Securing Canada's MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Chilliwack Region
British Columbia

FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S MEAT WORKFORCE

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

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

ISBN 978-1-989541-33-3

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SUMMARY

REGIONAL OVERVIEW

The Chilliwack Region is located in southwest British Columbia, approximately 100 Km east of the City of Vancouver. It includes the City of Chilliwack (pop. 101,512 in the Chilliwack CA) and is bordered by the city of Abbotsford to the west, the community of Agassiz next to the Fraser River to the north, the community of Popkum to the east and the United States to the south. Meat processing in the Chilliwack, British Columbia region consists of facilities for processing hogs, cattle and poultry.

LABOUR MARKET OVERVIEW

Regional labour market analysis suggests that after accounting for labour requirements in other sectors, regional labour supply will exceed meat processing employment demand through 2025. Supply constraints will tighten during the latter half of the next decade as regional supply begins to decline. The inverse trend is anticipated for low-skill workers; regional supply is projected to fall short of meat processing employment demand in the near-term but will exceed demands beginning in 2021 as supply constraints loosen. Despite this trend, the availability of workers for meat processors will depend on competing employment demands from other sectors.

Regional meat employment is expected to surpass 1,500 workers by 2020 and 1,700 by 2030, with average annual growth of 1.2%. Local processors will likely need to hire nearly 1,000 additional workers between 2017 and 2030, due both to industry growth and the need to replace workforce retirements. This figure does not include turnovers which can add significantly to total annual recruitment demands.

The region's population is expected to surpass 500,000 by 2020 and reach nearly 550,000 by 2030, with modest average annual growth of 0.8%. Additionally, while net in-migration of 60,000 individuals is expected to be a source of population growth in the region, it will be outpaced by natural population growth. Rising retirements will cause labour force growth to lag behind employment, resulting in a decline in the regional unemployment rate from 5.0% to 4.2% by 2030.

POPULATION
493,042

LABOUR FORCE
273,073

LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in the Chilliwack Region and subtracting those requirements from the total labour force estimates, reveals substantial challenges facing this industry.

	2017	2018	2019	2020	AVERAGE 2021 TO 2025	AVERAGE 2026 TO 2030
TOTAL	1	2	2	2	2	2
LOWER SKILL	3	3	3	3	2	2

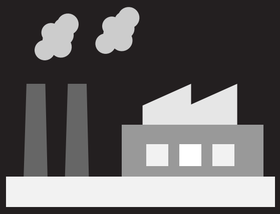
1 = Meat processing employment demand is less than 50% of regional labour force at annual average employment levels
2 = Meat processing employment demand is between 50 and 100% of regional labour force at annual average employment levels
3 = Meat processing employment demand is greater than 100% of regional labour force at annual average employment level

2

HR CHALLENGES

As meat processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing retention, absenteeism, vacancies, challenges with TWFP, and limited public transportation.

MEAT PROCESSING ESTABLISHMENTS



14[1]

MEAT PROCESSING EMPLOYMENT

1,467[2]

1 The number of establishments is based on 2016 data from Statistics Canada's Business Register.
2 Meat processing employment is estimated based on 2016 Census data for the Lower Mainland-Southwest economic region.

1.0 INTRODUCTION

This report is one in a series of 14 regional reports developed to provide detailed labour market information (LMI) for the meat processing industry in 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 Meat Workforce: Real Challenges, Practical Solutions and Fresh Perspectives.

The overall study aims to identify the scope of human resource (HR) challenges for the meat 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 meat processing for their local economies. Fourteen regions across Canada were selected for specific focus based on the amount of processing activity, and proportion of labour force working in the industry. Chilliwack Region on the British Columbia was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the Chilliwack Region, meat processing overall in the province of British Columbia, and specifically in the Chilliwack 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:

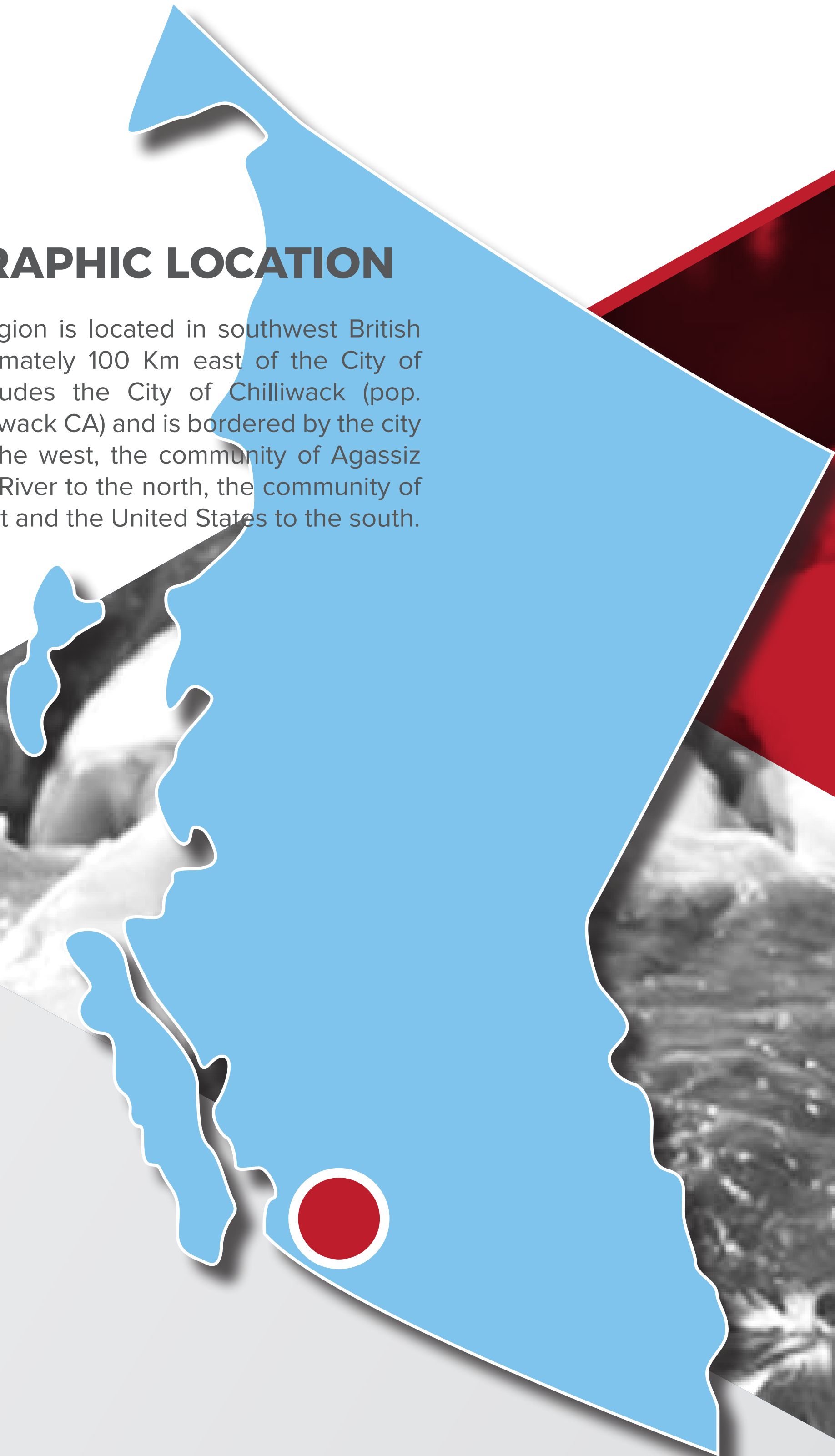
- Two robust econometric models that provide detailed quantifiable projections for both labour demand and supply at the regional level (the first time these numbers have been produced at the regional, provincial and national level for the meat processing industry);
- A broad survey of meat processing facilities (n=417) across Canada covering approximately 75 per cent 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 Chilliwack Region, the study team collected information from three medium-sized plants (100-250 employees) processing poultry, pork and lamb.

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE CHILLIWACK REGION

2.1 GEOGRAPHIC LOCATION

The Chilliwack Region is located in southwest British Columbia, approximately 100 Km east of the City of Vancouver. It includes the City of Chilliwack (pop. 101,512 in the Chilliwack CA) and is bordered by the city of Abbotsford to the west, the community of Agassiz next to the Fraser River to the north, the community of Popkum to the east and the United States to the south.



2.2 POPULATION CHARACTERISTICS

The population of Chilliwack region is relatively young compared to British Columbia's population and is expected to grow over the next decade due to in-migration and continued natural population growth. Compared to the province overall, the population has similar levels of immigrants, and non-Canadian citizens, but slightly lower proportions of people identifying as Aboriginal (according to Census definitions) and visible minorities.

The overall population for the region in 2017 was 493,042. According to Census 2016 profiles, the proportions of immigrants (20.2%), non-Canadian citizens (6.2%), visible minorities (19.6%) are lower to those overall for British Columbia (see Table 1). The proportion of the population that identifies as Aboriginal according to Census definitions (5.4%) is similar to the for the province.

TABLE 1: CHILLIWACK REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	CHILLIWACK REGION	BRITISH COLUMBIA
FEMALE	241,845	2,369,815
SHARE OF POPULATION	50.7%	51.0%
IMMIGRANTS	94,365	1,292,670
SHARE OF POPULATION	20.2%	28.3%
NOT CANADIAN CITIZENS	28,805	421,940
SHARE OF POPULATION	6.2%	9.3%
VISIBLE MINORITIES	91,470	1,381,235
SHARE OF POPULATION	19.6%	30.3%
ABORIGINAL IDENTITY	25,090	270,585
SHARE OF POPULATION	5.4%	5.9%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (493,042 in 2017 and then 549,724 by 2030). The population age is younger than the provincial median with the City of Chilliwack having a median age of 41.3 years compared to the provincial median of 43.0, but similar to the national median age of 41.2 (Census, 2016). Although the total population will increase, it will be an aging population with the proportion of the age cohort 65 years or older rising from 16.8% in 2017 to approximately 22.5% 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 by a predicted continuation of a pattern of net in-migration of approximately 60,000 people by 2030 coupled with a continued number of births. This will result in a rise in population (see Figure 2).

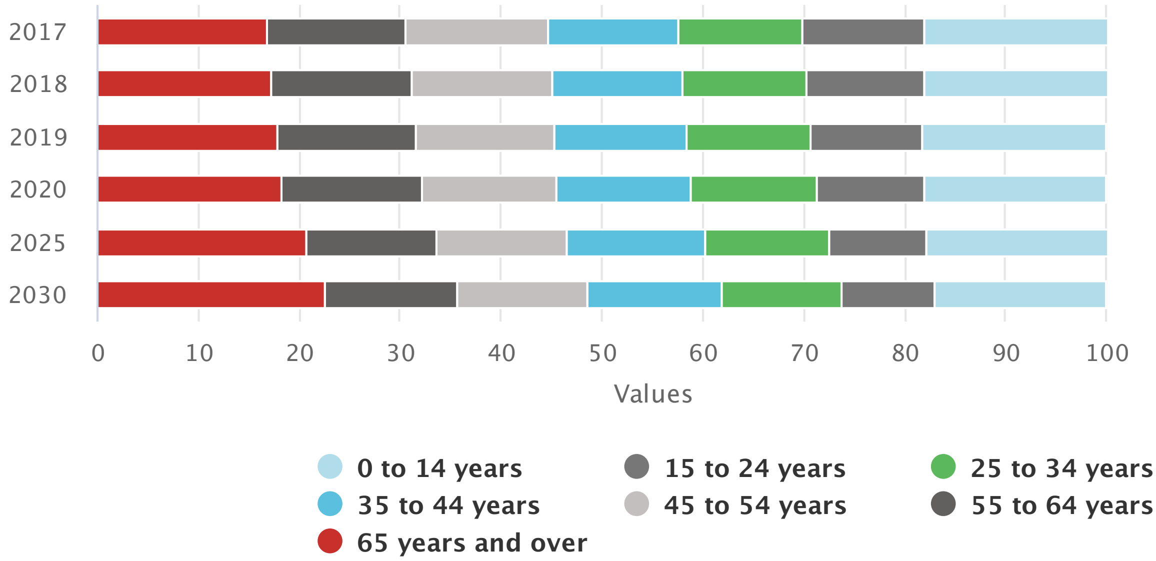


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

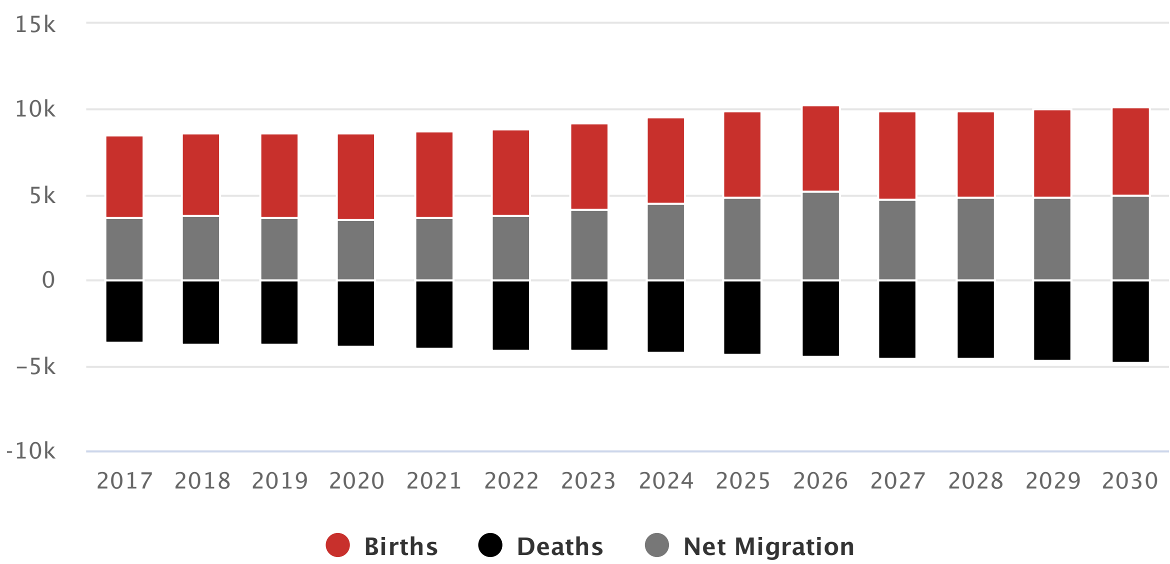


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

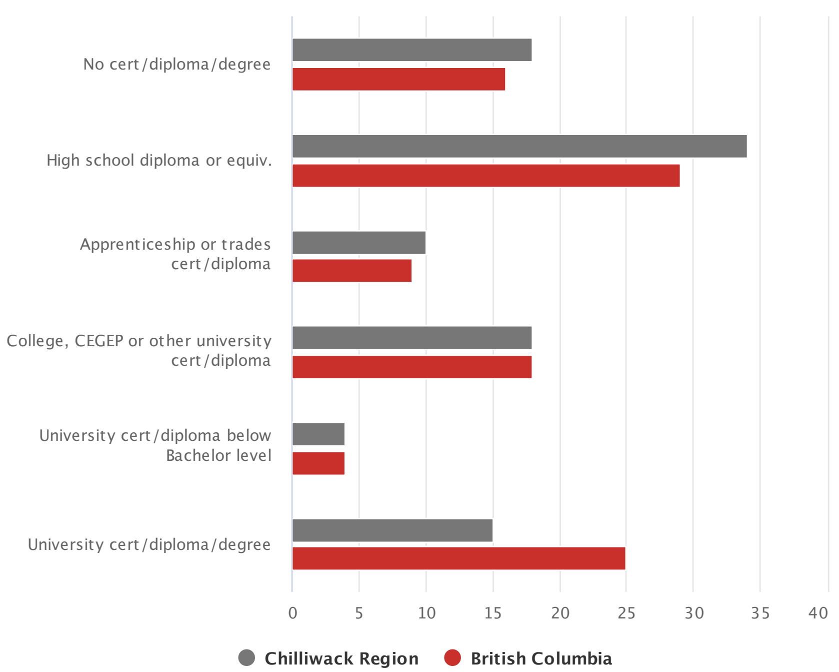


FIGURE 3: EDUCATIONAL ATTAINMENT – CHILLIWACK REGION AND BRITISH COLUMBIA

The overall education level of the region's residents is somewhat lower when compared with British Columbia overall (see Figure 3). In the Chilliwack region, 18% do not have a high school diploma (vs. 16% for the province), and 34% of the population have a high school diploma as their highest degree (vs. 29% for the province). Among the working-age population, 15% have a university certificate, diploma or degree (vs 25% for the province).

3.0 OUTLOOK OF BRITISH COLUMBIA MEAT PROCESSING

3.1 BRITISH COLUMBIA MEAT PRODUCT OUTLOOKS

Total output for meat processing is forecast to expand at a relatively quick pace of 3.2% on average over 2018-21, then moderate to average 2.4% over 2022-26 and 2.0% over 2027-30. Growth will be sustained by some small increases in overall processed meat consumption from 0.7% on average over 2018-21 to 1.0% over 2022-26 to 1.2% over 2027-30 as chicken consumption continues to boost overall meat consumption.

International exports are forecast to expand at a strong rate over the projection period, averaging 4.3% over 2022-26, and 3.6% over 2022-30. There are broad-based gains in beef and veal, pork and poultry products. Meat of all types will benefit from the implementation of the Canada-EU CETA and the TPP with ten other Pacific Rim nations. BC's exports to other provinces will gain from the overall rise in meat consumption in those provinces, with interprovincial exports expanding at a modest rate by 1.2% over 2018-21 and 1.4% over 2022-30. Interindustry demand is reliant on the demand for meat products by other industries, it is forecast to average a robust 3.1% over 2018-21, and 1.8% over 2022-26, then slow to 1.6% over 2027-30.

TABLE 2: BRITISH COLUMBIA PREPARED MEAT END MARKET GROWTH (ANNUAL AVERAGE % CHANGE)

END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.1	0.7	1.0	1.2
International Exports	9.6	4.3	3.6	3.6
Interprovincial Exports	1.0	1.2	1.4	1.4
Interindustry Demand	3.5	3.1	1.8	1.6
Imports	0.8	1.1	1.2	1.3
Total End Market Demand	4.7	3.2	2.4	2.0

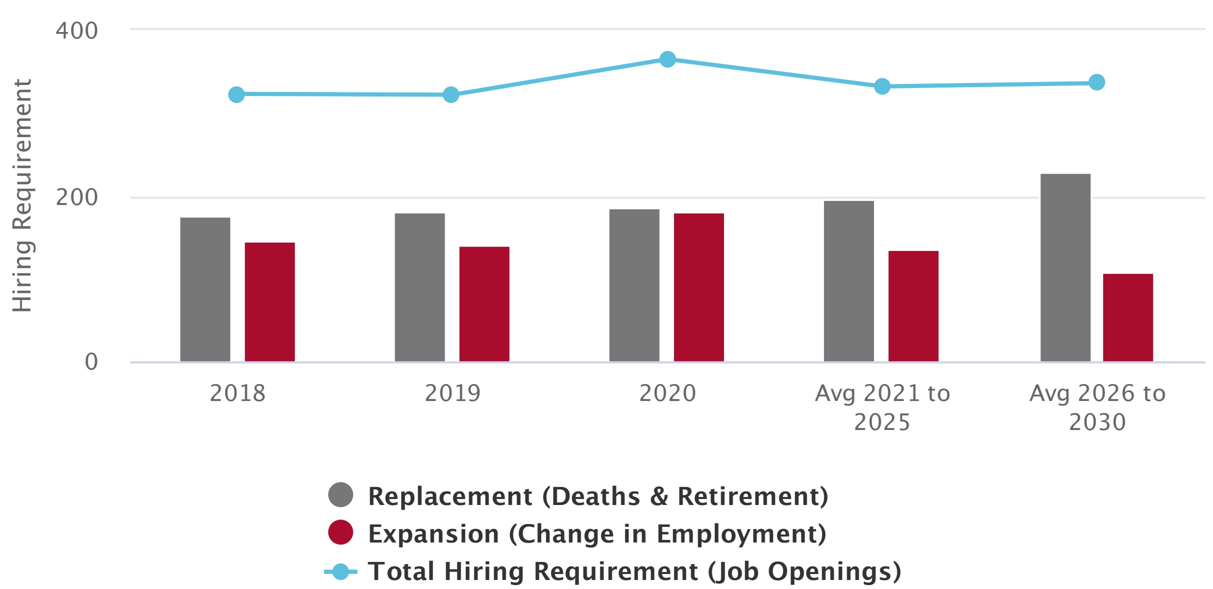
3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR BRITISH COLUMBIA

Meat processing employment is expected to rise by 9% between 2017 and 2020, or by close to 500 jobs from 5,200. Total employment is expected to approach 7,000 by 2030.

Meat processing real GDP is forecast to expand at a strong pace over the forecast by 3.6% over the 2018-21 period, 2.8% over 2022-26 and 2.4% over 2027-30. Labour productivity (GDP per hour worked) is forecast to increase by 0.8% on average over the projection period. This means that the needed total hours of work will rise at a strong pace of 2.8% on average over 2018-30, 2.0% over 2022-26 and 1.6% over 2027-30. Average hours worked per employee is forecast to fall slightly over the projection period, which leads to the total number of jobs rising by 2.9% over 2018-21, 2.0% over 2022-26 and 1.7% over 2027-30.

Taking account of both replacement and expansion demands, the industry will likely need to need to hire just over 4,350 new workers, or (80%) of the current workforce over the next 13 years (see Figure 4). These hiring requirements are net numbers of new workers and do not include annual hiring requirements due to turnover.

FIGURE 4: ANNUAL MEAT PROCESSING HIRING REQUIREMENTS (EXCLUDING TURNOVER), BRITISH COLUMBIA



4.0 CHILLIWACK REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts 14 processors ranging significantly in size.

Overall, there are fourteen meat processing establishments in the Chilliwack Region[3], with focus on poultry, pork and beef processing.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 1,467 WORKERS WITH CLOSE TO TWO-THIRDS (63%) BEING LABOURERS AND PLANT WORKERS.

4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the Chilliwack Region in 2017 was 1,467 (see Table 3). Approximately one-third of workers are employed in the foundational level occupations (NOC 9617) (32%) with an additional one-quarter employed (24%) in occupations at an intermediate skill level (NOC 9461; 9462). Approximately 7% of the workforce is in the higher skill occupations of specialized meat cutters and master butchers.

3 Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.

TABLE 3: PROFILE OF WORKERS BY OCCUPATIONS FOR CHILLIWACK REGION - 2017

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	1,467	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	244	17%
Poultry Production	213	15%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	218	15%
Machine Operator	10	1%
Slaughter Person	120	8%
HIGH (NOC 9213)		
Master Butcher	30	2%
Specialized Cutter	79	5%
SUPERVISORY (NOC 9213)		
Supervisors	45	3%
MANAGEMENT (NOC 0911)		
Management	89	6%
OTHER CATEGORIES		
Maintenance	89	6%
Skilled Trades	127	9%
Quality Control Technician	8	1%
Office Staff	92	6%
Other Occupations*	103	7%

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

1,467 **AVERAGE NUMBER OF WORKERS EMPLOYED IN THE MEAT PROCESSING INDUSTRY IN 2017**

4.2.2 WAGES

Median hourly wages for labourers in food processing and industrial butchers and meat cutters are in line with the provincial average, and slightly higher than some other C and D level occupations available in the region.

The median hourly wage for labourers in food processing (NOC 9617) in the Lower Mainland Southwest Region of British Columbia in 2017 was $14.00/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was slightly higher at $17.00/hour. These wage rates are equivalent to the provincial median rates for these occupations. To provide some context, the minimum wage in British Columbia in 2017 was $11.25/hour.

When compared with other C&D Level Occupations in the same region, the median wages for labourers in food processing were generally higher by approximately $4100/hour. The one exception was for a farm worker that provided a slightly higher median hourly wage ($15/hour).

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

	Low Wage (10th percentile)	Median Wage (50th Percentile)	High Wage (90th percentile)
Labourers in food processing (NOC 9617)			
Lower Mainland Southwest Region (BC)	12.65	14.00	22.00
Vancouver Island and Coast Region (BC)	12.65	13.50	21.00
All British Columbia	12.65	14.00	26.00
Industrial butchers and meat cutters (NOC 9462)			
Lower Mainland Southwest Region (BC)	12.65	17.00	23.85
Vancouver Island and Coast Region (BC)	N/A	N/A	N/A
All British Columbia	12.65	17.00	23.85
Other C&D Level Occupations Lethbridge-Medicine Hat (AB)			
Farm Labourer (NOC 8431)	12.65	15.00	25.00
Retail Sales (NOC 6421)	12.65	12.98	23.00
Food Services (NOC 6711)	12.65	12.65	17.00

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

On a provincial level, the average hourly wage in food manufacturing ($19.43) is slightly higher than other forms of manufacturing ($19.40) and equal to the average hourly wage for all industries combined ($19.43) (see Table 5). The hourly wage in food manufacturing is higher than that found in retail ($12.81) and accommodation and food services ($12.81), but lower than other industries such as transportation and warehousing ($25.24), educational services ($25.65) and health care and social assistance ($25.99).

TABLE 5: AVERAGE HOURLY WAGE – CHILLIWACK, 2016-2017 – ($/HOUR)

	Avg. hourly wage
All industries	$19.43
Food Manufacturing	$19.43
Manufacturing (Total)	$19.40
Transportation and warehousing	$25.24
Accommodation and food services	$12.89
Retail trade	$12.81
Health care and social assistance	$25.99
Construction	$21.91
Educational services	$25.65

Source: Job Vacancy and Wage Survey Q3 2016 – Q2 2017

5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS APPROXIMATELY 273,000.

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 273,073 (out of a total population of 493,042). The largest proportions of the labour force for the City of Chilliwack work in retail trade (12%), health and social services (11%), construction (11%) and manufacturing (8% of the labour force - includes meat processing). [4]

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 5.0%.

The unemployment rate for the region in 2017 was 5.0% on average. According to Census data, approximately 5.5% of the population in the Chilliwack Region 15 years or older who had income received regular Employment Insurance (EI) payments at some point in 2016.

According to EI data provided by ESDC for the Vancouver region (Economic Region 52), there has been a declining trend in the number of workers from the food and beverage processing sector (not just meat processing) making EI claims (see Table 6). The highest number of EI beneficiaries has occurred among material handlers in the sector (4,162 EI beneficiaries in 2016 with an average annual 13% decrease between 2014 and 2016), followed by labourers in food and beverage processing (2,300 EI beneficiaries in 2016, decreasing by 29% on average annually since 2014). In 2016 the data indicates that there were 148 industrial butchers/meat cutters collecting EI benefits with an annual decrease in numbers of approximately 16% on average.

TABLE 6: EI BENEFICIARIES BY OCCUPATION – ECONOMIC REGION 52 (VANCOUVER)

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	938	1001	864	-4%
Material handlers	5700	4691	4162	-13%
Supervisors, food and beverage processing	509	488	391	-12%
Process control and machine operators, food and beverage processing	628	723	455	-14%
Industrial butchers and meat cutters, poultry preparers and related workers	216	308	148	-16%
Labourers in food and beverage processing	5455	4275	2300	-29%

Source: Employment and Social Development Canada 2017

4 City of Chilliwack, Community Profile, http://businessinchilliwack.com/community-profile/

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

Currently, recent immigrants and temporary foreign workers play a significant role in addressing labour supply issues in the meat processing industry in the Chilliwack Region.

While the proportion of immigrants in the Chilliwack Region is lower when compared with British Columbia overall (20.2% vs. 28.3%), the meat processing industry is reliant on recent immigrants and temporary workers working towards permanent residency in Canada. Plant managers interviewed indicated that the TFWP is a key source of workers (often workers who started as TFWs and are making their way through the immigration programs to permanent residency), but recently has become challenging from a cost perspective for continued use at $1,000 per application plus resources required to develop LMIAs, and extensive delays in application processing.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

There is some limited outreach by plants to local Indigenous communities to recruit local Indigenous workers into the sector's workforce.

In the Chilliwack region, 25,090 individuals identify as Aboriginal according to Census definitions, representing 5.4% of the population (Census 2016). One plant noted that they have partnered with a First Nations Band that offers manufacturing in the meat industry course and the plant offers employment to its recent graduates. Another plant noted that it places job ads in the local Band newspaper and job board.

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

THERE IS CURRENTLY A SUFFICIENT LOCAL LABOUR FORCE TO MEET THE REGION'S LABOUR REQUIREMENTS (FOR ALL INDUSTRIES). HOWEVER, THE MARKET IS PROJECTED TO BECOME TIGHTER AS OF 2018, LEAVING AN OVERALL POTENTIAL GAP WHICH WILL INCREASE THROUGH TO 2030.

TABLE 7: POPULATION AND LABOUR FORCE OUTLOOK SUMMARY – CHILLIWACK REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	493,042	497,988	502,790	507,499	522,466	549,724
Avg. Annual Change (%)		1.0%	1.0%	0.9%	1.0%	1.0%
Total Labour Force	273,073	276,501	279,453	281,099	284,309	291,465
Avg. Annual Change (%)		1.3%	1.1%	0.6%	0.4%	0.5%
Total Employment	259,314	263,095	266,435	268,271	270,956	279,029
Avg. Annual Change (%)		1.5%	1.3%	0.7%	0.4%	0.6%
Unemployment Rate	5.0%	4.8%	4.7%	4.6%	4.7%	4.3%

The model projections indicate that taking into account the trends in migration and aging, the Chilliwack Region will experience population growth within the period under study (2017 to 2030) (see Table 7). These factors will also contribute to a growing labour force for the region, albeit at a slower rate than population growth given the aging population and anticipated retirements. As a result, unemployment rates are expected to decline from an average of 5.0% to 4.3% based on increased opportunities, but slower growth in the overall 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 meat processing in the identified regions. This was calculated by estimating labour requirements in other sectors in the region (non-meat-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 meat processing needs to draw. Not all of the meat 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 meat 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-meat processing and meat processing).

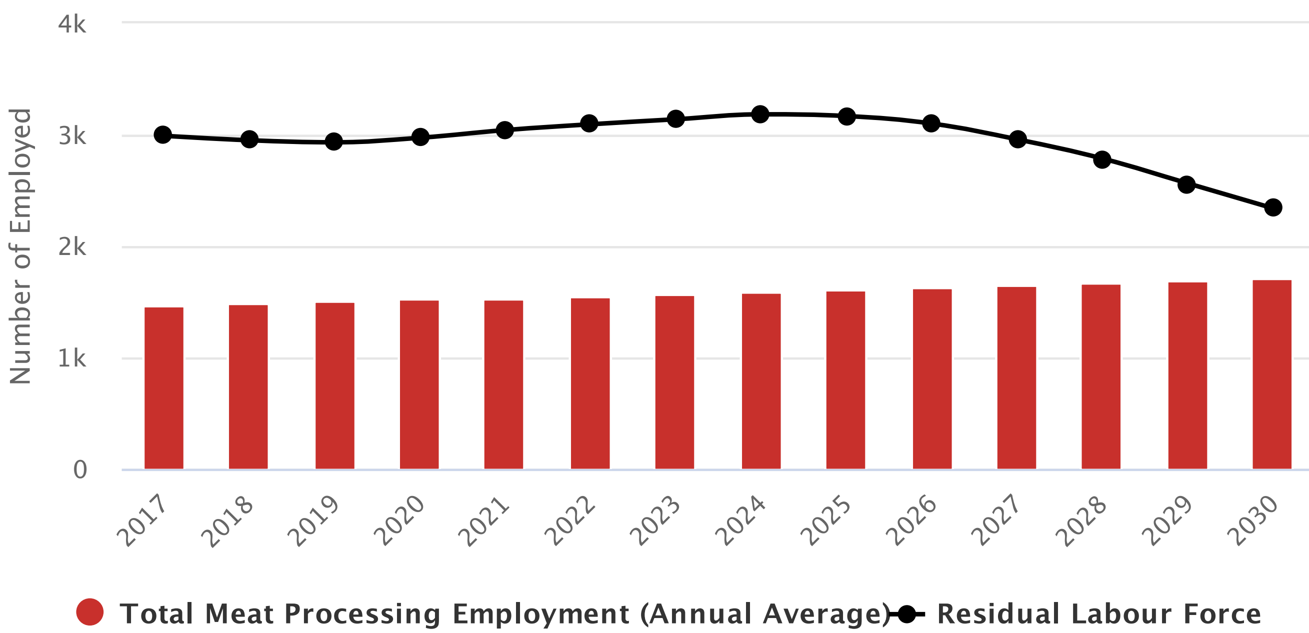
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is lower than the Residual Total Labour Force. This suggests that there is currently (2017) sufficient local labour force to meet all of the region's labour requirements (for all industries) leaving an overall potential gap. This trend changes shortly after that, with the employment in the sector representing more than 50% of the residual labour force in the region. This tighter labour market is due to reductions in the residual labour supply coupled with continued projected increases in meat processing employment (i.e., labour demand for the sector).

The analysis outlined in Table 8 and Figure 6 describes the labour market context within which the meat processors in the Chilliwack Region are operating with respect to finding sufficient numbers of workers from the local labour supply. Within this competitive labour market, the industry employers have had success recruiting. For example, in 2017, the meat processing industry was able to recruit and employ 1,467 within a labour market that had a residual total labour force of only 2,990. This means that the meat processing industry was likely recruiting workers from other industries and 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 8: TOTAL LABOUR MARKET TIGHTNESS – CHILLIWACK REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [5]	273,073	276,501	279,453	281,099	284,309	291,465
Total Non-Meat Processing Labour Requirement [6]	270,083	273,551	276,521	278,166	281,158	288,628
Residual Total Labour Force[7]	2,990	2,950	2,932	2,973	3,125	2,748
Total Meat Processing Employment (Annual Average)	1,467	1,486	1,504	1,522	1,576	1,672

FIGURE 5: TOTAL MEAT PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE – CHILLIWACK REGION – 2017-2030



5 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.
6 Non-meat processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.
7 The residual labour force is the difference between the labour force and the non-meat processing labour requirement.

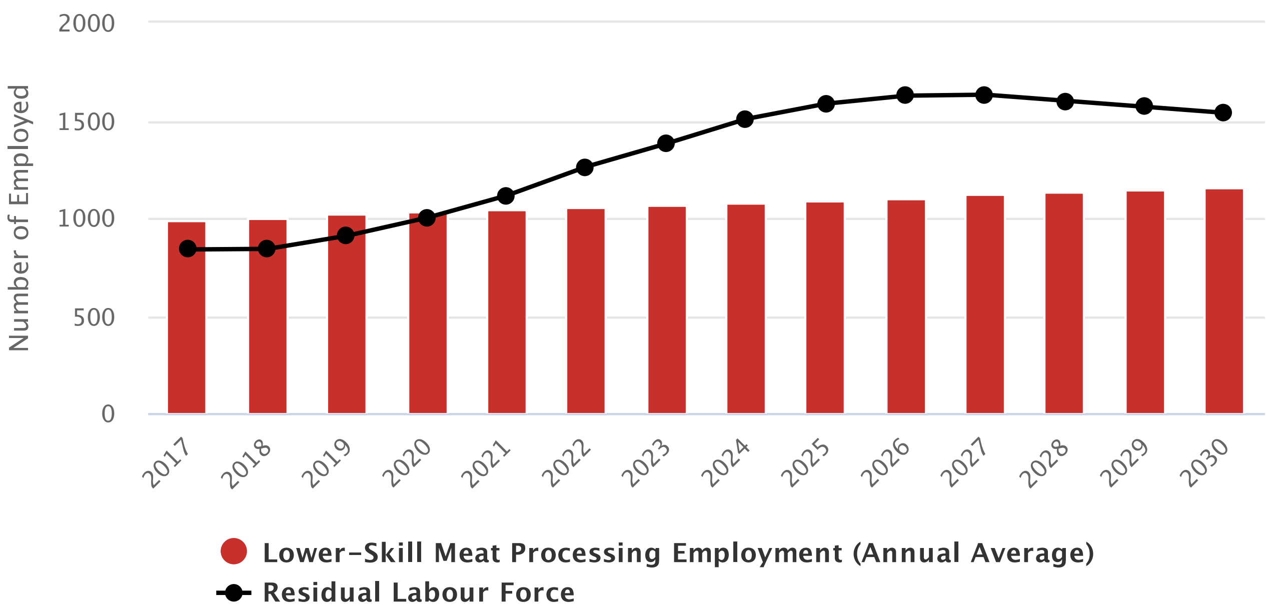
As noted in the description of the occupations, approximately 63% of the positions in the industry in this region are in the "C" and "D" levels which are often referred to as "lower-skill level" occupations, not requiring post-secondary education. Given much of the focus is on the lower-skill level labour force, the study also analyzed the "tightness" of the lower-skill level labour market (see Table 9 and Figure 6). The tightness of lower-skill level labour market is higher than that observed for the overall market in the first few years projected. For example, in 2017, the meat processing industry was able to recruit and employ 993 workers within a labour market that had a residual total labour force of only 883. This means that the meat processing industry was likely recruiting workers from other industries, and from outside the local region. This level of tightness suggests that many of the industries that rely on a lower-skill level labour market are also experiencing labour shortages in this region.

TABLE 9: LOWER-SKILL LEVEL LABOUR MARKET TIGHTNESS – CHILLIWACK REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force[8]	108,215	109,573	110,743	111,395	112,667	115,503
Lower-Skill Non-Meat Processing Labour Requirement	107,376	108,732	109,834	110,394	111,297	114,556
Residual Lower-Skill Labour Force	838	841	909	1001	1370	1593
Lower-Skill Meat Processing Employment (Annual Average)	993	1005	1018	1030	1067	1131

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

FIGURE 6: LOWER-SKILL LEVEL MEAT PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE
CHILLIWACK REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Chilliwack Region (Table 10) demonstrates that the local labour force is likely insufficient to meet the employment requirements of employers in the area. This tightness is not as critical for the overall labour market, but it is demonstrated for the lower-level skill workers. The tightness of the overall labour market is projected to increase throughout study, while it is expected to decrease for lower-level skill workers 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.

2

TABLE 10: SUMMARY OF LABOUR MARKET TIGHTNESS – CHILLIWACK REGION – 2017-2030

	2017	2018	2019	2020	AVERAGE 2021 TO 2025	AVERAGE 2026 TO 2030
TOTAL	1	2	2	2	2	2
LOWER SKILL	3	3	3	3	2	2

1 = Meat processing employment demand is less than 50% of regional labour force at annual average employment levels
2 = Meat processing employment demand is between 50 and 100% of regional labour force at annual average employment levels
3 = Meat processing employment demand is greater than 100% of regional labour force at annual average employment level

6.2 NUMBER OF WORKERS REQUIRED

Within a tight labour market, projections indicate that the Chilliwack Region employers will need to attract approximately 900 new workers to the meat processing industry by 2030. This is equivalent to approximately 61% of their current annual average workforce. This requirement is due to both anticipated industry growth and replacement of anticipated retirements over this period. Unfortunately, this recruitment will be occurring within the context of a tight regional labour market that is currently experiencing labour shortages which are predicted to continue during this period. This tightness in the labour market is contributing to the high number of current vacancies experienced by employers in meat processing (estimated at 5% in Western Canada), and to some degree the higher turnover rates in the industry as workers have more employment opportunities from which to choose, particularly in the lower-skill level occupations (estimated imputed turnover rate of 52% in British Columbia in meat processing industry). All of these factors contribute to the substantial challenges facing Chilliwack Region meat processors in 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 as of 2017, there will be a need for increased numbers of new hires, due to both industry growth and the need for replacements due to anticipated retirements and deaths among the workforce (see Table 9). Overall, this results in the need to attract 901 new workers to the industry between 2018 and 2030. This equates to replacing approximately 61% of the 2017 average meat processing workforce in the region.

TABLE 11: HIRING REQUIREMENT OUTLOOK – CHILLIWACK REGION – 2017-2030

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[9]	69	67	67	67	341	359
Industry Growth	21	19	18	18	91	97
Retirements and Mortality	47	49	49	49	250	262

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

9 Net hiring requirement does not include hiring required as a result 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 workers hired as a share of the total number of workers) for British Columbia meat processors is estimated at 52%.

TABLE 12: EMPLOYMENT OUTLOOK (ANNUAL AVERAGE) – CHILLIWACK REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	1,467	1,486	1,504	1,522	1,576	1,672
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	244	247	250	253	262	278
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	213	215	218	221	228	242
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	218	221	224	227	235	249
Machine Operator (including Saw Operator)	10	10	10	11	11	12
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	30	30	30	31	32	34
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	79	80	81	82	85	90
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	45	46	46	47	49	51
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	89	90	92	93	96	102
OTHER CATEGORIES						
Maintenance (including Janitors, Sanitation Workers, Cleaners)	89	90	92	93	96	102
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	127	129	130	132	137	145
Quality Control	8	8	8	8	8	9
Office Staff (including Administrator or HR Manager)	92	94	95	96	99	105
Other Occupations*	103	104	105	107	110	117

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

7.0 OVERVIEW OF HR ISSUES ENCOUNTERED

Interviews with plant managers in the region outlined various HR issues that they have experienced in the attempt to retain and recruit an adequate labour force. While issues and challenges vary from plant to plant, these are some of the common themes that were identified and may be characteristic of this region. Main themes include:

Retention issues

the main HR issues identified among the plants interviewed are with respect to retention. Some of the turnover rates quoted are extremely high (e.g., 20% within one month; 82% within an eight month period). Some of this turnover is attributed to the type of workers they are recruiting who are much more transient moving from job to job every 3-4 months, and the heavy reliance on students in some plants to supplement summer requirements. As well, given in some plants, many of the positions are part-time, it is noted as challenging to retain part-time workers, many of whom are looking for full-time positions.

Absenteeism

In addition to retention issues, there are challenges with absenteeism in some of the plants interviewed. Employers are cautious to address absenteeism as they are concerned that the worker will quit which will put further pressure on recruitment for vacancies.

Public transportation

The plant interviewed noted that public transportation is a challenge for their workforces. The public transportation routes do not tend to coincide with the shift schedules which makes it challenging for workers as they have to try and supply their own transportation which can be challenging, particularly for part-time workers and those who are at starting wages.

Vacancies

Related to retention issues, the plants interviewed reported vacancy rates of 15 to 22%, many for full-time meat cutter and packing occupations. These rates tend to remain persistent as ongoing recruitment and onboarding are often only meeting the turnover monthly.

Challenges with the TFWP

The plant representatives interviewed noted that while the TFWP was useful in supplementing their attempts to hire local workers, there are some challenges in working with the program in its current form. For some of the smaller plants, the costs associated with the TFWP applications are becoming cost prohibitive when the $1,000 application fee is combined with the resources required to develop the application and the necessary LMIA. The other main concern noted with the program is the delay that has been experienced in the processing of applications which can place considerable burden on companies as they wait for responses and try to plan recruitment drives, etc.

8.0 PROMISING PRACTICES AND INNOVATIONS

Employers in the region are trying various approaches to address the challenges with labour supply and retention. Some of those that were identified during interviews include:

RECRUITING STUDENTS

Some of the managers interviewed noted that students were a key labour source for their operations. The plants indicated that in some ways they have seasonal-related demands given much of their distribution is local which tends to have greater demand during the summer BBQ months. As a result, students are able to fill in the vacancies and help meet peak demand periods.

EMPLOYEE REFERRALS

Some plants described an employee referral program in which employees can refer others for employment at the plant. There are various levels of financial awards available for doing this depending on if the referral is hired and how long they remain at their position with satisfactory performance.

PROVIDING LANGUAGE COURSES

One plant described how they worked with a local provider to come into the plant and provide language training to temporary foreign workers during the last two hours of their shifts a few days per week. This increased their language skills and improved their chances of meeting the language requirements for permanent residency.

ATTRACTION OF AFFORDABLE HOUSING

The Town of Chilliwack has housing that would be much more affordable in comparison to Vancouver or some of the surrounding suburbs. As a result, Chilliwack is often viewed as an attractive town for relocation among many of those struggling with high housing costs in Vancouver and environs.

ATTEMPTING TO PARTNER WITH TRAINING INSTITUTIONS

Although, at the early stages, there is an ongoing attempt by one plant to connect with the training programs available in the area to offer employment to graduates. The training programs have challenges with sufficient enrolment. However the plant is trying to determine how they might be able to support the training efforts.

WORKING WITH WAGE SUBSIDY PROGRAMMING

One plant has been working successfully with wage subsidy programming that targets workers with disabilities or particular challenges. They view these as “short-term” successes in that they are able to supply some work experience to participants, but those that they have hired do not stay with the company for very long. They will continue to participate in these programs and see if they can work to improve retention.

EMPLOYEE APPRECIATION INITIATIVES

The plants noted various additional initiatives that they have attempted to try and improve retention including employee appreciation days, birthday/gift cards, store discounts, coffee machines in the cafeteria, clothing allowances, health/wellness activity subsidization, and structured recognition programs that include attendance bonuses.

FOOD PROCESSING SKILLS CANADA

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