Securing Canada's MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

High River Region
Alberta

FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S **MEAT** WORKFORCE

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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@fpsc-ctac.com
www.fpsc-ctac.com

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Canada

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SUMMARY

REGIONAL OVERVIEW

The High River Region includes the Town of High River (pop. 13, 584) located within close proximity to the metropolitan area of Calgary, approximately 55 Km south of downtown Calgary. Meat processing in the High River, Alberta region is focused predominantly on cattle, with most facilities engaged in processing and rendering activities.

LABOUR MARKET OVERVIEW

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. This is attributed to the inclusion of Calgary in the available supply. Sufficient labour supply of lower-skill workers is also expected to be available in the region. Despite ample labour supply, the availability of workers for meat processors will depend on competing employment demands from other sectors. 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.

Regional meat employment is expected to rise from 2,800 workers in 2017 to nearly 3,000 by 2020 and reach nearly 3,700 workers by 2030, a 36% increase. Local processors will likely need to hire 2,200 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, which includes Calgary, is expected to increase from 1.3 million to nearly 1.5 million by 2020 and nearly 1.8 million by 2030. Net in-migration of over 280,000 individuals is expected to be the main source of population growth. However, rising retirements will cause labour force growth to lag behind employment resulting in a declining regional unemployment rate in the near-term.

POPULATION

1,421,011

LABOUR FORCE

868,730

LABOUR MARKET TIGHTNESS

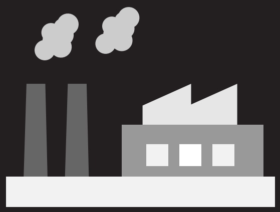
The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Brooks Region and subtracting those requirements from the total labour force estimates, reveals substantial challenges facing this industry.

	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



17[1]

MEAT PROCESSING EMPLOYMENT

2,755[2]

HR CHALLENGES

As meat processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing recruitment and retention issues, challenges with retention of Indigenous workers, as well as recruiting EI recipients.

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 Calgary (AB) 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. The High River Region in Southern Alberta was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the High River Region, meat processing overall in the province of Alberta, and specifically in the High River 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 High River Region, the study team collected information from one large beef processing plant (over 500 employees).

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE HIGH RIVER REGION

2.1 GEOGRAPHIC LOCATION

The High River Region is included in the metropolitan area of Calgary. It includes the Town of High River (pop. 13,584), approximately 55 Km south of downtown Calgary.

2.2 POPULATION CHARACTERISTICS

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

The overall population for the region in 2017 (including Calgary) was 1,421,011. According to Census 2016 profiles, the proportions of immigrants (30.1%), non-Canadian citizens (11.5%), and visible minorities (34.4%) are higher when compared to those overall for Alberta. There are lower proportions that identify as Aboriginal according to Census definitions (2.9%) when compared to Alberta overall (see Table 1).

TABLE 1: BROOKS REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	HIGH RIVER REGION	ALBERTA
FEMALE	672,675	2,027,765
SHARE OF POPULATION	50.01%	49.9%
IMMIGRANTS	397,585	845,215
SHARE OF POPULATION	30.1%	21.2%
NOT CANADIAN CITIZENS	152,745	355,405
SHARE OF POPULATION	11.5%	8.9%
VISIBLE MINORITIES	454,890	933,165
SHARE OF POPULATION	34.4%	23.5%
ABORIGINAL IDENTITY	38,790	258,640
SHARE OF POPULATION	2.9%	6.5%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (1,421,011 in 2017 and then 1,711,492 by 2030). The population in the region is younger than other regions in Canada with the Calgary CMA having a median age of 36.6 years compared to the national median age of 41.2, but it is close to the provincial median age of 36.7 years (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 11.8% in 2017 to approximately 16.8% 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 a large extent by a predicted continuation of a pattern of net in-migration of approximately 280,000 people by 2030. Overall, the period under study will be impacted by the predicted in-migration in the region, which will result in a small rise in population (see Figure 2).

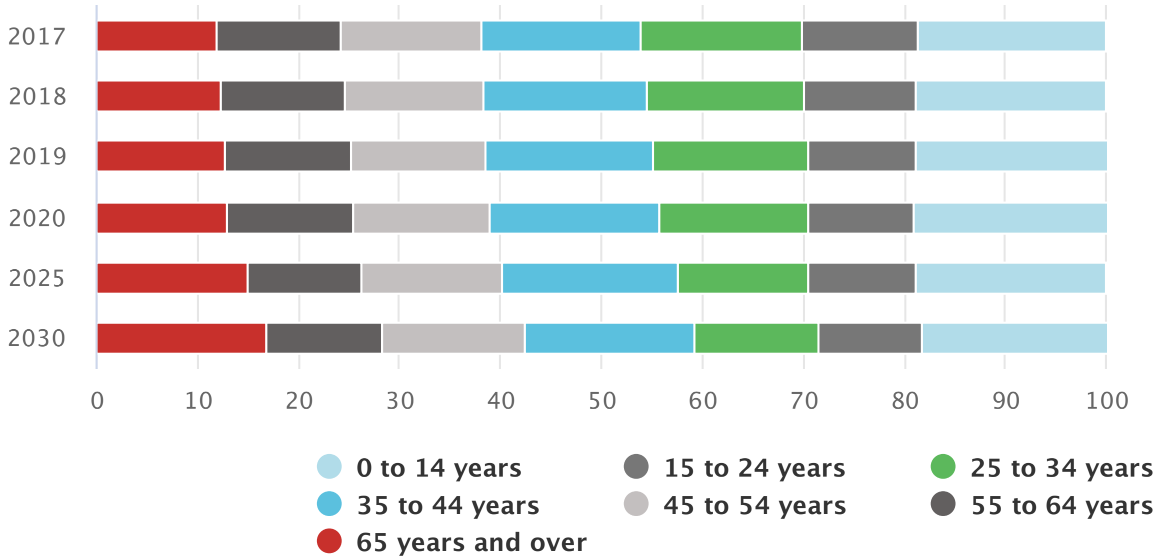


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

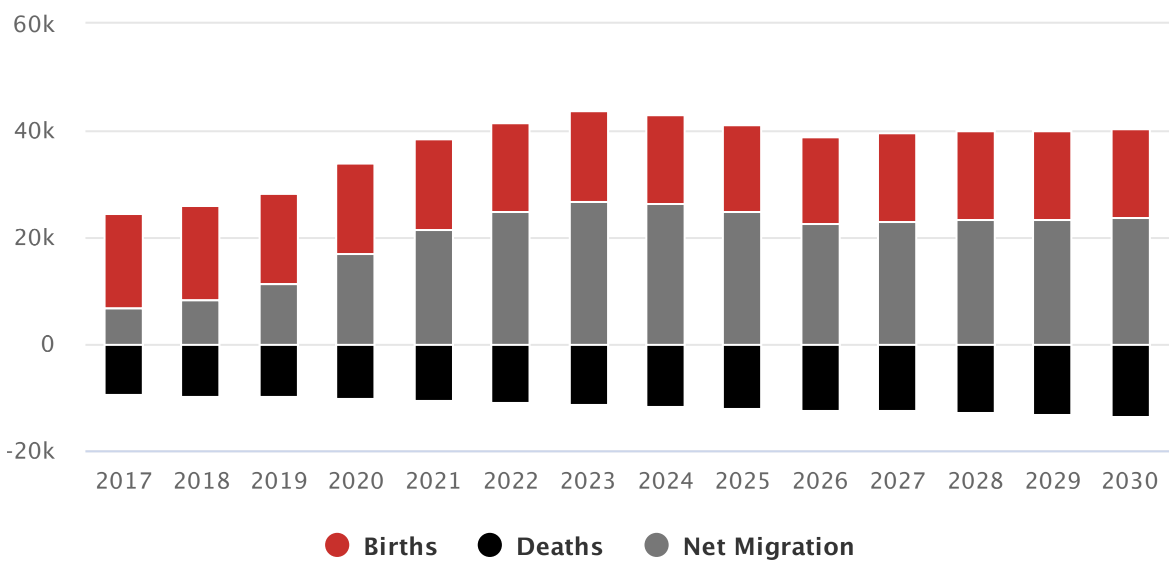


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

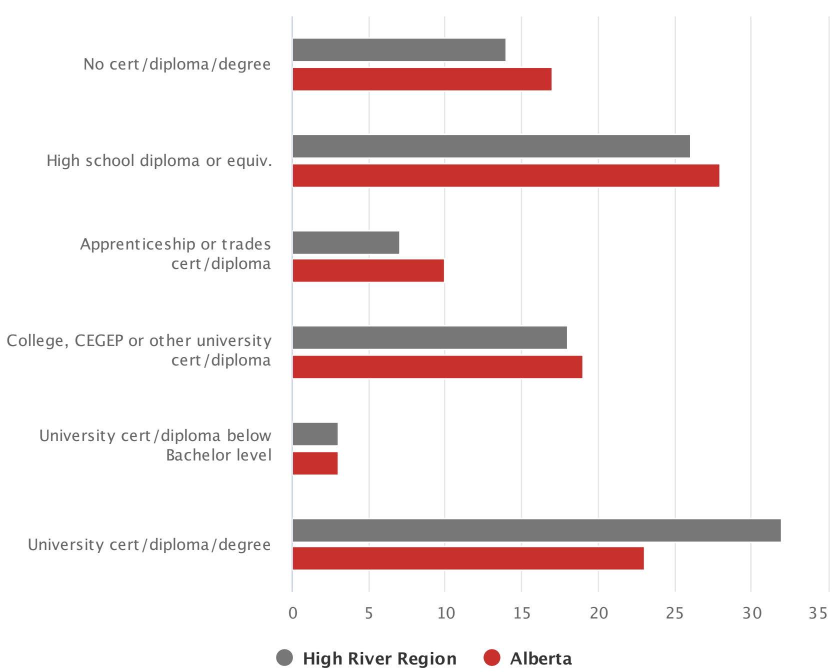


FIGURE 3: EDUCATIONAL ATTAINMENT – HIGH RIVER REGION AND ALBERTA

The education level of the Calgary region's residents is higher when compared with Alberta overall (see Figure 3). Although 40% of the population have no postsecondary education diploma, the proportion of those with a postsecondary degree or diploma (60%) is slightly higher than that observed for the province overall (55%). In particular, 32% of the High River Region's population have a university diploma or degree compared to 23% in Alberta. This may be in part due to the inclusion of the urban-based Calgary population within the High River Region which is home to multiple post-secondary institutions and professional sectors.

3.0 OUTLOOK OF ALBERTA MEAT PROCESSING

3.1 ALBERTA MEAT PRODUCT OUTLOOKS

Total real gross output (or total end market demand) for meat processing is forecast to expand by 2.7% on average over 2018-21, then moderate to 2.0% over 2022-26 and 2.3% over 2027-30 (see Table 2). Growth will be helped by some increases in meat consumption from 1.2% on average over 2018-21 to 1.8% over 2022-26, and 1.5% over 2027-30 as chicken and lamb consumption boosts overall meat consumption.

International exports are forecast to expand at a moderately strong rate over the projection period, averaging 2.9% over 2022-26, and 2.2% over 2022-26 and 2.1% over 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. Alberta'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 by 1.0% over each of the sub-periods. Interindustry demand is forecast to average 1.7% over 2018-21, and 2.8% over 2022-30.

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

END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	0.8	1.2	1.8	1.5
International Exports	5.0	2.9	2.2	2.1
Interprovincial Exports	0.6	1.0	1.0	1.0
Interindustry Demand	2.2	1.7	2.8	2.8
Imports	1.7	1.6	2.1	1.8
Total End Market Demand	4.9	2.7	2.0	2.3

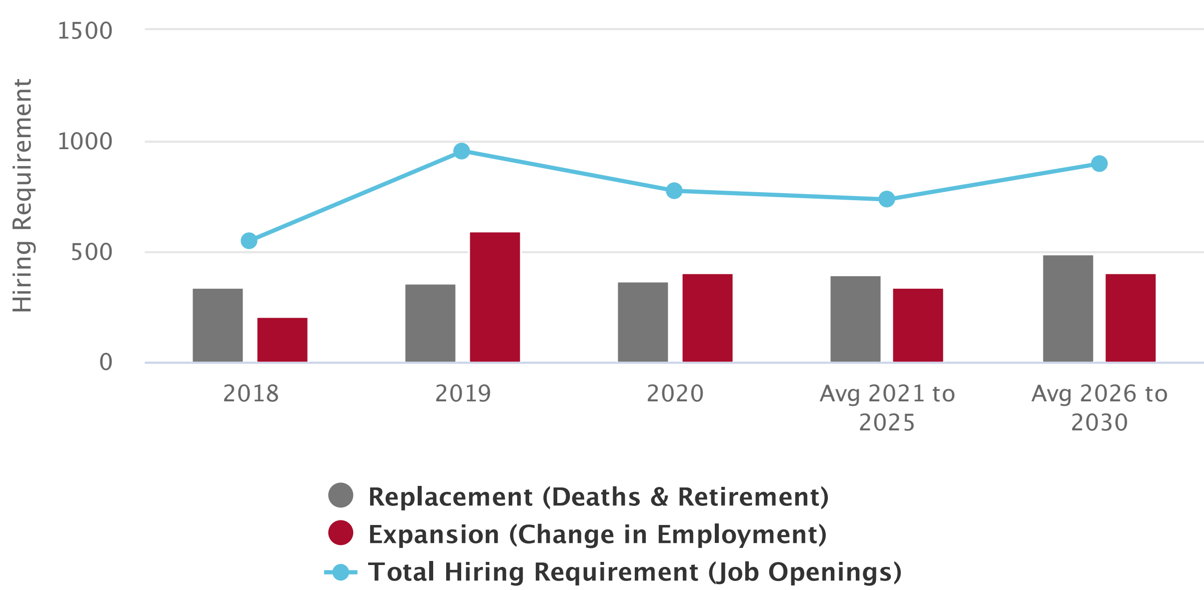
3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR ALBERTA

Meat processing employment is expected to rise by 9.1% between 2017 and 2020, or by close to 1,200 jobs from 13,250. Total employment is expected to surpass 18,000 by 2030.

Meat processing real GDP is forecast to expand at a strong pace over the forecast by 3.2% over the 2018-21 period, 2.5% over 2022-26 and 2.7% over 2027-30. Labour productivity (GDP per hour worked) is forecast to increase by 0.5% on average over the projection period. This means that the needed total hours of work will rise at a strong pace of 2.7% on average over 2018-30, 2.0% over 2022-26 and 2.2% over 2027-30. Average hours worked per employee is forecast to fall by 0.2% on average over the projection period, which leads to the total number of jobs rising by 2.9% per year over 2018-21, 2.2% over 2022-26 and 2.4% over 2027-30.

Taking account of both replacement and expansion demands, the industry will likely need to hire just over 10,400 new workers, or (77%) 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), ALBERTA



4.0 HIGH RIVER REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts 17 processors ranging significantly in size.

Overall, there are seventeen meat processing establishments in the High River Region[3], with a focus on cattle processing and rendering activities. As noted on the map in Section 1, there are three very large establishments (over 500 employees) and one large establishment (between 250 and 500 employees) with the remainder being medium or small plants. Many of these are located in the urban/suburban areas of Calgary, with only one very large plant and a few very small plants directly located near the Town of High River.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 2,755 WORKERS WITH APPROXIMATELY FORTY PERCENT AT THE FOUNDATIONAL (11%) OR INTERMEDIATE SKILL LEVELS (31%).

4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the High River Region in 2017 was 2,755 (see Table 3). Approximately one-third of all employed (31%) were in at occupations at an intermediate skill level (NOC 9461; 9462) with large numbers of slaughter persons and meat cutters. Approximately 22% of the workforce is in the higher skill occupations of specialized meat cutters and master butchers. This distribution was confirmed during interviews where the main plant that was visited indicated that the largest proportion of their staff would be in the intermediate skill level occupations.

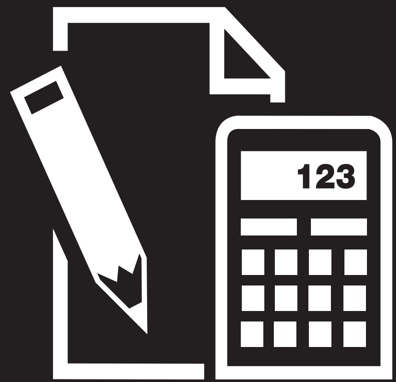
3 Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.

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

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	2,755	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	300	11%
Poultry Production	10	0%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	289	10%
Machine Operator	126	5%
Slaughter Person	448	16%
HIGH (NOC 9213)		
Master Butcher	62	2%
Specialized Cutter	554	20%
SUPERVISORY (NOC 9213)		
Supervisors	115	4%
MANAGEMENT (NOC 0911)		
Management	115	4%
OTHER CATEGORIES		
Maintenance	96	3%
Skilled Trades	232	8%
Quality Control Technician	10	0%
Office Staff	176	6%
Other Occupations*	223	8%

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

2,755 **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 equivalent to the provincial average and higher than some other C and D level occupations available in the region. The median wages for labourers in the oil and gas sector remain significantly higher than labourers in the meat processing sector.

The median hourly wage for labourers in food processing (NOC 9617) in the Calgary region of Alberta in 2017-18 was $19.00/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was slightly higher at $20.00/hour. These wage rates are equivalent to the provincial median rates ($19.00/hour and $20.00/hour respectively) for these occupations. To provide some context, the minimum wage in Alberta in 2017 was $13.60/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. A main competitor for the meat processing industry in Alberta is the oil and gas sector. The wages for a labourer in this sector are significantly higher with a median wage of $25.00/hour on average in the province.

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)			
Calgary Region (AB)	15.00	19.00	23.17
All Alberta	15.00	19.00	23.17
Industrial butchers and meat cutters (NOC 9462)			
Calgary Region (AB)	19.00	20.00	21.00
All Alberta	17.90	20.00	24.00
Other C&D Level Occupations Calgary Region (AB)			
Farm Labourer (NOC 8431)	N/A	N/A	N/A
Retail Sales (NOC 6421)	15.00	15.00	25.00
Food Services (NOC 6711)	15.00	15.00	17.00
Oil and Gas Labourer (NOC 8615; Alberta)	N/A	N/A	N/A
Other C&D Level Occupations Alberta Average			
Oil and Gas Labourer (NOC 8615)	18.00	25.00	36.00

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

On a provincial level, the average hourly wage in food manufacturing ($18.60) is lower than other forms of manufacturing ($23.44) and lower than the average hourly wage for all industries combined ($20.75) (see Table 5). The hourly wage in food manufacturing is higher than that found in retail ($14.45) and accommodation and food services ($13.58), but lower than other industries such as construction ($25.49), educational services ($27.89) and professional, scientific and technical services ($28.89).

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

	Avg. hourly wage
All industries	**$20.75**
Food Manufacturing	**$18.60**
Manufacturing (Total)	**$23.44**
Professional, scientific & technical services	**$28.89**
Accommodation and food services	**$13.58**
Retail trade	**$14.45**
Health care and social assistance	**$24.38**
Construction	**$25.49**
Educational services	**$27.89**

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

5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS APPROXIMATELY 868,730.

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 868,730 (out of a total population of 1,421,011). The largest proportions of the labour force for the Calgary Census Metropolitan Area are retail trade (11%), health care and social assistance (11%), and professional, scientific and technical services (10%). The labour force dedicated to manufacturing – which includes meat processing – is 5% (Census 2016).

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 8.4%.

The unemployment rate for the region in 2017 was 8.4% on average. According to Census data, approximately 5.1% of the region's population 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 Southern Alberta region, there has been a growing 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, as well as the highest proportional increase, has occurred among material handlers in the sector (3,009 EI beneficiaries in 2016 with an average annual 143% increase between 2014 and 2016). One of the main shortages outlined in interviews is with respect to industrial butchers and meat cutters. In 2016 the data indicates that there were 330 industrial butchers/meat cutters collecting EI benefits with an annual increase in numbers of approximately 56%.

TABLE 6: EI BENEFICIARIES BY OCCUPATION – SOUTHERN ALBERTA REGION

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	218	452	741	120%
Material handlers	779	1,740	3,009	143%
Supervisors, food and beverage processing	68	83	119	38%
Process control and machine operators, food and beverage processing	184	149	203	5%
Industrial butchers and meat cutters, poultry preparers and related workers	155	196	330	56%
Labourers in food and beverage processing	497	725	909	41%

Source: Employment and Social Development Canada 2017

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 High River Region, particularly with respect to the highly skilled meat cutting occupations.

The proportion of immigrants in the High River Region is higher when compared with Alberta overall (30.1% vs. 21.2%). Reflecting this proportion is the meat processing industry reliance on recent immigrants and temporary workers working towards permanent residency in Canada. Plant managers interviewed indicated that the TFWP is a key source of highly skilled meat cutters, with most of their skilled meat cutters being TFWs or recent immigrants (often workers who started as TFWs and are making their way through the immigration programs to permanent residency).

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

There is an ongoing effort by the large plant interviewed to work with Indigenous communities to find or develop a successful approach in integrating Indigenous workers into the sector's workforce.

While the overall population of self-identified Aboriginal is proportionally lower in the region compared to Alberta overall, the High River Region includes or is close to a number of Indigenous communities which are within a 60-minute commute of many of the processing plants. Despite efforts over the past few years by the large plant interviewed to hire members of these communities, there has been minimal success. Recently there have been discussions to have members of an Indigenous community outside of the province possibly relocating to the region to work with the large plant in either establishing supportive business and/or working at the plant.

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

ALTHOUGH LABOUR MARKET TIGHTNESS ESTIMATES SUGGEST THAT THERE IS A SURPLUS OF WORKERS IN THE REGION, THIS ESTIMATE IS HEAVILY IMPACTED BY THE PRESENCE OF THE CITY OF CALGARY. EMPLOYERS IN MEAT PROCESSING PLANTS REPORT FACING HEAVY COMPETITION FROM AN URBAN LABOUR MARKET, OFFERING OPPORTUNITIES IN LIGHT MANUFACTURING OR THE SERVICE INDUSTRY, WHICH LIMITS THEIR ABILITY TO ATTRACT WORKERS.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	1,421,001	1,437,353	1,455,874	1,479,710	1,569,824	1,711,492
Avg. Annual Change (%)		1.2%	1.3%	1.6%	2.0%	1.6%
Total Labour Force	868,730	869,983	878,849	891,210	936,804	983,951
Avg. Annual Change (%)		0.1%	1.0%	1.4%	1.7%	0.5%
Total Employment	795,864	803,478	820,997	842,953	887,826	925,778
Avg. Annual Change (%)		1.0%	2.2%	2.7%	1.6%	0.4%
Unemployment Rate	8.4%	7.6%	6.6%	5.4%	5.2%	5.9%

The model projections indicate that considering the trends in migration and aging, the High River Region will experience some 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 8.4% to 5.9% 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).

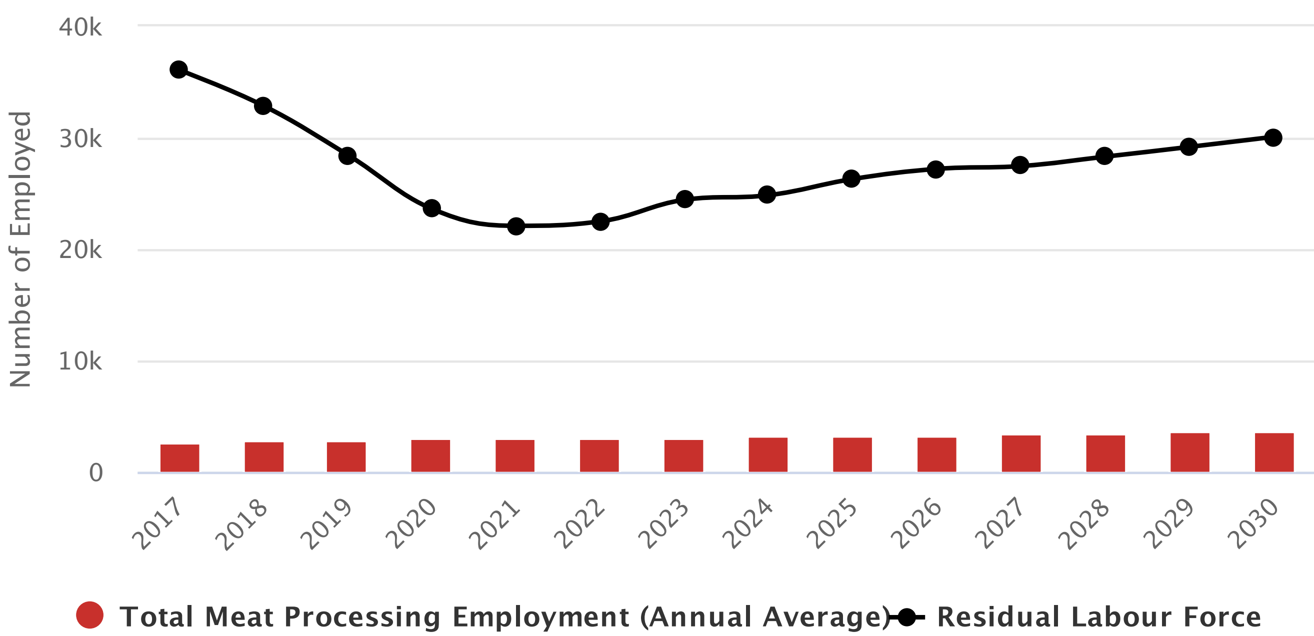
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is lower than the Residual Total Labour Force. This suggests that there is currently (2017) sufficient local labour force to meet all of the region's labour requirements (for all industries). This trend continues all the way through to 2030. Given the decreases in the labour force coupled with a rise in employment, the estimated surplus presents a decreasing trend 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 High River Region are operating with respect to finding sufficient numbers of workers from the local labour supply. 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. This type of analysis does not consider various other challenges encountered by the meat processing industry such as location of plants within the region, availability of transportation, competitiveness from other industries, and industry image.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [4]	868,730	869,983	878,849	891,210	936,804	983,951
Total Non-Meat Processing Labour Requirement [5]	832,674	837,132	850,413	867,612	912,770	955,501
Residual Total Labour Force[6]	36,057	32,851	28,436	23,598	24,034	28,450
Total Meat Processing Employment (Annual Average)	2,755	2,801	2,914	2,981	3,163	3,521

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



4 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.
5 Non-meat processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.
6 The residual labour force is the difference between the labour force and the non-meat processing labour requirement.

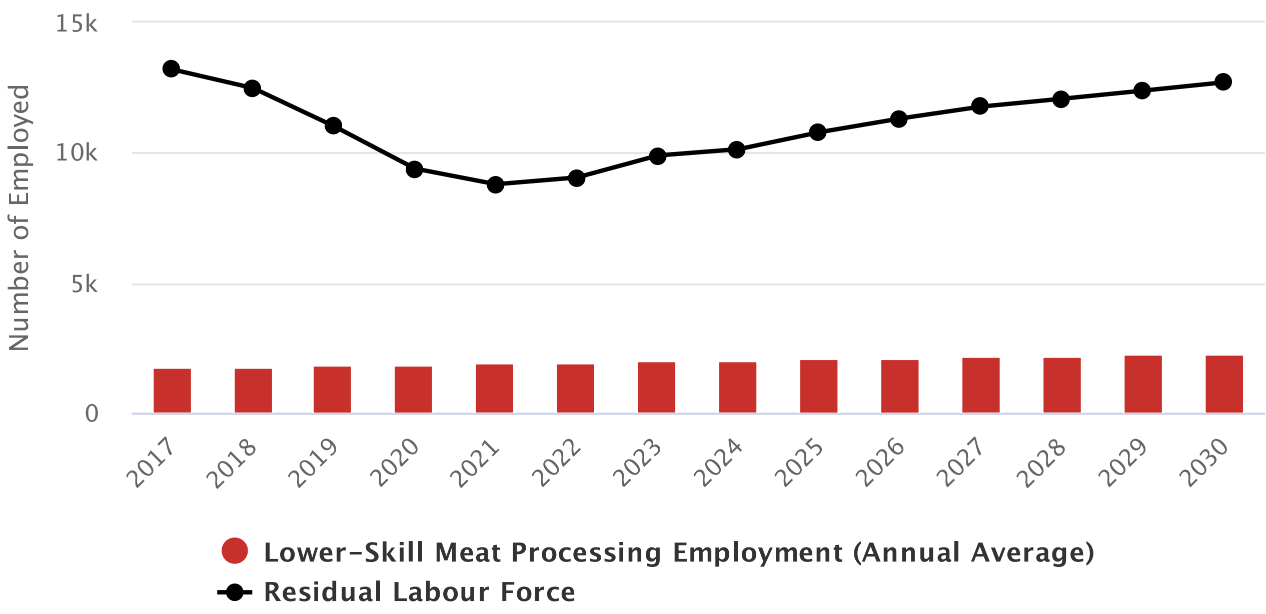
As noted in the description of the occupations, approximately 64% of the occupations in the industry in this region are in the "C" and "D" levels which are often referred to as "lower-skill level" occupations, not requiring post-secondary education. Given much of the focus is on the lower-skill level 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 in the case of High River due to its proximity to the City of Calgary. For example, in 2017, the meat processing industry recruited and employed 1,728 workers within a labour market that had a residual total labour force of 13,203.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force[7]	316,171	316,626	319,853	324,352	340,946	358,104
Lower-Skill Non-Meat Processing Labour Requirement	302,968	304,143	308,836	314,965	331,216	347,676
Residual Lower-Skill Labour Force	13,203	12,483	11,017	9,387	9,730	12,052
Lower-Skill Meat Processing Employment (Annual Average)	1,728	1,756	1,828	1,870	1,984	2,208

7 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
HIGH RIVER REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the High River Region suggests that there is an available force that will decrease 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. As mentioned earlier, this type of analysis does not consider various other challenges encountered by the meat processing industry such as location of plants within the region, availability of transportation, level of competitiveness from other industries, and industry image.

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TABLE 10: SUMMARY OF LABOUR MARKET TIGHTNESS – HIGH RIVER 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

Projections indicate that the High River Region employers will need to attract approximately 1,965 new workers to the meat processing industry by 2030. This is equivalent to approximately 71% of their 2017 annual average workforce. This requirement is due to both anticipated industry growth and replacement of anticipated retirements over this period. This recruitment will be occurring within the context of an industry that is already experiencing vacancies (estimated at 5% in Western Canada), and to 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 24% in Alberta in meat processing industry). All of these factors contribute to the substantial challenges facing the High River 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). This results in the need to attract 1,965 new workers to the industry between 2018 and 2030. This equates to replacing approximately 71% of the current average meat processing workforce in the region.

TABLE 11: HIRING REQUIREMENT OUTLOOK – HIGH RIVER REGION – 2017-2030

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[8]	118	114	186	141	706	818
Industry Growth	50	46	113	67	313	382
Retirements and Mortality	68	69	73	74	394	435

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

8 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 Alberta meat processors is estimated at 24%.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	2,755	2,801	2,914	2,981	3,163	3,521
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	300	305	317	324	344	383
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	10	10	11	11	11	13
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	289	293	305	312	331	369
Machine Operator (including Saw Operator)	126	128	133	136	144	161
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	62	63	65	67	71	79
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	554	563	586	600	636	708
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	115	116	121	124	132	146
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	115	117	121	124	132	147
OTHER CATEGORIES						
Maintenance (including Janitors, Sanitation Workers, Cleaners)	96	98	102	104	111	123
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	232	236	246	252	267	297
Quality Control	10	10	10	11	11	12
Office Staff (including Administrator or HR Manager)	176	179	186	190	202	225
Other Occupations*	223	227	236	242	257	286

* 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:

Recruitment

The large plant interviewed noted that there is challenge recruiting for many of their positions with TFWs playing a key role in meeting their demand for skilled industrial meat cutters. During interviews, managers noted that there are limited numbers of higher skill meat cutters available in Canada, and there are not currently sufficient numbers to train internally. Managers mentioned not having the "application flow" from local sources required to staff their current vacant positions and replace the proportion of those workers who quit within 90-days of start (the group that tends to have the highest turnover rate).

Retention of Indigenous workers

The plant interviewed entered into a partnership with a local Indigenous community to hire a group of band members. There were 90 referred and 50 hired under the initiative. The Band provided a bus for daily transportation to and from the plant. After six months, the plant was not able to retain any of the original 50 workers hired. The reasons for quitting provided during exit interviews with this group and with follow-up by the Band was that the workers did not want to be employed during the summer months.

Challenges with immigration pathways

While the TFWP is based on the concept of "temporary" workers, the plant managers interviewed indicated that they hire TFWs with the intention that they will be able with some support to become permanent residents and long-term employees of the company. The current program had TFWs separated from their families for extended periods (2-3 years) and was noted as not an ideal way to proceed.

Challenges recruiting EI recipients

Managers noted some specific challenges in recruiting those in receipt of EI. One of these challenges was working with the current job bank matching process, particularly with requirements to offer interviews when there was a partial match. This process is very labour intensive (e.g., 200 matches) but with no results to date. Another challenge noted by the managers is that among the EI counsellors and Service Canada employees, there seems to be limited knowledge about the meat processing industry, the jobs available in the sector, and a lack of willingness to promote the jobs within the industry to EI recipients in other sectors that are having major layoffs or shutdowns.

Retention issues

Managers indicated that while the retention rate is high among the TFWs and recent immigrant groups, the main retention issues are among the local hires including Indigenous community members. It was noted that the turnover rate is high during the first 90-days of tenure, and then after a few months tends to decrease rapidly. Among other workers, exit interviews have noted particularly challenges with working on the harvest floor and being around death and blood on a daily basis, working in a very large plant with many employees, and overall work environment with temperature challenges (hot/cold).

Challenges with industry image

Plant managers view the image of meat processing as a major challenge in recruiting. Part of this is the lack of awareness or knowledge of the industry among potential recruits or those assisting job-seekers (EI counsellors, immigrant support offices). Overall, there is the perspective that the industry is not well understood, and in particular the diversity of jobs and opportunities available for potential workers including well-paying, permanent jobs with significant opportunities for advancement and training.

Challenges of immigrant settlement in rural settings

The large plant interviewed is in a rural area approximately 60km from Calgary. It was noted that while there are some supports for immigrants in the community, they would not be comparable to what is often available in downtown Calgary. While the plant works to support and supplement the supports available, there remain some gaps when making the comparison. It was also noted that the common pattern among immigrant families in the rural setting is that the father usually arrives first (often through the TFW program) and lives in the community. Once he is able to bring his family over, if there are young children they remain in the community, but if there are older children (or as the children age), they often move into Calgary, and then the father commutes back to the plant.

Impact of labour shortages and vacancies

The main challenges noted with the labour shortages were the lost opportunities for further processing and specialty, value-added products. Other challenges include maintaining food safety because as lines go faster with fewer individuals, there is a greater risk associated with making errors. Also related to the increased time pressure on the line with shortages of resources is an impact on health and safety issues – the faster lines mean not enough time to sharpen/swipe knives which can impact quickly on the workers' joints and overall ergonomics of the positions.

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:

CONSIDERING WORKERS AS "INDUSTRIAL ATHLETES"

Given the physical nature of many of the occupations, the plant interviewed has taken the approach of considering workers as industrial athletes and providing the supports and training accordingly. New entrants are provided with both technical training and physical conditioning, which also includes ongoing coaching. In addition, there is an on-site health team staffed by RNs, physiotherapists and ergonomic specialists.

SUPPORT TFWS ON THEIR JOURNEY TO PERMANENCE

The plant representatives interviewed indicated that they when they hire TFWs, they are assuming that they are hiring for permanence. The success rate among TFWs attaining their permeance is in part attributable to the support they receive from the plant (e.g., language lessons, assistance with paperwork, immigration consultant on staff). As well, the retention rate of TFWs who have received their permeance is quite high (80-90%) with those leaving often doing so for education or to start their own businesses often maintaining connections to the organization by either returning (after having received additional education) or providing services to the plant through their own businesses (e.g., sanitation teams).

INTEGRATING TECHNOLOGY

The plant representatives noted that a number of efforts had been made in the past year to integrate technology into many of the lines, often to improve the ergonomics of the positions for the lines which in turn assists in reducing turnover. In another example, the introduction of technology in a specific area reduced the need for 92 workers down to 24 (the surplus workers were retained and moved to other areas of the plant where there were vacancies).

WORKING WITH COMMUNITY AGENCIES AND ORGANIZATIONS

Interviews with managers and employees noted that there is ongoing, day-to-day work with community agencies and organizations on the part of the employer. This includes things like alerting the local schools as to when new families with children will be arriving and partnering on the types of supports that will be needed to assist with settlement.

OPPORTUNITIES TO DEVELOP AND BE PROMOTED

Managers reported that there is considerable attention paid to career development, training and promotion within the company. There is an effort to identify and nurture leadership qualities and to promote from within the company.

THERE IS A JOB FOR EVERYONE

Managers indicated that while there are some very highly skilled jobs in the plant, there are opportunities for every skill level. For example, if they hire someone for knife work and they are not able to succeed in this area, they will find another position in the company for the person if he/she is demonstrating a desire to work. As noted, they shape the job to fit the individual's needs and skills

FOOD PROCESSING SKILLS CANADA

201-3030 Conroy Rd,
Ottawa, ON K1G 6C2
Tel 613.237.7988
www.fpsc-ctac.com