

# Securing Canada's FISH + SEAFOOD Work Force

## REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

### Acadian Peninsula New Brunswick



**FPSC**

FOOD PROCESSING  
SKILLS CANADA

COMPÉTENCES TRANSFORMATION  
ALIMENTAIRE CANADA



SECURING CANADA'S  
FISH + SEAFOOD  
WORKFORCE

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The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.

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**Food Processing Skills Canada**

201 – 3030 Conroy Road  
Ottawa, Ontario K1G 6C2  
Tel. (613) 237-7988  
Toll Free: 1-877-963-7472  
Fax: 613-237-9939

lmi@fpssc-ctac.com  
www.fpsc-ctac.com



**Canada** 

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# SUMMARY

## REGIONAL OVERVIEW

The Acadian Peninsula region is located in the North-East corner of New Brunswick on the Gulf of St. Lawrence. Key fishing and seafood processing communities include: Caraquet (pop. 3,108) and Shippagan (pop. 2,130) and smaller towns such as Bas-Caraquet, Lamèque and Grande Anse. Currently, median hourly wages for shellfish/fish labourers and plant workers are slightly lower than the provincial average and \$2 to \$3 per hour lower than C and D level occupations, including farm workers and fish deckhands. However, interviews with plants indicated that starting wages have gone up recently for plant workers and are now competitive with other labour positions in the region.

## LABOUR MARKET OVERVIEW

Regional labour market analysis suggests local seafood processing employment demand already exceeds available supply during peak periods, likely requiring significant numbers of workers from outside the region. The significantly higher vacancy rates (7.2%) in the food processing sector provincially suggests significant recruitment challenges. This is not expected to change over the forecast period and even average annual requirements are not likely to be met locally by 2026. Seasonal peaks in seafood processing employment in New Brunswick raise demands by a close to one-third (70%) above the annual average employment. Despite the current and projected tightening of the labour market for the region, interviews with some of the plant managers suggest that the seafood processing industry is remaining competitive and currently able to attract enough workers.

While population is expected to reach 81,500 by 2020 with average annual growth of just 0.1% in the coming decade, the average regional unemployment rate is expected to decline from 15% to under 10% as a result of the aging population and a decrease in the size of the labour force.

Seafood processing in the Acadian Peninsula region is expected to remain stable at about 2,600 workers in the near-term before increasing to almost 2,700 by 2030. Accounting for replacement demand (retirements or death), local processors will likely need to hire 1,500 workers over the same period, nearly 60% of the current workforce. This figure does not include turnovers, which can add significantly to total annual recruitment demands.



POPULATION  
**81,107**



LABOUR FORCE  
**42,191**

# LABOUR MARKET TIGHTNESS

The labour market tightness, calculated by estimating labour requirements in other sectors in the region and subtracting those requirements from the total labour force estimates, reveals that while seafood processors are currently able to meet many of their employment requirements, in the long-term they will likely have to increase their attempts to recruit workers to replace retirements and fill vacancies while trying to grow, remain competitive and increase productivity.

Labour Market Tightness Rating	2017	2018	2019	2020	AVG 2021 TO 2025	AVG 2026 TO 2030
Total	2	2	2	2	2	3
Lower-Skill	3	3	3	3	3	3

- 1 = Regional labour force meets seafood processing employment demand at annual average and peak employment levels
- 2 = Regional labour force meets seafood processing employment demand at annual average levels only
- 3 = Regional labour force does not meet seafood processing employment at annual average or peak levels

# 3

## SEAFOOD PROCESSING ESTABLISHMENTS



# 17<sup>1</sup>

## SEAFOOD PROCESSING EMPLOYMENT



# 2,587<sup>2</sup>

## HR CHALLENGES

While interviews with plant managers indicate that they are not currently facing labour shortages, an aging workforce and a younger labour force not interested in joining the industry will create shortages in the future.

## PROMISING PRACTICES AND INNOVATIONS

Collectively, employers in the region are trying various strategies to retain and attract workers, including offering competitive wages and benefits, transportation to and from work, access to cafeteria and free food, breaks during the workday and time off during peak season.

<sup>1</sup> The number of establishments is based on 2016 data from Statistics Canada's Business Register.

<sup>2</sup> Seafood processing employment is estimated based on 2016 Census data for the Campbellton-Miramichi economic region.

# 1.0 INTRODUCTION

This report is one in a series of 12 regional reports developed to provide detailed labour market information (LMI) for the fish and seafood processing industry in Atlantic Canada. The regionally focused LMI is one component of a broader study undertaken by Food Processing Skills Canada (FPSC) in collaboration with the Employment and Social Development Canada and various provincial and industry partners entitled *Securing Canada's Fish and Seafood Workforce: Real Challenges, Practical Solutions and Fresh Perspectives*.

The aim of the overall study is to identify the scope of human resource (HR) challenges for the Atlantic fish and seafood processing sector, and compile HR best practices that would help employers meet their labour force current and future needs. One important aspect of understanding HR challenges in the sector, some of which are region specific, was to gather detailed information and profiles of areas that rely heavily on fish and seafood processing for their local economies. Twelve regions across the four Atlantic provinces were selected for specific focus based on the amount of processing activity, and proportion of labour force working in the industry. The Acadian Peninsula Region in New Brunswick was selected as one of these regions for detailed focus.

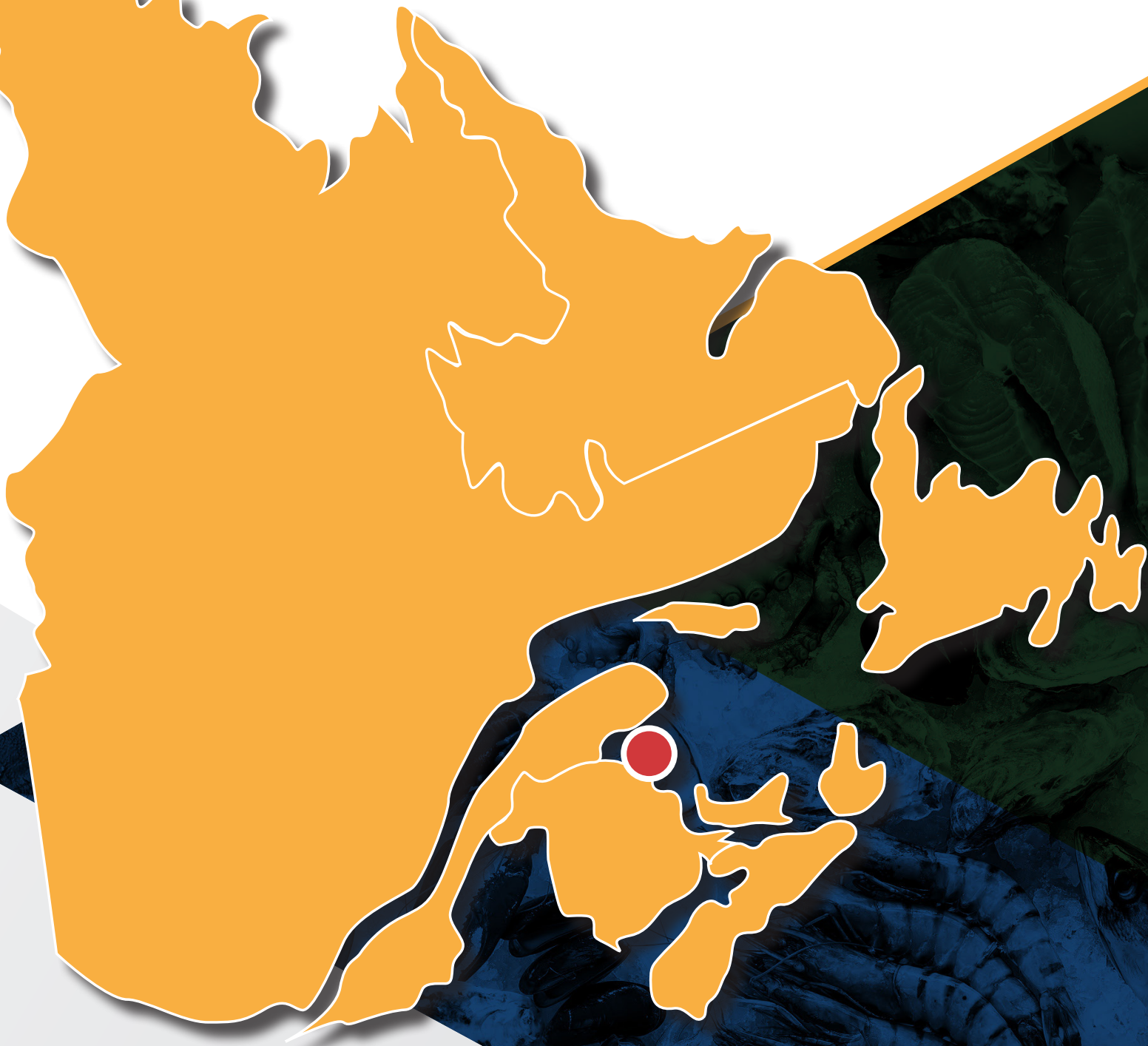
The initial sections of this report provide overviews of the Acadian Peninsula Region, fish and seafood processing overall in the province of New Brunswick, and specifically in the Acadian Peninsula region. This is followed by sections that provide an overview of the region's labour force, and the specific findings for the labour supply and demand, current and future. The final two report sections outline the HR challenges identified in the region, and some of the promising practices and innovative solutions that employers and communities are trying to address labour supply issues.

## THE STUDY METHODS USED TO DEVELOP THESE DETAILED REGIONAL PROFILES INCLUDED:

- ✓ Two robust econometric models that provide detailed quantifiable projections for both labour demand and supply at the regional level. This is the first time that these numbers have been produced at the regional, provincial and Atlantic levels for the fish and seafood processing industry;
- ✓ A broad survey of fish and seafood processing facilities (n=100) across the Atlantic provinces covering approximately 69% of the industry workforce; and
- ✓ Qualitative information focused on themes and issues collected through site visits and interviews with plant managers, employees, unions and community stakeholders. For the Acadian Peninsula Region, the study team collected information from three large plants (more than 200 employees) with different types of product and processing.

**REAL  
CHALLENGES,  
PRACTICAL  
SOLUTIONS  
AND FRESH  
PERSPECTIVES**

## 2.0 OVERVIEW OF THE ACADIAN PENINSULA REGION



### 2.1 GEOGRAPHIC LOCATION

The Acadian Peninsula region is located in the North-East corner of New Brunswick on the Gulf of St. Lawrence. Key fishing and seafood processing communities in the region include Caraquet (pop. 3,108) and Shippagan (pop. 2,130), along with additional smaller communities also heavily involved in fish and seafood processing (e.g., Bas-Caraquet, Lamèque, Grande Anse). Bathurst (pop. 15, 557) is the closest regional centre at approximately 70 kilometres from Caraquet.

## 2.2 POPULATION CHARACTERISTICS

The population of Acadian Peninsula Region is aging and not expected to grow substantially over the next decade. Compared to the province overall, the population has proportionally lower numbers of immigrants, visible minorities and non-Canadian citizens, but similar proportions of people identifying as Aboriginal (according to Census definitions).

The overall population for the region in 2017 was 81,107. According to Census 2016 profiles, the proportions of immigrants (1.3%), visible minorities (1.0%), and non-Canadian citizens (0.6%) are substantially lower than those overall for New Brunswick, but there is a similar proportion of the population that identify as Aboriginal according to Census definitions (3.9%) (see Table 1).

CHARACTERISTIC	ACADIAN PENINSULA	NEW BRUNSWICK
<b>Female</b>	<b>39,520</b>	<b>381,745</b>
<i>Share of Population</i>	<b>49.5%</b>	<b>51.1%</b>
<b>Immigrants</b>	<b>1,015</b>	<b>33,810</b>
<i>Share of Population</i>	<b>1.3%</b>	<b>4.6%</b>
<b>Not Canadian Citizens</b>	<b>460</b>	<b>19,930</b>
<i>Share of Population</i>	<b>0.6%</b>	<b>2.7%</b>
<b>Visible Minorities</b>	<b>790</b>	<b>24,535</b>
<i>Share of Population</i>	<b>1.0%</b>	<b>3.4%</b>
<b>Aboriginal Identity</b>	<b>3,035</b>	<b>29,380</b>
<i>Share of Population</i>	<b>3.9%</b>	<b>4.0%</b>

TABLE 1: ACADIAN PENINSULA POPULATION CHARACTERISTICS - SOURCE 2016 CENSUS

According to projections, the population levels are expected to slightly increase over the upcoming 13 years (81,107 in 2017 and then 82,273 by 2030). Although the total population will grow slightly, it will be an aging population with the proportion of the age cohort 65 years or older rising from 24.4% in 2017 to approximately 33% by 2030 (see Figure 1). While population growth will be negatively impacted by the continued aging of the population and increased number of deaths, this will be countered to some extent by a predicted continuation of a pattern of net in-migration of approximately 4,300 people by 2030 (see Figure 2).





FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

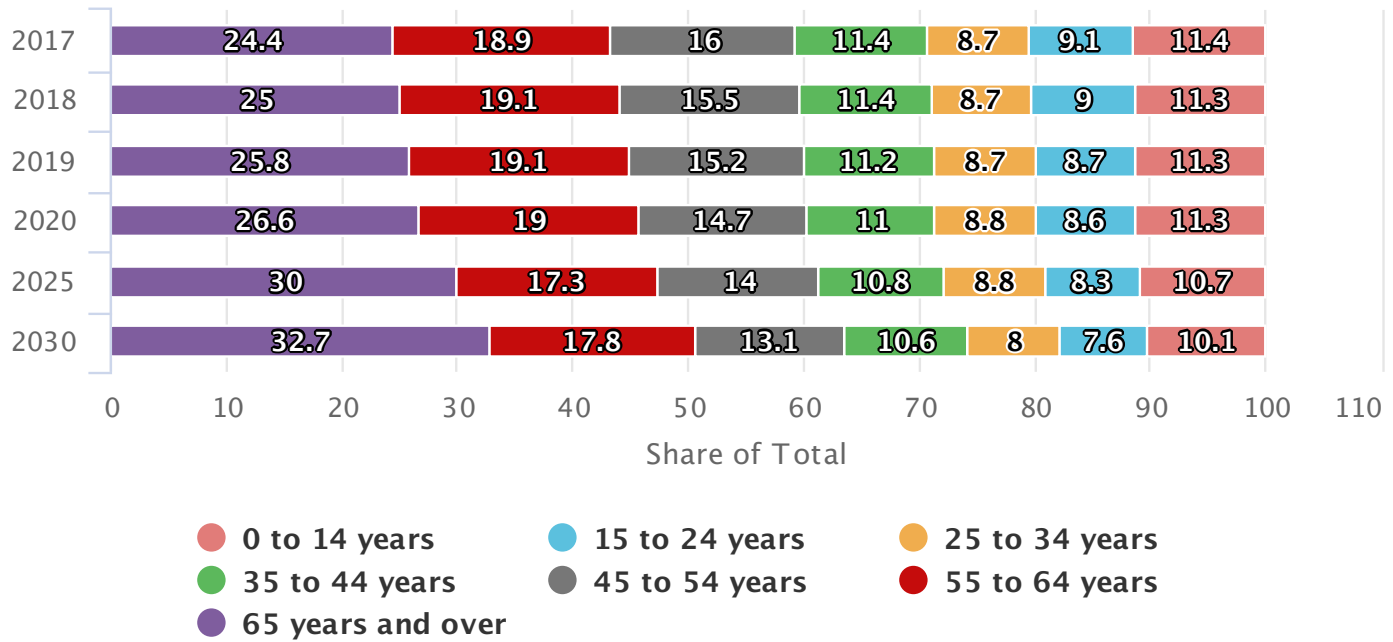


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

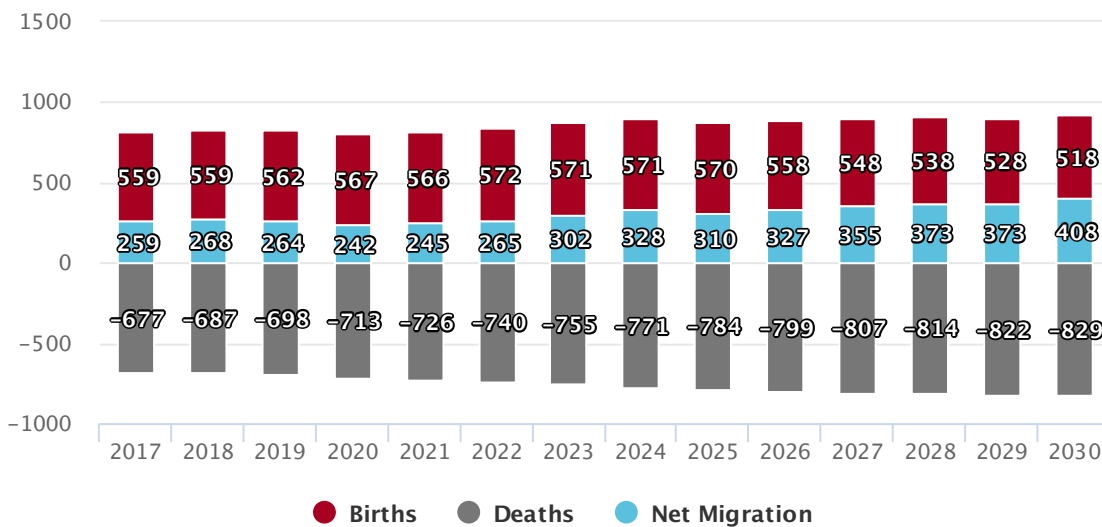
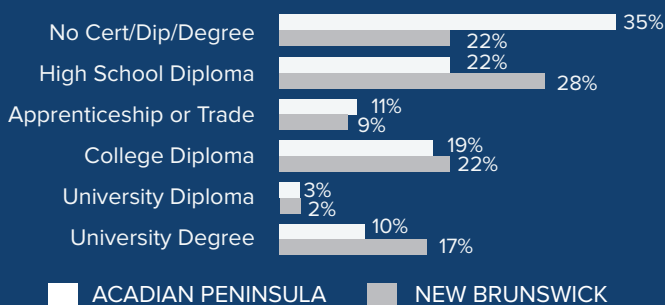
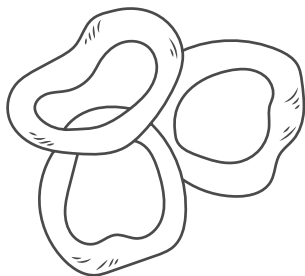


FIGURE 3: EDUCATIONAL ATTAINMENT - ACADIAN PENINSULA AND NEW BRUNSWICK



The overall education level of the region's residents is somewhat lower when compared with New Brunswick overall (see Figure 3). Thirty-five per cent (35%) do not have a high school diploma (vs. 22% for the province), and 10% (vs. 17% for the province) have a university degree (bachelor's level or greater). From interviews, it was determined that part of this may be attributable to the ongoing out-migration from the region into often more urban centres by younger people who often have higher levels of education than older cohorts. This corresponds also to the aging demographics for the region.

# 3.0 OUTLOOK OF NB FISH AND SEAFOOD PROCESSING



## 3.2 NEW BRUNSWICK SEAFOOD PRODUCT OUTLOOKS

Seafood processing real GDP is forecast to expand by 0.2% on average over the 2018-2021 period, then the pace of growth is expected to quicken to 1.1% on average over 2022-2026 and 2027-2030. Overall consumption growth is expected see a reversal from an outright decline over 2013-2017 to increasingly positive albeit slow growth as consumer demand for prepared fish products improves. International exports are expected to rise slowly over the forecast period as export market growth is modest, but on the positive side of the ledger, trade agreements will encourage market penetration in the European Union and in the members of the TPP trade pact. Interprovincial exports are expected to improve modestly as consumer demand in other provinces gain from the trend toward more processed fish consumption. Interindustry demand also improves as the demand for prepared fish inputs rises, primarily as a result of increased provincial food production.



## 3.1 OVERALL PROVINCIAL ECONOMIC OUTLOOK

GDP in New Brunswick grew by 1.9% in 2017, boosted by strong government capital investment and current spending. As government investment enters its downward phase in the next few years, growth in business investment helps to offset its effect on GDP. The result is average overall growth of 0.8% during 2017-21. In the long term, the tightening labour market drives up wages and personal income growth, which in turn stimulates consumer expenditures. Business investment also drives growth in the long term, as investment related to the Mactaquac hydro dam replacement ramps up. GDP growth averages 1.1% per year over 2022-2026 and 1% over 2027-2030.

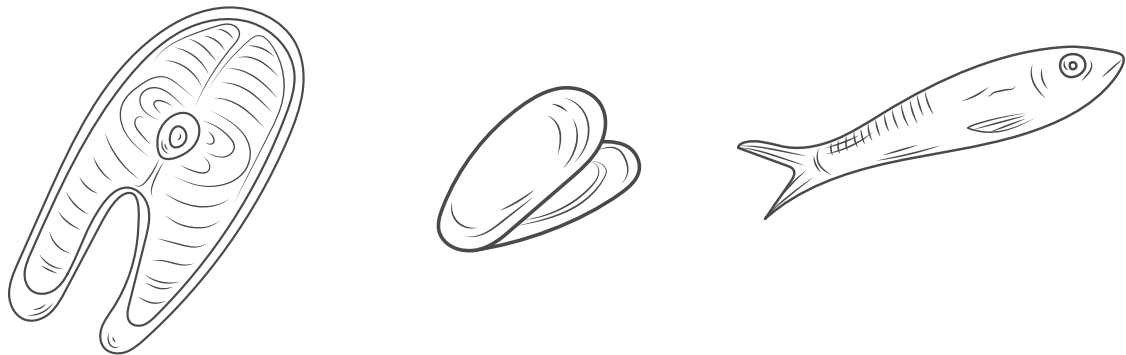
TABLE 2: NB PREPARED SEAFOOD END MARKET GROWTH (ANNUAL AVERAGE % CHANGE)

END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.7	0.1	0.4	0.6
International Exports	0.3	0.1	1.1	1.1
Interprovincial Exports	-0.2	0.5	0.6	0.8
Interindustry Demand	2.8	1.0	0.7	0.5
Imports	-0.7	0.1	0.4	0.6
Total End Market Demand	0.6	0.2	1.1	1.1

### 3.3 SEAFOOD PROCESSING EMPLOYMENT OUTLOOK FOR NB

Seafood processing employment is expected to rise from current levels of 5,200 workers to 5,400 jobs by 2030 assuming the industry can sustain assumed productivity gains. Production labour (processing and plant workers) constitute nearly 6-in-10 (62%) jobs. Labour productivity (GDP per hour worked) is forecast to average 0.2% over the projection period. Coupled with seafood processing real GDP growth, this means that total hours of work are forecast to rise by 0.0% on average over 2018-2021, and then increase by 0.8% over 2022-2026 and 2027-2030. Average hours worked per employee is forecast to rise by 0.3% on average over the projection period, which leads to the total number of jobs falling by 0.3% over 2018-21, and then rising by 0.5% over 2022-2026 and 2027-2030.

Replacement demands (deaths and retirements) are expected to total 2,245 between 2017 and 2030. Taking account of both replacement and expansion demands, the industry will likely need to hire just over 2,550 new workers, or (46%) of the current workforce over the next 13 years. These hiring requirements are net numbers of new workers and do not include annual hiring requirements due to turnover.



# 4.0 ACADIAN PENINSULA FISH AND SEAFOOD PROCESSORS

## 4.1 EMPLOYERS

The region hosts 17 processors ranging in size, species processed and types of processing.

Overall, there are 17 fish and seafood processing establishments in the Acadian Peninsula Region<sup>3</sup>. Species processed include a range such as lobster, crab, salmon, shrimp and herring. As noted on the map in Section 1, most of these establishments are relatively small (under 50 employees) with a few notable larger facilities. Most of the plants operate on a seasonal basis but have been implementing strategies to extend the season from 12 to 14 weeks to 9 to 12 months. According to the register of workers in seafood processing plants, approximately 8% of workers work in more than one plant.<sup>4</sup>

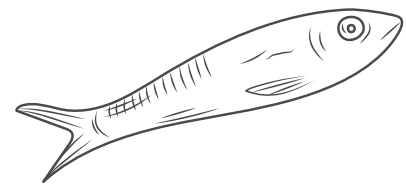


**THE CURRENT INDUSTRY WORKFORCE IS MORE THAN 4,300 WORKERS AT PEAK SEASON WITH APPROXIMATELY HALF OF THE EMPLOYERS BEING LABOURERS AND ONE-QUARTER BEING PLANT WORKERS.**

## 4.2 WORKERS

### 4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the fish and seafood processing sector in the Acadian Peninsula Region in 2017 was 2,587 on average and rising to 4,382 at peak season<sup>5</sup> representing between 6% and 10% of the labour force on average and during peak season respectively (see Table 3). Half of all employed during the peak season (50%) are labourers (NOC 9618) approximately one-quarter (24%) are plant workers (NOC 9463). This distribution was confirmed during interviews where it was indicated that the majority of positions do not require previous experience or training. The plant worker jobs generally require some experience in the industry (6-12 months) with on-the-job training (e.g., operating specific pieces of equipment). While a high school diploma is often preferred, it is often not necessary to secure a starting position, according to the plant and HR managers interviewed for the study.



#### FOOTNOTES

- 3 Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.
- 4 Gouvernement de Nouveau Brunswick, Ministère de l'Éducation postsecondaire, de la Formation et du Travail. Registre – Travailleurs et travailleuses d'usine de la transformation des produits marins, Péninsule Acadienne, édition 2017. Caraquet, janvier 2018.
- 5 Average employment refers to average monthly employment over the calendar year, while peak employment is the average number employed during the month with the highest employment during the year.

TABLE 3: PROFILE OF WORKERS BY OCCUPATIONS FOR ACADIAN PENINSULA REGION - 2017 (AVERAGE & PEAK)

	AVG 2017 (#)	AVG 2017 (%)	PEAK 2017 (#)	PEAK 2017 (%)	EXTRA NEEDED FOR PEAK
<b>Total Employment</b>	2,587	100%	4,382	100%	1,795
<b>FOUNDATIONAL (NOC 9618)</b>					
Shellfish Processing Labourer	789	30%	1,578	36%	789
Fish Processing Labourer	316	12%	632	14%	316
<b>INTERMEDIATE (NOC 9463)</b>					
Shellfish Plant Worker	364	14%	727	17%	363
Fish Plant Worker	147	6%	294	7%	147
<b>SUPERVISORY (NOC 9213)</b>					
Supervisors	121	2%	121	3%	0
<b>MANAGEMENT (NOC 0911; 0016)</b>					
Management	64	2%	64	1%	0
<b>OTHER CATEGORIES</b>					
Maintenance	92	4%	111	3%	19
Skilled Trades	122	5%	147	3%	25
Quality Control Technician	18	1%	22	1%	4
Office Staff	110	4%	110	3%	0
Other Occupations	442	17%	575	13%	133

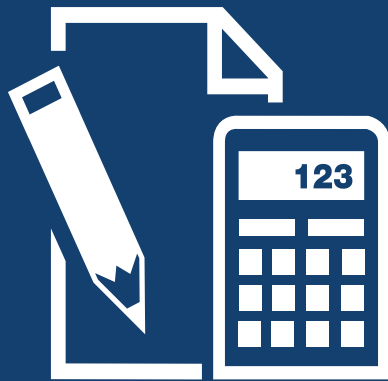
\* This includes occupations in areas such as transport, logistics and material handlers that do not fall within the main NOC codes identified above.



**AN ESTIMATED 27%  
OF WORKERS ARE  
UNIONIZED IN THE  
REGION.**

#### 4.2.2 UNIONIZATION

Workers at four of the plants in the area (out of a total of 17 establishments) are unionized (USW, Unifor) with approximately 1,160 members across the four establishments. Assuming most of the members are within the labourer and plant worker groups (NOC 9618; NOC 9463), this would represent an approximate 27% unionization rate among workers for the region during peak season (i.e.,  $1,160/4,382 = 27\%$ ).



### 4.2.3 WAGES

Median hourly wages for shellfish/fish labourers and plant workers are slightly lower than the provincial average and \$2 to \$3 per hour lower than C and D level occupations such as farm workers and fish deckhands in the broader economic region of Campbellton-Miramichi, while approximately \$1 higher than positions in retail and food services.



TABLE 4: WAGE LEVELS FOR SELECTED OCCUPATIONS - 2017 (\$/HOUR)

	Low Wage (10th percentile)	Median Wage (50th Percentile)	High Wage (90th percentile)
<b>Shellfish/Fish Processing Labourer (NOC 9618)</b>			
Campbellton-Miramichi Region (NB)	11.55	12.50	14.29
All New Brunswick	11.55	13.35	15.40
Moncton-Richibucto Region (NB)	11.55	13.00	16.84
Saint John – St. Stephen Region (NB)	11.75	14.49	18.00
<b>Shellfish/Fish Plant Worker (NOC 9463)</b>			
Campbellton-Miramichi Region (NB)	11.77	12.55	14.00
All New Brunswick	11.25	12.75	19.26
Moncton-Richibucto Region (NB)	11.25	12.00	16.85
Saint John – St. Stephen Region (NB)	11.93	14.42	15.85
<b>Other C&amp;D Level Occupations Campbellton-Miramichi Region (NB)</b>			
Farm Worker (NOC 8431)	12.29	16.00	20.00
Deckhand, Fishing (NOC 8441)	12.50	15.00	21.43
Retail Sales (NOC 6421)	11.25	11.50	19.50
Food Services (NOC 6711)	11.25	11.25	17.58
Cashier (NOC 6611)	11.25	11.25	13.50

Source: Employment and Social Development Canada – Job Bank – Labour Market Information

# 5.0

## REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE NUMBERS ARE SLIGHTLY MORE THAN 42,000. APPROXIMATELY ONE-FIFTH OF THE ADULT POPULATION WORKED IN A FULL-YEAR, FULL-TIME POSITION IN 2015.



The median hourly wage for shellfish/fish labourers (NOC 9618) in the Campbellton-Miramichi Region<sup>6</sup> of New Brunswick in 2017 was \$12.50/hour (see Table 4). The median wage for shellfish/fish plant workers (NOC 9463) was very similar at \$12.55/hour. These wage rates are both slightly lower than the provincial median rates (\$13.35/hour and \$12.75/hour respectively) for these occupations and lag the median wages of the other regions in the province for which data is available. The exception is Moncton-Richibucto where the median hourly wage for shellfish/fish plant workers is lower (\$12/hour). To provide context, the minimum wage in New Brunswick in 2017 was \$11/hour.

When compared with other C&D level occupations in the same region, the median wages for shellfish/fish labourers and plant workers were generally lower by approximately \$2 to \$3 per hour for farm workers and fish deckhands. On the other hand, the median wages of shellfish/fish labourers were approximately \$1/hour greater than those positions generally observed in retail and food services.

According to the interviews with managers, the wages offered in the Acadian Peninsula region tend to be aligned with the higher wages observed in the region, as the entry level wage most commonly reported ranges between \$14/hour and \$15/hour with a bonus of \$1/hour after 44 hours of work completed. Once other benefits and experience are taken into account, wages per hour can represent \$17 to \$22/hour. Bonuses are not used in all plants as it depends on the species being processed. This type of compensation was not mentioned in the interviews for plants processing crab or lobster, but it is used for herring allowing for salaries to be much higher (\$30+/hour) for top performers.

<sup>6</sup> The Campbellton-Miramichi Region of New Brunswick includes the Acadian Peninsula Region as well as some additional areas. Reliable wage data was only available for this slightly larger region.

<sup>7</sup> Information available for Gloucester that encompasses Acadian Peninsula as well as the City of Bathurst.

<sup>8</sup> David Campbell, Jupia Consultants Inc. for the New Brunswick Multicultural Council (2018). The Bathurst and Chaleur Region in 2030.

## 5.1 OVERVIEW OF LOCAL LABOUR FORCE

### 5.1.1 SIZE OF LABOUR FORCE, MAIN SECTORS AND WORK PATTERNS

The overall size of the labour force for the region in 2017 was estimated at 42,191 (out of a total population of 81,107). The largest proportions of the labour force for the Gloucester census division of New Brunswick<sup>7</sup> work in retail trade (13%), health and social services (15%) and manufacturing (9% - includes fish and seafood processing).<sup>8</sup>

According to Census 2016 data, only one-fifth (21%) of the population 15 years or older worked full time for the full-year (see Figure 4). A larger proportion worked part of the year and/or part time (39%), while a similar proportion (40%) reported not working in 2015. This is consistent with the information collected from interviews that indicated that much of the private sector-based employment in the region is seasonal (e.g., tourism, retail, fish harvesting, agriculture), so it is challenging for people to find full-time, year-round employment, which is often more characteristic of the public-sector opportunities in the area (e.g., health, education).

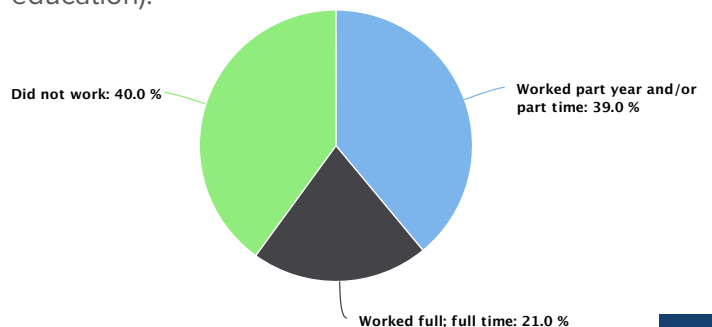


FIGURE 4: WORK PATTERNS (15 YEARS AND OLDER) - ACADIAN PENINSULA REGION



TABLE 5: AVERAGE MONTHLY EI CLAIMANTS FOR ACADIAN PENINSULA REGION – 2014 TO 2016 <sup>9</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
<b>Total (All Occupations)</b>	<b>9,370</b>	<b>9,013</b>	<b>9,050</b>	<b>8,700</b>	<b>6,817</b>	<b>5,963</b>	<b>7,237</b>	<b>7,240</b>	<b>6,907</b>	<b>7,297</b>	<b>7,943</b>	<b>9,123</b>
Skill Level C & D*	5,993	5,810	5,857	5,703	4,400	3,767	4,653	4,697	4,440	4,763	5,173	5,823
Food Processing**	1,123	1,130	1,100	1,043	670	533	890	887	853	987	1,027	1,130

\*includes intermediate jobs that usually call for high school and/or job-specific training (Skill Level C) and labour jobs that usually give on-the-job training (Skill Level D)

\*\*includes the following occupations: manufacturing managers (NOC 0911); bakers (6,332); retail salespersons (6421); material handlers (7,452); food and beverage processing supervisors (9,213); industrial butchers and meat cutters (9,462); fish and seafood plant workers (9,463); food and beverage processing labourers (9617)

Source: Employment and Social Development Canada 2017

9 Monthly EI beneficiaries as reported in the table represent the average number of beneficiaries in the month between 2014 and 2016.

## 5.1.2 UNEMPLOYMENT

The unemployment rate for the region in 2017 was 14.7% on average, but monthly the rate experiences considerable fluctuations from a low of 1.2% to a high of 27.7%. According to Census data, more than one-quarter (27.4%) of the population 15 years or older who had income, received regular Employment Insurance (EI) payments at some point in 2015.

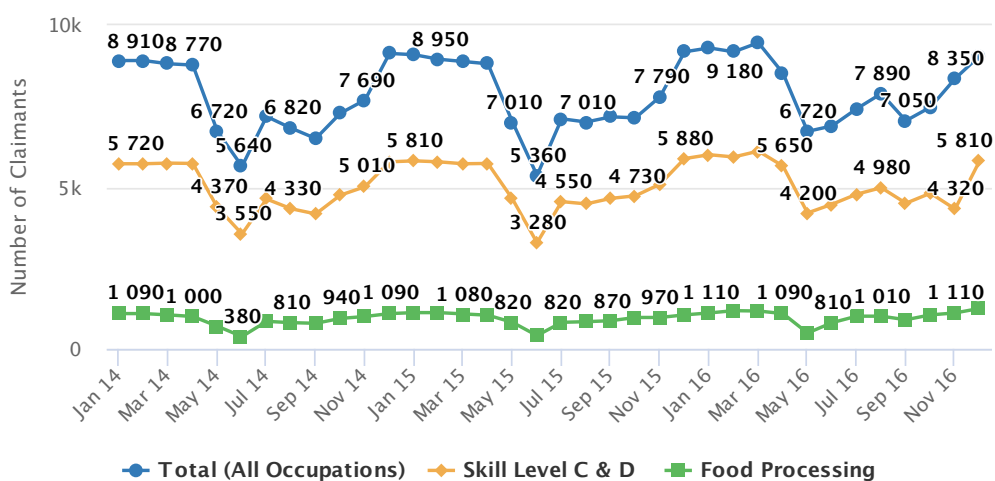
According to EI data provided by ESDC for the region, the average monthly number of EI claimants in food processing sectors across three years demonstrates the seasonality of the number of EI claimants ranging from an average low of 533 in the month of June to more than 1,100 in December, January and February (see Table 5). Figure 5 also demonstrates the seasonality of the number of EI claimants with the cyclical pattern illustrated to be similar across the three years of available data (2014-2016) with slightly higher numbers of claimants occurring in 2016 (+2.2% for overall claims on an annual average for this period; +6.2% for food processing).



**THE AVERAGE UNEMPLOYMENT RATE FOR THE REGION IN 2017 WAS 14.7%, WITH CONSIDERABLE MONTHLY FLUCTUATIONS GIVEN THE SEASONALITY OF MANY OF THE INDUSTRIES.**



FIGURE 5: MONTHLY EI CLAIMANTS FOR ACADIAN PENINSULA REGION – 2014 TO 2016



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The Esgenoopeitj First Nation has become quite active in seafood processing as they have owned Pêcheries Baie Chaleurs in Caraquet since 2013. They are undergoing a major plant renovation that will increase automatization and allow them to diversify their products.

## 5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

The proportion of immigrants in the Acadian Peninsula Region is lower when compared with New Brunswick overall (1.3% vs. 4.6%). The TFWP is not a significant source of labour for the region’s plants and in 2017, just one plant was using the program. Plant managers interviewed indicated that they are not facing issues finding employment suitable for their needs. One reason being that the plants in the region tend to be smaller than in other parts of the province. Another reason suggested was that the industry does not face direct competition with other industries to attract workers. Most of the competition for the labour supply is within the industry with plants competing with one another to attract workers. Some plant representatives indicated that there is a strong tradition of working in the plants for the local population, and less mobility among the labour pool.

“

Currently, recent immigrants and temporary foreign workers play a limited role in addressing labour supply issues in the fish and seafood processing industry in the Acadian Peninsula Region.

## 5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

There are two First Nations groups with communities near the Acadian Peninsula region. The Pabineau First Nation has a community close to the city of Bathurst; and the Esgenoopeitj First Nation has two communities near Burnt Church and two near Caraquet, with a total on-reserve population of approximately 1,440. There are two additional communities with an on-reserve population of approximately 1,000 people near Miramichi: The Eel Ground First Nation and the Metepenagiag Mi’kmaq Nation. These two last communities are further away from the Acadian Peninsula region (approximately two hours from Caraquet).

The Esgenoopeitj First Nation has become quite active in seafood processing as they have owned Pêcheries Baie Chaleurs in Bas-Caraquet for approximately five years. The plant processes crab and herring. It employs 225 workers, with approximately one-quarter being First Nations. One challenge for retention of First Nations workers is related to the distance between their community and the plant (approximately 80 km). To reduce this issue and increase retention, the company has built residences for their workers. At the time of the interviews, they were in the midst of constructing a new plant, acquiring new machinery and automating. In addition to further diversifying the species processed, the new plant will allow them to extend the season to eight to 10 months out of the year. This First Nations group is also involved in harvesting and supplies other processing plants in addition to Baie Chaleurs. Other processing plants in the region indicated in the interviews that they do not have many Indigenous employees in their workforce, as these individuals prefer to work at Pêcheries Baie Chaleurs.

# 6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

## 6.1 LABOUR MARKET TIGHTNESS

THERE IS CURRENTLY AN INSUFFICIENT LOCAL LABOUR FORCE TO MEET THE REGION'S LABOUR REQUIREMENTS (FOR ALL INDUSTRIES) LEAVING AN OVERALL POTENTIAL GAP, WHICH OCCURS DURING PEAK PERIODS. THIS TREND IS EXPECTED TO CONTINUE TO GROW THROUGH TO 2030, TO EXTEND GAPS INTO THE AVERAGE, NON-PEAK SEASONS AS WELL. THE PREDICTED SHORTAGES DURING THE PROCESSING PEAK SEASON TEND TO COINCIDE WITH MANY OTHER COMPETING SECTORS' PEAK SEASONS.

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	81,107	81,246	81,374	81,470	81,774	82,273
Avg. Annual Change (%)		0.2%	0.2%	0.1%	0.1%	0.1%
Total Labour Force	42,191	42,337	42,213	41,824	41,283	40,402
Avg. Annual Change (%)		0.3%	-0.3%	-0.9%	-0.4%	-0.3%
Total Employment	36,000	36,124	36,164	36,192	36,549	36,634
Avg. Annual Change (%)		0.3%	0.1%	0.1%	0.3%	0.1%
Unemployment Rate	14.7%	14.7%	14.3%	13.5%	11.5%	9.3%

TABLE 6: POPULATION AND LABOUR FORCE OUTLOOK SUMMARY: ACADIAN PENINSULA REGION – 2017-2030

The model projections indicate that considering the trends in out-migration, and aging population, the Acadian Peninsula Region will have little population growth within the period under study (2017 to 2030) (see Table 6). Given the aging population, the labour force is expected to contract from approximately 42,200 in 2018 to 40,400 by 2030. As a result, unemployment rates are expected to decline from an average of 14.7% in 2017 to 9.3% by 2030 given the corresponding decrease in the labour force.





# LABOUR MARKET TIGHTNESS EXPLAINED

Specifically, for this project, the analytic team developed an approach to demonstrate the “tightness” of the labour market in supplying the employment demands from seafood processing in the identified regions.

This was calculated by estimating labour requirements in other sectors in the region (non-seafood processing labour requirements) and subtracting those requirements from the total labour force estimates. This difference results in an estimated “residual” labour force for the region from which seafood processing needs to draw. Not all of the seafood processing workers come from the residual pool, as the sector actively competes with other sectors for workers; however, the “tightness” measure indicates where shortages are likely occurring for not only the seafood processing sector but likely other sectors drawing from the same labour supply. Using this approach, the current and future labour market tightness was calculated to determine the extent to which the region’s labour force can meet the labour requirements of all sectors (both non-seafood processing and seafood processing).

As illustrated in Table 7 and Figure 6, the Total Seafood Processing Employment (Peak) is higher than the Residual Total Labour Force. This suggests that there is currently (2017) an insufficient local labour force to meet all the region’s labour requirements (for all industries) leaving an overall potential gap during peak periods. This trend continues all the way through to 2030, increasing toward the second half of this period to extend the gap into the non-peak seasons as well.

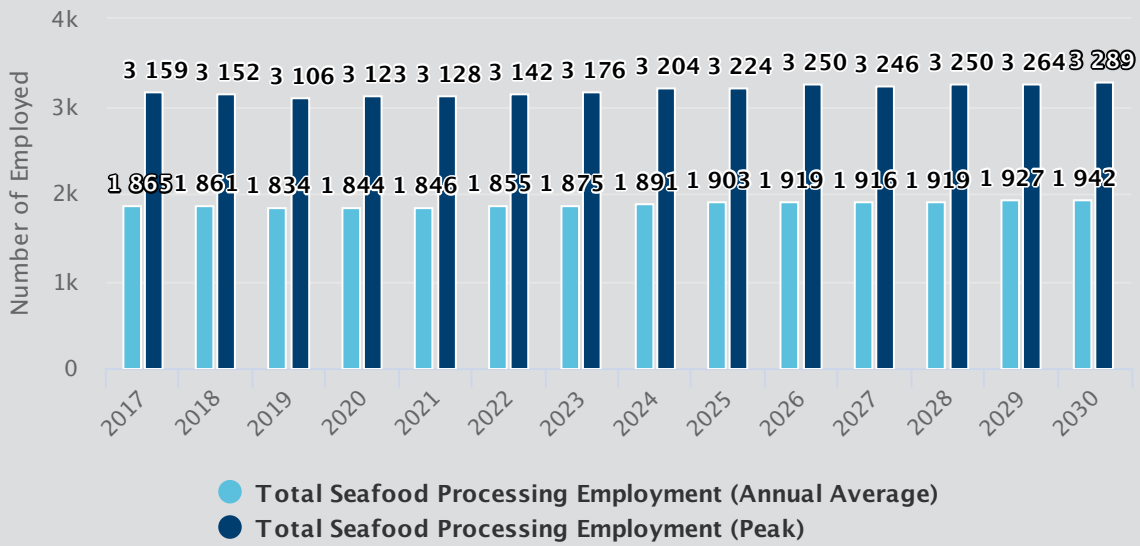
The analysis outlined in Table 7 and Figure 6 describes the labour market context within which the fish and seafood processors are operating with respect to finding enough numbers of workers from the local labour supply. Within this tight, competitive labour market, the industry employers have had some success recruiting. For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 4,382 within a labour market that had a residual total labour force of only 3,688. This means that the seafood processing industry was likely recruiting workers from other industries and recruiting workers from outside the local region. While the industry did experience vacancies, these would likely have been substantially higher had it not been successful in recruiting labour external to the region, and/or competing with other industries in recruiting workers.



TABLE 7: TOTAL LABOUR MARKET TIGHTNESS: ACADIAN PENINSULA REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force <sup>10</sup>	42,191	42,337	42,213	41,824	41,283	40,402
Total Non-Seafood Processing Labour Requirement <sup>11</sup>	38,503	38,615	38,573	38,427	38,417	38,155
Residual Total Labour Force <sup>12</sup>	3,688	3,721	3,640	3,396	2,866	2,335
Total Seafood Processing Employment (Annual Average)	2,587	2,579	2,540	2,552	2,588	2,646
Total Seafood Processing Employment (Peak)	4,382	4,369	4,302	4,322	4,384	4,483

FIGURE 6: TOTAL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE: ACADIAN PENINSULA REGION – 2017-2030



10 The labour force includes all individuals who are either employed or unemployed and actively seeking work. The unemployed would include those on regular EI claims along with those receiving other sources of income (e.g., social assistance) who are actively looking for employment.

11 Non-seafood processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.

12 The residual labour force is the difference between the labour force and the non-seafood processing labour requirement.

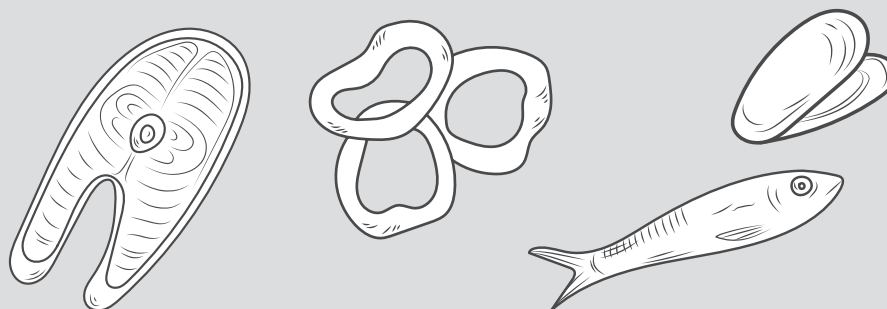


TABLE 8: LOWER-SKILL LABOUR MARKET TIGHTNESS: ACADIAN PENINSULA REGION – 2017-2030

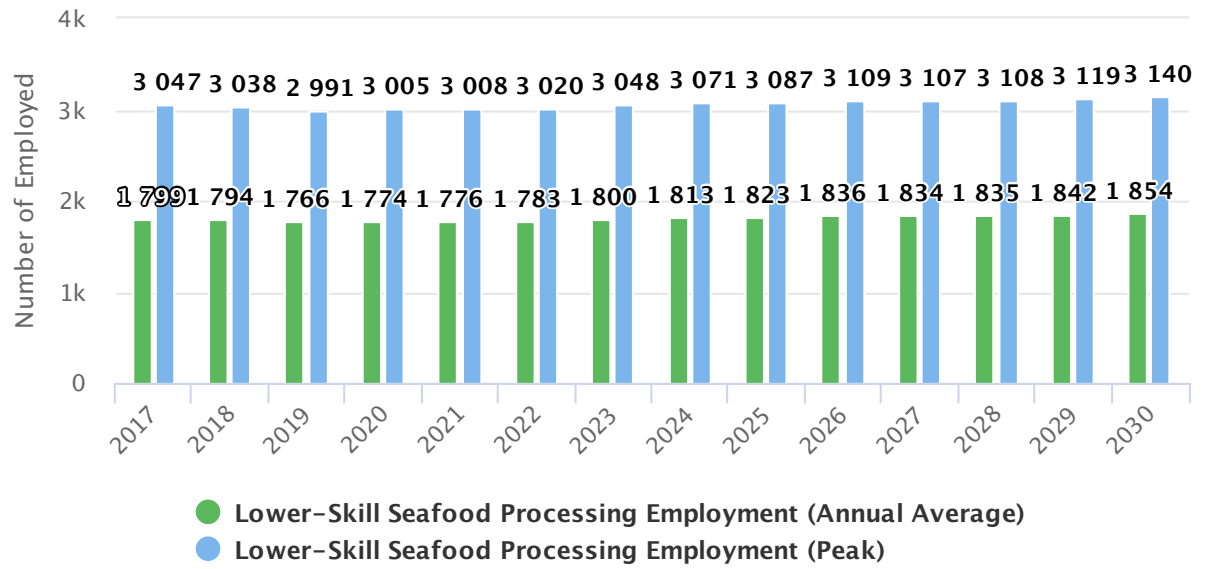
	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
<b>Lower-Skill Labour Force</b> <sup>13</sup>	18,843	18,907	18,852	18,678	18,437	18,043
Lower-Skill Non-Seafood Processing Labour Requirement	17,208	17,240	17,198	17,114	17,066	16,999
<b>Residual Lower-Skill Labour Force</b>	1,634	1,667	1,654	1,564	1,371	1,196
Lower-Skill Seafood Processing Employment (Annual Average)	1,799	1,794	1,766	1,774	1,799	1,840
<b>Lower-Skill Seafood Processing Employment (Peak)</b>	3,047	3,038	2,991	3,005	3,047	3,117



As noted in the description of the occupations, close to three quarters of the occupations in the industry in this region are in the “C” and “D” levels, which are often referred to as “lower-skill” occupations, not requiring post-secondary education. Given much of the focus is on the lower-skill labour force, the study also analyzed the “tightness” of the lower-skill labour market (see Table 8 and Figure 7). For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 3,047 workers within a labour market that had a residual total labour force of only 1,634. This means that the seafood processing industry was likely recruiting workers from other industries, and recruiting workers from outside the local region. This level of tightness suggests that many of the industries that rely on a lower-skill labour market are also experiencing labour shortages in this region.

13 The lower-skill labour force is the portion of the total labour force with no education beyond a high school diploma.

FIGURE 7: LOWER-SKILL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE: ACADIAN PENINSULA REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Acadian Peninsula Region demonstrates that the local labour force is unable to meet the employment requirements of employers in the area at peak levels overall and for lower-skill level workers at both peak and non-peak periods. This trend is anticipated to continue throughout the period of study (2017 to 2030). These results assume similar industry employment demand (e.g., no new major employers arriving or leaving the area) and no major changes in net migration patterns.

Despite the current and projected tightening of the labour market for the region, interviews with plant managers suggest that the seafood processing industry is remaining competitive and being able to attract enough workers. Some explanatory factors for this success may be offering hourly wages that exceed median wages in other competing occupations, extending the production season and offering more reasonable work schedules. It was also suggested that workers in the region are satisfied with seasonal work as long as it allows them to meet the requirements to qualify for EI. A representative from an educational institution also noted that other industries (e.g., tourism, food services) are facing labour shortages, while observing that hourly wages in the seafood processing industry tend to be increasing.

# 3

TABLE 9: SUMMARY OF LABOUR MARKET TIGHTNESS: ACADIAN PENINSULA REGION – 2017-2030

Labour Market Tightness Rating	2017	2018	2019	2020	AVG 2021 TO 2025	AVG 2026 TO 2030
Total	2	2	2	2	2	3
Lower-Skill	3	3	3	3	3	3

1 = Regional labour force meets seafood processing employment demand at annual average and peak employment levels  
 2 = Regional labour force meets seafood processing employment demand at annual average levels only  
 3 = Regional labour force does not meet seafood processing employment at annual average or peak levels

## 6.2 NUMBER OF WORKERS REQUIRED

Within a very tight labour market, projections indicate that the Acadian Peninsula Region employers will need to attract approximately 1,500 new workers to the fish and seafood processing industry by 2030. This is equivalent to approximately 58% of their current annual average workforce. This requirement is due to replacement of anticipated retirements over this period, while considering projected industry growth and labour productivity gains. Unfortunately, this recruitment will be occurring within the context of a very tight regional labour market that is currently experiencing labour shortages during peak seasons, which are predicted to continue during this period. While currently able to meet many of their employment requirements according to interviews with plant managers, it means that seafood processors in this region will likely have to increase their attempts to recruit enough workers to replace retirements, fill ongoing vacancies, work to address turnover rates, while also trying to grow, remain competitive and increase productivity.

.....

Overall, it is anticipated that the need for new hires will slow down in the short-term (2018-2019) due to slower industry growth, but as of 2020, there will be a need for approximately 100 new additional hires annually (or approximately 1,500 over the period between 2017-2030 in total). The requirement for new workers will be primarily due to the need for replacements due to retirements and deaths among the workforce (see Table 10). This equates to replacing approximately 58% of the current average seafood processing workforce in the region.



TABLE 10: HIRING REQUIREMENT OUTLOOK: ACADIAN PENINSULA REGION – 2017-2030

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
<b>Net Hiring Requirement <sup>14</sup></b>	<b>333</b>	<b>78</b>	<b>45</b>	<b>97</b>	<b>496</b>	<b>475</b>
Industry Growth	247	-8	-39	12	71	43
Retirements and Mortality	86	86	85	85	425	433

The employment outlook according to occupation is detailed in Table 11 (Annual Average) and Table 12 (Peak).

TABLE 11: EMPLOYMENT OUTLOOK (ANNUAL AVERAGE): ACADIAN PENINSULA REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
<b>Total Employment</b>	<b>2,587</b>	<b>2,579</b>	<b>2,540</b>	<b>2,552</b>	<b>2,588</b>	<b>2,646</b>
Shellfish Processing Labourer	789	787	775	778	789	807
Fish Processing Labourer	316	315	310	312	316	323
Shellfish Plant Worker	364	363	357	359	364	372
Fish Plant Worker	147	147	145	145	147	151
Supervisors	121	121	119	120	121	124
Maintenance	92	92	90	91	92	94
Skilled Trades	122	122	120	120	122	125
Quality Control Technician	18	18	18	18	18	18
Management	64	64	63	64	65	66
Office Staff	110	110	108	109	110	113
Other Occupations	442	441	434	436	443	453

14 Net hiring requirement does not include hiring required because of turnover (i.e. hiring workers to replace individuals who quit or are fired from their positions). The Imputed turnover rate (total number of people hired as a share of the total number of workers) for Atlantic seafood processors is 40%.

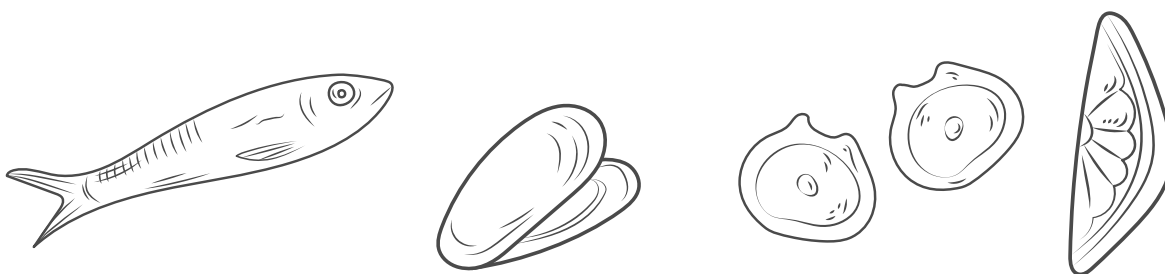




TABLE 12: EMPLOYMENT OUTLOOK (PEAK): ACADIAN PENINSULA REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
<b>Total Employment</b>	<b>4,382</b>	<b>4,369</b>	<b>4,302</b>	<b>4,322</b>	<b>4,384</b>	<b>4,483</b>
Shellfish Processing Labourer	1,578	1,574	1,549	1,557	1,579	1,615
Fish Processing Labourer	632	631	621	624	633	647
Shellfish Plant Worker	727	725	714	718	728	744
Fish Plant Worker	294	294	289	290	295	301
Supervisors	121	121	119	120	121	124
Maintenance	111	110	109	109	111	113
Skilled Trades	147	146	144	145	147	150
Quality Control Technician	22	22	21	21	22	22
Management	64	64	63	64	65	66
Office Staff	110	110	108	109	110	113
Other Occupations	575	574	565	567	575	588





# 7.0 OVERVIEW OF HR ISSUES ENCOUNTERED

Interviews with plant managers indicate that they are not currently facing labour shortages, therefore there were few human resources issues highlighted in this region. Nonetheless, changes in demographics are recognized as well as how these can potentially result in difficulties to recruit an adequate workforce in the future. Some of the common themes that were identified and may be characteristic of the various plants in this region include:

## » Recruitment

In the larger, seasonal plants there is an ongoing process to recruit enough numbers of people during their processing seasons. Ads are placed on radios, newspapers, online job boards and social media. Many of the referrals are by word of mouth from within the community. Plant managers interviewed, however, indicated that they are currently meeting their recruitment targets. Concern is expressed regarding an aging demographic that will create future labour shortages and a younger labour force that is not interested in joining the industry or is even discouraged by their families to choose this occupation. The average age in 15 plants in the region ranges between 45 and 55<sup>15</sup> years old. Growing export markets may also create labour shortages in the future.

## » Limited control over the season length

Those plants that have not diversified their product or that lack the equipment and technology to extend the window to process inputs are vulnerable to external factors that may affect the length of the production season, such as environmental concerns to protect species in risk of extinction, or lack of co-ordination between the harvesting and processing industries. This creates some uncertainty regarding work stability that can be offered to employees and a guarantee that they will attain a minimum number of weeks worked.

## » Industry image

the ability to attract younger workers to the industry is somewhat limited given the reputation of the sector. On the other hand, employees in the sector feel engaged and express a sense of belonging to the industry. Both employees and plant managers interviewed indicate that workers are proud of the companies they work for.

## » Impact of labour shortages

Plant managers do not appear to correlate long work hours to labour shortages, but rather see them as an intrinsic characteristic of the industry. Employees, on the other hand, would appreciate having fewer hours distributed over more weeks and some plants are introducing changes in their practices to that effect. No loss of product was mentioned by the plant managers interviewed.

## » Absenteeism

This does not appear to be a pervasive issue in the region, nonetheless, the case of one plant was mentioned as an illustration that it is a reality. In this case, it is common practice to hire 450 employees when the need is 400 daily.

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15 Gouvernement de Nouveau Brunswick, Ministère de l'Éducation postsecondaire, de la Formation et du Travail. Registre – Travailleurs et travailleuses d'usine de la transformation des produits marins, Péninsule Acadienne, édition 2017. Caraquet, janvier 2018.

# 7.0 OVERVIEW OF HR ISSUES ENCOUNTERED CONT'D

## » Retention issues

Although there is a certain turnover rate among employees, the plants interviewed in this region did not express having problems with worker retention.

## » Technology and automation

Investments in technology and automation seem to vary considerably from plant to plant. Investments in technology appear to be only partially motivated by labour shortages as the ability to increase output by diversifying production lines, further processing raw inputs and processing other species appear to be driving factors of technology investments.

## » Preference for seasonal work among lower skill level occupations

This may become an issue in the region as more plants continue with their efforts to extend the production season. Currently, there appears to be an adequate fit between the number of workers who wish to work shorter/longer seasons and what the industry offers. It is unclear how workers will respond to longer seasons but given the limited competition in the region from other industries, it is possible that workers will adapt and the experiences to date suggest that longer seasons are attractive to workers.



# 8.0 PROMISING PRACTICES AND INNOVATIONS

Some of the practices that are proving successful in the ability to attract and retain workers in the region that were identified during the interviews include:

## COMPETITIVE WAGES AND BENEFITS

Wages tend to be higher than those observed in other regions even for entry-level workers. In addition to higher hourly wages, there are several benefits offered such as basic needs for work (e.g., gloves and appropriate clothing paid by the plant), access to cafeteria with inexpensive or free food, breaks during the workday with access to coffee and tea. Offering a turkey to each employee for Christmas was mentioned by at least two plants as a common practice.

## PROVIDING TRANSPORTATION

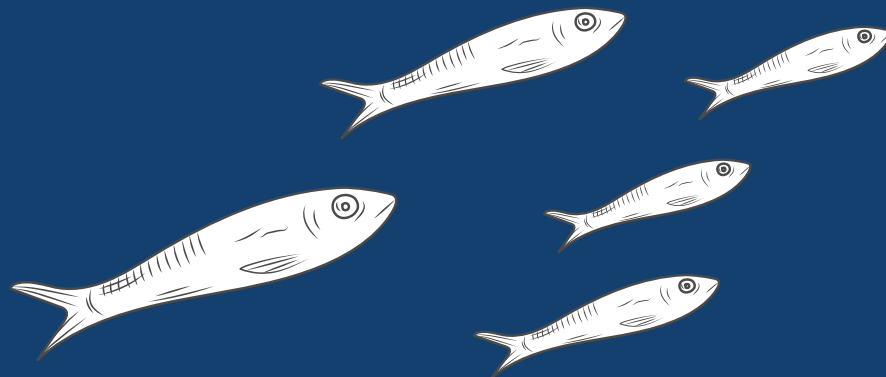
Company-owned buses will transport workers to and from the plant, which is found to be particularly appealing in rural settings where there are limited options for public transportation. Alternatively, financial compensation for transportation is offered by some plants. Another strategy to deal with transportation issues is the construction of dormitories for workers, which has been successfully implemented for workers coming from the First Nations community in Burnt Church.

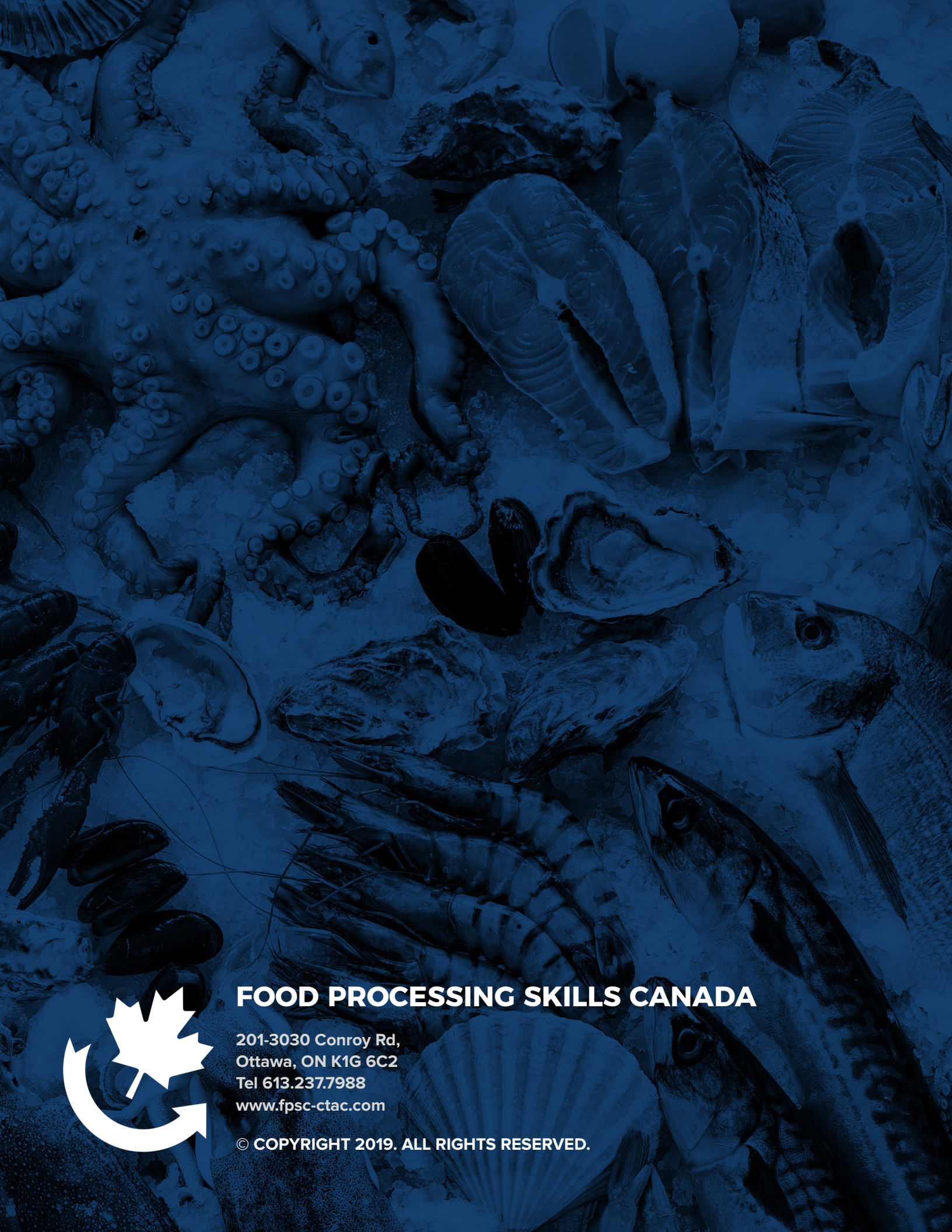
## EXTENDING THE PRODUCTION SEASON

Extending the production season, which allows plants to offer eight to 10 months of full-time work, is an innovative approach that seems to be giving positive results in combination with higher wages. The extension of the production season is achieved by purchasing equipment that allows for keeping raw inputs for longer to delay transformation (e.g., industrial freezing spaces, boats with holding tanks) or by diversifying the species that are processed.

## ENSURING TIME OFF DURING PEAK PRODUCTION SEASONS

Some of the investments in equipment have allowed plants to ensure that even during peak production season workers are able to have at least one day off. There are also some plants that offer optional overtime, for instance, in one plant there is a commitment to work 12 hours per day, but any additional hour is voluntary. Another plant advertises work hours of 10 hours per day, six days per week.





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201-3030 Conroy Rd,  
Ottawa, ON K1G 6C2  
Tel 613.237.7988  
[www.fpsc-ctac.com](http://www.fpsc-ctac.com)



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