Securing Canada's MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Hamilton Region

Ontario

FPSC
FOOD PROCESSING SKILLS CANADA
COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S
MEAT WORKFORCE

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TABLE OF CONTENTS

	TABLE OF CONTENTS	**03**
	SUMMARY	**04**
1.0	**INTRODUCTION**	**06**
2.0	**OVERVIEW OF THE HAMILTON REGION**	**07**
2.1	GEOGRAPHIC LOCATION	07
2.2	POPULATION CHARACTERISTICS	08
3.0	**OUTLOOK OF ONTARIO MEAT PROCESSING**	**10**
3.1	ONTARIO MEAT PRODUCT OUTLOOKS	10
3.2	MEAT PROCESSING EMPLOYMENT OUTLOOK FOR ONTARIO	11
4.0	**HAMILTON REGION MEAT PROCESSORS**	**12**
4.1	EMPLOYERS	12
4.2	WORKERS	
	4.2.1 WORKFORCE SIZE AND OCCUPATIONS	12
	4.2.2 WAGES	14
5.0	**REGION'S LABOUR FORCE**	**16**
5.1	OVERVIEW OF LOCAL LABOUR FORCE	16
	5.1.1 SIZE OF LABOUR FORCE, MAIN SECTORS, WORK PATTERNS	16
	5.1.2 UNEMPLOYMENT	16
5.2	OVERVIEW OF IMMIGRANT SOURCES OF LABOUR	17
5.3	OVERVIEW OF INDIGENOUS SOURCES OF LABOUR	17
6.0	**CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY**	**18**
6.1	LABOUR MARKET TIGHTNESS	18
6.2	NUMBER OF WORKERS REQUIRED	23
7.0	**OVERVIEW OF HR ISSUES ENCOUNTERED**	**27**
8.0	**PROMISING PRACTICES AND INNOVATIONS**	**28**

SUMMARY

REGIONAL OVERVIEW

The Hamilton Region is in Southern Ontario and includes the Niagara Peninsula as well as the City of Hamilton. The Niagara Peninsula is bounded to the east by the Niagara River, which is also the border with the United States, to the north by Lake Ontario and to the south by Lake Erie. Hamilton lies halfway between Toronto and Niagara Falls, in the Golden Horseshoe – a heavily industrialized and densely populated area. Meat processing in the Hamilton, Ontario region consists of facilities for processing hogs, cattle and poultry.

LABOUR MARKET OVERVIEW

Regional meat employment is expected to remain stable around 3,500 over the forecast period with a slight decline to 3,400 by 2030. Local processors will likely need to hire 1,570 additional workers between 2017 and 2030, due almost entirely to the need to replace workforce retirements. This figure does not include turnovers which can add significantly to total annual recruitment demands.

Regional labour market analysis suggests that after accounting for labour requirements in other sectors, regional labour supply is well above projected meat processing employment demands over the next five years. This is attributed to the inclusion of Hamilton in the available supply. Despite ample labour supply, competition from other sectors in the region could lead to continued potential recruitment challenges for meat processors. Meat processors may experience difficulties attracting workers from urban areas, as well as potential recruitment challenges as a result of wage differentials with competing sectors.

The region's population is expected to remain stable at 1.4 million until 2020 but will increase to nearly 1.6 million by 2030, with average annual growth of 1.1%. Although net in-migration of over 178,000 individuals is expected to be a source of population growth, 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 below 6.0% by 2030.

POPULATION

1,418,973

LABOUR FORCE

768,902

LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Hamilton 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	1	1	1	1	1
LOWER SKILL	1	1	1	1	1	1

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

1

MEAT PROCESSING ESTABLISHMENTS

32[1]

MEAT PROCESSING EMPLOYMENT

3,507[2]

HR CHALLENGES

As meat processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing retention issues, recruitment and selection challenges, recruitment and developing for supervisory/ leadership positions, competition for lower-skilled workers, youth workers and minimum wage raises.

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 Hamilton-Niagara Peninsula 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 the proportion of labour force working in the industry. Hamilton Region in Ontario was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the Hamilton Region, meat processing overall in the province of Ontario, and specifically in the Hamilton 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:

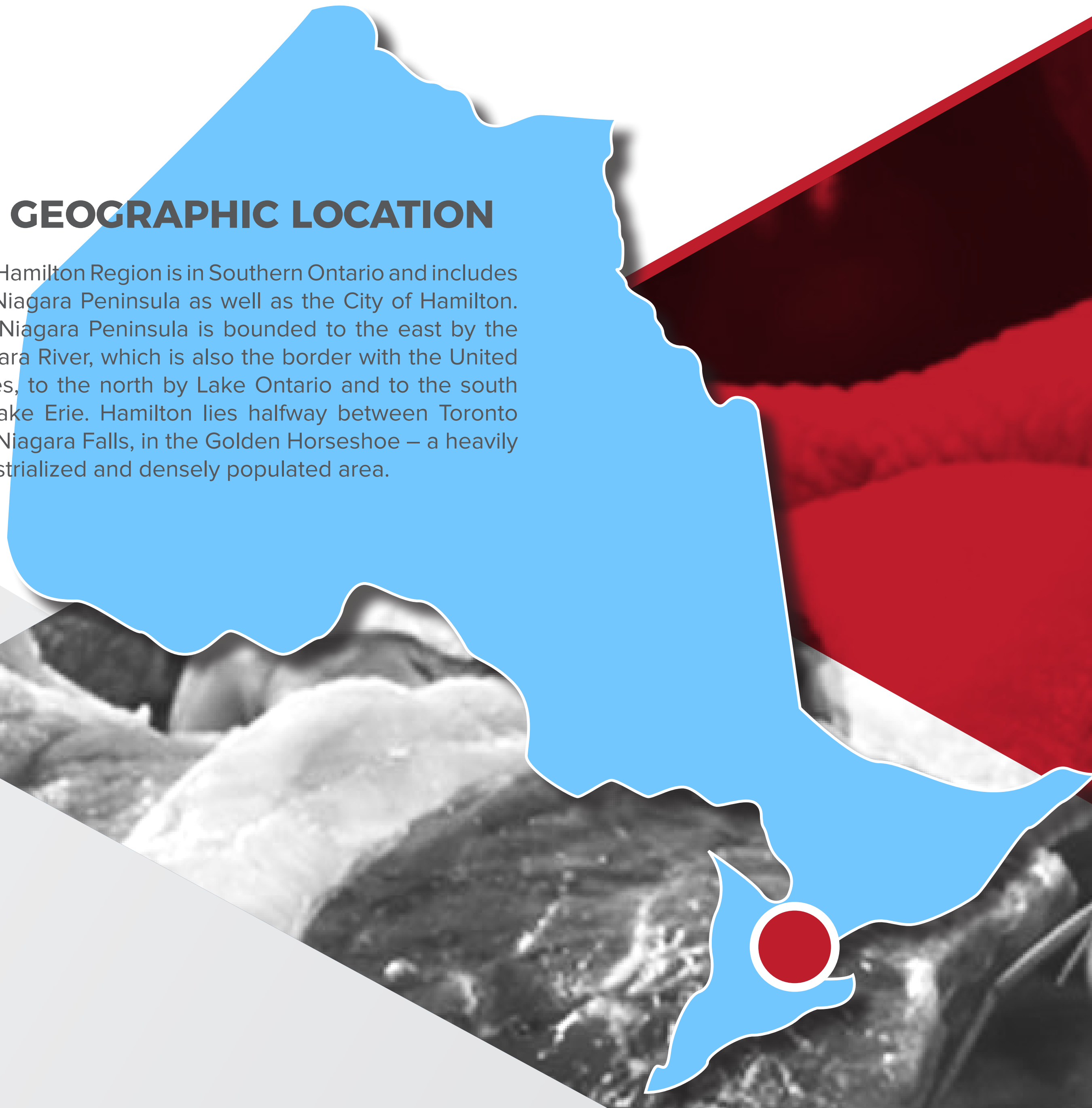
- Two robust econometric models that provide detailed quantifiable projections for both labour demand and supply at the regional level (the first time these numbers have been produced at the regional, provincial and national level for the meat processing industry);
- A broad survey of meat processing 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 Hamilton Region, the study team collected information from one very large secondary processing plant (over 500 employees), and a smaller secondary processing facility (under 50 employees).

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE HAMILTON REGION

2.1 GEOGRAPHIC LOCATION

The Hamilton Region is in Southern Ontario and includes the Niagara Peninsula as well as the City of Hamilton. The Niagara Peninsula is bounded to the east by the Niagara River, which is also the border with the United States, to the north by Lake Ontario and to the south by Lake Erie. Hamilton lies halfway between Toronto and Niagara Falls, in the Golden Horseshoe – a heavily industrialized and densely populated area.



2.2 POPULATION CHARACTERISTICS

The population of the Hamilton Region is expected to grow over the next decade primarily due to in-migration. Compared to the province overall, the population has lower levels of immigrants, non-Canadian citizens, and visible minorities; and slightly lower proportions of people identifying as Aboriginal (according to Census definitions).

The overall population for the region in 2017 was 1,418,973. According to Census 2016 profiles, the proportions of immigrants (22.8%), non-Canadian citizens (5.4%) and visible minorities (16.7%) are lower than those overall for Ontario along with slightly lower proportions of the population that identify as Aboriginal according to Census definitions (2.2%) compared to the province overall (see Table 1).

TABLE 1: HAMILTON REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	HAMILTON REGION	ONTARIO
FEMALE	690,965	6,889,105
SHARE OF POPULATION	54.4%	51.2%
IMMIGRANTS	301,645	3,852,145
SHARE OF POPULATION	22.8%	29.1%
NOT CANADIAN CITIZENS	71,805	1,019,095
SHARE OF POPULATION	5.4%	7.7%
VISIBLE MINORITIES	221,170	3,885,585
SHARE OF POPULATION	16.7%	29.3%
ABORIGINAL IDENTITY	29,170	374,395
SHARE OF POPULATION	2.2%	2.8%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (1,418,973 in 2017 and then 1,572,011 by 2030). The population is slightly older than other regions in Canada with the Hamilton-Niagara economic region having a median age of 43.5 years compared to the provincial median of 41.3 and a national median age of 41.2 (Census, 2016). Although the total population will increase, it will begin to be an aging population with the proportion of the age cohort 65 years or older rising from 18.2% in 2017 to approximately 24.3% 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 178,000 people by 2030 and an increased number of births (see Figure 2).

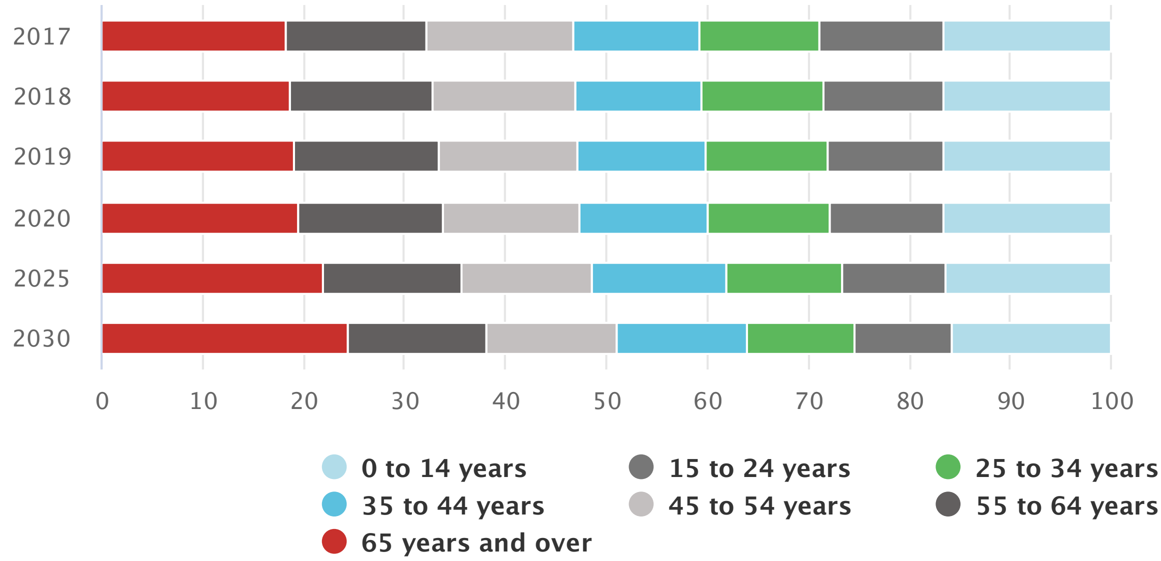


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

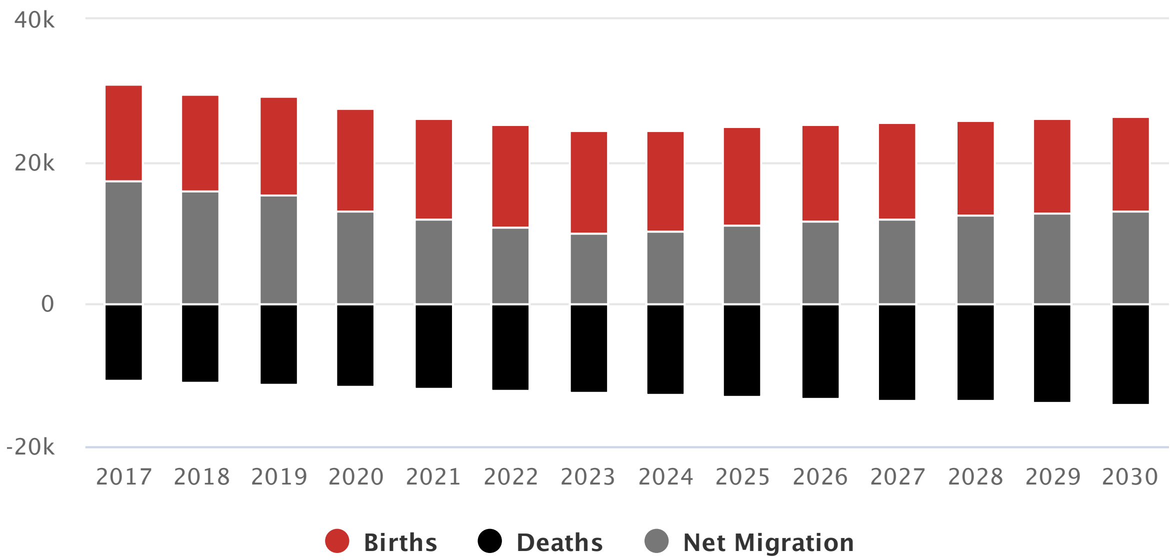


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

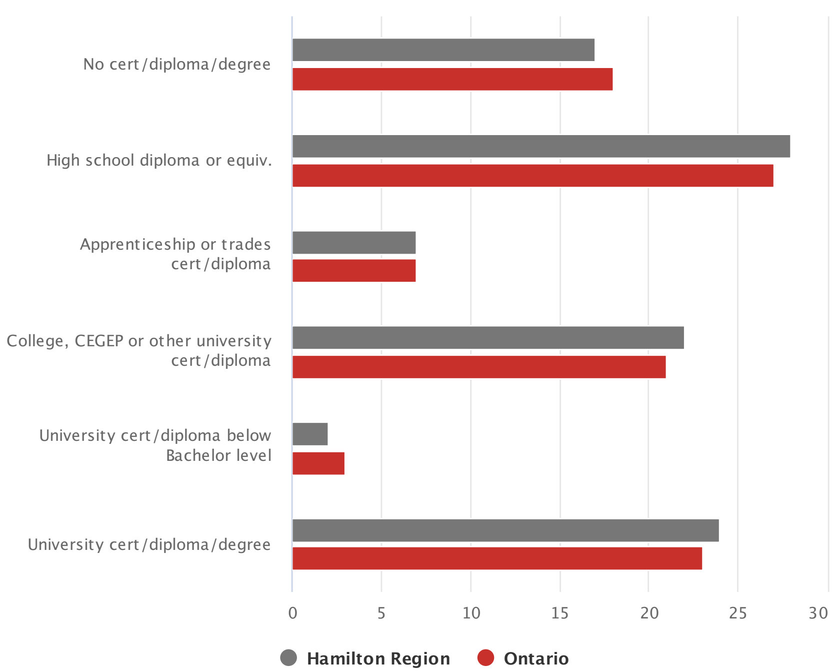


FIGURE 3: EDUCATIONAL ATTAINMENT – HAMILTON REGION AND ONTARIO

The overall education level of the region's residents is similar to that of Ontario's working-age population overall (see Figure 3). 17% of the Hamilton region do not have a high school diploma (vs. 18% for the province), and 24% (vs. 23% for the province) have a university diploma, certificate or degree.

3.0 OUTLOOK OF ONTARIO MEAT PROCESSING

3.1 ONTARIO MEAT PRODUCT OUTLOOKS

Total real gross output (or total end market demand) for meat processing is forecast to expand at a moderate pace of 1.6% on average over 2018-30. Growth will be helped by the increases in overall meat consumption that is forecast to average 0.8% over 2018-21 to 0.7% over 2022-26, and 0.8% over 2027-30 as poultry and lamb consumption boosts overall meat consumption. International exports are forecast to expand at a moderate rate over the projection period, averaging 2.9% over 2022-26, and 2.1% over both 2022-26 and 2027-30. There are broad-based gains in beef, veal, pork and poultry product exports. Meat of all types will benefit the implementation of the CETA and the TPP. Ontario's exports to other provinces will gain from the overall rise in meat consumption in those provinces; interprovincial exports are forecast to expand at a modest rate of 1.3% over 2018-21, 1.0% over 2022-26 and 2027-30. Interindustry demand is forecast to average 2.5% over 2018-21, and 3.0% over 2022-25 and 2.9% over 2026-30.

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

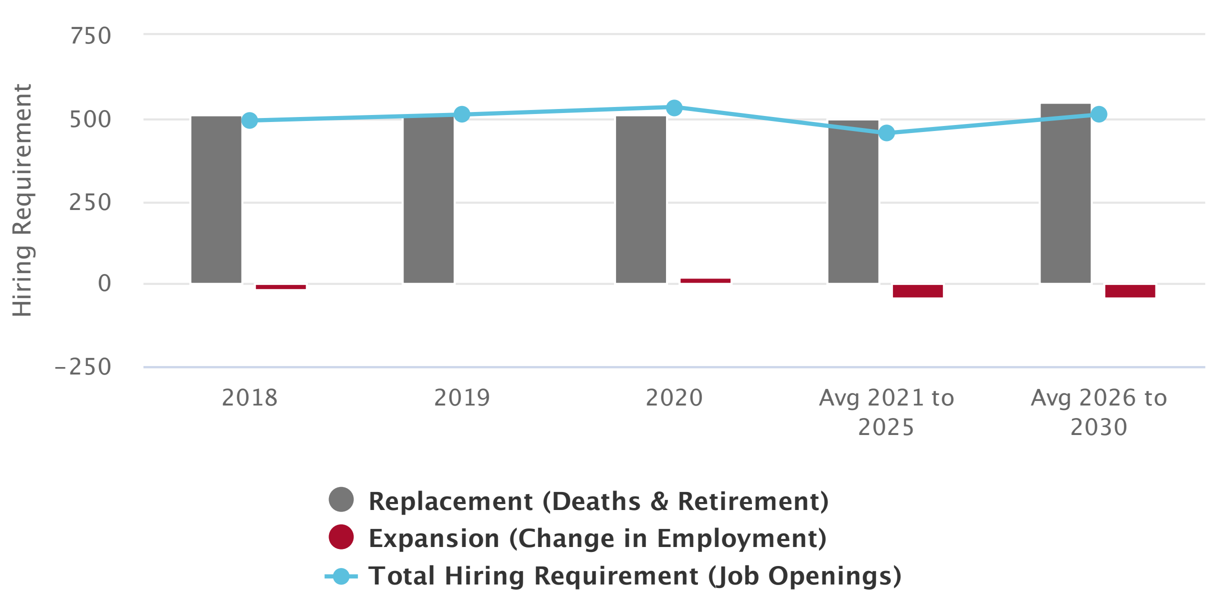
END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.2	0.8	0.7	0.8
International Exports	1.6	2.9	2.1	2.1
Interprovincial Exports	0.9	1.1	1.3	1.2
Interindustry Demand	3.2	2.5	3.0	2.9
Imports	0.8	1.3	1.0	1.0
Total End Market Demand	1.3	1.6	1.6	1.6

3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR ONTARIO

Meat processing employment is expected to hover around 13,350 between 2017 and 2020 and fall below 15,000 over the following decade despite modest growth in output. Meat processing real GDP is forecast to expand on average by 1.6% over the 2018-21 period, 2022-26 and 2027-30. Labour productivity (GDP per hour worked) is forecast to increase by 1.9% on average over the projection period. This means that the needed total hours of work will fall modestly by 0.3% on average over 2018-30, 0.3% over 2022-26 and 0.4% over 2027-30. Average hours worked per employee is forecast to fall by 0.1% on average over the projection period, which leads to the total number of jobs falling by 0.2% over 2018-21, 0.2% over 2022-26 and 0.3% over 2027-30.

Taking account of both replacement and expansion demands, the industry will likely need to need to hire just over 6,350 new workers, or (41%) 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), ONTARIO



4.0 HAMILTON REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts 32 processors ranging significantly in size.

Overall, there are thirty-two meat processing establishments in the Hamilton Region[3], with focus on both slaughter and meat processing.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 3,507 WORKERS AT WITH APPROXIMATELY 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 Hamilton Region in 2017 was 3,507 (see Table 3). The majority of the workers in the sector are in either foundational skill level occupations (NOC 9617) (28%) or occupations at an intermediate skill level (NOC 9461; 9462) (25%). A lower percent of the workforce (10%) are 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 HAMILTON REGION - 2017

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	3,507	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	510	15%
Poultry Production	445	13%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	484	14%
Machine Operator	39	1%
Slaughter Person	362	10%
HIGH (NOC 9213)		
Master Butcher	66	2%
Specialized Cutter	288	8%
SUPERVISORY (NOC 9213)		
Supervisors	164	5%
MANAGEMENT (NOC 0911)		
Management	247	7%
OTHER CATEGORIES		
Maintenance	204	6%
Skilled Trades	319	9%
Quality Control Technician	32	1%
Office Staff	332	9%
Other Occupations*	12	0%

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

3,507 **AVERAGE NUMBER OF WORKERS EMPLOYED IN THE MEAT PROCESSING INDUSTRY IN 2017**

4.2.2 WAGES

Median hourly wages for labourers in food are above the provincial average and wages for industrial butchers and meat cutters are slightly lower than the provincial average. Median wages for both occupations, however, are higher than other C and D level occupations available in the region.

The median hourly wage for labourers in food processing (NOC 9617) in the Hamilton Niagara Peninsula Region[4] of Ontario in 2017-18 was $17.55/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was slightly higher at $18.00/hour. The wage rates for labourers in food processing are close to $4.00/hour higher than the provincial median rates ($14.00/hour) and similar to the Kitchener-Barrie-Waterloo region. The median wage rates in the region are slightly lower than the provincial median wage rate for industrial butchers and meat cutters ($18.66/hour) and similar to that in the Kitchener Barrie Waterloo Region. To provide some context, the minimum wage in Ontario in 2017 was $11.60/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 $4.00/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)			
Hamilton Niagara Peninsula Region (ON)	14.00	17.55	28.86
Kitchener Barrie Waterloo Region (ON)	14.00	17.00	22.00
All Ontario	14.00	14.00	21.00
Industrial butchers and meat cutters (NOC 9462)			
Hamilton Niagara Peninsula Region (ON)	14.25	18.00	22.00
Kitchener Barrie Waterloo Region (ON)	14.25	18.00	24.00
All Ontario	15.80	18.66	22.00
Other C&D Level Occupations Lethbridge-Medicine Hat (AB)			
Farm Labourer (NOC 8431)	14.00	14.00	23.08
Retail Sales (NOC 6421)	14.00	14.00	23.59
Food Services (NOC 6711)	14.00	14.00	16.00

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

4 The Hamilton Niagara Peninsula Region of Ontario includes the Hamilton Region as well as some additional areas. Reliable wage data from ESDC was only available for this slightly larger region.

On a provincial level, the average hourly wage in food manufacturing ($17.26) is lower than other forms of manufacturing ($20.94) and lower than the average hourly wage for all industries combined ($20.39) (see Table 5). The hourly wage in food manufacturing is higher than that found in retail ($14.04) and accommodation and food services ($12.23), but lower than other industries such as construction ($25.61), educational services ($27.66) and professional, scientific and technical services ($29.46).

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

	Avg. hourly wage
All industries	**$20.39**
Food Manufacturing	**$17.26**
Manufacturing (Total)	**$20.94**
Retail trade	**$14.04**
Health care and social assistance	**$24.29**
Construction	**$25.61**
Educational services	**$27.66**
Accommodation and food services	**$12.23**
Professional, scientific, and technical services	**$29.46**

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

5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS APPROXIMATELY 769,000.

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 768,902 (out of a total population of 1,418,973). The largest proportions of the labour force for Hamilton-Niagara Peninsula economic region work in manufacturing (12% of the labour force - includes meat processing), retail trade (12%), and health care and social assistance (12%) (Census 2016).

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 6.6%.

The unemployment rate for the region in 2017 was 6.6% on average. According to Census data, approximately 4.5% of the population in the Hamilton Region 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 South-Central Ontario region, there has been a decreasing 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 are found among material handlers in the sector, which has seen a slight decrease between 2014 and 2016 (917 EI beneficiaries in 2016 down from 936 in 2014). In 2016 the data indicates that there were 134 industrial butchers/meat cutters collecting EI benefits with an annual average decrease in numbers of approximately 23%.

TABLE 6: EI BENEFICIARIES BY OCCUPATION – HAMILTON REGION

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	222	223	182	-9%
Material handlers	939	1101	917	-1%
Supervisors, food and beverage processing	92	79	N/A	-14%
Process control and machine operators, food and beverage processing	97	43	26	-37%
Industrial butchers and meat cutters, poultry preparers and related workers	250	132	134	-23%
Labourers in food and beverage processing	764	555	424	-22%

Source: Employment and Social Development Canada 2017

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

The plants interviewed in the region did not indicate that immigrant sources of labour as key to their operations. They did not participate in the TFW programming.

The proportion of immigrants in the Hamilton Region is slightly lower when compared with Ontario overall (22.8% vs. 29.1%). From the plants interviewed, they did not indicate that they were reliant specifically on recent newcomers, or refugees to meet their workforce demands. For the very large plant, they had a greater focus on Ontario Works recipients to fill positions and recruitment from local post-secondary institutions as needed (many of which may have been immigrants, but not specifically targeted as a recruitment group).

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

The plants interviewed did not indicate any specific efforts at engaging Indigenous workers into their workforce.

There is a small proportion of the population (2.2% in Census 2016; 29,170 individuals) in the Hamilton Region who identify as Aboriginal according to Census definitions. Within the region is one of the largest First Nations reserves (Six Nations) with a population of over 12,000 members living on reserve. This community is located approximately 45 minutes from the City of Hamilton.

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

ACCORDING TO THE LABOUR FORCE ANALYSES UNDERTAKEN, THERE WILL BE AN INCREASE IN POPULATION COMBINED WITH A SLIGHTLY SLOWER GROWTH IN THE LABOUR FORCE (DUE TO AN AGING POPULATION WITH RELATED RETIREMENTS) WHICH IN TURN WILL CONTRIBUTE TO A DECLINE IN UNEMPLOYMENT RATES. THERE IS CURRENTLY A SUFFICIENT LOCAL LABOUR FORCE TO MEET THE REGION'S LABOUR REQUIREMENTS (FOR ALL INDUSTRIES). THIS TREND CONTINUES THROUGH TO 2030.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	1,418,973	1,437,619	1,455,684	1,471,599	1,511,026	1,572,011
Avg. Annual Change (%)		1.3%	1.3%	1.1%	0.9%	0.8%
Total Labour Force	768,902	780,532	790,689	798,022	812,522	822,150
Avg. Annual Change (%)		1.5%	1.3%	0.9%	0.6%	0.1%
Total Employment	718,486	727,753	735,603	743,243	757,928	776,224
Avg. Annual Change (%)		1.3%	1.1%	1.0%	0.7%	0.3%
Unemployment Rate	6.6%	6.8%	7.0%	6.9%	6.7%	5.6%

The model projections indicate that taking into account the trends in migration and aging, the Hamilton Region will experience an increase in population 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 6.6% to 5.6% 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).

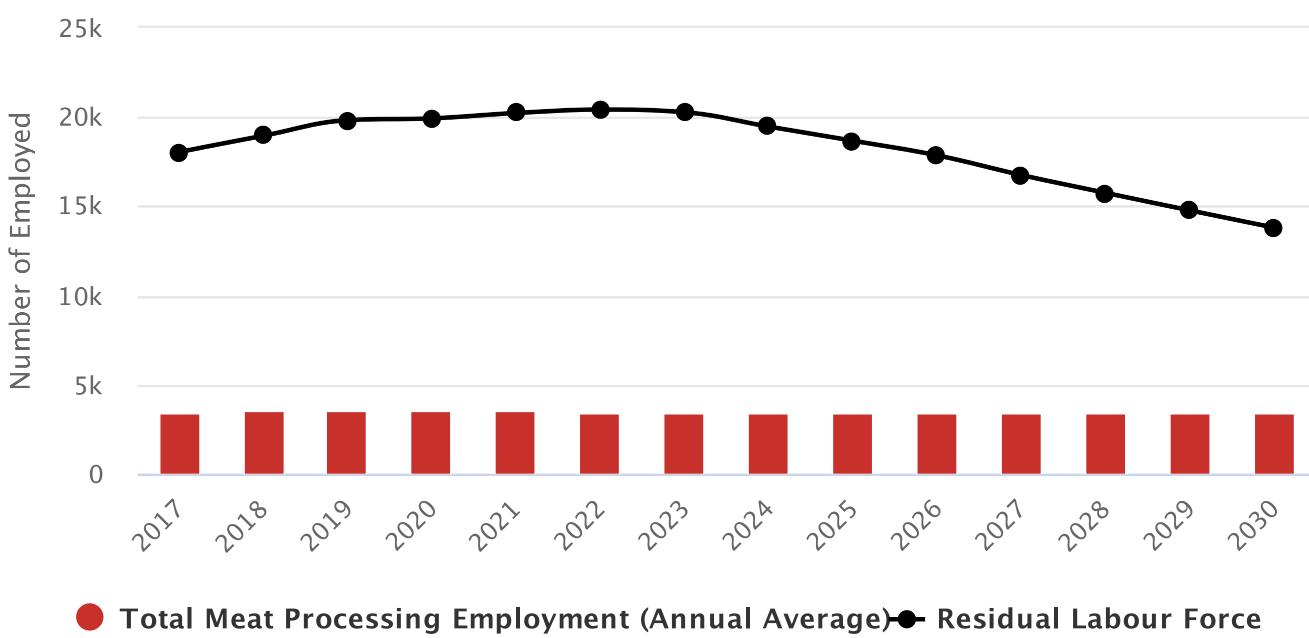
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is smaller than the Residual Total Labour Force. This suggests that there is currently (2017) a sufficient local labour force to meet all of the region's labour requirements (for all industries). This trend continues all the way through to 2030.

The analysis outlined in Table 8 and Figure 6 describes the labour market context within which the meat processors in the Hamilton Region are operating with respect to finding sufficient numbers of workers from the local labour supply. Within a competitive labour market, the industry employers have had success recruiting. For example, in 2017, the meat processing industry was able to recruit and employ 3,507 within a labour market that had a residual total labour force of 18,043. While the industry did experience some vacancies, these would likely have been substantially higher had it not been successful in competing with other industries in recruiting workers.

TABLE 8: TOTAL LABOUR MARKET TIGHTNESS – HAMILTON REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [5]	768,902	780,532	790,689	798,022	812,522	822,150
Total Non-Meat Processing Labour Requirement [6]	750,860	761,572	770,863	778,294	792,714	805,773
Residual Total Labour Force[7]	18,043	18,960	19,826	19,928	19,807	15,777
Total Meat Processing Employment (Annual Average)	3,507	3,513	3,522	3,535	3,498	3,455

FIGURE 5: TOTAL MEAT PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE – HAMILTON 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.

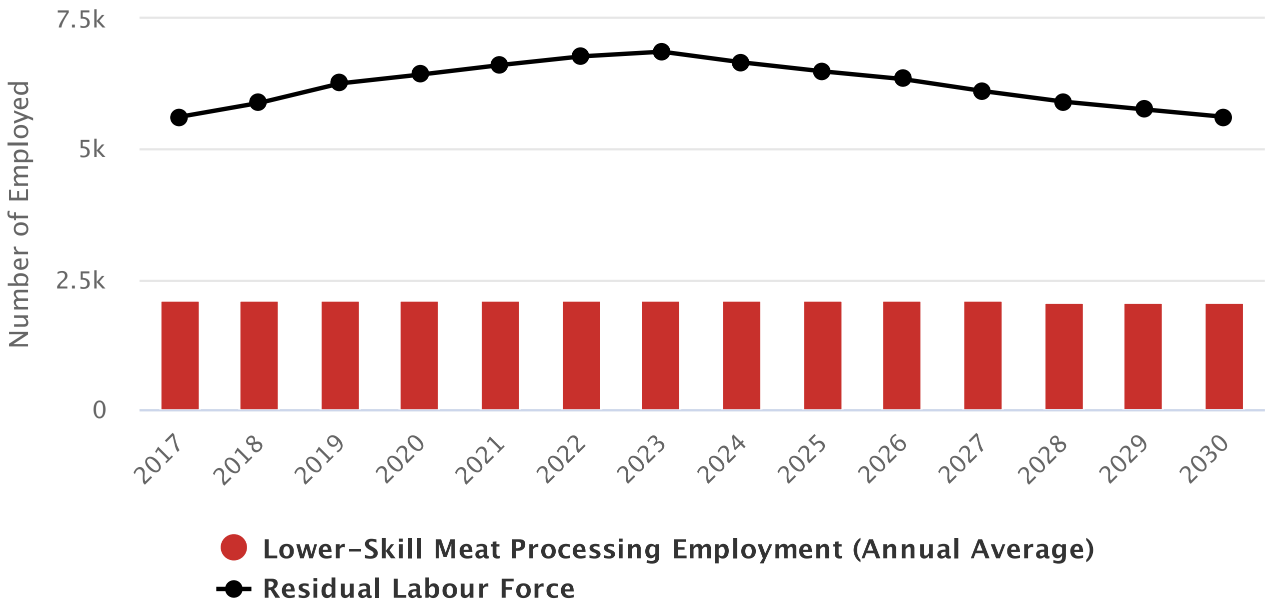
As noted in the description of the occupations, approximately 53% of the occupations in the industry in this region are in the "C" and "D" levels which are often referred to as "lower-skill level" occupations, not requiring post-secondary education. Given much of the focus is on the lower-skill level labour force, the study also analyzed the "tightness" of the lower-skill level labour market (see Table 9 and Figure 7). The tightness of lower-skill level labour market is also low. For example, in 2017, the meat processing industry was able to recruit and employ 2,115 workers within a labour market that had a residual total labour force of 5,617.

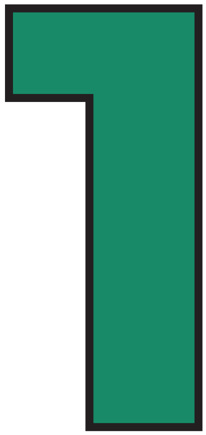
TABLE 9: LOWER-SKILL LEVEL LABOUR MARKET TIGHTNESS – HAMILTON REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force[8]	272,479	276,600	280,199	282,798	287,936	291,348
Lower-Skill Non-Meat Processing Labour Requirement	266,862	270,711	273,939	276,518	281,253	286,081
Residual Lower-Skill Labour Force	5,617	5,888	6,260	6,430	6,683	5,947
Lower-Skill Meat Processing Employment (Annual Average)	2,115	2,119	2,124	2,132	2,110	2,084

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
HAMILTON REGION – 2017-2030





The overall summary of the labour market tightness as modelled for the Hamilton Region (Table 10) demonstrates that the local labour force is able to meet the employment requirements of employers in the area at average levels. This is demonstrated for the overall labour market as well as the lower-level skill workers. 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.

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

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

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

The projections indicate that the Hamilton Region employers will need to attract approximately 1,400 new workers to the meat processing industry by 2030. This is equivalent to approximately 41% of the current annual average workforce. This requirement is due to both anticipated industry growth and replacement of anticipated retirements over this period. This competitiveness in the labour market is contributing to the current vacancies experienced by employers in meat processing (estimated at 13% in Ontario), 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 36% in Ontario in meat processing industry). All of these factors contribute to the substantial challenges facing the Hamilton 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 11). Overall, this results in the need to attract 1,400 new workers to the industry between 2018 and 2030. This equates to replacing approximately 41% of the current average meat processing workforce in the region.

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

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[9]	144	124	127	131	528	514
Industry Growth	27	6	9	13	-50	-50
Retirements and Mortality	118	118	118	118	577	564

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 Ontario meat processors is estimated at 36%.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	3,507	3,513	3,522	3,535	3,498	3,455
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	510	511	513	515	509	503
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	445	445	447	448	444	438
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	484	485	486	488	483	477
Machine Operator (including Saw Operator)	39	39	40	40	39	39
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	66	66	67	67	66	65
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	288	289	290	291	288	284
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	164	165	165	166	164	162
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	247	248	248	249	247	244
OTHER CATEGORIES						
Maintenance (including Janitors, Sanitation Workers, Cleaners)	204	205	205	206	204	201
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	319	319	320	321	318	314
Quality Control	32	32	32	32	32	32
Office Staff (including Administrator or HR Manager)	332	333	334	335	331	327
Other Occupations*	12	12	12	13	12	12

* 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 an 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 large plant interviewed indicated that their most pressing issue was retention of recent hires. A recent example provided was hiring ten people one week, and by day three, 50% had quit. Reasons for quitting often involved the physical requirements of the job as new entrants often don't understand the full extent of the job until they are actually working on the floor for a few shifts. Despite these challenges, the plant had managed to bring down turnover rates of over 50% to under 25% within two years by improving onboarding processes.

Recruitment and selection process

The plants interviewed indicated that recruiting is challenging not so much due to the number of applicants which is often sufficient, but rather challenges with being able to accurately select good candidates who will perform well in the positions for which they have been hired and will remain with the company.

Competition for lower-skilled workers

The large plant interviewed reported that they have increasing challenges related to the competition for lower-skilled workers. Their largest competitors are found in the retail and food service sectors. Finding high-skilled workers is considered less of a challenge.

Recruiting and developing for supervisory/leadership positions

The large plant indicated that they had experienced some challenges in filling supervisory/leadership positions within the plant. Often they prefer to develop current staff and recruit from within for these positions, however, due to high turnover rates and the quality of candidates that they have been able to hire recently, it can be challenging to identify and develop these individuals from the current workforce.

Youth workers

Both of the plants interviewed indicated increasing challenges in recruiting, retaining and training youth. The small processing plant reported that they are now less likely to hire youth given recent experiences with youth not being able to perform required tasks, absenteeism, and turnover. The large plant indicated that youth have been challenging given that there are high turnover rates and that they appear to always be on a job hunt with frequent ongoing movement between jobs.

Minimum wage raise

Both plants noted that they expected to see higher turnover and demand for higher wages with the scheduled minimum wage increase to occur in Ontario.

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:

DECREASING TURNOVER RATES

The large plant interviewed indicated that it had managed to decrease its turnover rates over a period of two years by making improvements to its onboarding processes.

PARTNERSHIPS WITH AGENCIES RELATED TO SOCIAL ASSISTANCE

The representatives from the larger processing plant reported that they have had considerable success in identifying and recruiting candidates through their ongoing involvement in programming that is supported under Ontario Works. The program provides contact with workers who fit skill sets, and local agencies provide upgrading or language training before they begin working at the plant.

IMPROVED SCREENING

The large plant is currently testing a screening tool that can be used at the interview/hiring stage in an attempt to better assess candidates' suitability for the positions for which they are being considered. The tool assesses areas such as work experience, absenteeism, and workplace behaviour.

SUCCESS WITH CONNECTIONS TO COLLEGES AND APPRENTICESHIP PROGRAMS

Both employers interviewed indicated that they had successfully worked with local colleges and apprenticeship programs to provide work experience to students and to then hire them as employees upon completion of their programs.

FOOD PROCESSING SKILLS CANADA

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