

FOOD PROCESSING SKILLS CANADA

DAIRY SURVEY REPORT

2020



SECURING CANADA'S **DAIRY** WORKFORCE

Real Challenges. Practical Solutions.
Fresh Perspectives.



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

Available online at www.fpssc-ctac.com

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

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ISBN: 978-1-989541-65-4

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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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66%

of dairy manufacturers thought production-related positions are the most difficult to recruit for, especially skilled/semi-skilled process control & machine operators (26%)



\$25,538

On average, dairy processors spend \$25,538 on training annually



35%

Processors reported recruitment challenges have increased over the past year, while the majority (58%) reported these challenges have remained unchanged.

70%

The majority (70%) of dairy processors surveyed reported a lack of qualified applicants as extreme or somewhat challenging, the highest proportion among food and beverage processors.

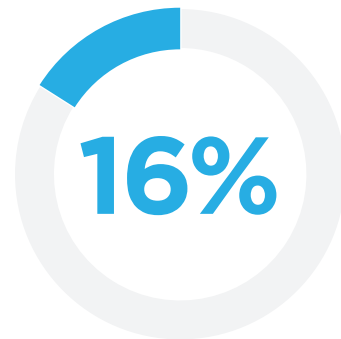


More than a quarter (26%) of dairy processors reported experiencing immediate or persistent challenges recruiting and retaining workers, while an additional 53% of processors reported occasional/seasonal or ongoing challenges.

youth
under 30
and women



Most processors reported making concerted efforts to recruit youth under 30 and women, while fewer processors reported making similar efforts for indigenous, new Canadians, people with disabilities and workers over 50.



16% of processors reported utilizing the Temporary Foreign Worker Program and 11% reported using the Provincial Nominee Programs

The average starting hourly wage for entry-level frontline workers in the dairy sector is **\$16.10**

The **majority** of processors have reported a decline in customer orders and cash flow and have responded by laying off employees and issuing work from home policies



The majority of sector

believe COVID-19 to be a high threat to their business, with 59% reporting a reduction in production volume due to COVID-19.

Methodology and Responses

89 Dairy 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 29 to 89 depending on the question.

Who we surveyed:

N= 89
Dairy
processing
employers
surveyed

Region	Survey Responses
BC	16
AB	6
SK/MB	4
ON	34
QC	26
Atlantic Canada	3
TOTAL	89

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.

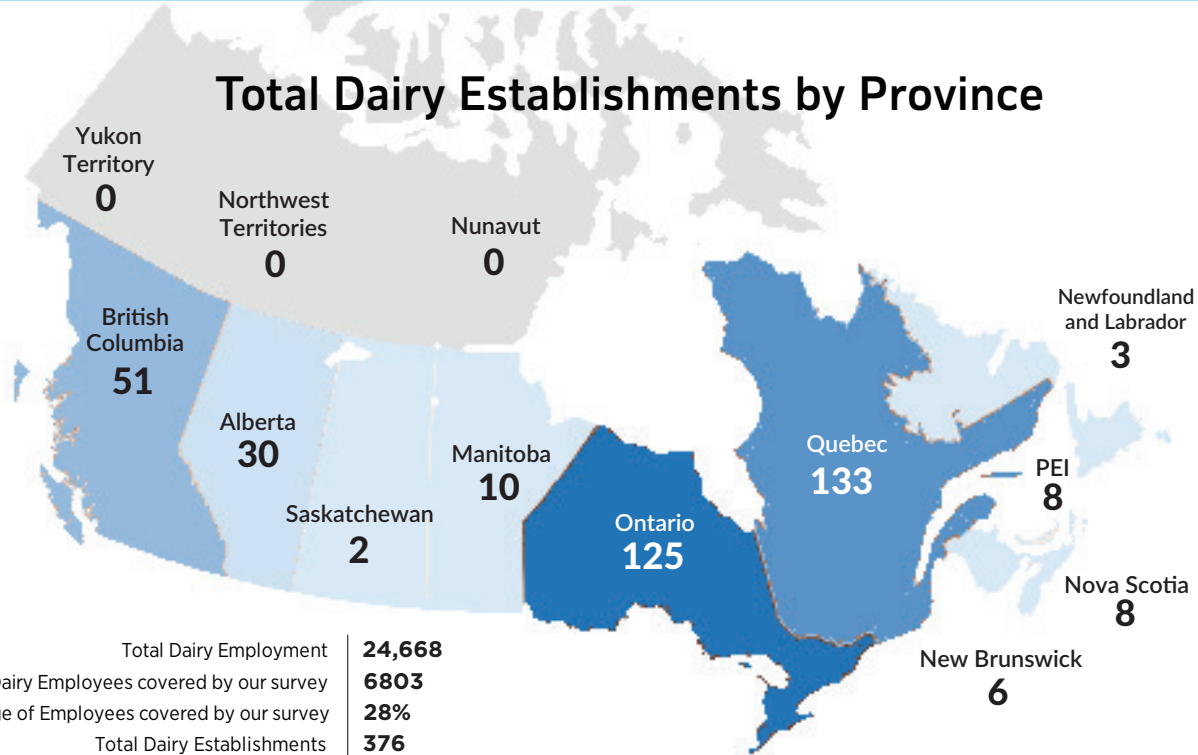


Dairy Processors Survey | Overview



- 🥛 Industry Profile
- 🥛 Workforce Profile
- 🥛 Workforce Availability and Recruitment
- 🥛 Wages and Benefits
- 🥛 Training and Skills Development
- 🥛 Impact of COVID-19

Total Dairy Establishments by Province



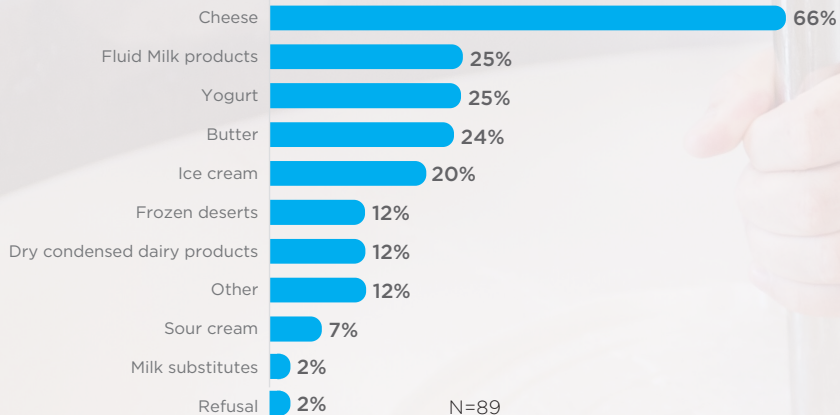
Total Dairy Employment	24,668
Number of Dairy Employees covered by our survey	6803
Percentage of Employees covered by our survey	28%
Total Dairy Establishments	376
Number of Establishments covered by our survey	89
Percentage of Establishments covered by our survey	24%

In a Snapshot



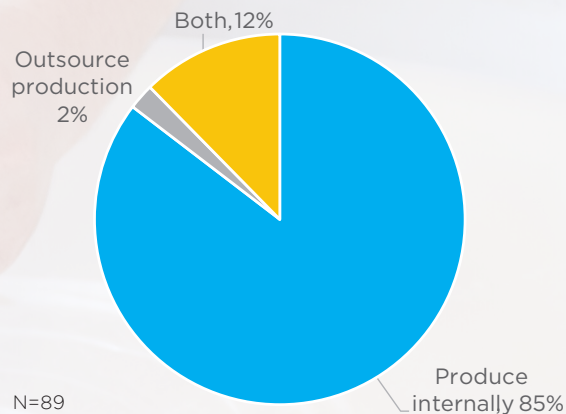
66% of facilities process cheese, 25% process fluid milk products and yogurt and 24% process butter

Products Manufactured






The vast majority of facilities (85%) produce products internally, 12% of facilities produce products both internally and externally

Product Manufacturing Location



Employment Size

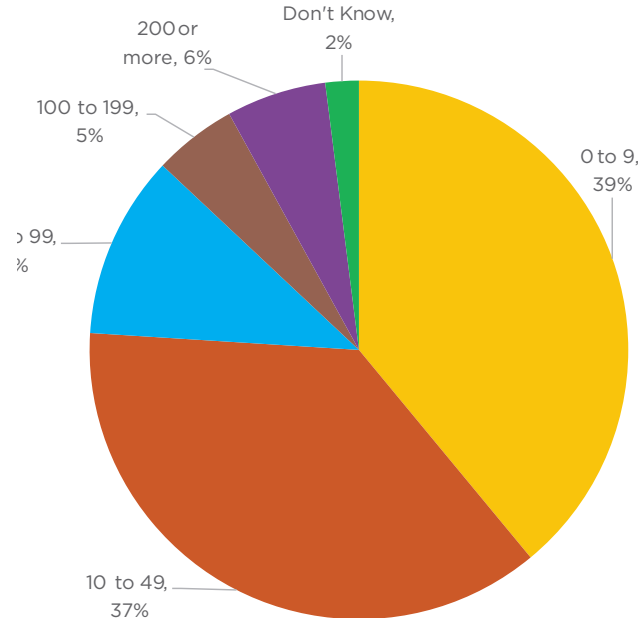
Dairy processors mainly operate small to medium size facilities:

-  The “average” processor in Canada has 76 paid positions, including both filled and vacant positions
-  72% of processors reported fewer than 50 paid positions at their facility
-  9% of processors reported 200 or more paid positions are their facility

* Includes both filled and vacant positions

N=89

Size of Processing Facilities, Paid Positions*



Employment Size



The “average” dairy processor has 76 paid positions at their facility



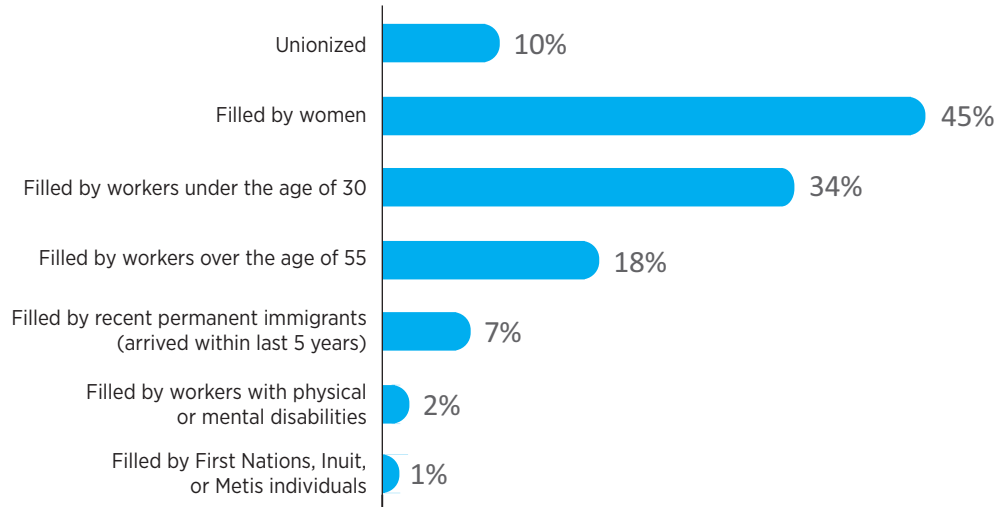
On average, nearly half (45%) of these paid positions are filled by women



A significantly lower portion are filled by workers with disabilities (2%) or Indigenous Peoples (1%)

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

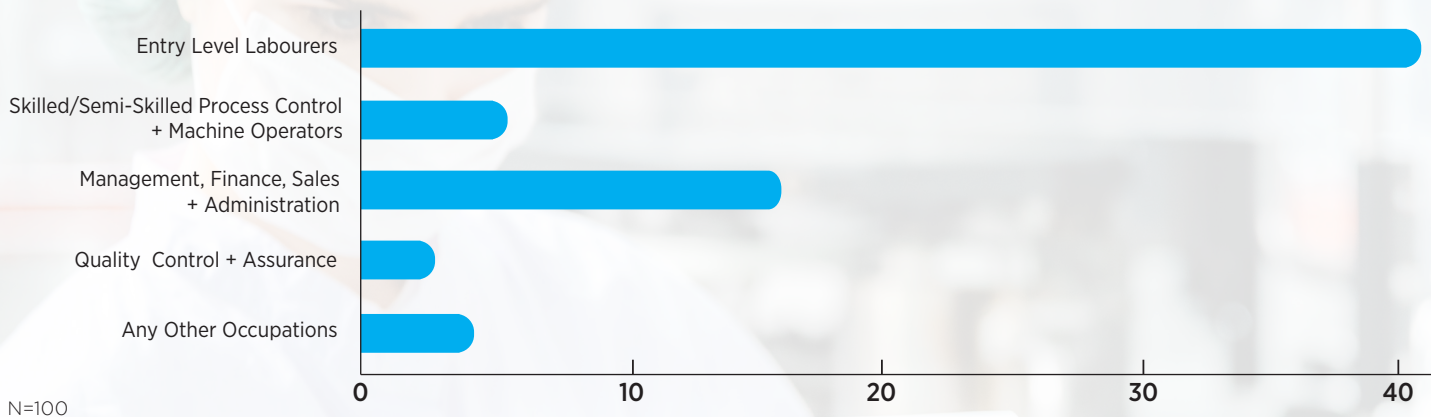
Average Paid Positions, Share (%) of Total



N=89

Employment by Occupation

Average number of people employed



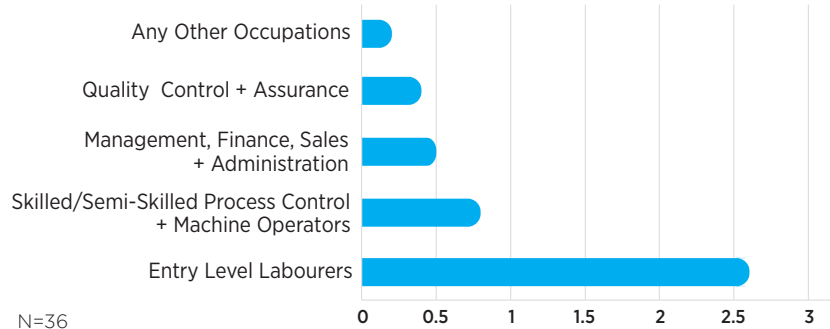
On average, entry level labourers account for the highest number of positions, vacancies and new hires



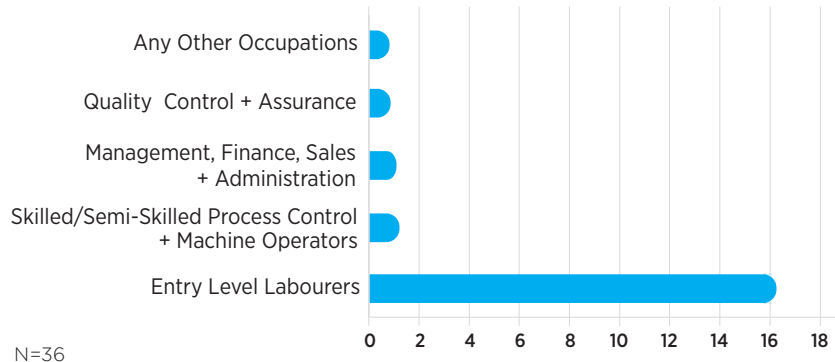
Most processors employ fewer than 10 workers across occupation groups

DAIRY PROCESSING WORKFORCE PROFILE

Average number of current vacancies in total



Average number of people hired in 2019



Highest level of Education Required



46% of Skilled/semi-skilled process control & machine operators (46%) are only required to hold a high school diploma



Four-in-ten (41%) say at least a university degree is required for management, finance, sales & administration positions



**Only a
high school
diploma is
required for
most entry level
dairy positions**



DAIRY PROCESSING WORKFORCE PROFILE

	High school diploma	College Diploma / Trade School	University Undergraduate Degree	University Postgraduate Degree	Certificate of Qualification - Skilled Trades / HACCP	None	Not Applicable	Don't Know
Entry level labourers (n=80)	69%	4%	-	1%	1%	18%	6%	1%
Skilled/semi-skilled Process Control & Machine Operators (n=76)	46%	37%	5%	1%	-	5%	4%	1%
Management, Finance, Sales & Administration	8%	28%	41%	13%	-	3%	5%	3%
Quality Control & Assurance (n=75)	19%	40%	28%	3%	1%	4%	3%	3%
Any Other Occupation (n=38)	39%	16%	11%	-	-	13%	11%	11%

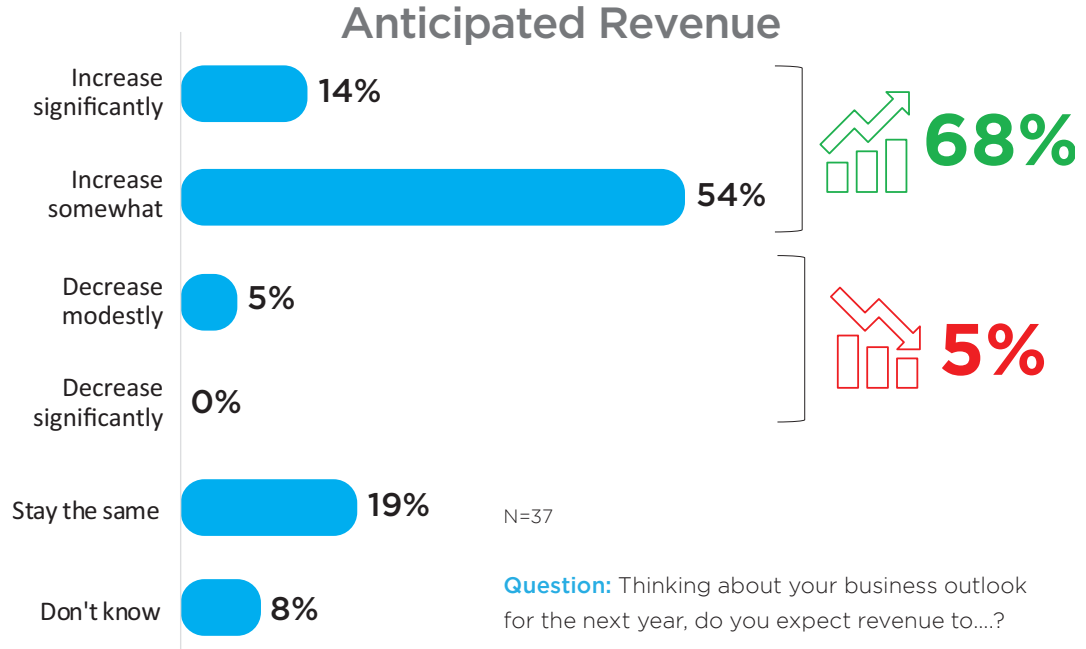
Business Outlook



Dairy processors are optimistic about the outlook of their business, as most (68%) anticipate an increase in revenue over the next year



Only 5% anticipate revenue will decrease, while nearly a fifth (19%) anticipate revenue will remain unchanged



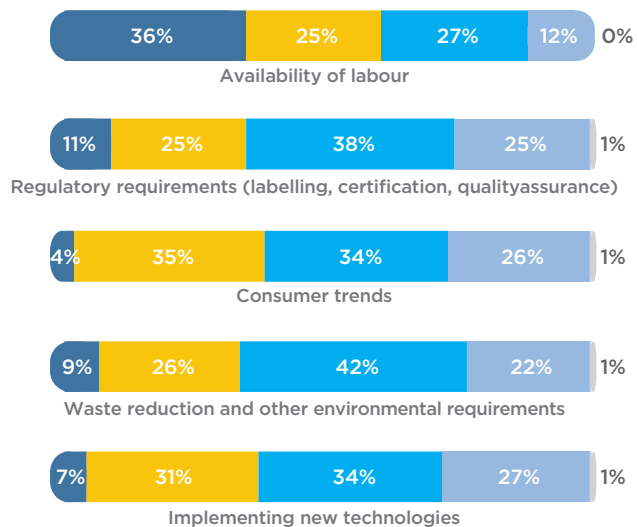
Business Challenges



The availability of labour is the most significant challenge within the industry, as approximately two-thirds of dairy processors identified this as at least somewhat of a challenge



Consumer trends (39%) and implementing new technologies (38%) were also viewed as challenges by a large share of processors



■ 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, 88% report some form of challenges recruiting or retaining qualified workers.

“ The majority (63%) of Canada’s dairy processors reported not being able to fill positions or chronic recruitment challenges. ”



Workforce Availability

36%

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

27%

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

25%

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


12%

Experiencing no significant challenges in recruiting or retaining qualified workers

N=89

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

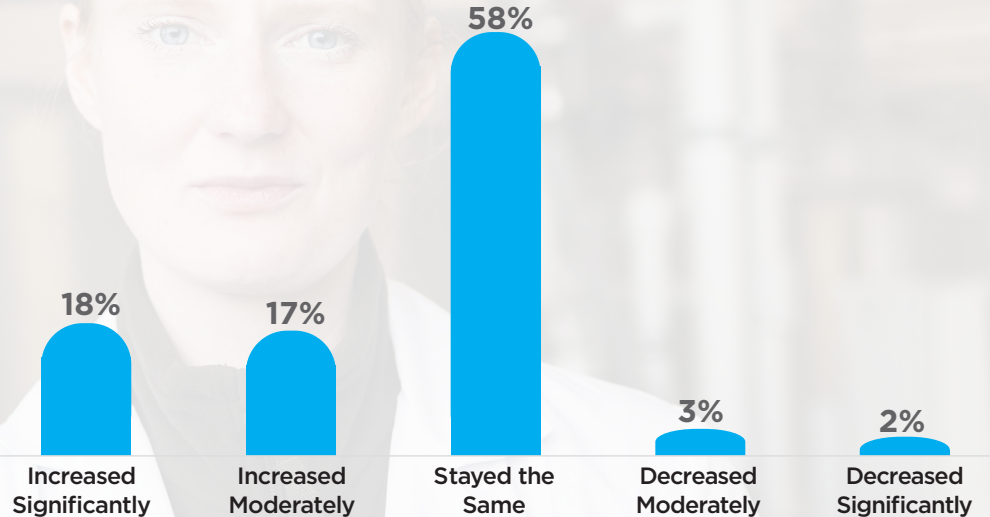
Recruitment Challenges

 58% reported these challenges have remained constant

 Only 5% reported recruitment challenges decreased over the past year

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

Workforce Availability



Dairy Roles Most Difficult To Recruit For



A clear majority (66%) of dairy manufacturers think production-related positions are the most difficult to recruit for

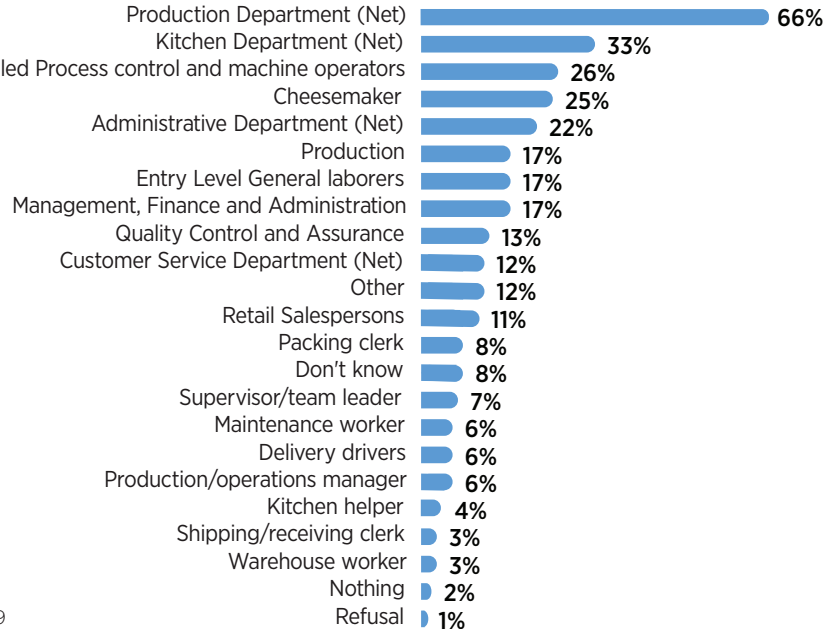


One-third (33%) find kitchen positions to be the most difficult to recruit for, while slightly fewer (22%) claim that administrative positions are most difficult



The most difficult roles to recruit for include cheese makers (25%) and skilled process control & machine operators (26%)

N=89



Human Resources



A lack of qualified applicants was viewed as somewhat of a challenge by 71% of dairy processors, the highest proportion across food & beverage sub-sectors

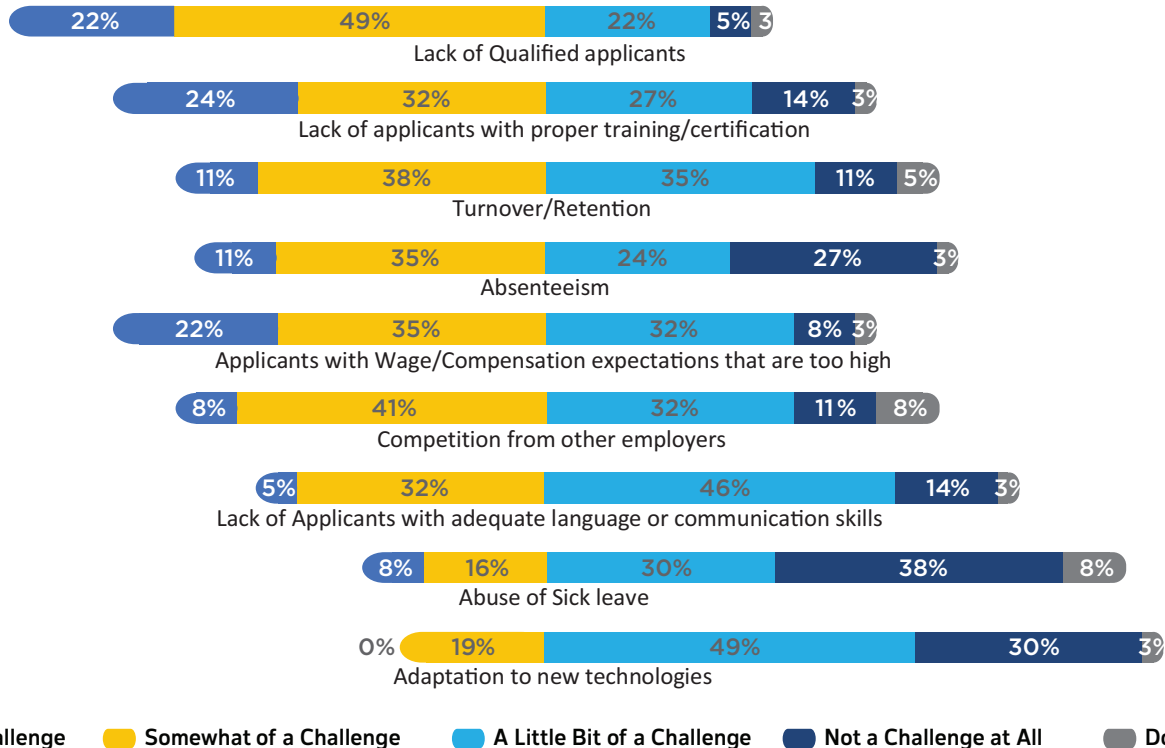


Applicants with compensation expectations too high (57%) and lack of applicants with proper training (56%) were also viewed as pressing issues



“ The majority of dairy processors (62%) report having a dedicated human resources staff or department. ”

WORKFORCE AVAILABILITY AND RECRUITMENT

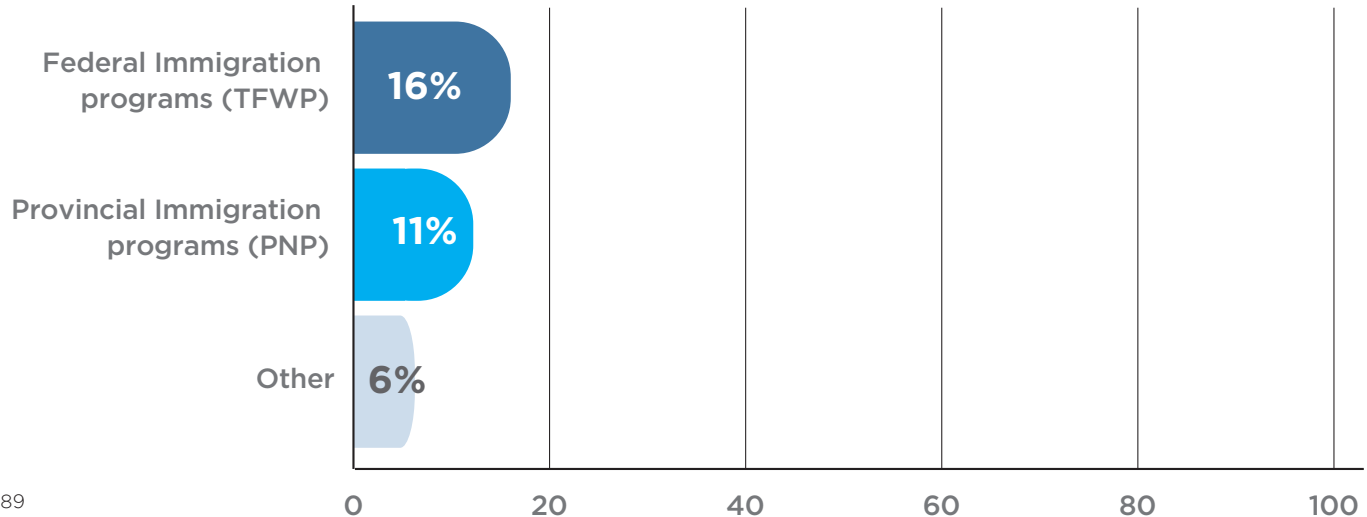


N=37

Immigration Programs

16% of Dairy processors reported utilizing the TFWP, while 11% reported utilizing the PNP program.

Utilization of Government Programs



N=89

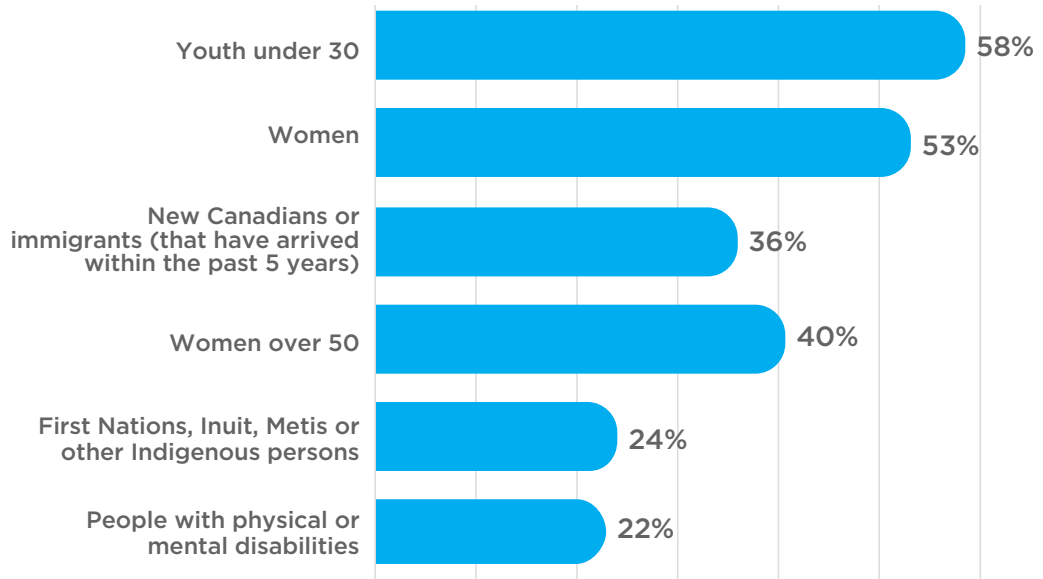
Underrepresented Groups



The majority of dairy processors reported making concerted efforts to recruit youth under 30 (58%) and women (53%)






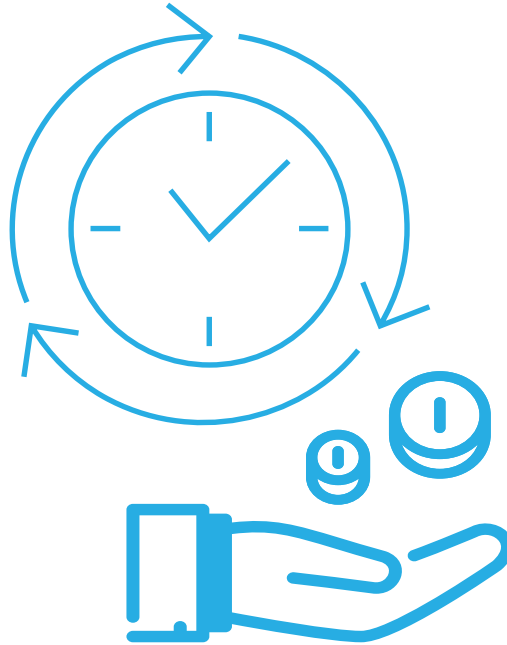
Recruitment efforts lagged behind for Indigenous Peoples (24%) and people with disabilities (22%)



N=89

In a Snapshot

-  Average hourly starting wages for frontline workers ranged from a low of \$13/hr to a high of \$28/hr across processors
-  Only 6% of processors pay front line workers \$20/hr or more
-  The majority (55%) of processors reported average hourly starting wages to be between \$15-\$17 per hour



\$16.10

Average hourly starting wage for an entry level front line worker

N=(89)

“ The majority (62%) of dairy processors reported offering benefits at their plant or organization ”



Nearly all processors (97%) provide employees with extended health or drug plans, paid days and sick leave were also frequently reported by 76% of processors

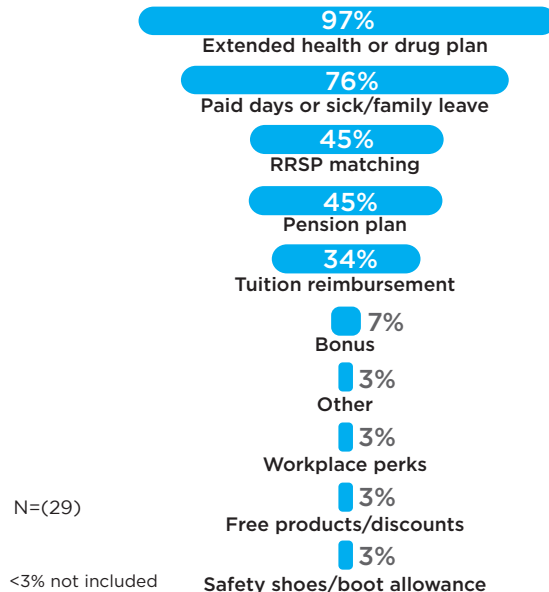


Nearly half of processors reported offering RRSP matching (45%) and pension plan (45%), while about one-third (34%) reported offering tuition reimbursement

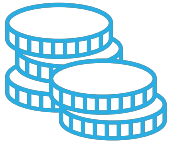


Less traditional incentives such as workplace perks, free products and allowances for safety shoes/boots were less frequently offered

Benefits Offered



In a Snapshot



\$25,538

Annual Training Budget



On average, dairy processors allocate \$25,538 in training per annum.



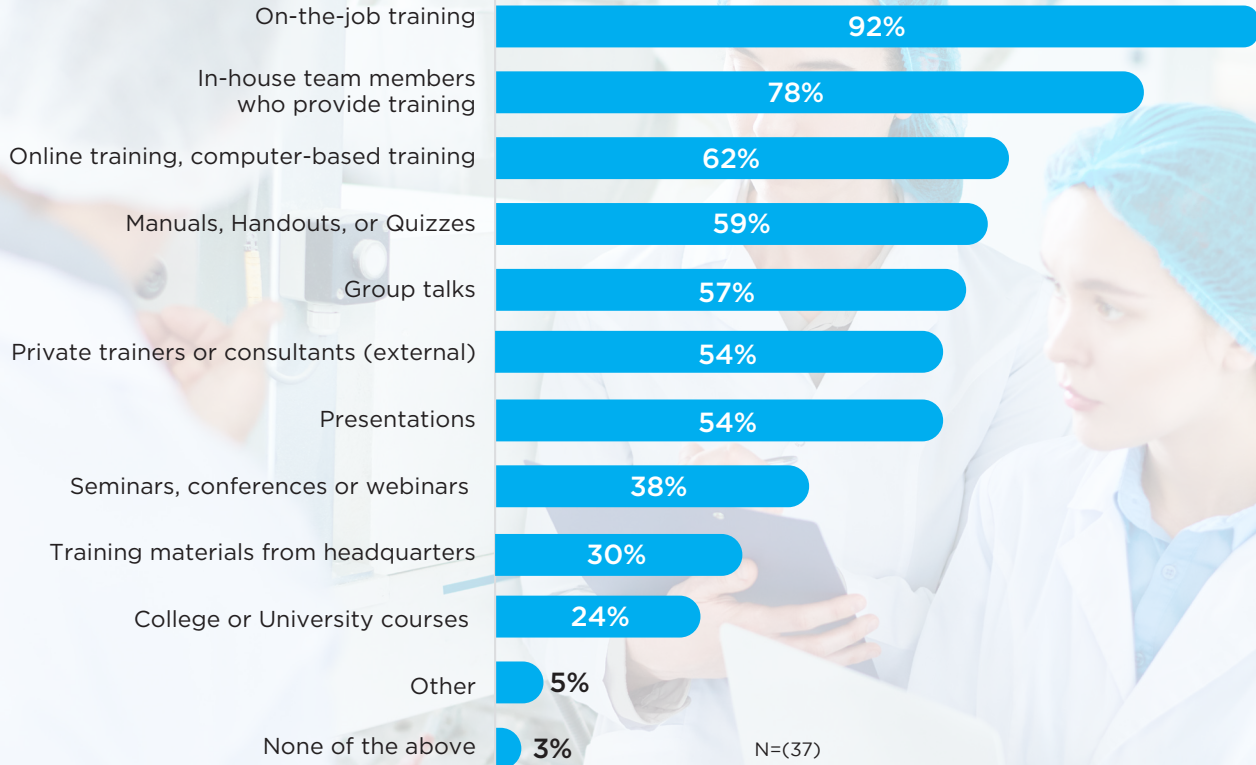
On average, this works out to approximately \$334 for each paid position



On-the-job training and in-house training are the most common training tools used in the sector



Training Tools



N=(37)

Automation in the Dairy Sector



38% of dairy processors reported moderate integration of automated production processes

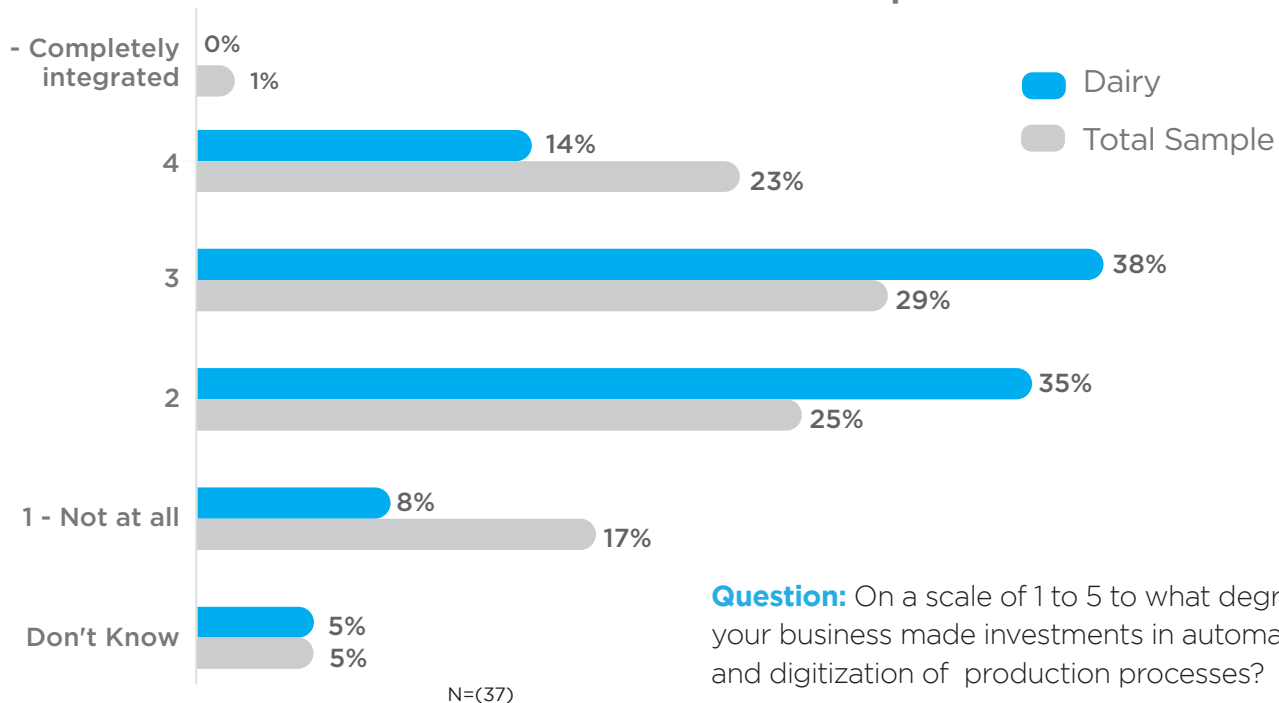


8% of processors reported no integration, significantly lower than the total sample



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

Level of Automation Adopted



Impact of COVID-19

Perceived Threat



The majority of dairy processors surveyed (92%) think COVID-19 poses at least some threat to their business, the majority which (50%) feel highly threatened by it

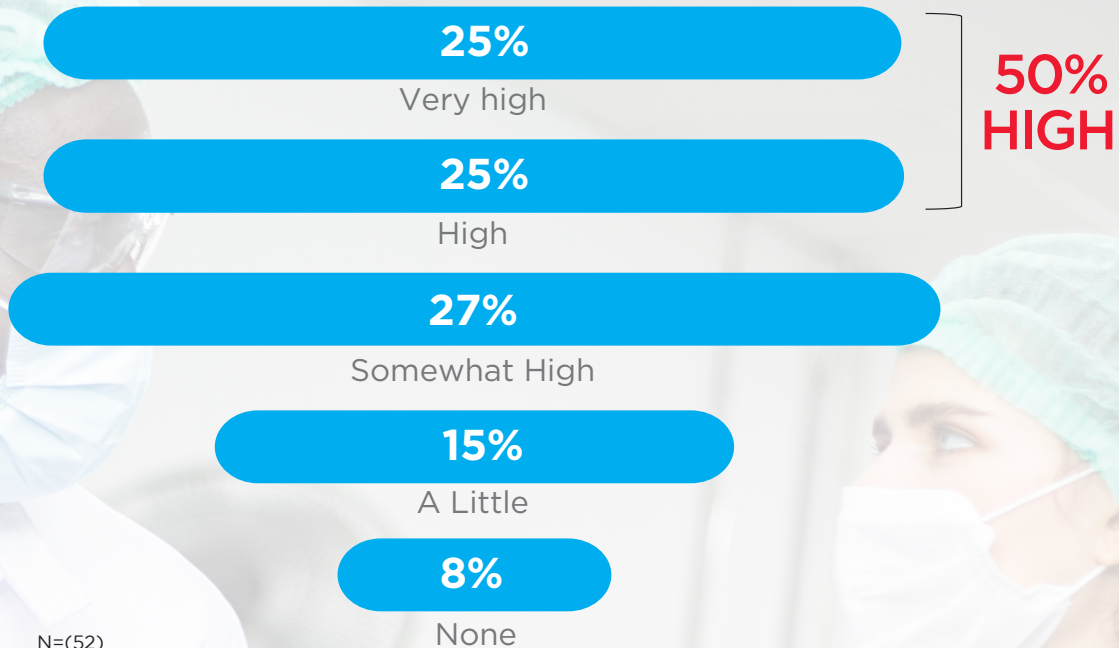


Dairy processors reported feeling higher threat levels than most other food and beverage processing sub-sectors



IMPACT OF COVID-19

Threat Level



N=(52)

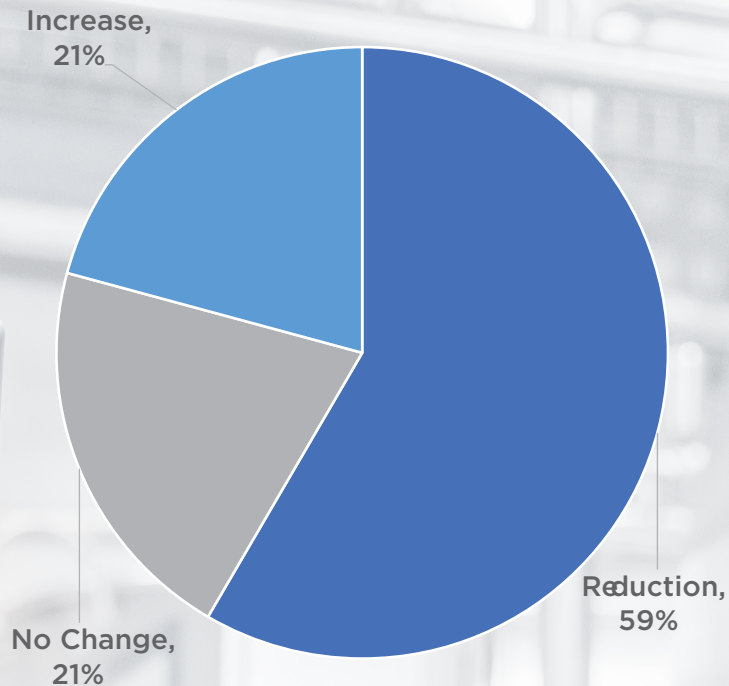
Impact of COVID-19 Production volumes



The majority of dairy processors surveyed (59%) reported reduction in production due to COVID-19



A fifth (21%) reported an increase in production volume due to COVID-19



N=(29)



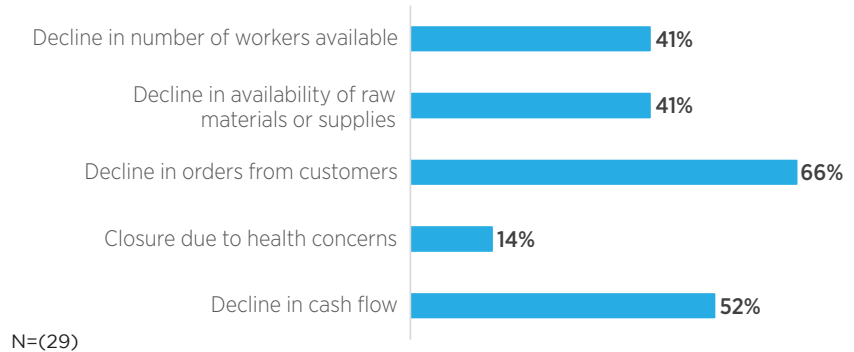
Impact of COVID-19

- Dairy processors have been impacted in many ways by COVID-19
 - Decline in customer orders has been the most notable impact, as reported by 66% of processors
 - Decline in cash flow was also reported by the majority of processors (52%)
- Dairy processors also took different approaches to dealing with COVID's impact
 - Approximately half of processors reported reducing workers hours (52%), allowing employees to work from home (48%) and conducting layoffs (45%)
 - Just 7% of processors reported an increase in outsourcing

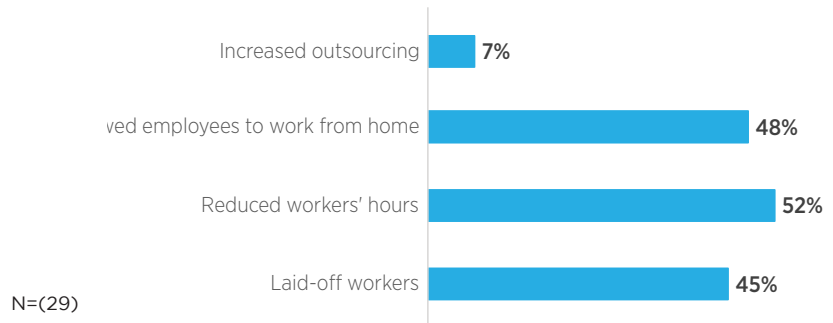
IMPACT OF COVID-19



Impact of COVID-19



Action Taken





SECURING CANADA'S **DAIRY** WORKFORCE



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