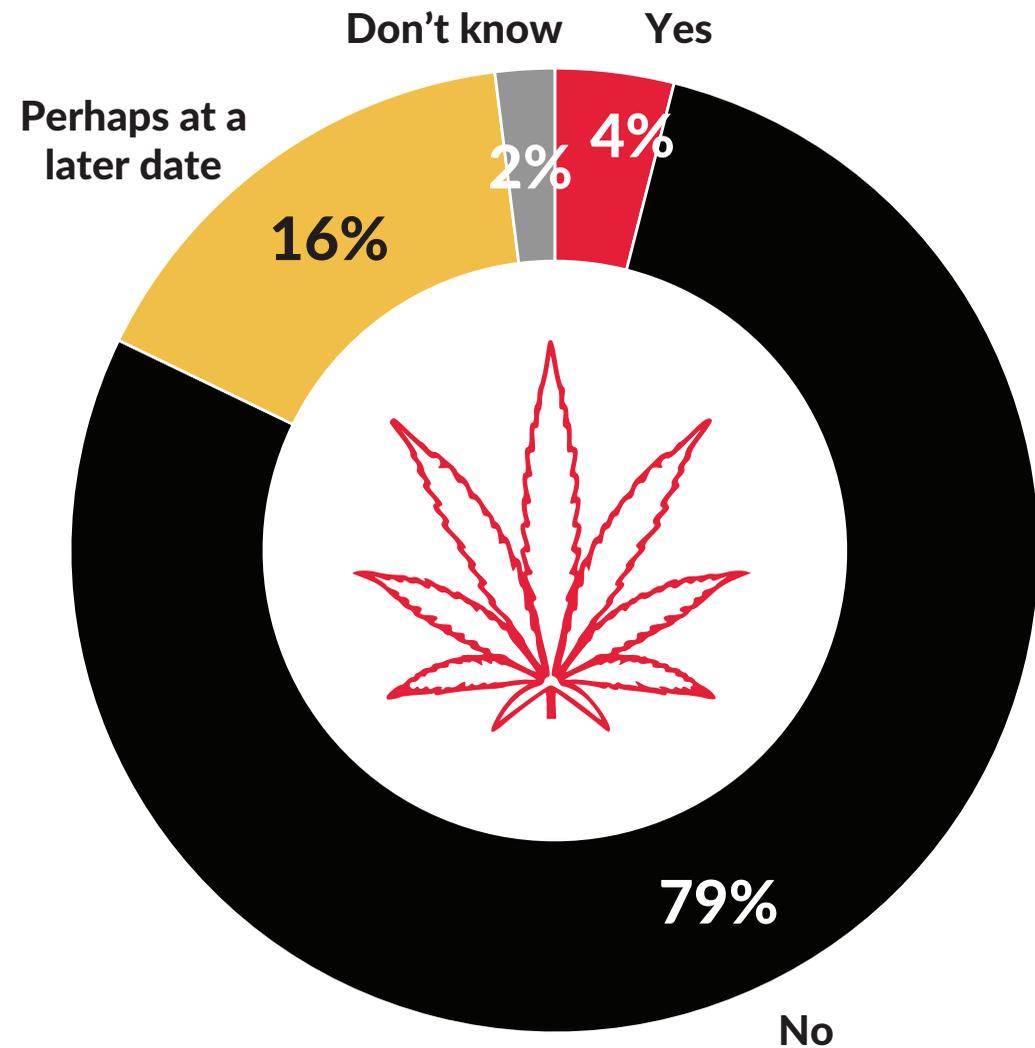


CANNABIS EDIBLES & INFUSED BEVERAGES

- One in five (20%) companies surveyed plan to (4%) or are considering (16%) manufacturing cannabis edibles and/or infused beverages.
- Companies in the confectionary (29%) or beverage (32%) industries are among the most likely to say would think about manufacturing cannabis products at a later date (vs. 13% all other sectors).

Q. Federal regulations now allow for Cannabis edibles and infused beverages – is this something that your company is planning to do?

Base: All respondents (n=740)



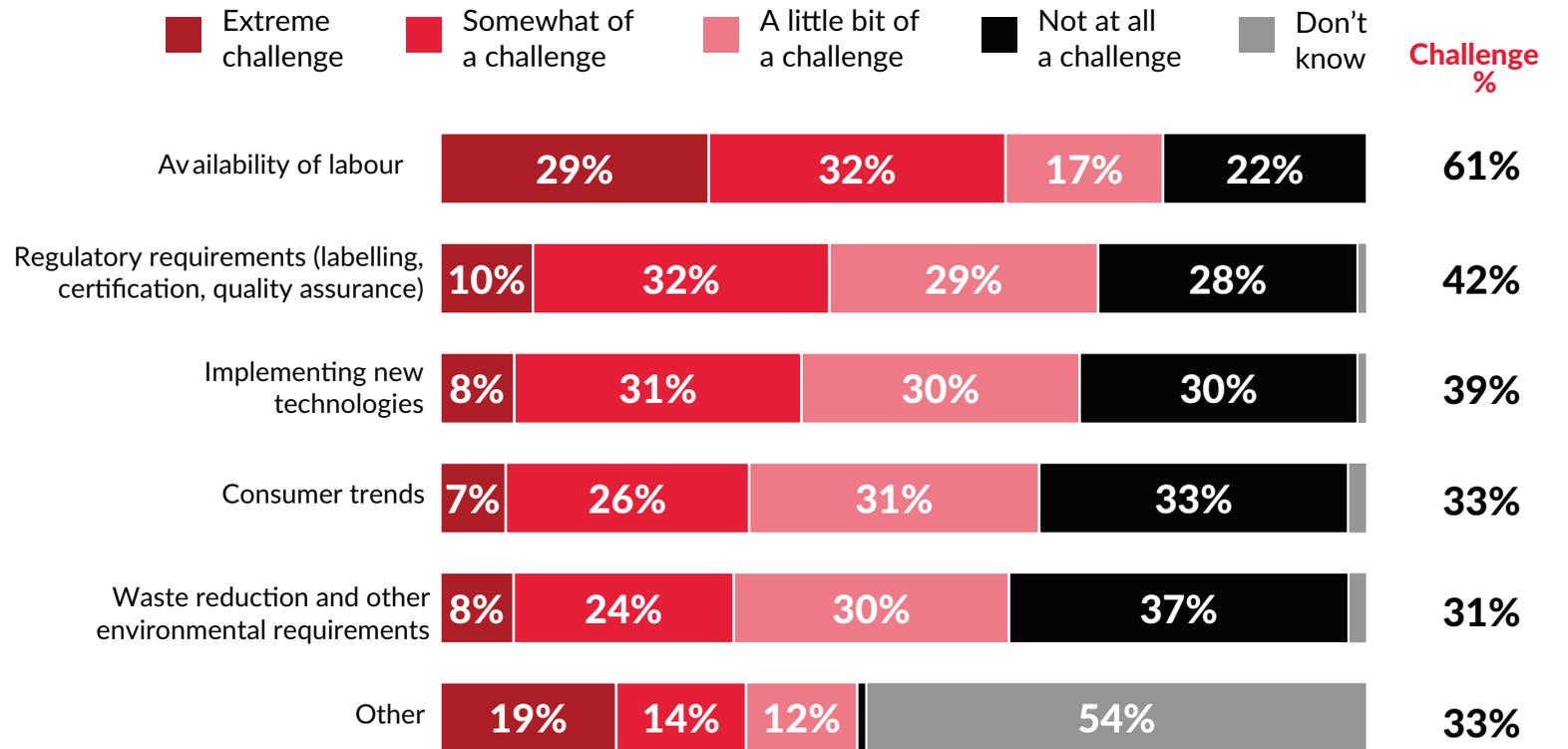
BUSINESS CHALLENGES

- The availability of labour remains the greatest challenge, identified by three-fifths (61%) of food & beverage manufacturers.
- Around four in ten are facing challenges in connection with implementing new technologies (39%) or regulatory requirements (42%).
- Challenges associated with the availability of labour are most pronounced in the seafood industry (85% vs. 60% all other industries) and outside of the Prairies (64% ROC* vs. 44% Alberta/Saskatchewan/Manitoba).

* Rest of Canada

Q. How would you rate the following challenges in terms of their impact on your business?

Base: All respondents (n=740)



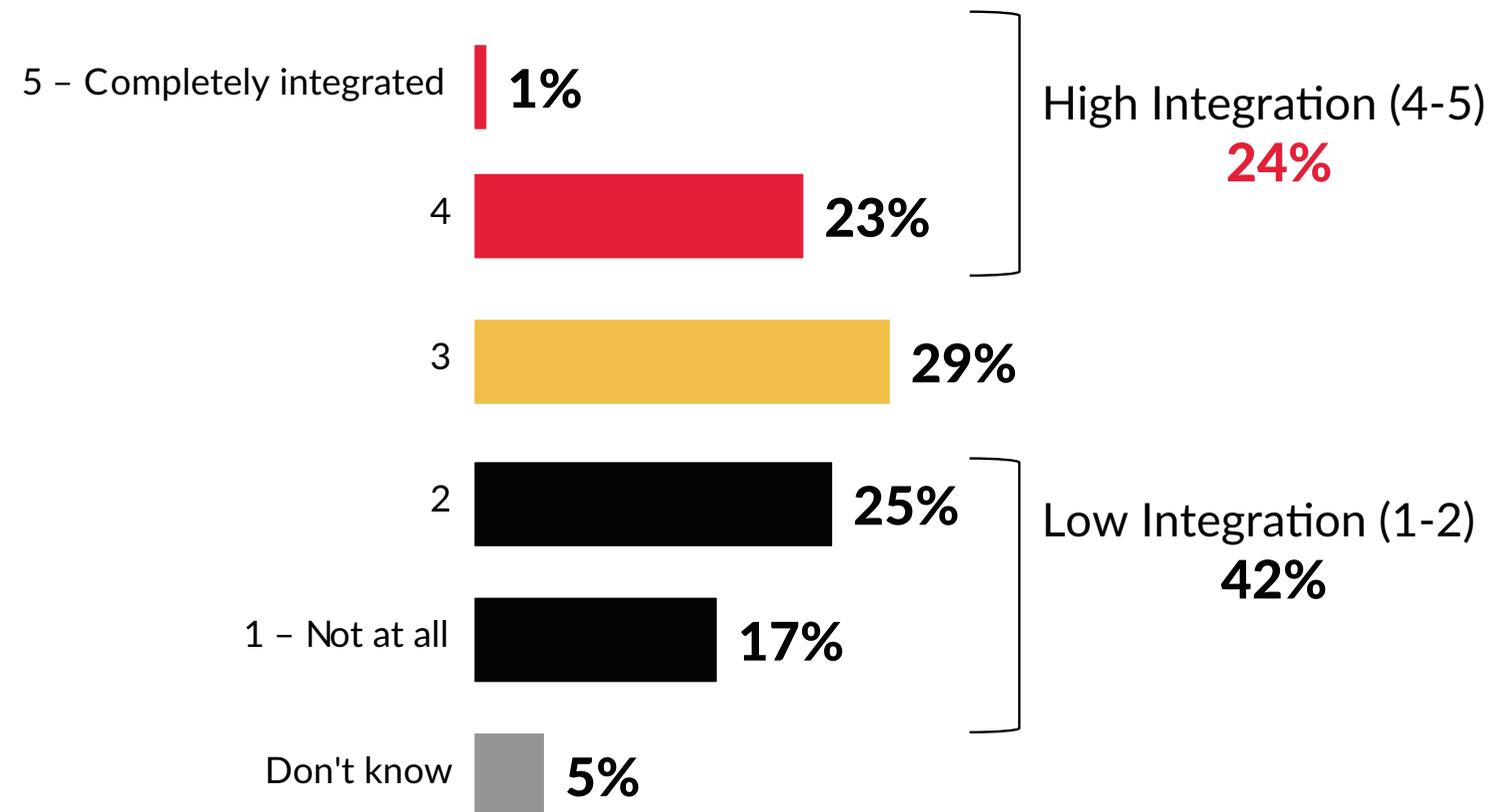
<3% Scores are not labelled

INDUSTRY INVESTMENTS IN **INDUSTRY 4.0**

- Very few (1%) companies surveyed have completely integrated industry 4.0 production processes, though a strong majority (78%) have made at least some effort (2+) to move towards complete integration.
- Companies with an HR department are more than twice as likely to be completely or mostly (4-5 on 5 pt. scale) integrated (32% vs. 14% no HR staff). all other sectors).

Q. On a scale of 1 to 5 to what degree has your business made investments in automation, digitization or wireless interconnectivity of production processes (sometimes referred to as Industry 4.0)?

Base: Online respondents (n=269)

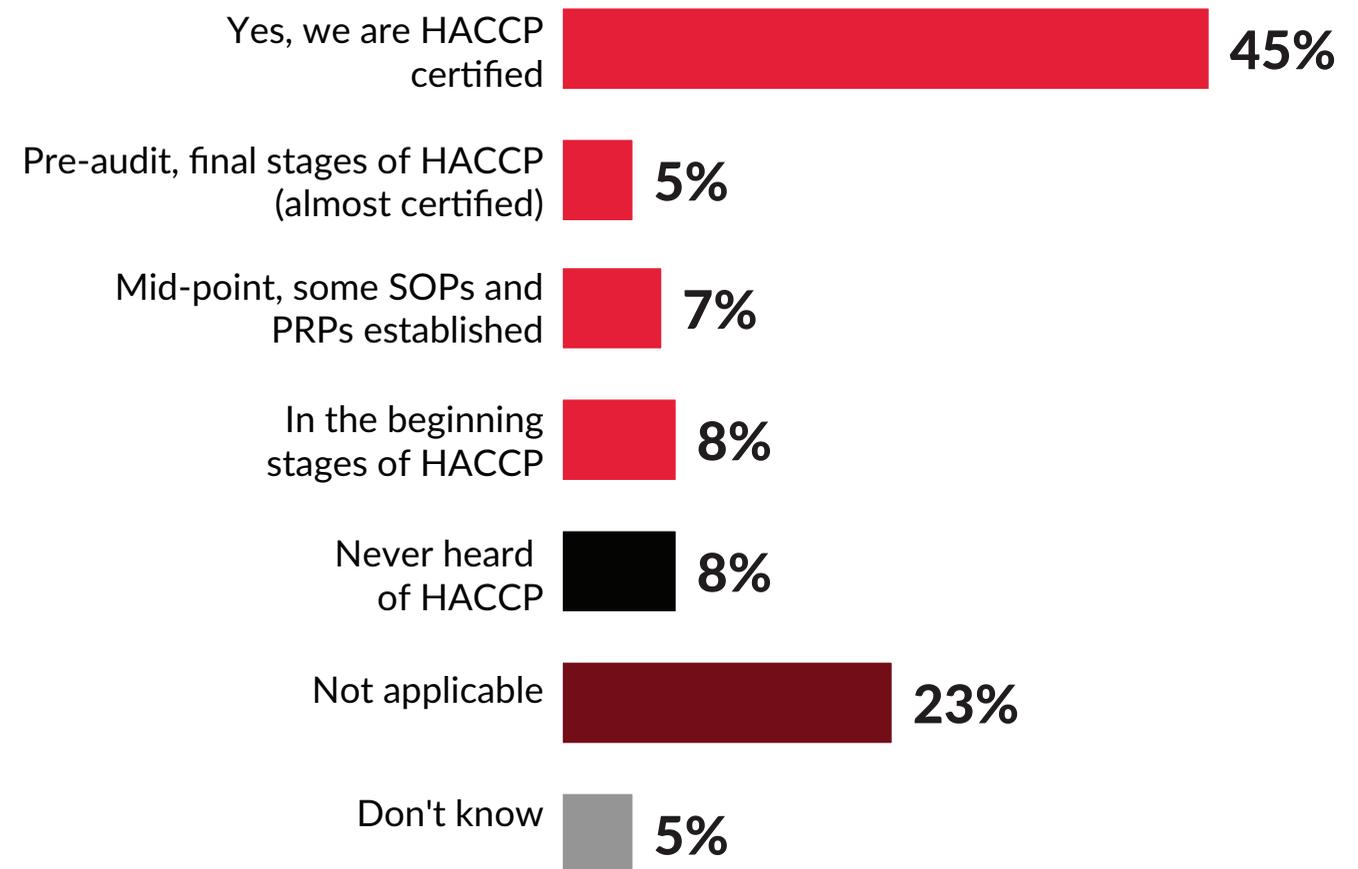


HACCP CERTIFICATION

- At least two-thirds (64%) of food & beverage processors surveyed are, at a minimum, in the beginning stages of HACCP certification, including nearly half (45%) who are HACCP certified. Companies with HR staff are about twice as likely to be HACCP certified (78% vs. 41% no HR staff).
- More than two-thirds (68%) of manufacturers in the Atlantic region are HACCP certified, making this the only region of the country in which a majority of food & beverage processors are fully certified (41% across the rest of Canada).
- Sectors least likely to be HACCP certified include: Bakery/tortilla (29%), sugar/ confectionary (23%), and beverage (21% vs. 52% all other sectors). Manufacturers who sell their products locally are also far less likely to be HACCP certified (34% vs. 59% who sell inter-provincially or internationally).

Q. Has your company achieved HACCP-based certification or are you on the way there (HACCP is Hazard Analysis and Critical Control Points)?

Base: All respondents (n=740)



WORKFORCE PROFILE LABOUR MARKET & HR PROCESSES



BREAKDOWN OF PAID POSITIONS, 2019

- On average, companies surveyed report having 101 paid positions in 2019, of which around 86 were permanent full-time
- Only about one-third (35%) of positions were filled by women, one-quarter (24%) by workers under the age of 30, (9%) filled by recent immigrants, fourteen percent (14%) by workers over the age of 55.

“ The proportion of workers over 55 employed by manufacturers in Atlantic Canada and the seafood industry is about twice as high, compared to counterparts in other regions and industries. ”



Q. On average, how many paid positions did you have at this location in 2019? By paid positions we mean both currently employed (filled) and unfilled jobs (vacancies)?

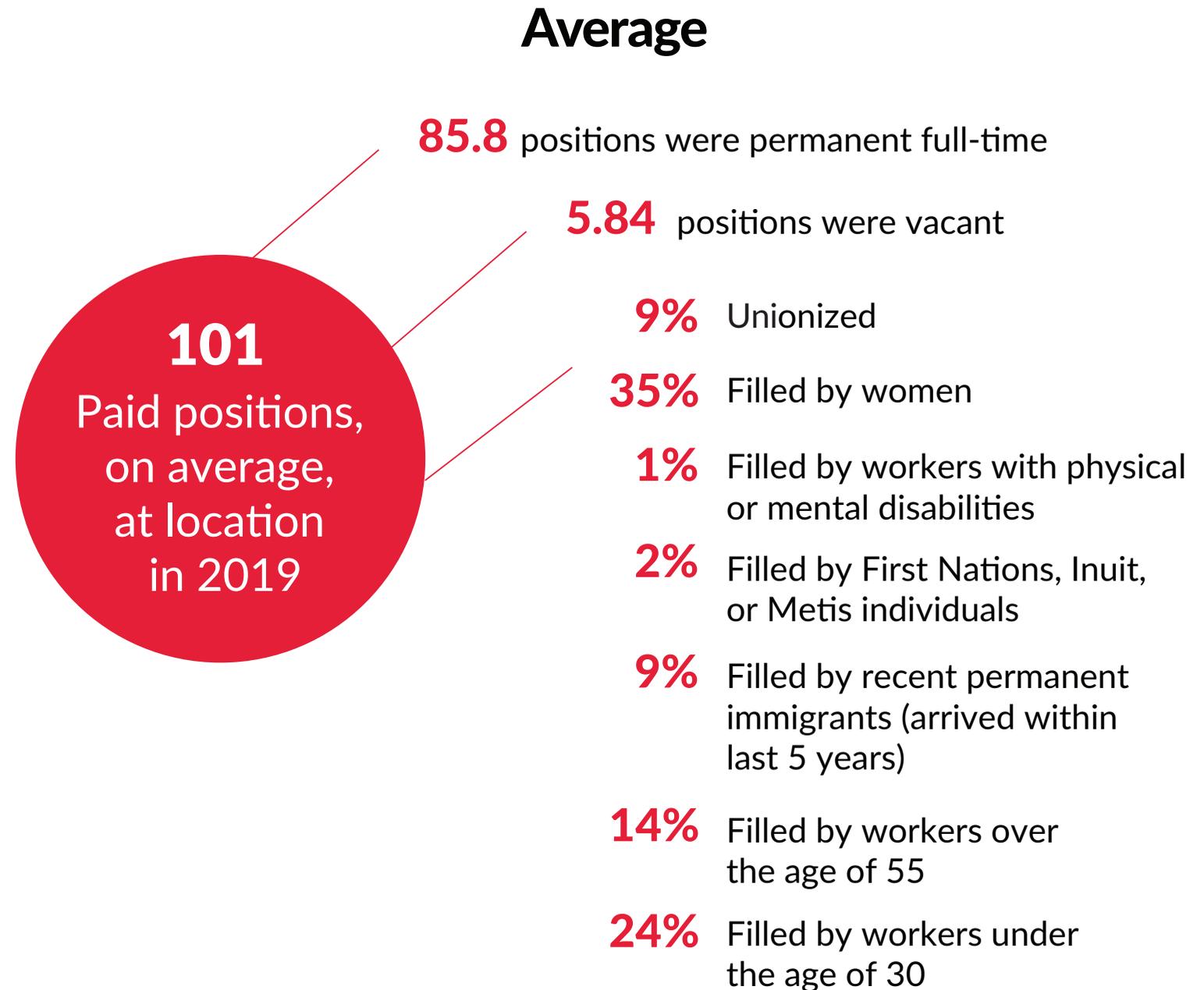
Base: All Answering (n=728)

Q. Of these, on average, how many positions were permanent full-time in 2019?

Q. On average, how many of the total paid positions were vacant in 2019?

Q. On average for 2019, how many paid positions were...?

Base: All respondents (n=740)



CHALLENGES RECRUITING & RETAINING WORKERS

- Seven in ten (70%) food and beverage companies surveyed report that they are experiencing at least some challenges, recruiting and/or retaining qualified workers.
- Around one in four are experiencing ongoing (24%) or seasonal (27%) challenges while seventeen percent (17%) are dealing with immediate and persistent challenges.
- Companies based in Quebec are twice as likely (at 30%), compared to those across the rest of Canada (14%) to claim to be experiencing immediate & persistent challenges. Those with an HR staff are far more likely to be experiencing both immediate & persistent (32% vs. 17% no HR staff) as well as seasonal (32% vs. 21%) challenges.
- Industries most likely to be experiencing immediate & persistent challenges include: dairy, meat, seafood, and bakery.

**Q. How would you describe the general availability of workers you need?
Would you say that you are ...?**

Base: All respondents (n=740)



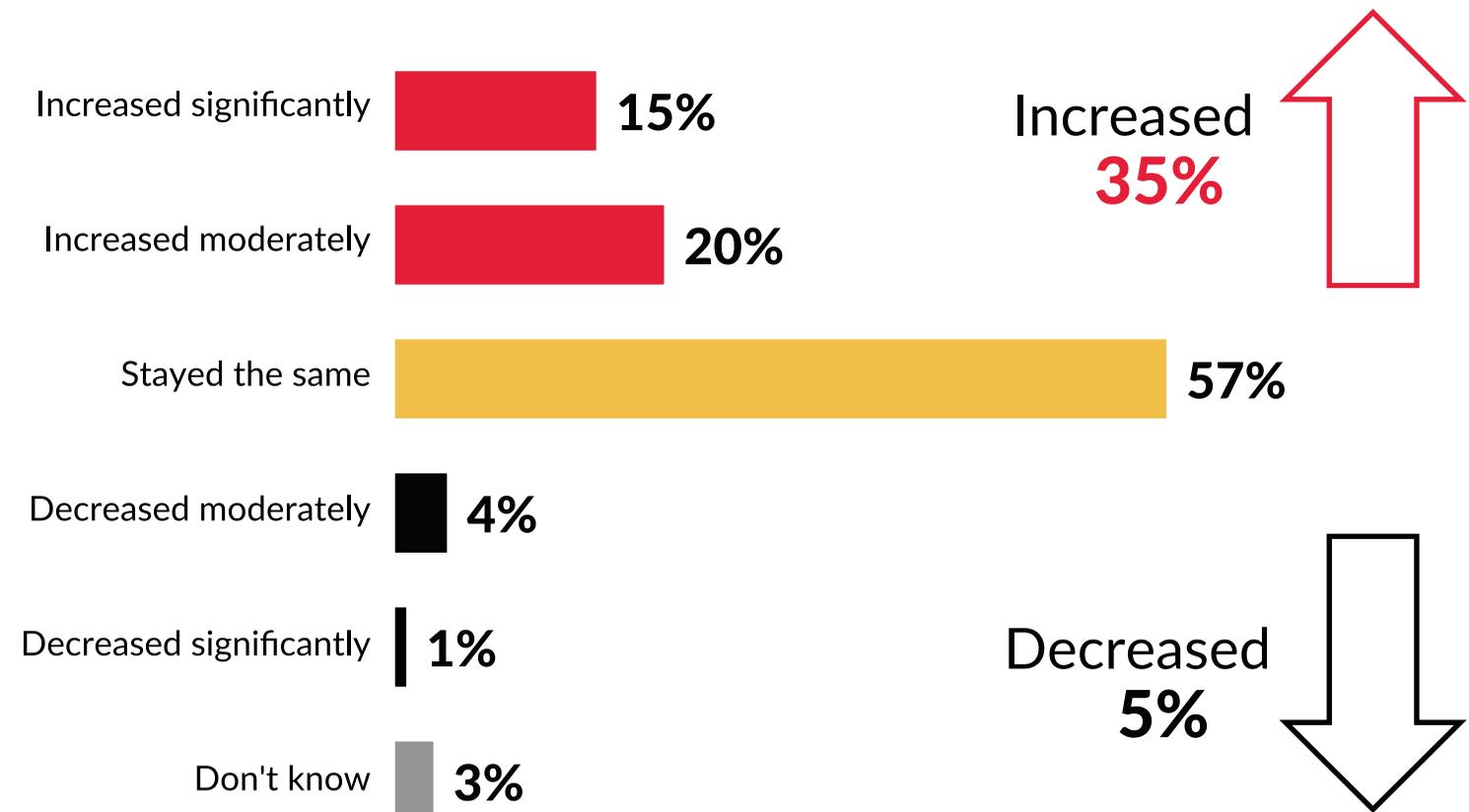
RECRUITMENT CHALLENGES

- More than half (57%) of companies surveyed report that their recruitment challenges are no different, compared to what they were a year ago. However, those who do report change overwhelmingly say that recruitment challenges have increased (35%), as opposed to decreased (5%), over the past year.
- Companies based in Quebec (32% vs. 11% ROC*) and that have an HR department (32% vs. 13% no HR) are far more likely to indicate that their recruitment challenges have *increased significantly*, over the past year.

* Rest of Canada

Q. Would you say that recruitment challenges over the past year have ...?

Base: All respondents (n=740)



CHALLENGES HIRING AND/OR **RETAINING CANDIDATES**

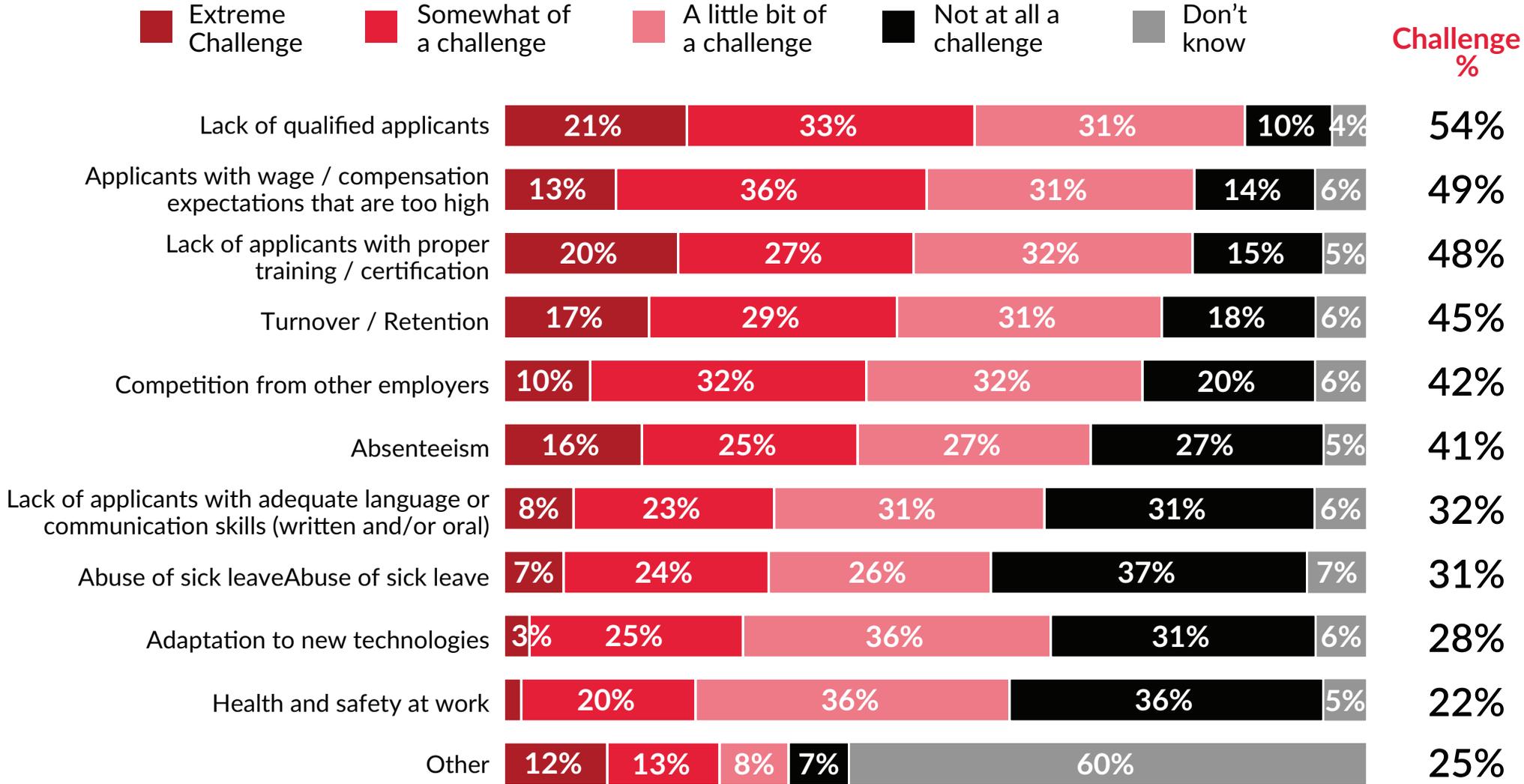
- Over half (54%) of companies surveyed have experienced challenges finding qualified applicants while slightly fewer, though still around half have experienced challenges with applicants who have a lack of proper training (48%) or wage expectations that are too high (49%)
- Companies with HR departments are far more likely to say they have experienced challenges with absenteeism (51% vs. 28% no HR staff), turnover/retention (51% vs. 38%), and abuse of sick leave (39% vs. 20%).
- Seven in ten (69%) Quebec companies report experiencing challenges related to turnover/retention, making this the only province in which a majority of companies surveyed indicate having this issue.

“ Seven in ten (69%) Quebec companies report experiencing challenges related to turnover/retention. ”



Q. Thinking about your human resource experience, how much of a challenge are the following issues when it comes to hiring and/or retaining qualified candidates.

Base: Online respondents (n=269)



<3% Scores are not labelled

TURNOVER RATE

- Companies surveyed report an average overall turnover rate of about 19%. Turnover rates are lower for senior management (2%) and administrative staff (3%), higher for production workers (16%).
- Average turnover rates are highest in Quebec (24.6%) overall, lowest in Ontario (17.0%). For production workers, turnover rates are highest in Quebec (21.0%), lowest in Manitoba/Saskatchewan (11.7%). For administrative staff, turnover rates are highest in Alberta (5.5%), lowest in Ontario (2.5%). For senior management, turnover rates are highest in Manitoba/Saskatchewan (7.0%), lowest in Ontario (1.6%)
- There is little variance in average turnover rates by sector. However, turnover rates for production workers & administrative staff are generally lower in the animal food sector, relative to all others.

Q. What would you say is your turnover rate for each of the following groups over the last year? By turnover rate, we mean the share of workers that leave (i.e., resign, retire, termination, etc.) and need to be replaced year over year.

Base: Online respondents (n=740)

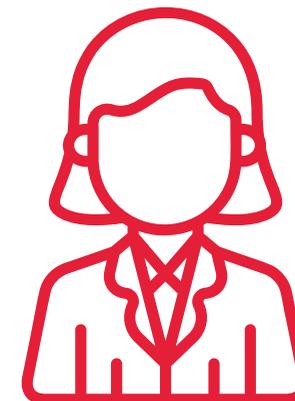
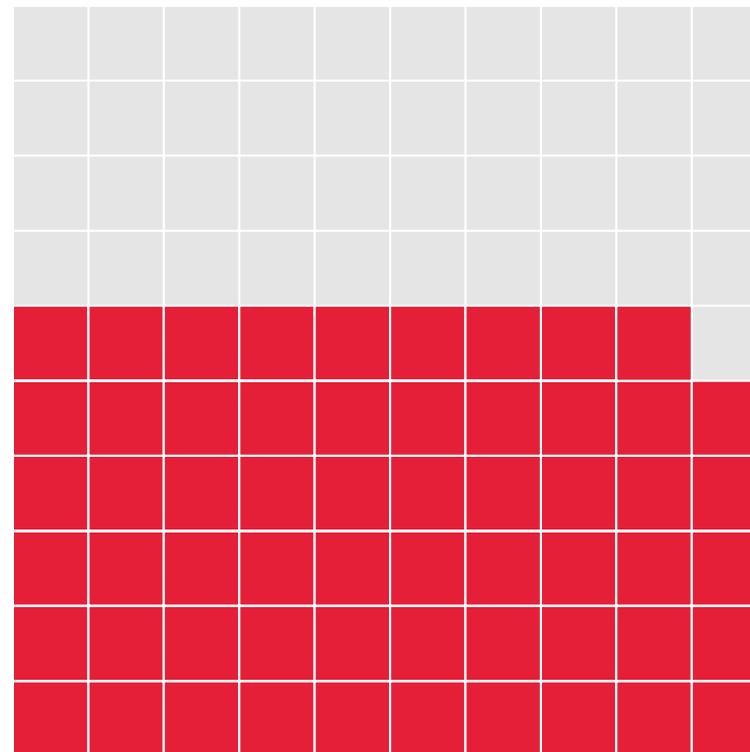


HUMAN RESOURCES DEPARTMENT/STAFF

- Six in ten (59%) companies surveyed indicate that their organization has an HR department or dedicated HR staff. Four in ten (41%) do not have a dedicated HR department or staff.
- Only three in ten (30%) beverage processors surveyed claim to have an HR department, a figure which is by far the lowest out of all industries surveyed. In fact, beverage, animal food (44%), and fruit preserving (47%) are the only sectors in which fewer than half of companies surveyed report having a dedicated HR department or staff.

Q. Does your organization have an HR department or dedicated HR staff?

Base: Online respondents (n=269)



59%

YES, have an HR department or dedicated HR staff

EMPLOYMENT BENEFITS

- Just over half (56%) of companies surveyed offer benefits at their plant or organization, virtually all (94%) of which have extended health or drug plans. Most (73%) offer paid days or leaves. Nearly half (45%) do RRSP matching, and around four in ten offer tuition reimbursement (38%) or pension plans (39%).
- Companies based in the Prairies (67% vs. 54% ROC*) as well as in the animal food (69%) & grain/oilseed milling industries (80% vs. 53% all other industries) are among the most likely to offer benefits. Fewer than half (47%) of those who only sell products locally offer benefits, compared to majorities who ship within their own province (51%), out of province (68%), to the US (72%), or some other international destination (67%). The vast majority (91%) of companies with HR staff offer benefits compared to only about half (48%) without HR staff.

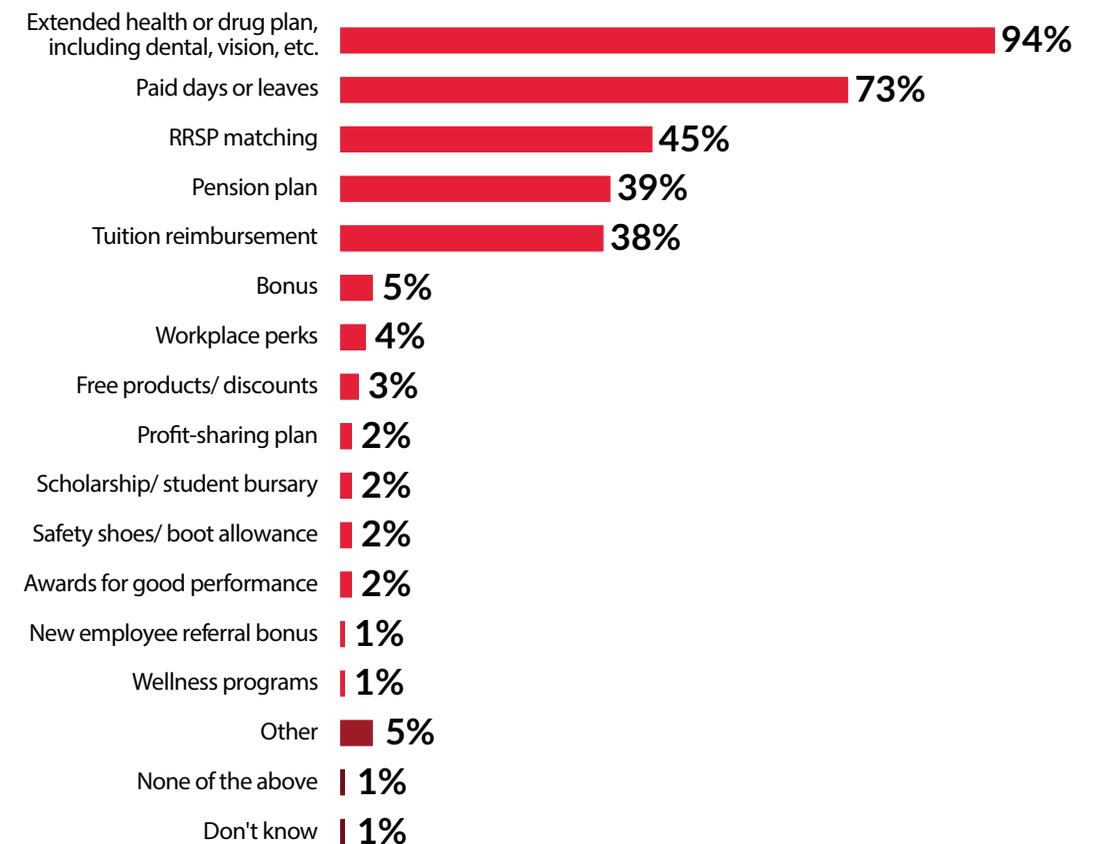
* Rest of Canada

Q. Are benefits offered at your plant or organization?

Base: Benefits Offered At Plant / Organization (n=196)

Q. What employment benefits are offered at your plant? Select all that apply.

Base: Online respondents (n=740)



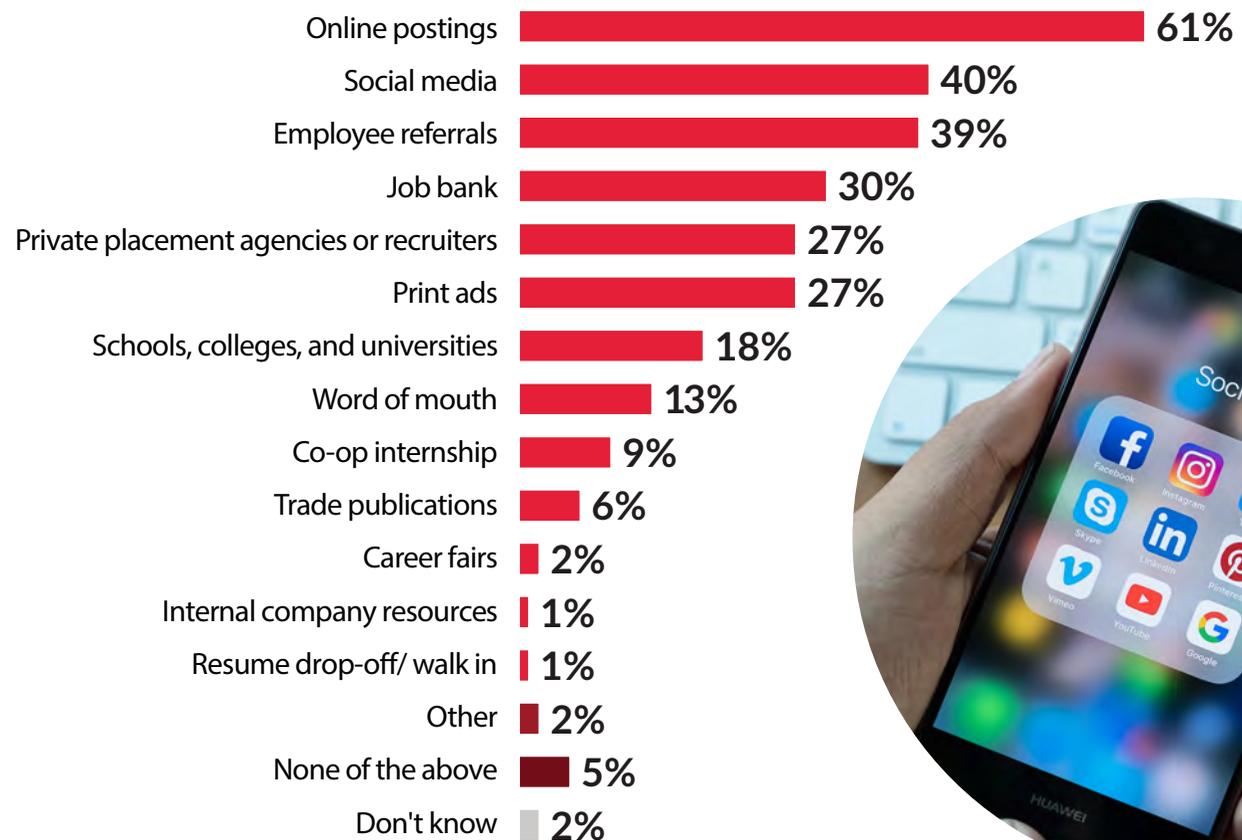
TOOLS OR RESOURCES USED TO RECRUIT EMPLOYEES

- The vast majority (92%) of companies surveyed say they direct at least some tools or resources towards recruiting employees, three-fifths (61%) of which use online postings. Four in ten use social media (40%) or employee referrals (39%). Three in ten (30%) use job banks.
- Meat (41%) and seafood processors (51%) are among the most likely to report using job banks (vs. 25% across all other industries). Usage of job banks is also far & away the highest in the Atlantic Canada region (47% vs. 28% ROC*).

* Rest of Canada

Q. Which of the following tools/resources do you use to help recruit employees? Please select all that apply.

Base: All respondents (n=740)



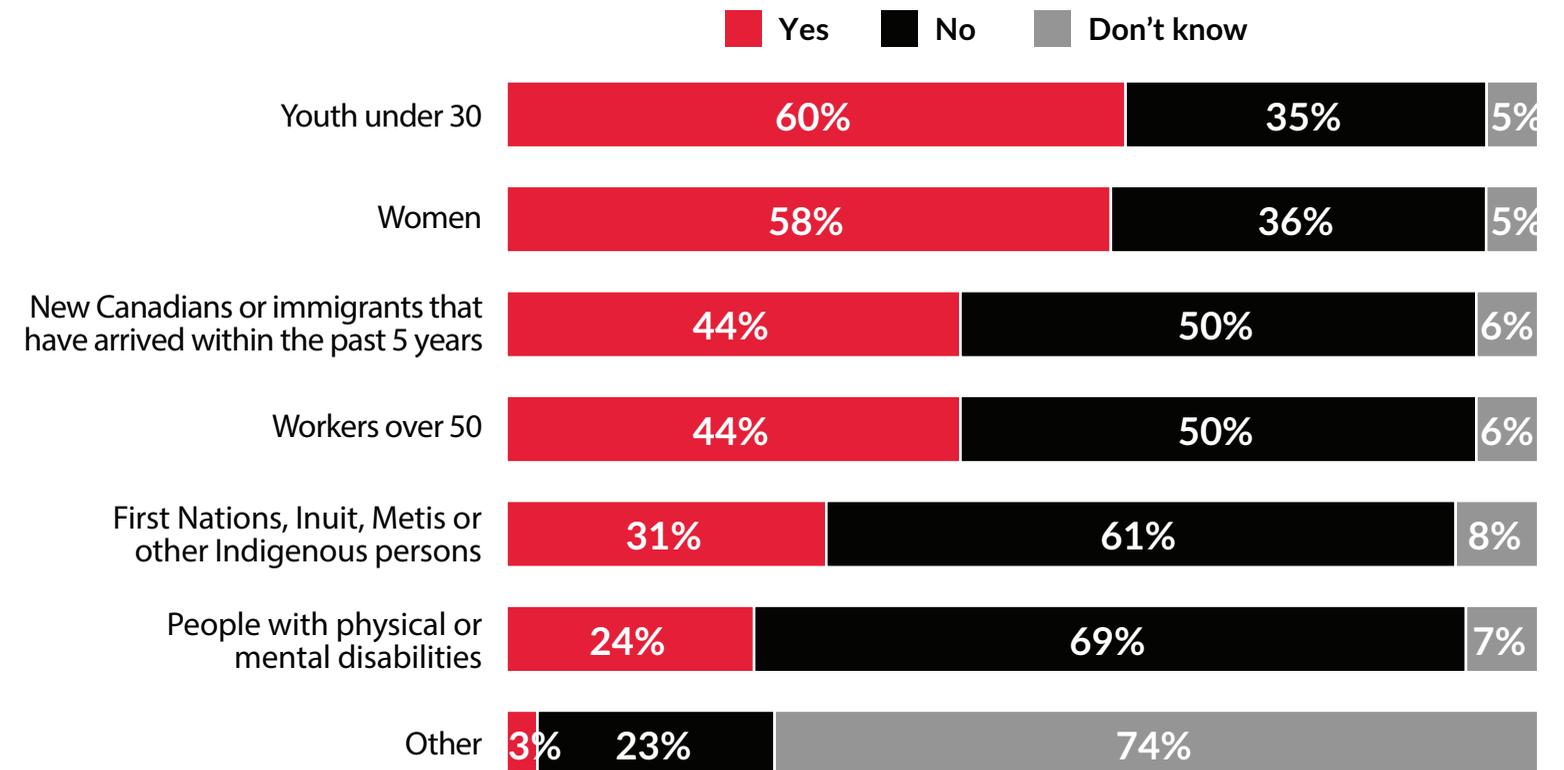
UNDERREPRESENTED GROUPS

- Majorities of companies surveyed say they make efforts to recruit women (58%) and youth under 30 (60%). Despite this, fewer than half report targeting all other underrepresented groups.
- Companies with HR staffs are more likely to target new immigrants (57% vs. 43% no HR staff) and people with physical or mental disabilities (30% vs. 16%).
- Quebec companies are more likely to claim to make efforts recruiting women (69% vs. 55% ROC*), workers over 50 (64% vs. 38%), and people with physical or mental disabilities (37% vs. 20%).
- Well over three-quarters (77%) of seafood processors are targeting youth under 30, by far the highest proportion out of all industries surveyed (avg. 58% across all other industries).

* Rest of Canada

Q. Do you make a concerted effort to recruit from any of the following underrepresented groups?

Base: All respondents (n=740)



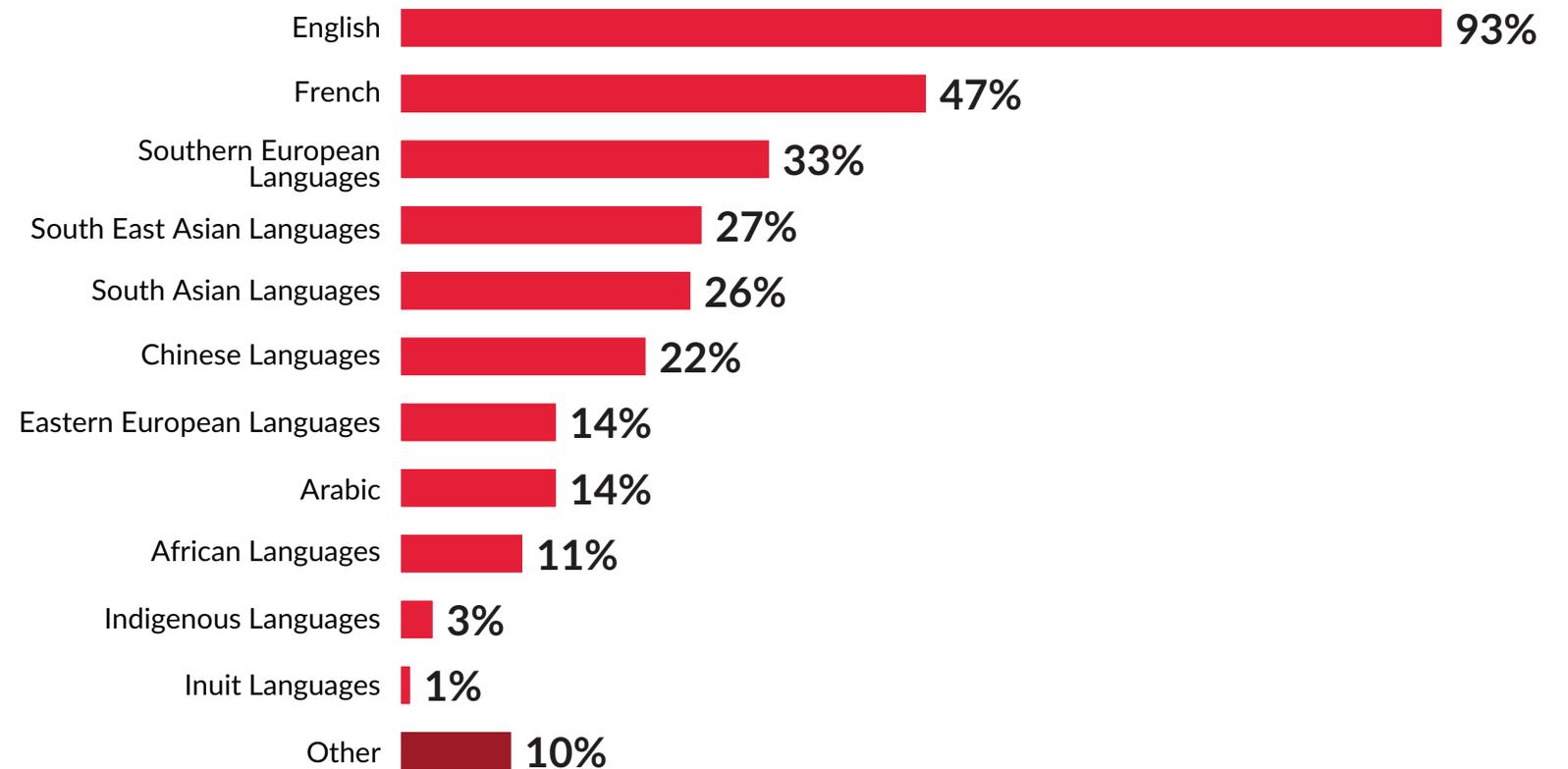
LANGUAGES SPOKEN AT FACILITY

- Almost all (93%) companies surveyed indicate that English is spoken at their location, nearly half (47%) say French is spoken, and around one in three (33%) list some other Southern European language.
- With the exception of English and Indigenous languages, companies with an HR department are more likely to indicate that all other languages are spoken at their facility.



Q. Which languages are spoken at your location? Please select all that apply.

Base: Online respondents (n=269)



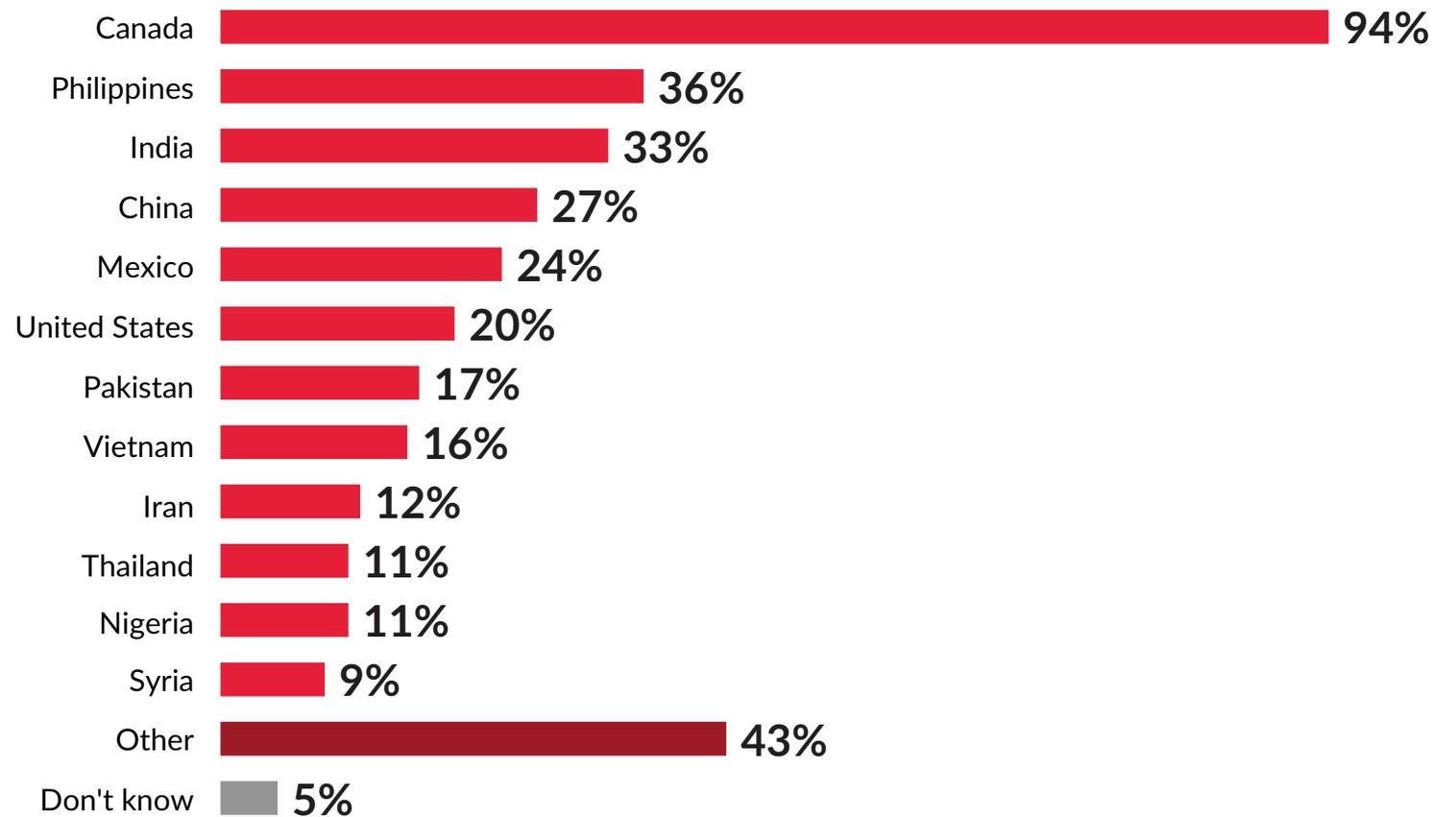
NATIONS REPRESENTED AT FACILITY

- Canadians are represented at virtually all (94%) companies surveyed. There is also strong representation from India (33%), the Philippines (36%), and an assortment of other countries not listed (43%).



Q. What nations are represented at your local business? Please select all that apply.

Base: Online respondents (n=269)



INDUSTRY TRAINING

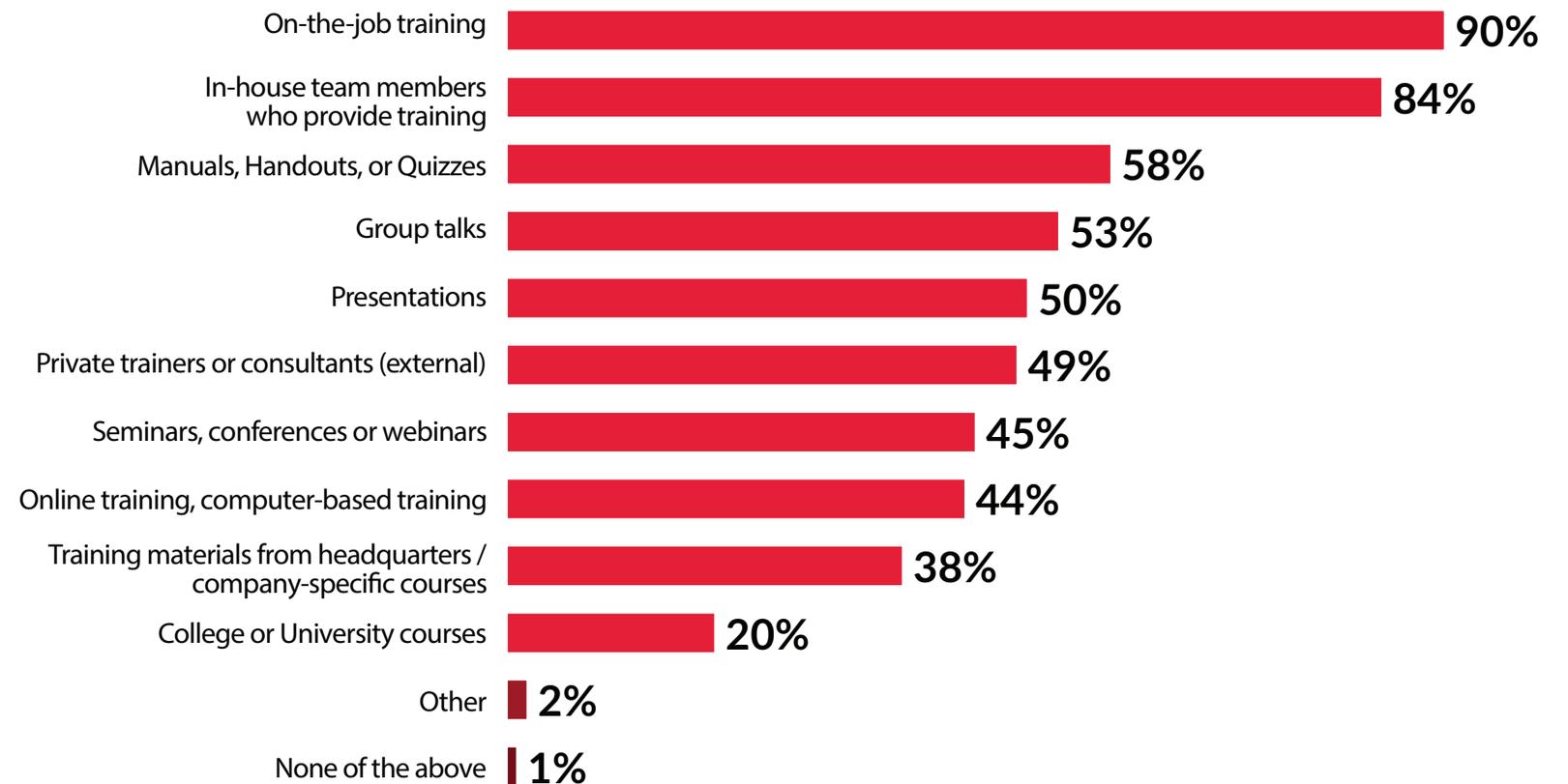


TRAINING TOOLS CURRENTLY USED

- Virtually all (99%) companies surveyed claim to use at least some form of training tools at their workplace, with a vast majority citing on-the-job training (90%) or having in-house team members who provide training (84%). Majorities have group talks (53%) or manuals, handouts, or quizzes (58%). Half mention having presentations (50%) or private trainers (49%).
- Companies with HR departments are statistically more likely to utilize all types of training tools, save for on-the-job training.

Q. What types of training tools are currently used in your workplace? Please select all that apply.

Base: Online respondents (n=269)



TRAINING BUDGET

- Over two-thirds (68%) of companies surveyed aren't sure what their annual training budget is. And those who do provide responses ranging from \$0 at the low end to \$1,000,000 at the high end, averaging out at around \$70k per annum.

“ Of all the companies surveyed, surprisingly 68% stated that they 'Don't Know' how much their organizations spend on training annually. ”

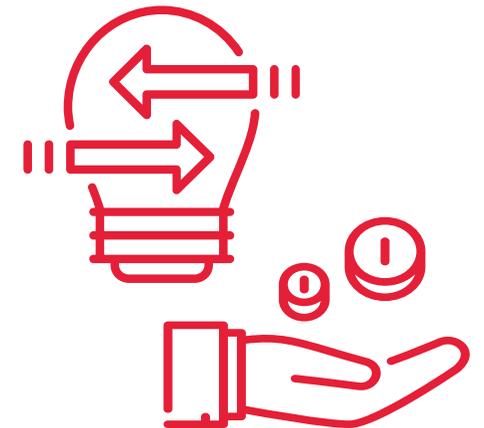
Q. How much does your organization spend on training annually?

Base: Online respondents (n=269)

\$70,348

Average annual training budget

DK: 68%

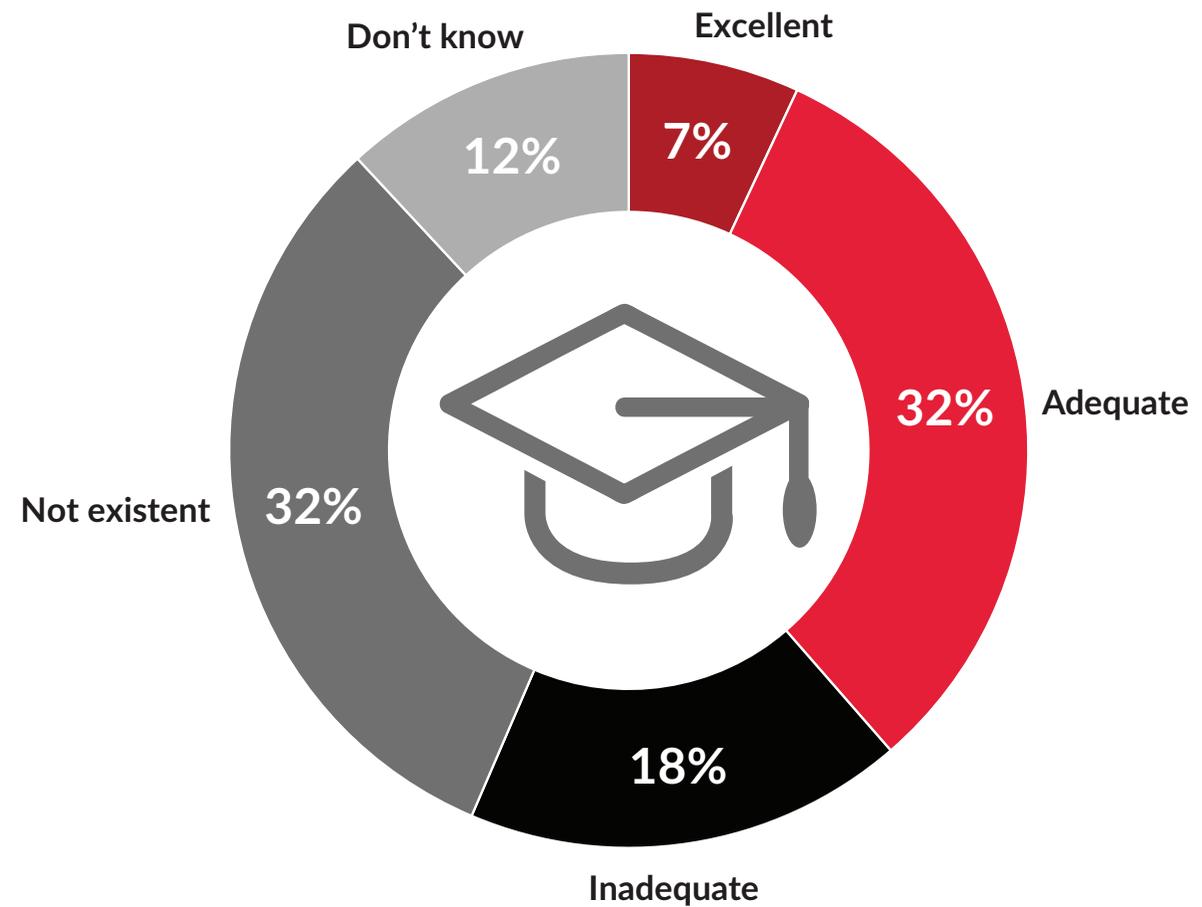


EDUCATIONAL PROGRAMMING

- As many as half (49%) of food and beverage companies surveyed rate the educational programming designed to produce graduates for their sector as being inadequate (18%) or non-existent (32%). Only four in ten (39%) think it is, at a minimum, adequate.
- Three-fifths (61%) of grain & oilseed milling manufacturers and a majority (53%) of sugar & confectionary producers rate the educational programming in their sector as being at least adequate. Across all other sectors, fewer than half feel the same way about the educational programming in their own sector, with this sentiment lowest in the meat (26%) and seafood sectors (34%).

Q. How would you describe the Educational Programming designed to produce graduates for your sector?

Base: All respondents (n=740)



GOVERNMENT PROGRAMS & ORGANIZATIONAL MEMBERSHIP

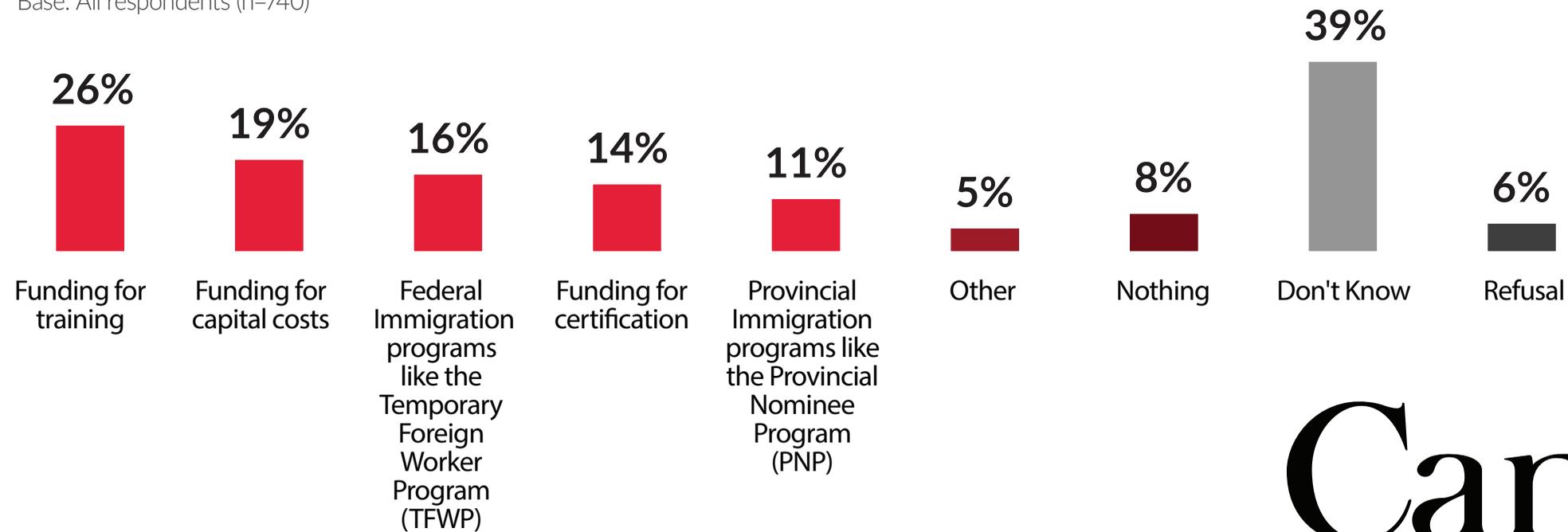


GOVERNMENT PROGRAMS USED

- A plurality (39%) of companies surveyed are not sure what, if any, government programs their organization makes use of. Among those who do provide a response, the highest proportion cite funding for training (26%) followed by funding for capital costs (19%).
 - Quebec companies are the most likely to report not using any government programs (19% vs. 4% ROC*).
 - Companies with HR departments are more likely to report using provincial immigration programs such as the PNP (20% vs. 10% no HR).
- * Rest of Canada

Q. What, if any, of the various government (Provincial or Federal) programs do you use?

Base: All respondents (n=740)



Canada

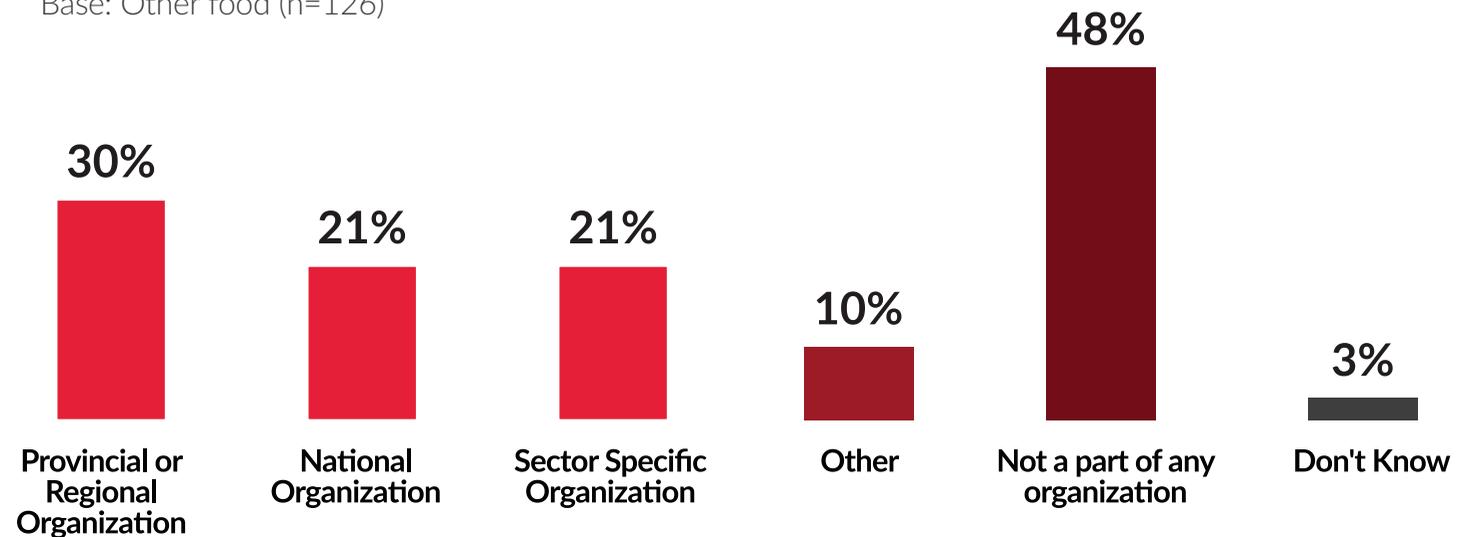
OTHER FOOD PROCESSORS ORGANIZATIONAL MEMBERSHIPS

- A little over half (52%) of Other Food Processors surveyed claim to belong to national, provincial, or sector-specific organizations, with the highest proportion indicating membership in a provincial or regional organization. One in ten belong to national (21%) or sector-specific organizations (21%).



Q. Do you belong to any national, provincial, or sector specific organizations? Please select all that apply.

Base: Other food (n=126)



Other Food Processing is made up of Snack Food Manufacturing, Coffee and Tea Manufacturing, Flavouring Syrup Manufacturing, Seasoning and Dressing Manufacturing, and All Other Food Manufacturing. All Other Food Manufacturing itself is made up of all food manufacturing not included in another sector.

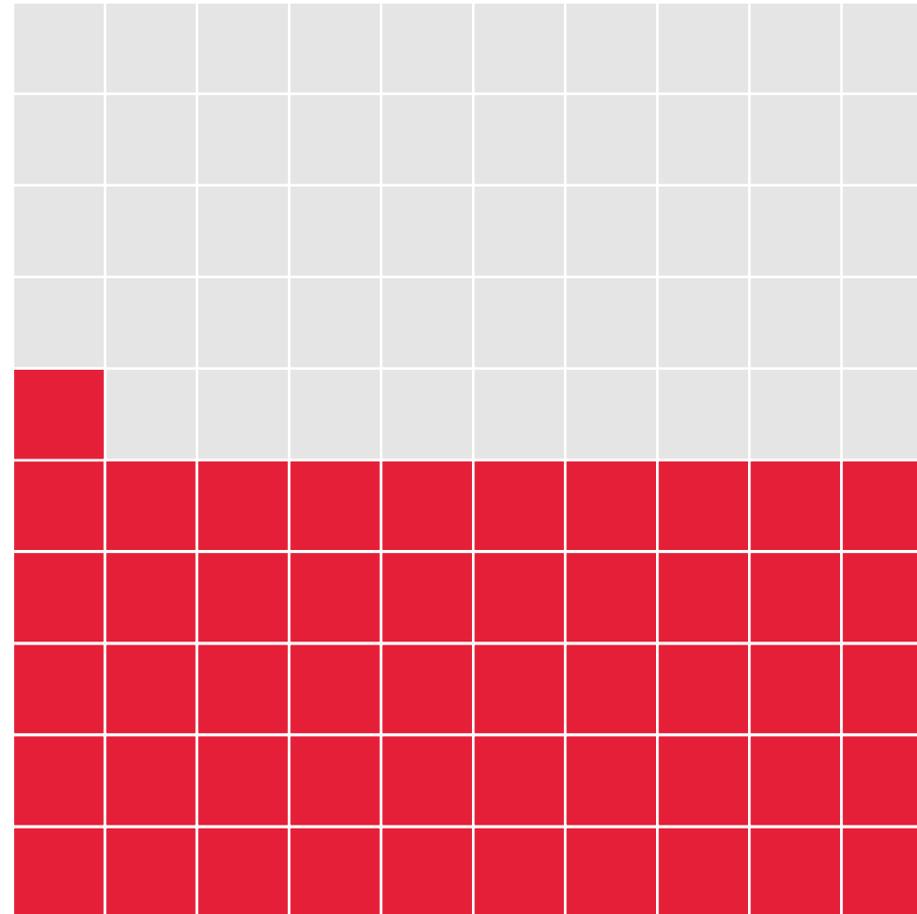
ADEQUATE REPRESENTATION OF OTHER FOOD PROCESSORS

- Only about half of Other Food Processors surveyed who belong to a national, provincial, or sector-specific organization feel adequately represented by said organization.

Q. Do you feel adequately represented by existing national, provincial, or sector specific organizations?

Base: Belong to organization (n=51*)

*small base; **very small base



51%

YES, feel adequately represented by existing national, provincial, or sector specific organizations





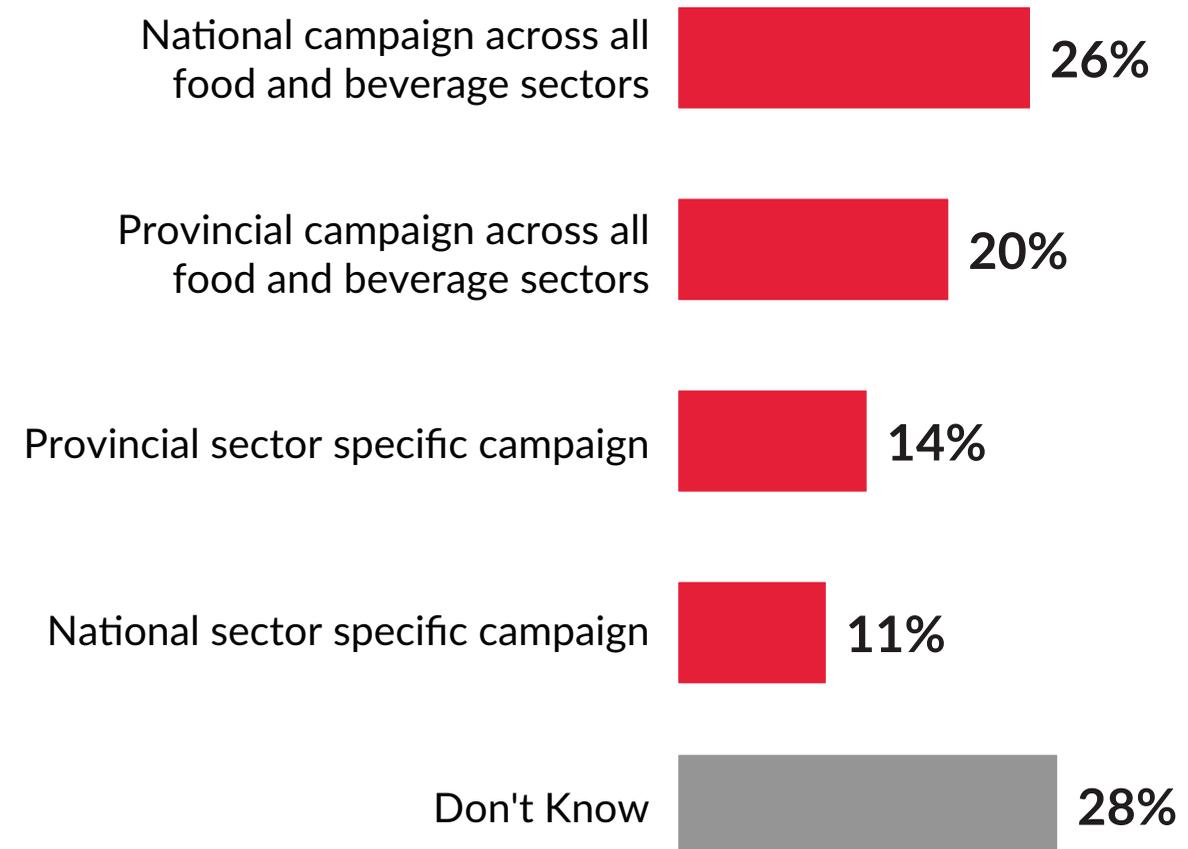
“ Only about half of Other Food Processors surveyed who belong to a national, provincial, or sector-specific organization feel adequately represented by said organization. ”

MOST EFFECTIVE **INDUSTRY CAMPAIGN**

- When asked about the type of campaign they think would be most effective at improving the industry image, a plurality (28%) of companies surveyed say they aren't sure. The highest proportion of those who do offer a response mention national campaigns across all food and beverage sectors (26%).
- Companies who do not have HR departments are more likely to view provincial campaigns (28% vs. 15% with HR staff) as most effective and are less likely to feel this way about national campaigns across all food and beverage sectors (17% vs. 33% with HR staff).

Q. What type of campaign would be most effective at improving the industry image?

Base: Online respondents (n=269)



SOCIAL MEDIA & METHODOLOGY

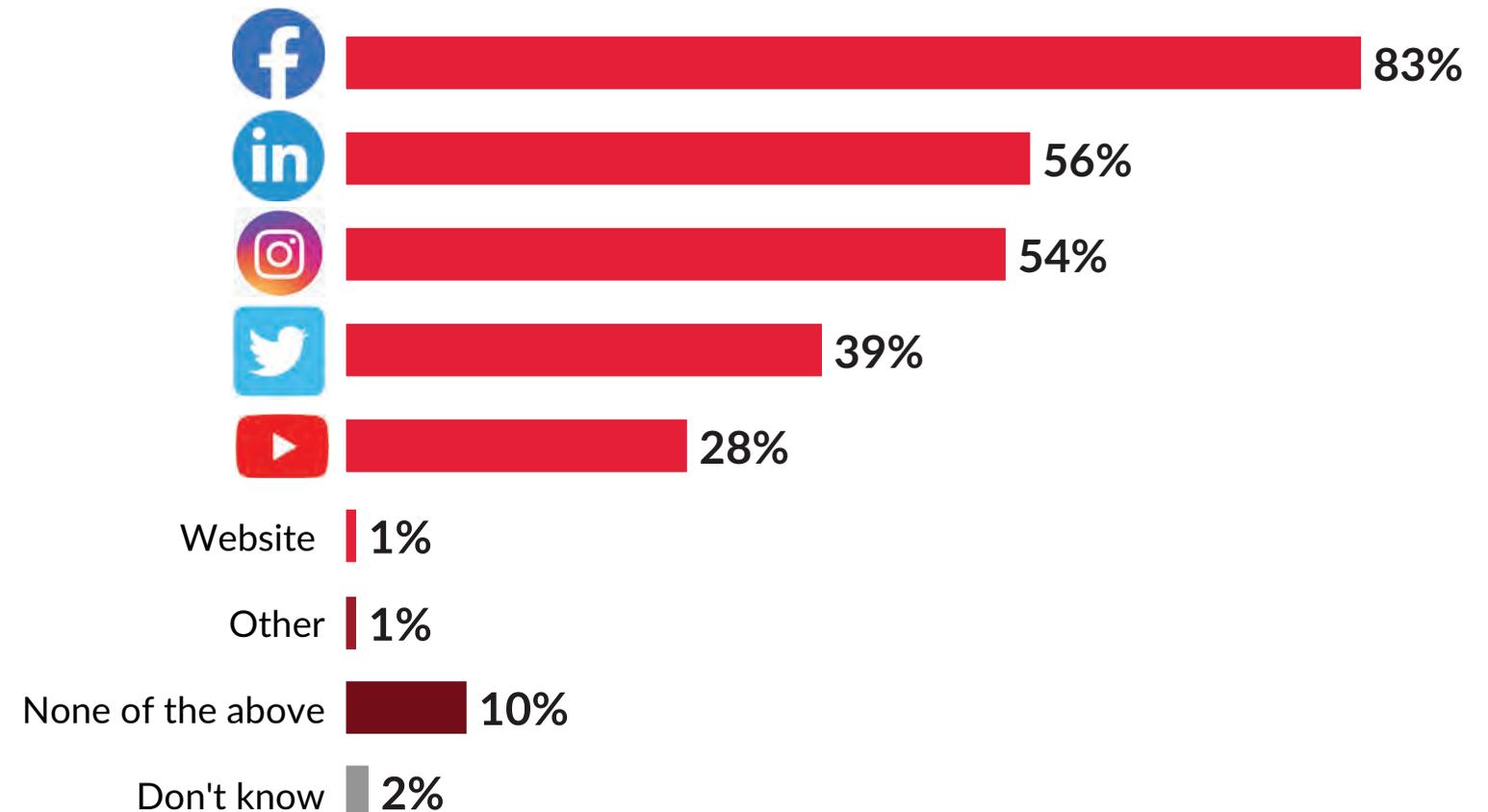


SOCIAL MEDIA PRESENCE

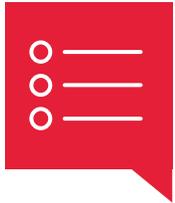
- Nine in ten (90%) companies surveyed claim to have a social media presence, the lion's share of which are on Facebook (83%) while more than half are on LinkedIn (56%) or Instagram (54%). Four in ten (39%) are on Twitter while nearly three in ten (28%) are on YouTube.
- Companies with an HR department are more likely to have Twitter (44% vs. 32% no HR department), LinkedIn (71% vs. 36%) and YouTube (34% vs. 18%) accounts.
- Four in five (80%) beverage processors are on Instagram, compared to only about half (48%) across all other industries.

Q. On which, if any, of the following social media platforms does your company have a presence? Please select all that apply.

Base: Online respondents (n=269)



METHODOLOGY



SUMMARY

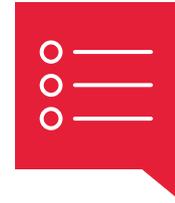
These are the findings of an Ipsos survey conducted on behalf of FPSC.



SAMPLE & TIMING

For this survey, we sampled a total of n=740 food & beverage manufacturing companies, of which n=269 took the survey online & n=471 by telephone. The online survey was fielded between February 13th and May 21st, 2020 and invitations to the online survey were sent by FPSC. The telephone survey was fielded between March 20th and 23rd and then again between April 27th and May 20th, 2020.

Some questions were only asked in the online survey and had to be dropped from the telephone survey as the telephone survey had to be made shorter for respondents.



QUOTAS & WEIGHTING

No quotas were employed and the data for this study is unweighted.





LABOUR MARKET INFORMATION

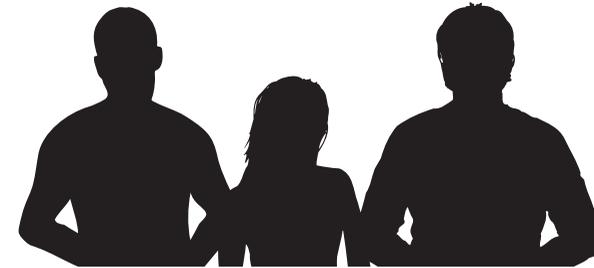
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