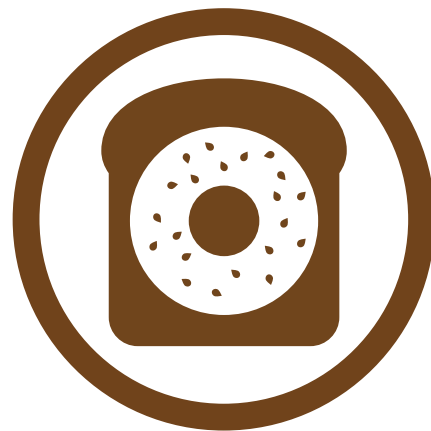


FOOD PROCESSING SKILLS CANADA

BAKERY SURVEY REPORT

2020



SECURING CANADA'S **BAKERY** WORKFORCE

Real Challenges. Practical Solutions.
Fresh Perspectives.



This program is funded by the Government of
Canada's Sectoral Business Program.

Available online at www.fpsc-ctac.com

This project is funded by the Government of Canada's Sectoral Initiatives Program

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ISBN: 978-1-989541-63-0

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 valuable resources for the sector including the **Food Skills Library™**, **Canadian Food Processors Institute™**, **FoodCert™** and Labour Market Information Reports.

Survey conducted by Ipsos, analysis conducted by Prism Economics and Analysis

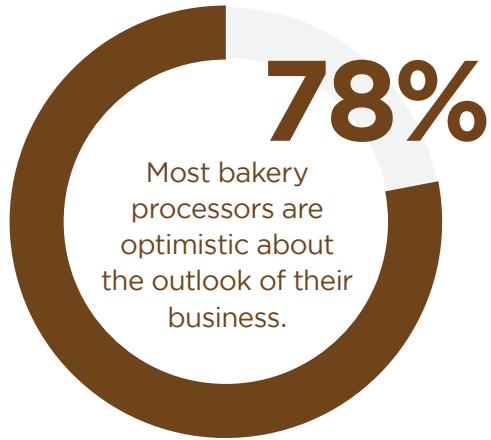
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EXECUTIVE SUMMARY



Nearly half of Canada's bakery processors reported not being able to fill positions or chronic recruitment challenges.

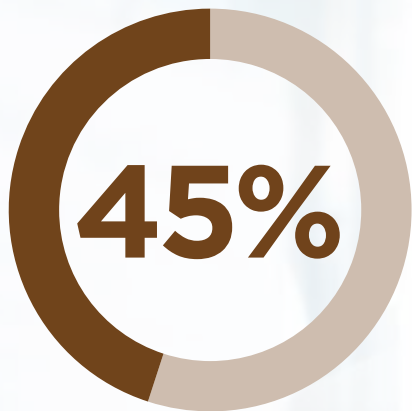


Bakery processors reported an increase in recruitment challenges over the past year, with 18% indicating a significant increase.

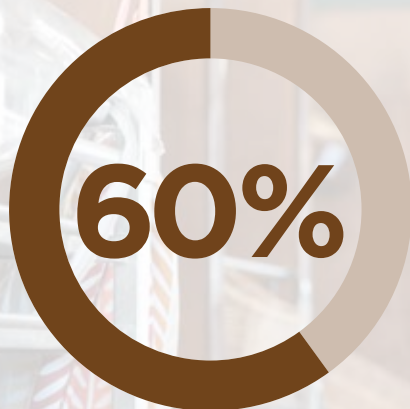


The most prominent HR challenge identified in the sector is a lack of applicants with proper training, viewed as at least somewhat of a challenge by 64% of respondents.

EXECUTIVE SUMMARY



Fewer than half of bakery processors reported offering benefits at their plant or organization, one of the lowest proportions across the food and beverage processing industry.



Bakery manufacturers cited kitchen positions as most difficult to recruit for, specifically certified bakers (37%).



EXECUTIVE SUMMARY



How we did it

100 Bakery processors responded to this survey and participated either online or by telephone between February and May 2020. The extended time in field was due to COVID -19 pandemic. It wasn't possible to ask as many questions in the phone version of the survey as opposed to the online version. As such the number of respondents is indicated by N for every chart and ranges from 22 to 100 depending on the question.

Who we surveyed:

N= 100
Bakery
processing
employers
surveyed

Region	Survey Responses
BC	18
AB	19
SK/MB	4
ON	34
QC	17
Atlantic Canada	7
Not Specified	1
TOTAL	100

The majority of the questions in this report were asked to food and beverage processors across the country, there were 740 responses in total to the survey. The findings of the overall survey are available on the FPSC website (<https://fpsc-ctac.com/reports/>) in the report titled:

2020 Labour Market Information Survey Report – Canadian Food & Beverage Manufacturing Industry Report

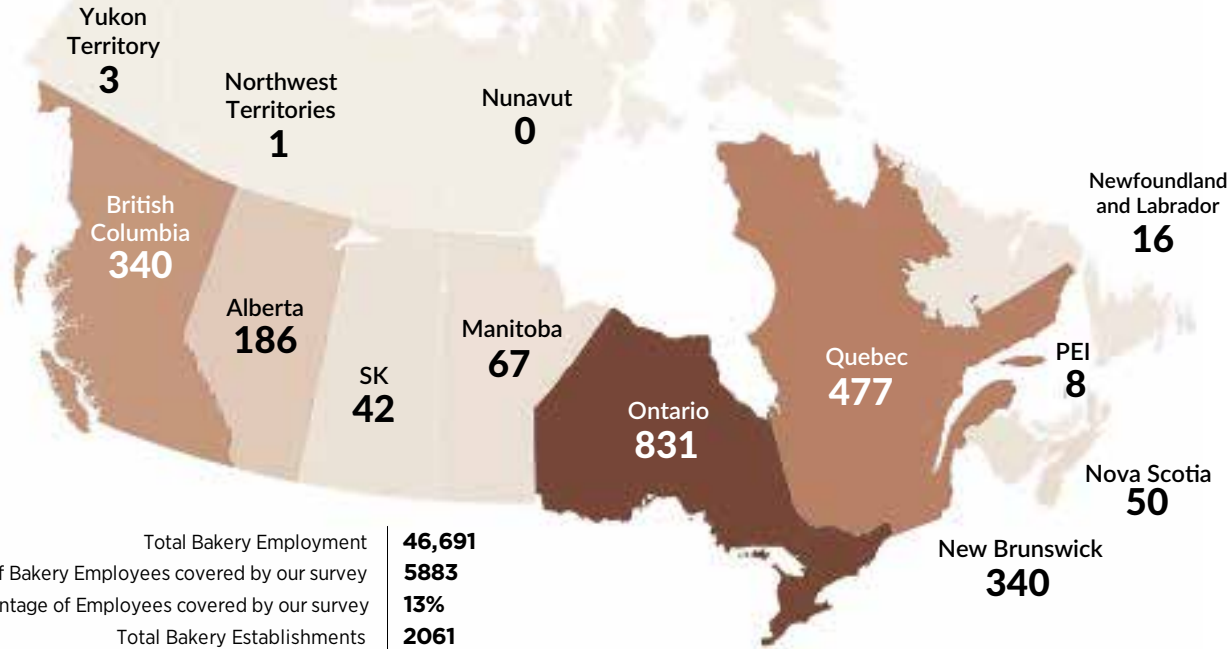




Overview

- ① Industry Profile
- ① Workforce Profile
- ① Workforce Availability and Recruitment
- ① Wages and Benefits
- ① Training and Skills Development
- ① Impact of Covid-19

Total Bakery Establishments by Province

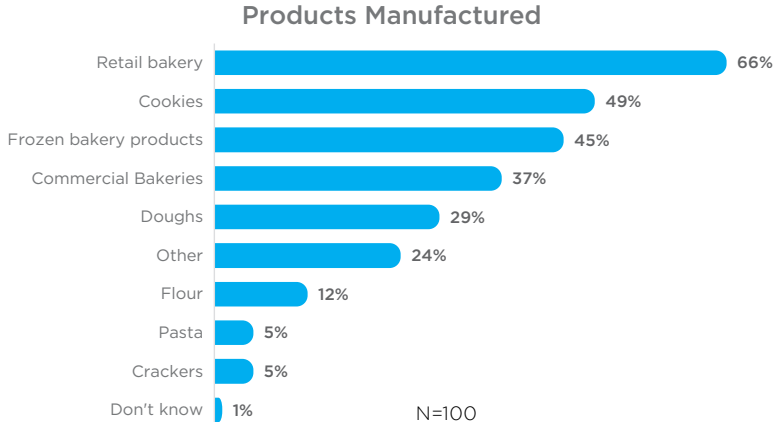


Total Bakery Employment	46,691
Number of Bakery Employees covered by our survey	5883
Percentage of Employees covered by our survey	13%
Total Bakery Establishments	2061
Number of Establishments covered by our survey	100
Percentage of Establishments covered by our survey	5%

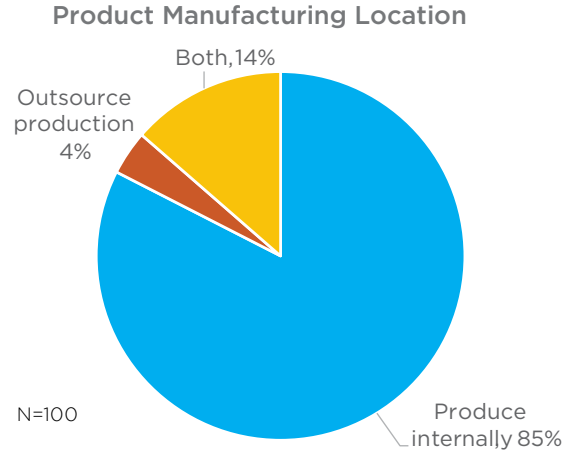
In a Snapshot



66% of facilities process retail bakery products, 49% process cookies and 45% process frozen bakery products.



The vast majority of facilities (85%) produce products in Canada, while 11% of facilities produce products both domestically and abroad.



BAKERY PROCESSING INDUSTRY PROFILE



43%

of processing
facilities
manufacture gluten
free products






63%

of processing
facilities have an
on-site retail
location

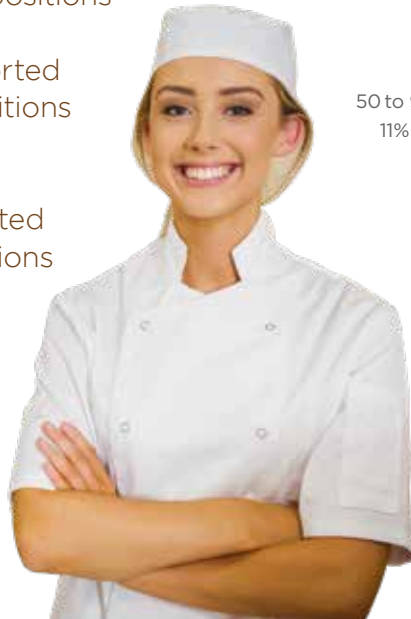
N=100

BAKERY PROCESSING WORKFORCE PROFILE

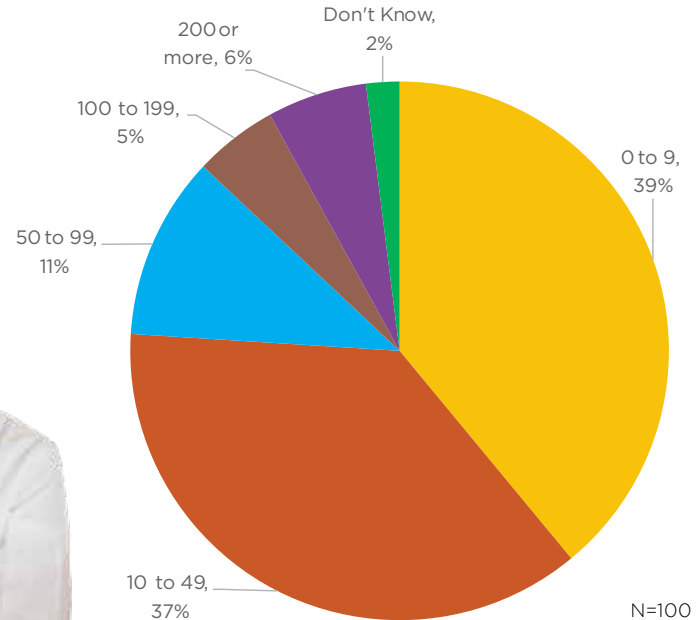
Bakery processors mainly operate small to medium size facilities:

-  The “average” processor in Canada has 60 paid positions, including both filled and vacant positions
-  76% of processors reported fewer than 50 paid positions at their facility
-  6% of processors reported 200 or more paid positions are their facility

* Includes both filled and vacant positions



Size of Processing Facilities, Paid Positions*



Employment Size



The “average” Bakery processor has 60 paid positions at their facility



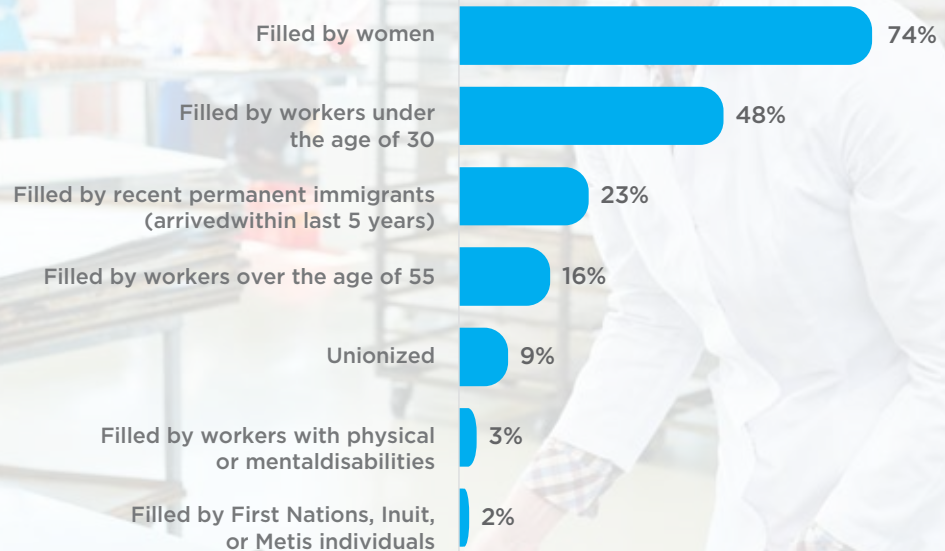
On average, nearly three-quarters of paid positions are filled by women




A significantly lower portion are filled by workers with disabilities (3%) or Indigenous Peoples (2%)

Question: On average, in 2019 how many paid positions were...?

Average Paid Positions, Share (%)





On average, nearly three-quarters of paid positions in the baking industry are filled by women.

Employment by Occupation



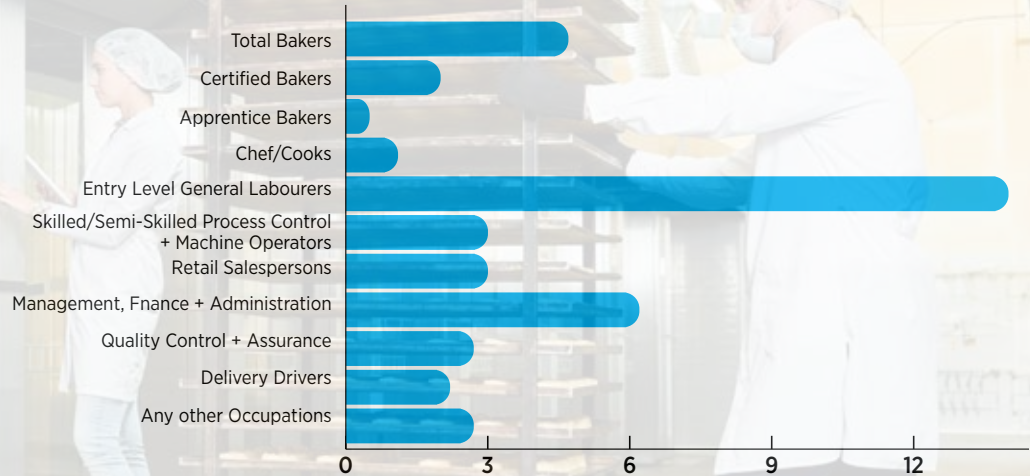
On average, entry level labourers account for the highest number of positions, vacancies and new hires



Bakers (certified & apprentice) and roles in management, finance & administration are also common positions

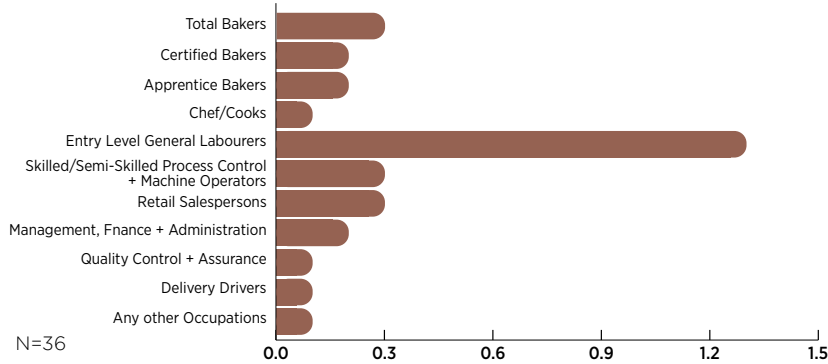
N=100

Average number of people employed

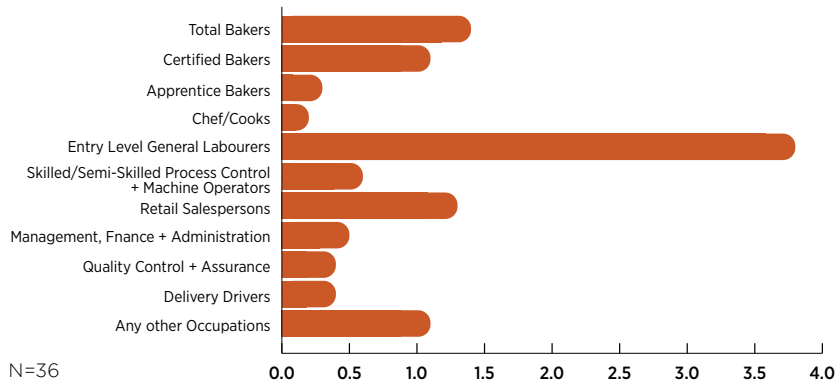


BAKERY PROCESSING WORKFORCE PROFILE

Average number of current vacancies in total



Average number of people hired in 2019



Highest level of Education Required



Four-in-ten processors require bakers to have a high school diploma, though half (52%) require certified bakers to have a college or trade school diploma



Most processors only require a high school diploma for entry level general labourer positions



**Most processors
require higher
education for
management, finance
& administration
and quality control &
assurance positions.**



BAKERY PROCESSING WORKFORCE PROFILE

		High school diploma	College Diploma / Trade School	University Degree (Undergrad/ Post-grad)	CAP/Other	Experience/ past training in field	None	Not applicable	Don't know
Total Bakers	(n=97)	40%	30%	-	2%	2%	14%	9%	2%
Certified Bakers	(n=67)	13%	52%	3%	1%	1%	6%	19%	3%
Apprentice Bakers	(n=51)	37%	20%	-	-	2%	18%	20%	4%
Chef/Cooks	(n=62)	16%	44%	3%	-	-	8%	24%	5%
Entry level General Labourers	(n=78)	51%	1%	1%	1%	1%	26%	14%	4%
Skilled/Semi-skilled Process Control + Machine Operatos	(n=56)	43%	25%	-	-	4%	12%	12%	4%
Retail Salespersons	(n=38)	37%	8%	5%	-	-	21%	24%	5%
Management, Finance + Administration	(n=37)	11%	24%	46%	3%	3%	-	5%	8%
Quality Control + Assurance	(n=72)	17%	29%	26%	-	6%	10%	10%	3%
Delivery drivers	(n=37)	43%	5%	-	-	3%	11%	27%	11%
Any other Occupations	(n=36)	50%	22%	-	-	-	8%	8%	11%

Business Outlook

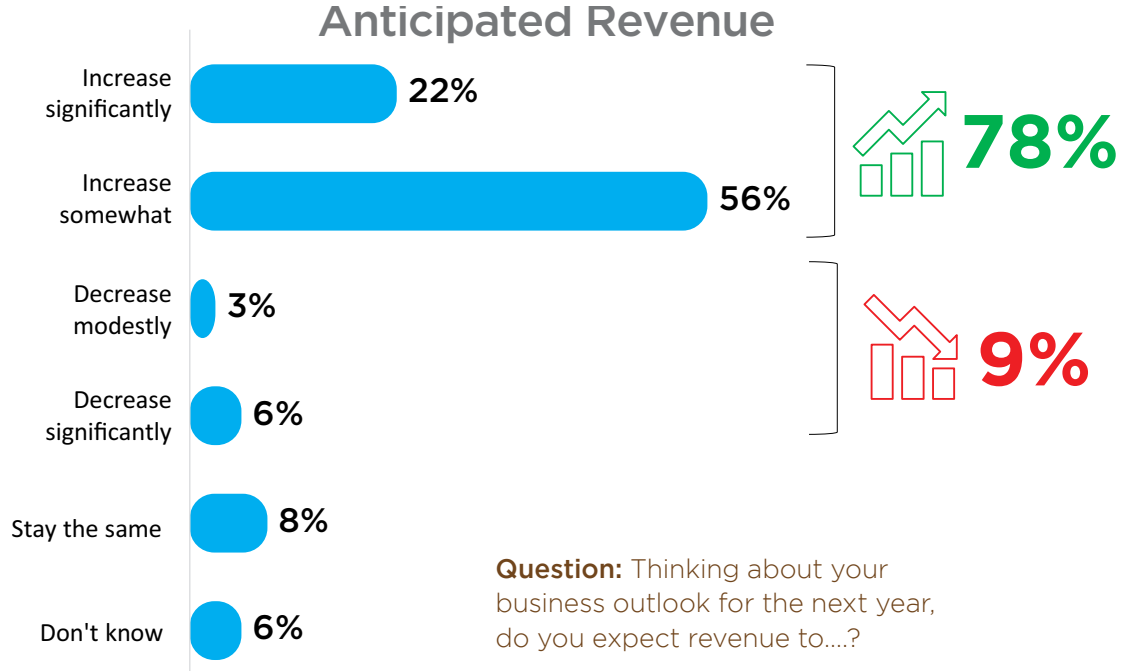


On average, entry level labourers account for the highest number of positions, vacancies and new hires



Bakers (certified & apprentice) and roles in management, finance & administration are also common positions

N=36



Business Challenges



The availability of labour is the most significant business challenge within the industry, as approximately seven-in-ten (69%) Bakery processors identified this as at least somewhat of a challenge



Regulatory requirements (52%) and implementing new technologies (44%) were also viewed as challenges by a large share of processors



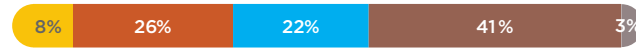
Availability of labour



Regulatory requirements (labelling, certification, quality assurance)



Consumer trends



Waste reduction and other environmental requirements



Implementing new technologies

N=100

■ Extreme challenge ■ Somewhat of a challenge ■ A little bit of a challenge ■ Not at all a challenge ■ Don't Know

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

Recruitment Challenges



A further 25% reported experiencing occasional or seasonal challenges



All together, 76% report some form of challenges recruiting or retaining qualified workers.



National Survey of Bakery Processors
Nearly half (47%) of Canada's Bakery processors reported not being able to fill positions or chronic recruitment challenges.



Workforce Availability

22%

Experiencing immediate and persistent challenges throughout the year recruiting and retaining qualified workers and cannot fill vacant positions

25%

Experiencing ongoing challenges recruiting or retaining qualified workers to successfully fill positions

29%

Experiencing occasional or seasonal challenges recruiting or retaining qualified workers. Cannot fill vacancies during peak periods

23%

Experiencing no significant challenges in recruiting or retaining qualified workers

1%

Refusal

Question: How would you describe the general availability of workers you need?

N=100

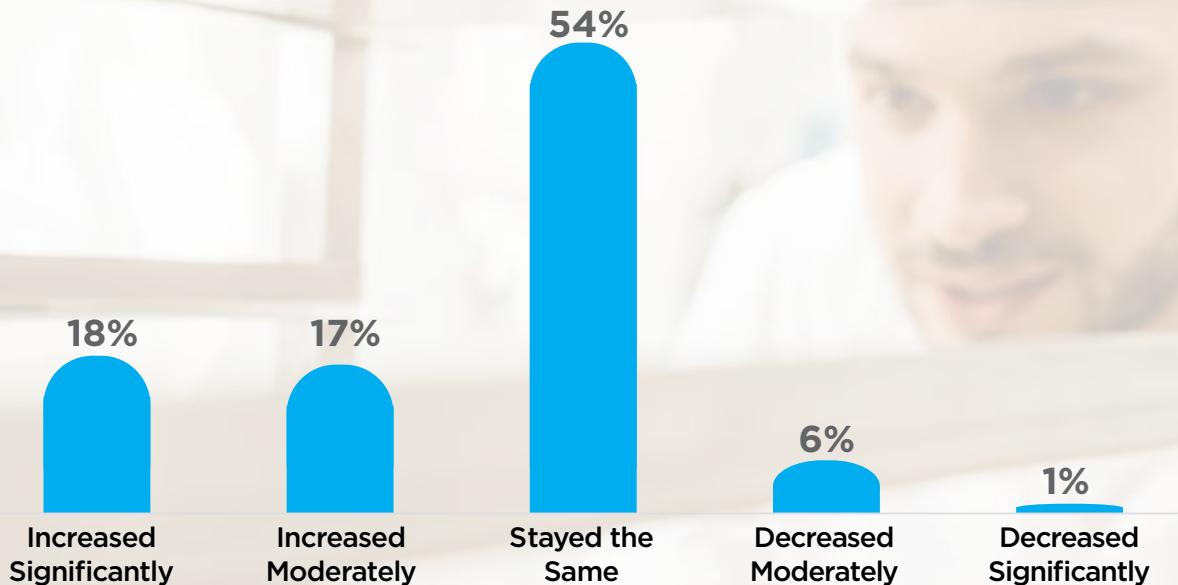
Workforce Availability



The majority of processors (54%) reported these challenges have remained constant over the past year



Only 7% reported recruitment challenges decreased over the past year



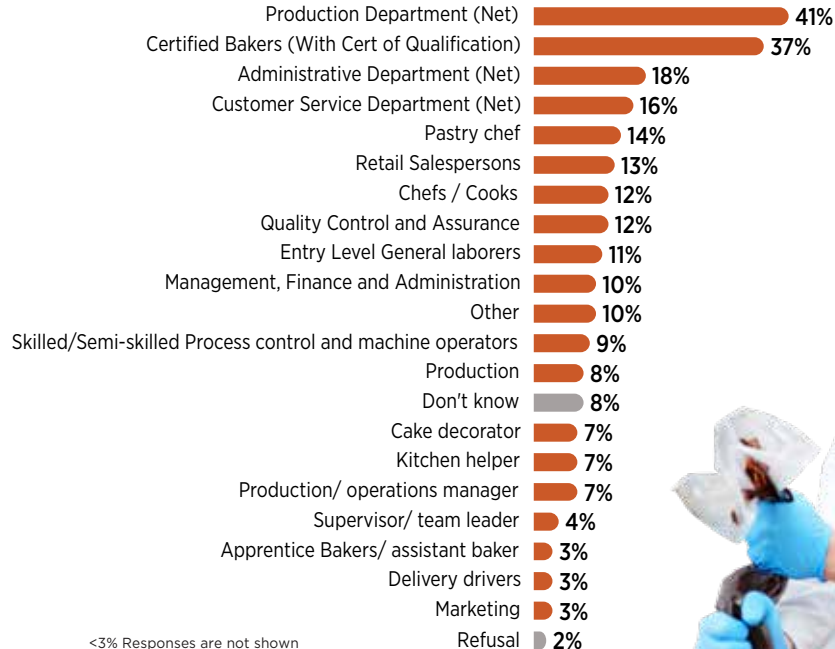
35% of Bakery processors reported an increase in recruitment challenges over the past year, with 18% indicating a **significant** increase.

Bakery Roles Most Difficult to Recruit For

Three-fifths (60%) of bakery manufacturers cite kitchen positions as most difficult to recruit for

Approximately 40% find production positions most difficult to recruit for

The most difficult positions to recruit for include certified bakers (37%)



<3% Responses are not shown



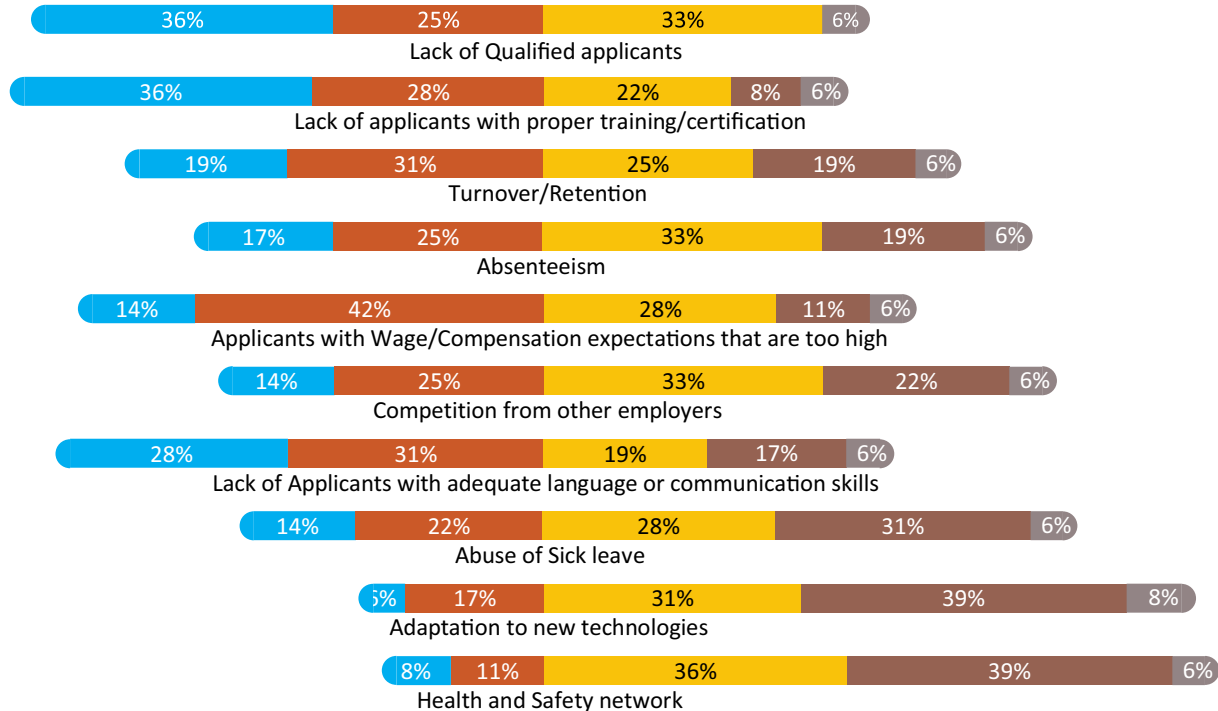
Human Resource Challenges

- ① The bakery and tortilla sector identified several HR challenges impacting the majority of processors
- ① The most prominent issue, reported as at least somewhat challenging by 64% of processors, was a lack of applicants with proper training. This was followed by lack of qualified applicants (61%), lack of applicants with adequate skills (58%) and applicants with too high wage expectations (56%).



“**Approximately half of Bakery processors (52%) report having a dedicated human resources staff or department.**”

WORKFORCE AVAILABILITY AND RECRUITMENT



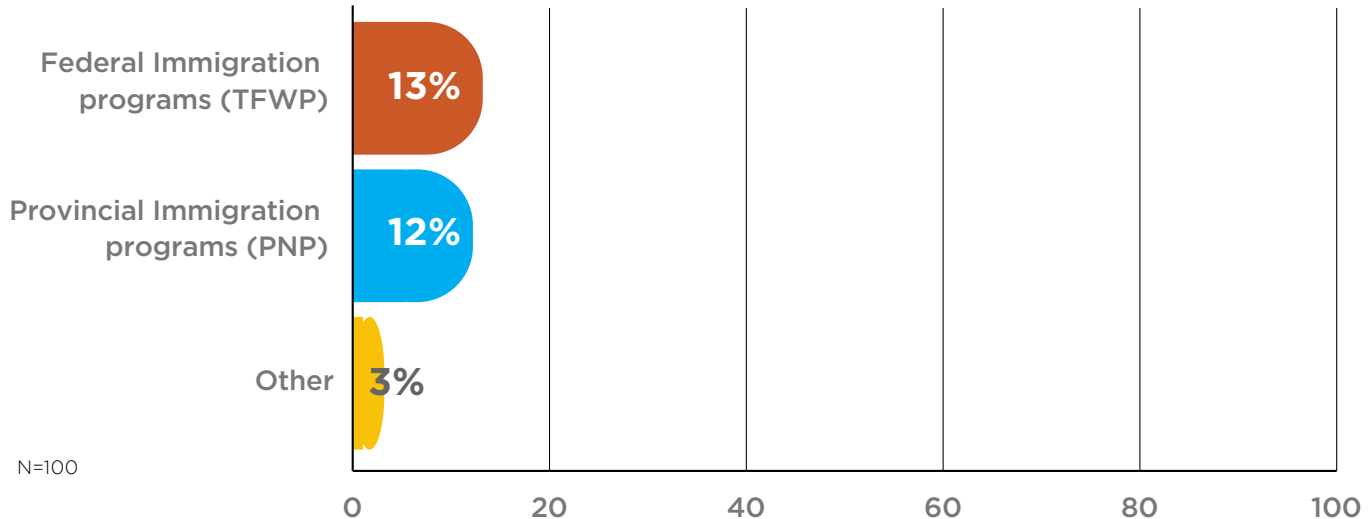
N=36

■ Extreme Challenge
 ■ Somewhat of a Challenge
 ■ A Little Bit of a Challenge
 ■ Not a Challenge at All
 ■ Don't Know

Immigration Programs

13% of Bakery processors reported utilizing the TFWP, while 12% reported utilizing the PNP program.

Utilization of Government Programs



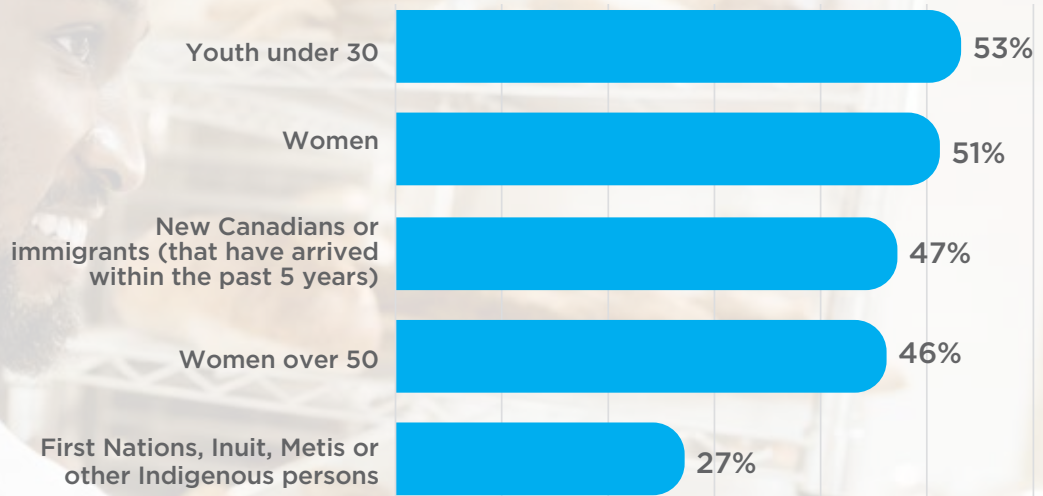
Underrepresented Groups



The majority of Bakery processors reported making concerted efforts to recruit youth under 30 (53%) and women (51%)



Recruitment efforts lagged behind for Indigenous Peoples (27%) and people with disabilities (21%)



N=100

In a Snapshot

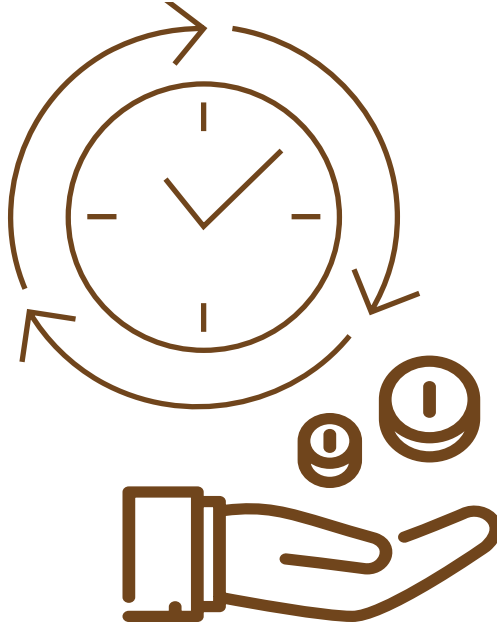


On average, bakers earn nearly \$3 more per hour than entry level front-line workers



This disparity in wage could be attributed to the higher level of education required for a baker position, specifically for certified bakers

N=(100)



\$14.84

Average hourly starting wage for an entry level front line worker

\$17.56

Average hourly starting wage for bakers

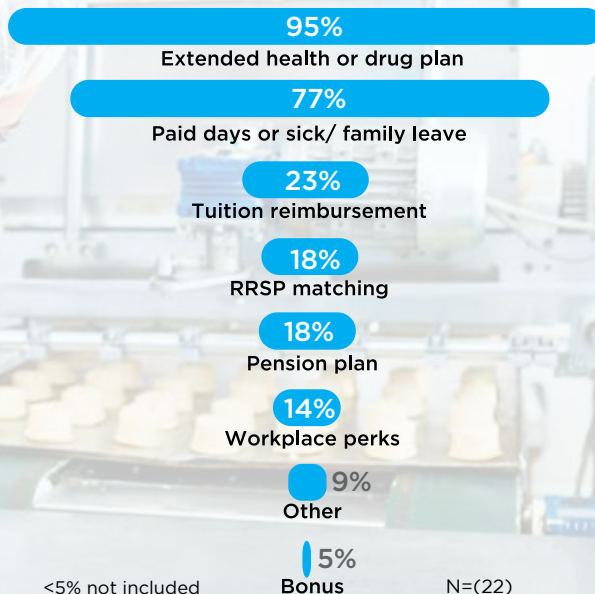
WORKFORCE WAGES AND BENEFITS

① Fewer than half (45%) of Bakery processors reported offering benefits at their plant or organization, one of the lowest proportions across the food and beverage processing industry.

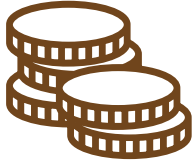
② Of those who provide benefits, nearly all processors (95%) provide employees with extended health or drug plans, while paid days and sick leave were also frequently reported by 77% of processors

③ A smaller proportion of processors reported offering tuition reimbursement (23%), RRSP matching (18%) and pension plans (18%) to employees. A relatively smaller number of processors offer these benefits compared to other sectors within the food and beverage industry

Benefits Offered



In a Snapshot



\$4,455

Annual Training Budget



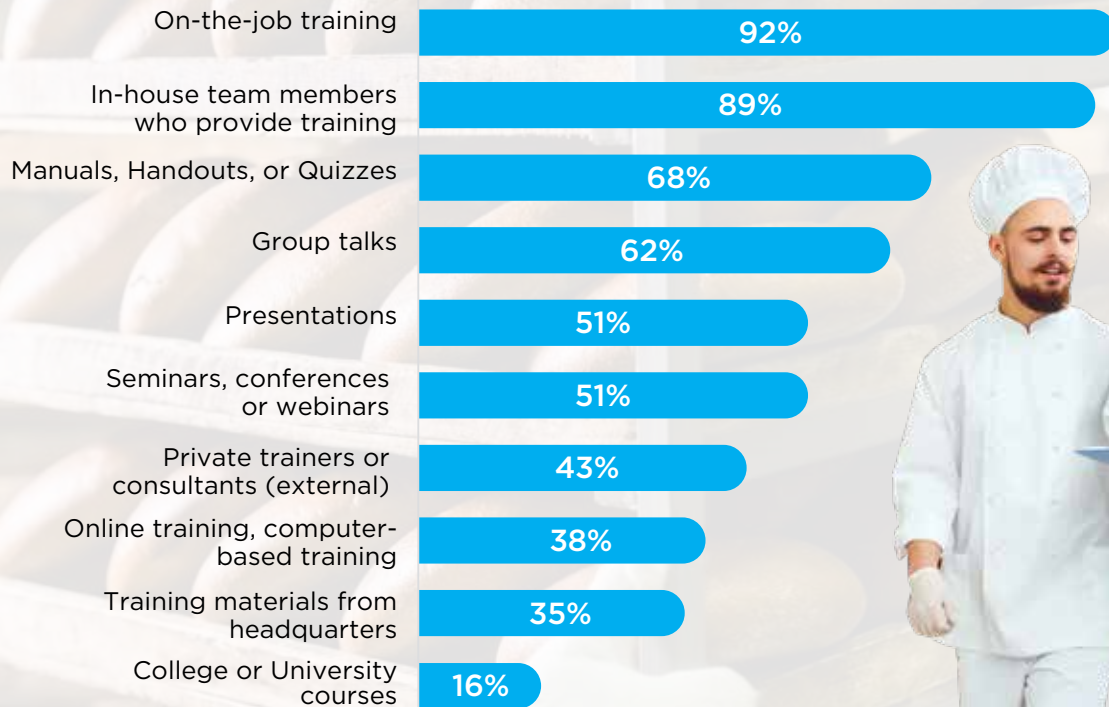
Bakery processors reported an average training budget of \$4,455 annually.



The sector utilizes a variety of training tools, while on-the-job training (92%) and in-house training (89%) are the most common tools used within the sector



Training Tools



N=(36)



Automation in the Bakery Sector



22% of Bakery processors reported moderate integration of automated production processes

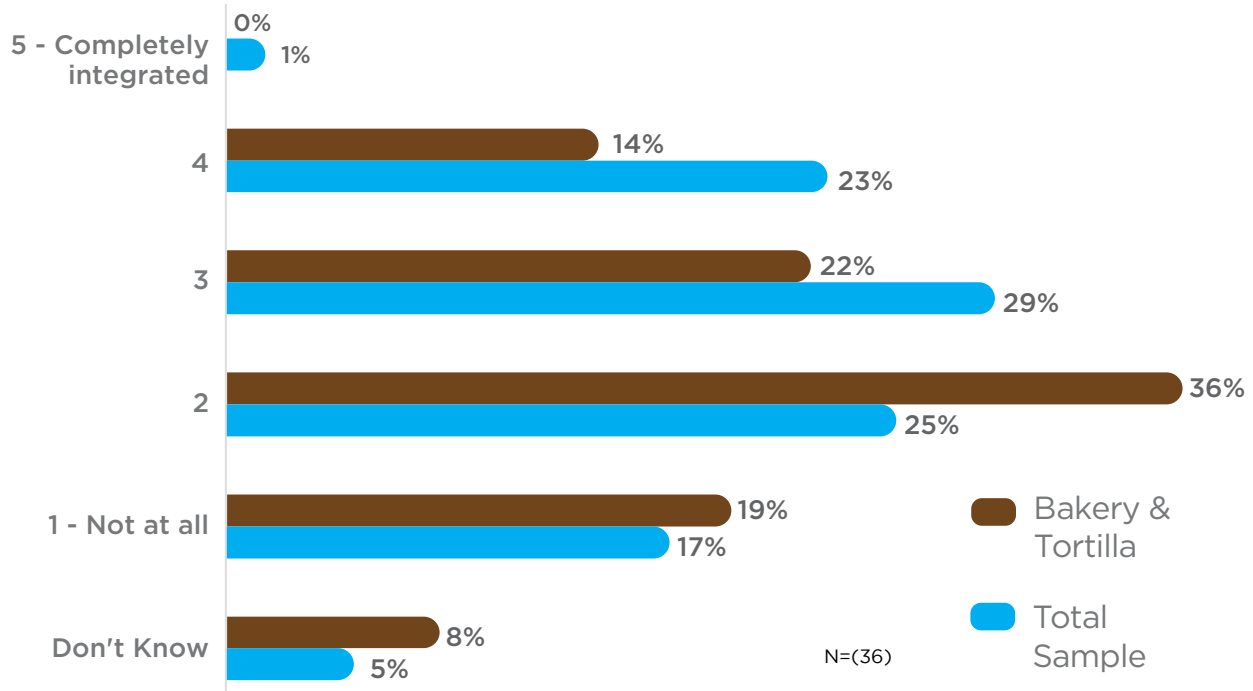


19% of processors reported no integration, slightly higher than the total sample



“ The majority (72%) of bakery processors reported adopting some level of automation in the production processes. ”

Level of Automation Adopted

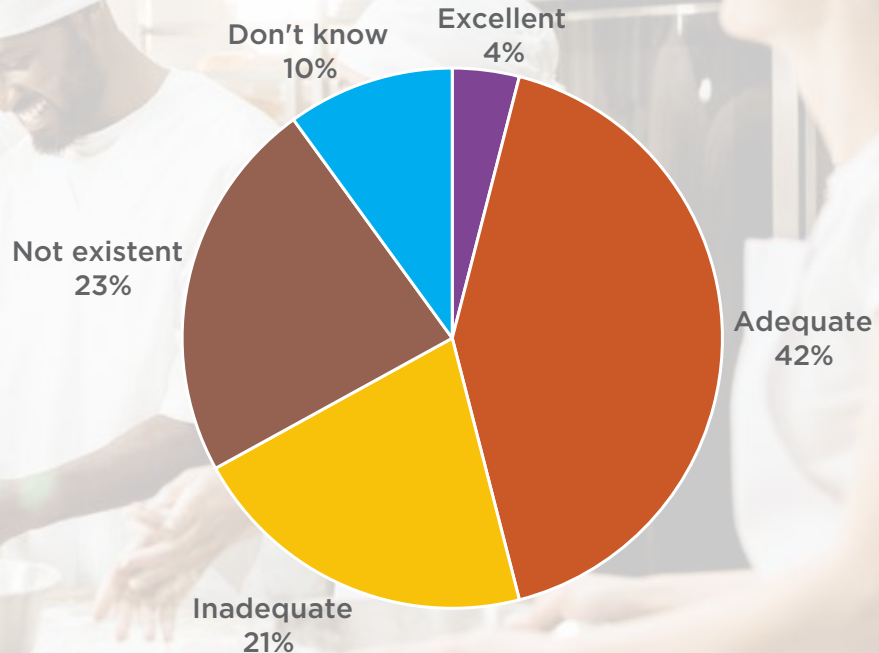


Educational Programming



Almost half (46%) of bakery processors rate the educational programming designed to produce graduates for their sector as being adequate or excellent


Question: How would you describe the Educational Programming designed to produce graduates for your sector?



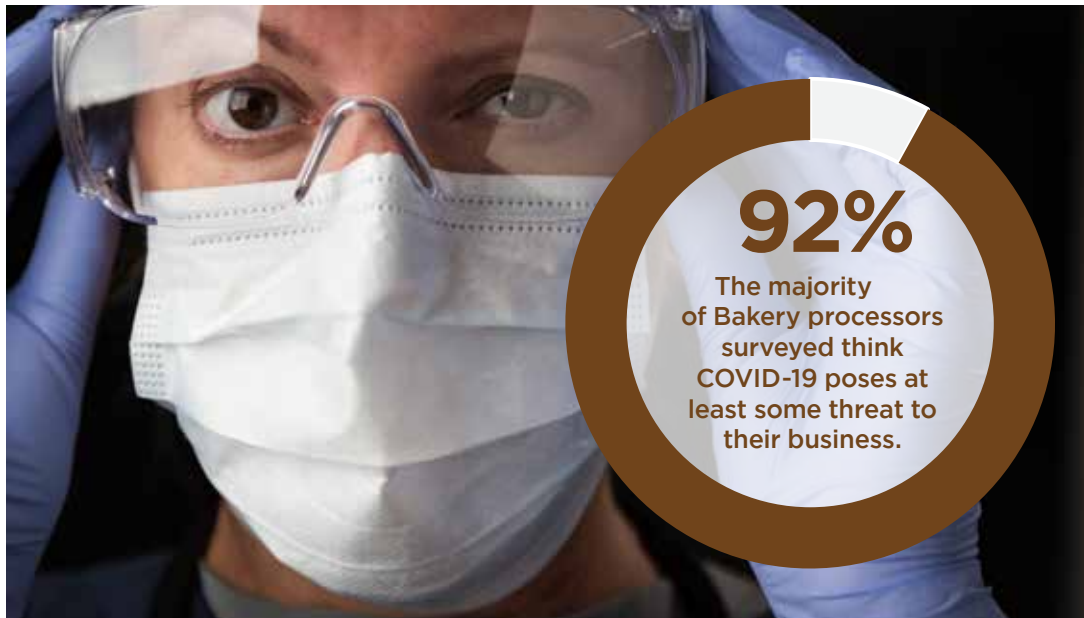
“ Nearly the same share of processors (44%) think the educational programming is inadequate or non-existent. ”



Perceived Threat

 The majority of Bakery processors surveyed (92%) think COVID-19 poses at least some threat to their business, while a significant portion (42%) feel highly threatened by it.

 Only 6% of processors reported they saw no perceived threat to their business



IMPACT OF COVID-19

Threat Level

22%

Very high

20%

High

36%

Somewhat High

14%

A Little



6%

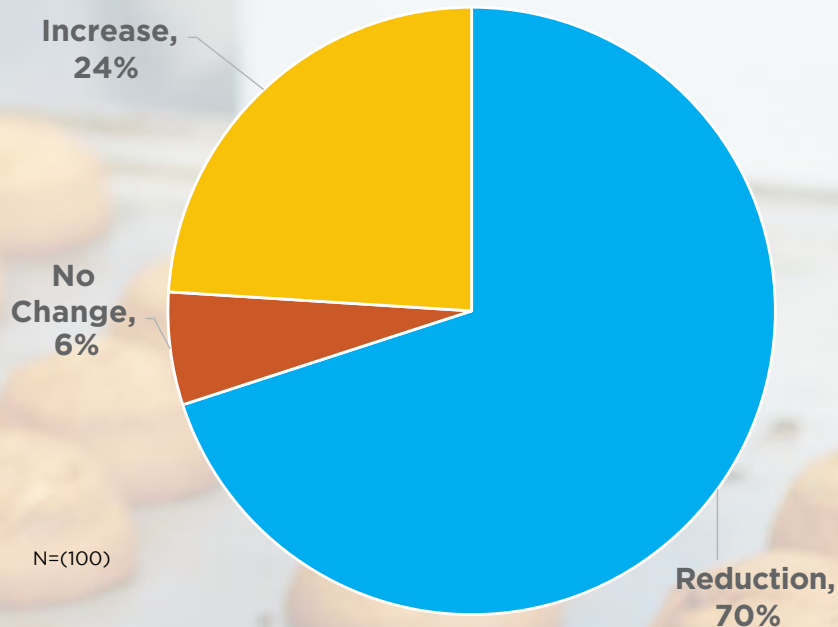
None

42%
HIGH

N=(96)

Production Volumes

-  The majority of Bakery processors surveyed (70%) reported a reduction in production due to COVID-19
-  Approximately a quarter (24%) reported an increase in production volume due to COVID-19



N=(100)

IMPACT OF COVID-19



Bakery processors have been impacted in many ways by COVID-19

- Decline in customer orders has been the most notable impact, as reported by 68% of processors
- Decline in cash flow was also reported



Bakery processors also took different approaches to dealing with COVID's impact

- A majority of processors reported reducing workers hours (58%) and conducting layoffs (56%) at rates above food and beverage processing as a whole
- Far fewer processors reported allowing work from home (16%) or increased outsourcing (6%)

IMPACT OF COVID-19



Impact of COVID-19

Decline in number of workers available

42%

Decline in availability of raw materials or supplies

46%

Decline in orders from customers

68%

Closure due to health concerns

22%

Decline in cash flow

48%

N=(50)

Action Taken

Increased outsourcing

6%

Allowed employees to work from home

16%

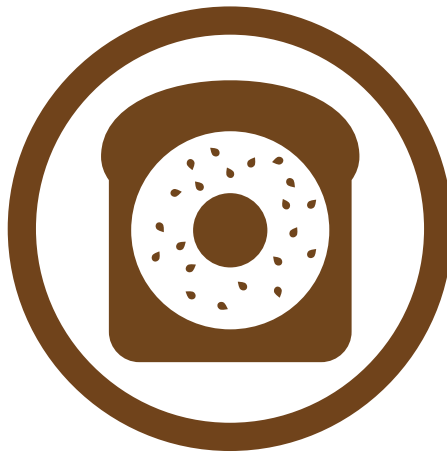
Reduced workers' hours

58%

Laid-off workers

56%

N=(50)



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