Securing Canada's MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Langley Region
British Columbia

FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S **MEAT** WORKFORCE

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SUMMARY

REGIONAL OVERVIEW

The Langley Region is located in the Metro Vancouver Regional Municipality in British Columbia. The City of Langley (pop. 25,888) is located in the center of a geographic area bordering with the City of Vancouver (pop. 631, 486) on the west at a distance of approximately 45 km, and with the City of Abbotsford (pop. 141,397) to the east at a distance of approximately 50 km. Meat processing in the Langley region consists of slaughtering, processing and rendering of mostly poultry, pork and some beef.

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 Vancouver in the available supply. A 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.

The region's population, which includes Vancouver, is expected to increase from 2.4 million to over 2.5 million by 2020 and 2.7 million by 2030. Net in-migration of nearly 220,000 individuals is expected to be a significant source of population growth. However, rising retirements will cause labour force growth to lag behind employment resulting in a decline in the regional unemployment rate below 4.5% by 2030.

Regional meat processing employment is expected to rise from 2,800 workers in 2017 to over 2,900 by 2020 and nearly 3,500 by 2030. Local processors will likely need to hire 2,100 additional workers between 2017 and 2030, due primarily to the need to replace workforce retirements. This figure does not include turnovers which can add significantly to total annual recruitment demands.

POPULATION

2,447,331

LABOUR FORCE

1,424,607

LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Langley 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

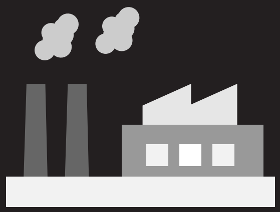
1 = Meat processing employment demand is less than 50% of regional labour force at annual average employment levels
2 = Meat processing employment demand is between 50 and 100% of regional labour force at annual average employment levels
3 = Meat processing employment demand is greater than 100% of regional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

1

HR CHALLENGES

As meat processors work to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing recruitment and retention issues, challenges with value-added processing and challenges with industry image.

MEAT PROCESSING ESTABLISHMENTS



40[1]

MEAT PROCESSING EMPLOYMENT

2,779[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 aim of the overall study is 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. Langley 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 Langley Region, meat processing overall in the province of British Columbia, and specifically in the Langley 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 Langley Region, the study team collected information from three relatively diverse employers (a larger pork processing plant, a medium-sized secondary processing plant focusing on poultry, beef and pork, and a very small poultry processing facility).

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE LANGLEY REGION

2.1 GEOGRAPHIC LOCATION

The Langley Region is located in the Metro Vancouver Regional Municipality in British Columbia. The City of Langley (pop. 25,888) is located in the center of a geographic area bordering with the City of Vancouver (pop. 631, 486) on the west at a distance of approximately 45 km and with the City of Abbotsford (pop. 141,397) to the east at a distance of approximately 50 km.

2.2 POPULATION CHARACTERISTICS

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

The overall population for the region, which includes Vancouver, was 2,447,331 in 2017. According to Census 2016 profiles, the proportions of immigrants (40.4%), non-Canadian citizens (13.1%), and visible minorities (49.6%) are higher to those overall for British Columbia. In contrast, there are lower proportions relative to those overall of British Columbia for the population that identifies as Aboriginal according to Census definitions (2.7%) (see Table1).

TABLE 1: LANGLEY REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	LANGLEY REGION	BRITISH COLUMBIA
FEMALE	1,222,020	2,369,815
SHARE OF POPULATION	51.5%	51.0%
IMMIGRANTS	942,785	1,292,670
SHARE OF POPULATION	40.4%	28.3%
NOT CANADIAN CITIZENS	306,405	421,940
SHARE OF POPULATION	13.1%	9.3%
VISIBLE MINORITIES	1,157,005	1,381,235
SHARE OF POPULATION	49.6%	30.3%
ABORIGINAL IDENTITY	62,615	270,585
SHARE OF POPULATION	2.7%	5.9%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (2,447,331 in 2017 and then 2,728,686 by 2030). The population is younger than other regions in British Columbia but similar in age to the national level with the Lower Mainland region having a median age of 41.0 years compared to the provincial median of 43.0 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 16.0% in 2017 to approximately 21.5% 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 to a large extent by a predicted continuation of a pattern of net in-migration of approximately 220,000 people by 2030. Overall, the period under study will be impacted by the predicted in-migration in the region, which will result in a rise in population (see Figure 2).

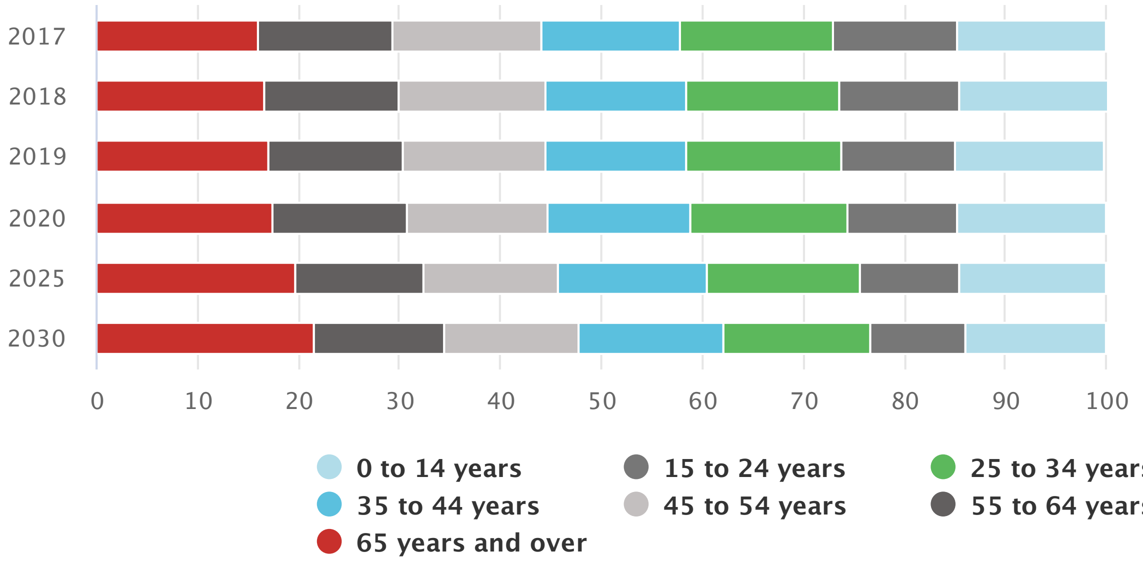


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

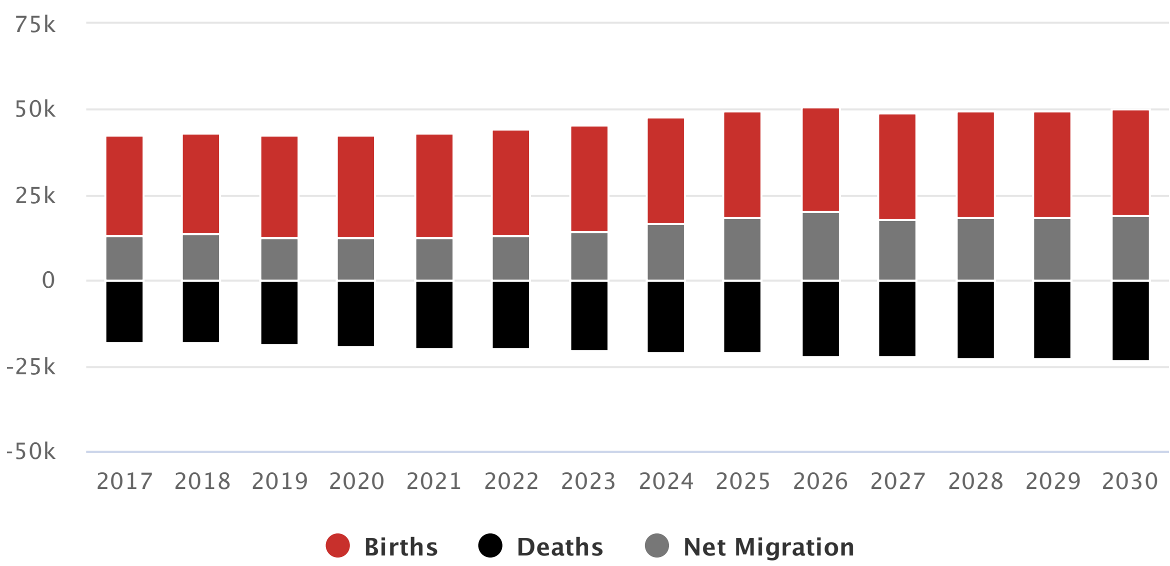


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

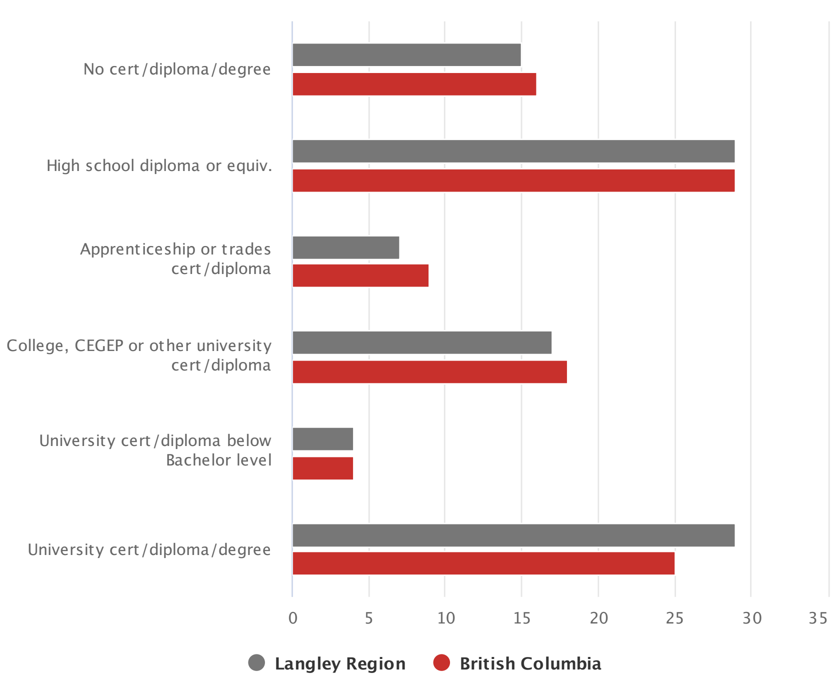


FIGURE 3: EDUCATIONAL ATTAINMENT – LANGLEY REGION AND BRITISH COLUMBIA

The overall education level of the region's residents is similar when compared with British Columbia overall (see Figure 3). A very similar proportion in the region and the province do not have a high school diploma (15% and 16% respectively), while 50% of the working-age population have a postsecondary degree compared to 47% in 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 forecasted 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

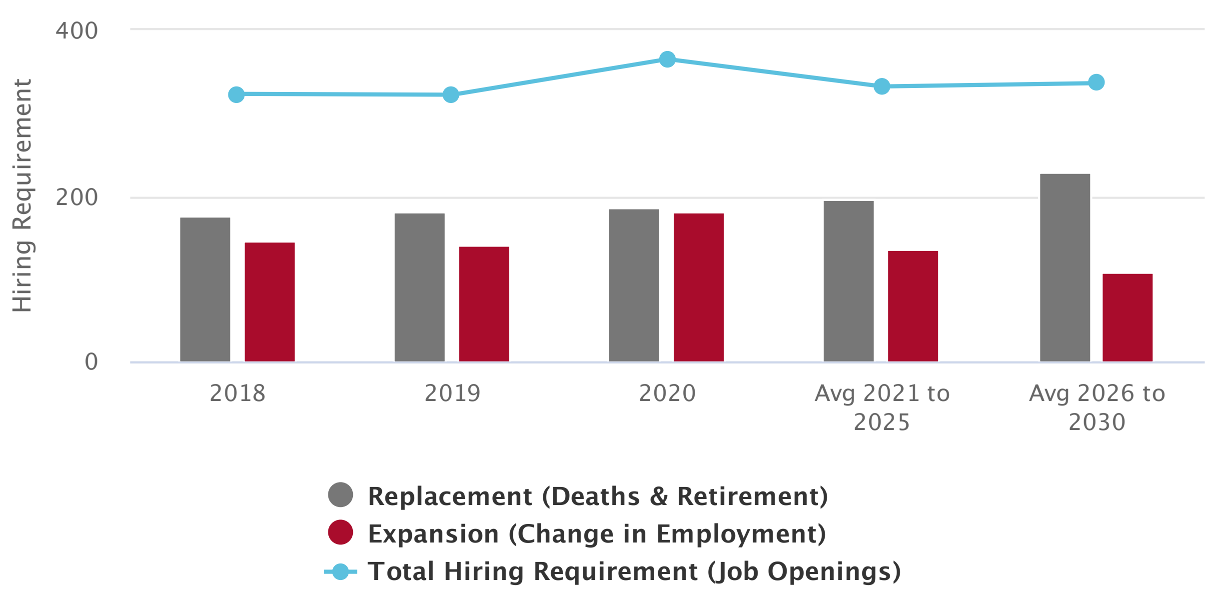
3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR BRITISH COLUMBIA

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 2018-21 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 LANGLEY REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts 40 processors ranging significantly in size and products.

Overall, there are forty meat processing establishments in the Langley Region[3], with focus on slaughtering, processing and rendering of mostly poultry and pork with some beef. As noted on the map in Section 1, there are at least three large establishments (with 251 to 500 employees) and many others ranging from small to medium sized.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 2,800 WORKERS WITH MORE THAN ONE-HALF BEING LABOURERS AND PLANT WORKERS (55%).

4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the Langley Region in 2017 was 2,779 (see Table 3). One-third of workers (33%) were in occupations considered to be at a foundational skill level. Approximately one-fifth of all employed (17%) were in at occupations at an intermediate skill level (NOC 9461; 9462) with large numbers of general meat cutters. Approximately 5% 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 LANGLEY REGION - 2017

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	2,779	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	316	11%
Poultry Production	604	22%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	368	13%
Machine Operator	70	3%
Slaughter Person	19	1%
HIGH (NOC 9213)		
Master Butcher	30	1%
Specialized Cutter	102	4%
SUPERVISORY (NOC 9213)		
Supervisors	86	3%
MANAGEMENT (NOC 0911)		
Management	169	6%
OTHER CATEGORIES		
Maintenance	183	7%
Skilled Trades	241	9%
Quality Control Technician	15	1%
Office Staff	175	6%
Other Occupations*	402	14%

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

2,779 **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 2017-18 was $14.00/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was higher at $17.00/hour. These wage rates are both 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 $1.00/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 (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 (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 ($14.84) is lower than other forms of manufacturing ($19.40) and lower than 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 accommodations and food services ($12.89), but lower than other industries such as professional, scientific and technical services ($30.65), health care and social assistance ($25.99) and educational services ($25.65).

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

	Avg. hourly wage
All industries	**$19.43**
Food Manufacturing	**$14.84**
Manufacturing (Total)	**$19.40**
Professional, scientific and technical services	**$30.65**
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 1,424,607.

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 1,424,607 (out of a total population of 2,447,331). The largest proportions of the labour force for the Lower Mainland region work in retail trade (11% of the labour force), health care and social assistance (10%), professional, scientific and technical services (9%), construction (8%), and accommodation and food services (8%) (Census 2016).

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 5.3%.

The unemployment rate for the region in 2017 was 5.3% on average. According to Census data, approximately 4.1% of the population in the Langley 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

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

Recent immigrants play a significant role in addressing labour supply issues in the meat processing industry in the Langley Region. Among the plants interviewed, the Temporary Foreign Workers Program was not used extensively given the associated costs and the uncertainty of transitioning TFWs into immigration streams.

The proportion of immigrants in the Langley Region is higher when compared with British Columbia overall (40.4% vs. 28.3%), and this is reflected in the supply of workers for the meat plants interviewed. Large proportions of new workers at the plants interviewed were recent immigrants. The one larger group of recent newcomers who could not be accommodated at the plants interviewed were Syrian refugees, and other Muslim groups who can not work with pork products which unfortunately cannot be accommodated in the plants visited for the study. The Temporary Foreign Workers Program was not a significant source of labour for the plants interviewed for various reasons including the costs associated with the program and bringing in workers on a temporary basis with no guarantee of transitioning these workers into immigration streams. As well, one of the plants has most challenges with finding temporary/part-time workers given its structure of shifts and production lines. These part-time positions are not eligible to be filled by TFWs.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

Among the plants interviewed, there were limited efforts at engaging with local Indigenous communities to recruit and integrate Indigenous workers into the sector's workforce.

According to the most recent census, there is a small proportion of the population (2.7% in Census 2016; 62,615 individuals) who identify as Aboriginal. The Langley Region is in close proximity to a few Indigenous communities that are within a 60-minute commute from the processing plants interviewed. Beyond the circulation of occasional job ads to reserve community employment centres, interviewed plant representatives did not report any other engagement efforts or activities with local Indigenous communities.

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

THERE IS CURRENTLY 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 – LANGLEY REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	2,447,331	2,471,331	2,495,716	2,519,094	2,593,384	2,728,686
Avg. Annual Change (%)		1.0%	1.0%	0.9%	1.0%	1.0%
Total Labour Force	1,424,607	1,445,743	1,462,335	1,471,485	1,494,143	1,521,925
Avg. Annual Change (%)		1.5%	1.1%	0.6%	0.5%	0.3%
Total Employment	1,349,102	1,372,010	1,390,681	1,400,854	1,420,336	1,453,614
Avg. Annual Change (%)		1.7%	1.4%	0.7%	0.5%	0.4%
Unemployment Rate	5.3%	5.1%	4.9%	4.8%	4.9%	4.5%

The model projections indicate that taking into account the trends in migration and aging, the Langley 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 5.3% to 4.5% 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).

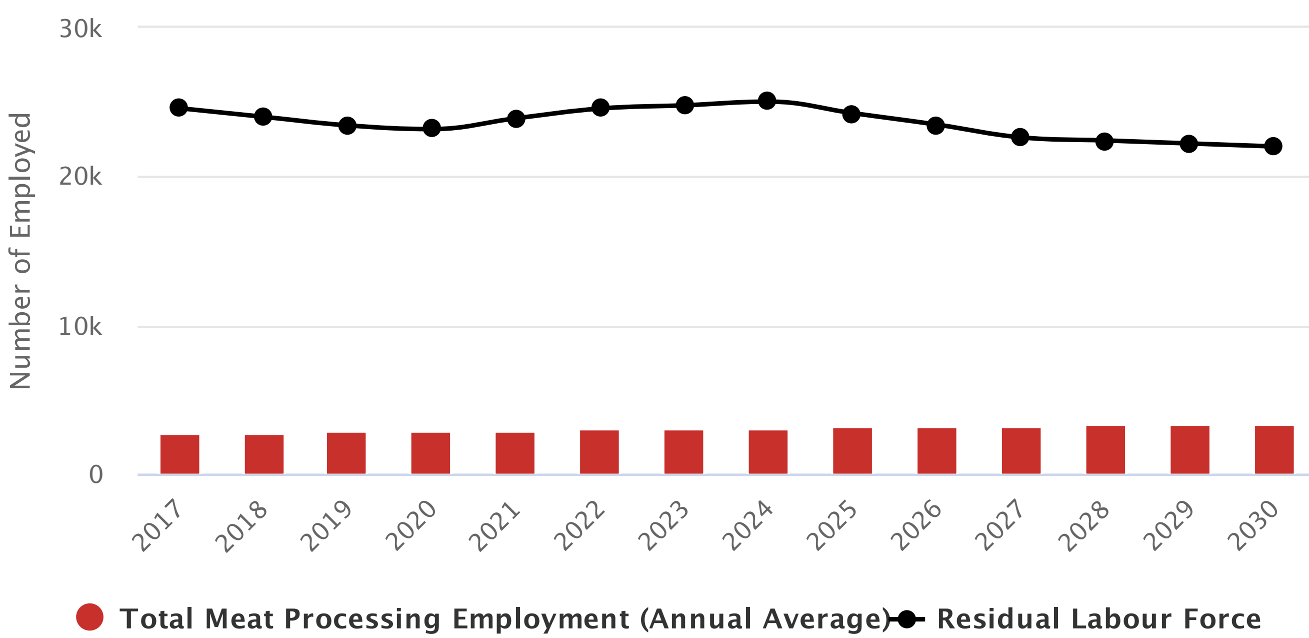
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is smaller than the Residual Total Labour Force. This suggests that there is currently (2017) sufficient local labour force to meet all of the region's labour requirements (for all industries). This trend continues all the way through to 2030. Information collected from interviews with local processing plants indicated that this analysis is not reflective of the reality they are experiencing in their attempts to recruit and retain an adequate workforce for their plants. Part of this may be the size of the Langley Region that includes the large metropolitan area of Vancouver and Richmond. The public transportation available for Langley would make it extremely challenging to commute from the metro regions to the Langley area where the plants are located, in effect making the potentially available workforce likely an overestimate when contrasted with the reality of commuting.

The analysis outlined in Table 8 and Figure 5 describes the labour market context within which the meat processors in the Langley Region are operating concerning finding sufficient numbers of workers from the local labour supply. For example, in 2017, the meat processing industry was able to recruit and employ 2,779 within a labour market that had a residual total labour force of only 24,592. While the industry did experience 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 – LANGLEY REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [4]	1,424,607	1,445,743	1,462,335	1,471,485	1,494,143	1,521,925
Total Non-Meat Processing Labour Requirement [5]	1,400,14	1,421,731	1,438,897	1,448,295	1,469,627	1,499,370
Residual Total Labour Force[6]	24,592	24,012	23,438	23,190	24,516	22,555
Total Meat Processing Employment (Annual Average)	2,779	2,828	2,876	2,926	3,074	3,333

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

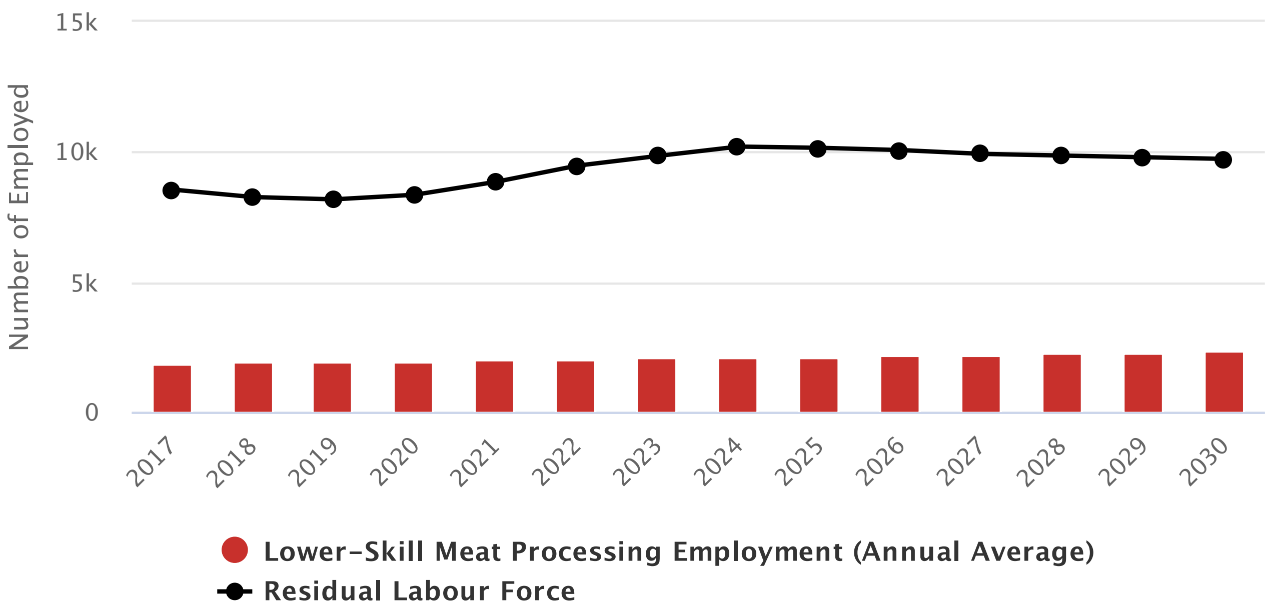
As noted in the description of the occupations, approximately 53% of the occupations in the industry in this region are in the "C" and "D" levels which are often referred to as "lower-skill level" occupations, not requiring post-secondary education. Given much of the focus on the lower-skill level labour 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 also low. Similar to the previous set of analyses on labour market tightness overall, the findings from the interviews with local plants did not match the results from the analyses. This is likely due to the inclusion of a large metro area of Vancouver and Richmond with a large population that is extremely unlikely to commute to Langley given the distance and lack of public transportation. As a result, the options for attracting lower-skill level workers are much higher among the immediate local labour supply compared with the larger metro area.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force[7]	524,257	532,036	538,141	541,509	549,847	560,071
Lower-Skill Non-Meat Processing Labour Requirement	515,708	523,776	529,970	533,158	540,145	552,198
Residual Lower-Skill Labour Force	8,549	8,260	8,172	8,350	9,702	9,873
Lower-Skill Meat Processing Employment (Annual Average)	1,880	1,913	1,946	1,980	2,080	2,225

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 – LANGLEY REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Langley 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. Again, taking into account the findings from the qualitative interviews with Langley-based plants, this analysis of labour market tightness is not reflective of their experience. This difference may be due to the inclusion of the larger metro Vancouver and Richmond areas within the tightness analysis when in reality there would be a very low likelihood of success in recruiting workers (particularly lower-skill workers) from the metro areas given transportation and commuting issues.

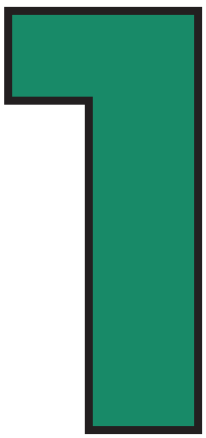


TABLE 10: SUMMARY OF LABOUR MARKET TIGHTNESS – LANGLEY REGION – 2017-2030

	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 Langley Region employers will need to attract approximately 1,960 new workers to the meat processing industry by 2030. This is equivalent to approximately 70% of their current annual average workforce. This requirement is due to both anticipated industry growth and replacement of anticipated retirements over this period. Overall, the challenges with the current labour market is contributing to the high number of 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 Langley 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 1,960 new workers to the industry between 2018 and 2030. This equates to replacing approximately 70% of the current average meat processing workforce in the region.

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

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[8]	145	142	143	145	739	792
Industry Growth	55	49	49	50	248	267
Retirements and Mortality	90	93	94	95	490	526

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 British Columbia meat processors is estimated at 52%.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	2,779	2,828	2,876	2,926	3,074	3,333
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	316	322	327	333	350	379
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	604	615	625	636	668	725
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	368	374	381	387	407	441
Machine Operator (including Saw Operator)	70	71	73	74	78	84
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	30	30	31	31	33	35
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	102	104	105	107	113	122
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	86	87	89	90	95	103
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	169	172	175	178	187	203
OTHER CATEGORIES						
Maintenance (including Janitors, Sanitation Workers, Cleaners)	183	186	190	193	203	220
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	241	245	249	254	266	289
Quality Control	15	15	15	16	16	18
Office Staff (including Administrator or HR Manager)	175	178	181	184	193	210
Other Occupations*	402	409	416	423	444	482

* 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 most challenging positions to recruit for among primary processors (abattoir, butchering) are skilled industrial meat cutters, as well as entry-level labourers. The meat cutting positions are challenging to fill given that there is a limited supply of workers with these skills. This shortage is compounded by an additional shortage of entry-level workers. The plant interviewed in this area indicated that they are trying to train and promote internally moving entry-level workers into more skilled positions; however, there is a limited supply of entry-level workers to replace those who are being trained. The recruitment challenges identified by the secondary processors (further processing of meat products) involved filling part-time positions, primarily in packaging. The nature of the business and product lines for this processor requires a relatively large proportion of employees who can work on a part-time basis either filling in for full-time employees or contributing to extra shifts or limited runs on certain product lines depending on clients' needs. While some employees enjoy having the flexibility of part-time work (e.g., students, parents of young children), most people recruited are hoping to get full-time work relatively quickly.

Challenges with value-added processing

Interviews with representatives from plants indicated that they are forgoing the development of more value-added products or marketing to new clients because they do not have sufficient workers to meet any additional demands.

Retention issues

The secondary processing plant finds that retention issues occur when they cannot quickly move part-time workers into full-time positions. Additionally, many of the skills required for working in this area of meat processing are being sought by other employers in the area, so competition for their workers is high, and skills can be easily transferred to other manufacturing sectors (e.g., packaging, warehouse work).

Challenges with industry image

The image of meat processing is viewed by plant managers as a major challenge in recruiting. One manager who had worked previously in the beverage industry noted that their applications were plentiful in part due to the name recognition of the product. This is not as common in meat processing, where the names and brands of products are not necessarily known or associated with a specific plant, particularly among primary processors who may be supplying various products under different brands. Another point raised with respect to image issues by plant managers was 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.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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:

JOB ROTATION AND CROSS TRAINING

Some plants indicated that they were putting more effort into more frequent job rotation and cross-training on positions both within and across lines. This requires investment in training and some short-term reductions in productivity but is showing promising results in filling in gaps in lines and providing needed replacements in case of absenteeism or vacations. As well, this is being well-received overall by employees as they enjoy some movement and learning of new skills/processes.

ADDRESSING CHALLENGES WITH TRANSPORTATION

The availability of public transportation for workers was presented as a major challenge for the plants interviewed. Approaches to address these challenges included working with local transport authorities to determine if scheduling can be improved and adjusting work shifts to accommodate available transportation.

LOW REQUIREMENTS FOR LANGUAGE SKILLS

Given the relatively high proportions of recent immigrants making up the supply of new workers, employers have made some attempts to make minor adjustments to accommodate limited English language skills. This includes considerations with scheduling to have those who can more easily interpret working similar shifts with those who have language challenges. Additional considerations include working with interpreters where necessary and accommodating language needs in producing materials for training and employee instructions.

REFERRALS FROM EXISTING EMPLOYEES

Some plants indicated that one of the more promising recruitment sources is referrals from their own employees. Additional work is being considered as to how this approach can be further supported by the plant.

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