

Securing Canada's MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Lévis Region Quebec



FPSC



FOOD PROCESSING
SKILLS CANADA



COMPÉTENCES TRANSFORMATION
ALIMENTAIRE CANADA



SECURING CANADA'S
MEAT WORKFORCE

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

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SUMMARY

REGIONAL OVERVIEW

The Lévis Region is located in eastern Quebec, along the Saint Lawrence River. The City of Lévis (pop. 143,414) which is located on the south shore of the Saint Lawrence, across from Quebec City (pop. 531,902). For this study, the region includes the southern portion of Quebec City, the City of Lévis, and its surroundings within a 30-minute drive, such as Saint-Anselme (pop. 3,938), Saint-Gervais (pop. 2,153) and Saint-Henri-de-Lévis (pop. 1,735). Meat processing in the Lévis, Quebec region consists of facilities for slaughtering, processing and rendering of hog, cattle and poultry.

LABOUR MARKET OVERVIEW

Regional labour market analysis suggests that after accounting for labour requirements in other sectors, regional labour supply is expected to fall short of projected meat processing employment demands during the forecast period. Supply constraints will be similarly acute among lower-skill workers in the region over the first part of period, potentially due to wage differentials with competing sectors. Supply constraints are expected to loosen beginning in 2023 as a result of stagnant employment demands projected for competing industries in the region.

The region's population is expected to reach nearly 920,000 by 2020 and surpass 950,000 by 2030, with moderate average annual growth of 0.7%. Additionally, while net migration of 68,000 individuals is expected to be a source of population growth in the region, it will be outpaced by natural population growth. Rising retirements will cause labour force growth to lag behind employment, resulting in a decline in the regional unemployment rate to below 4.0% by 2030.

Meat processing employment in the region is expected to rise from less than 3,100 workers in 2017 to nearly 3,200 by 2020 and 3,400 by 2030, with average annual growth of 0.8%. Local processors will likely need to hire over 1,600 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

899,337



LABOUR FORCE

506,337

LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Lévis 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	3	3	3	3	3	3
LOWER SKILL	3	3	3	3	2	2

1 = Meat processing employment demand is less than 50% of regional labour force at annual average employment levels

2 = Meat processing employment demand is between 50 and 100% of regional labour force at annual average employment levels

3 = Meat processing employment demand is greater than 100% of regional labour force at annual average employment level

3

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, along with the impact of labour shortages and vacancies on meeting customer demands.

MEAT PROCESSING ESTABLISHMENTS



18¹

MEAT PROCESSING EMPLOYMENT



3,074²

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 Capitale-Nationale and Chaudière-Appalaches economic region, each region accounting for 17% and 83% of the employment size respectively.

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. Lévis Region in Quebec was selected as one of these regions for detailed focus.

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

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

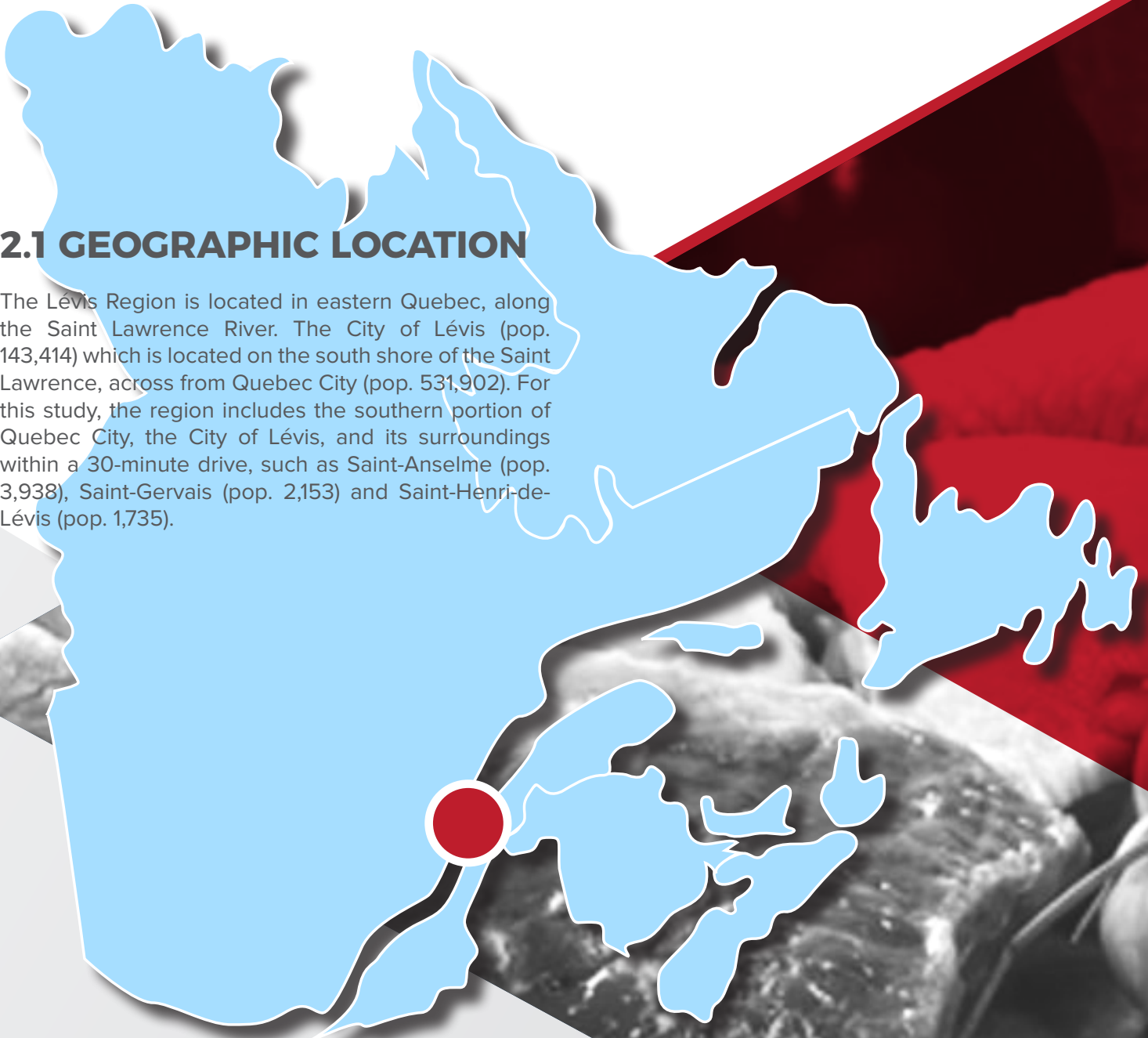
- ✓ Two robust econometric models that provide detailed, quantifiable projections for both labour demand and supply at the regional level. This is the first time that these numbers have been produced at the regional, provincial and national for the meat processing industry;
- ✓ A broad survey of meat processing facilities (n=417) across Canada covering approximately 75% 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 Lévis Region, the study team collected information from one large poultry processing plant (over 500 employees).

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

2.0 OVERVIEW OF THE LÉVIS REGION

2.1 GEOGRAPHIC LOCATION

The Lévis Region is located in eastern Quebec, along the Saint Lawrence River. The City of Lévis (pop. 143,414) which is located on the south shore of the Saint Lawrence, across from Quebec City (pop. 531,902). For this study, the region includes the southern portion of Quebec City, the City of Lévis, and its surroundings within a 30-minute drive, such as Saint-Anselme (pop. 3,938), Saint-Gervais (pop. 2,153) and Saint-Henri-de-Lévis (pop. 1,735).



2.2 POPULATION CHARACTERISTICS

The population of the Lévis Region is relatively old and is expected to grow over the next decade primarily due to in-migration. Immigrants, visible minorities and persons with Aboriginal identity represent smaller shares of the region's population than of the province as a whole.

The overall population for the region in 2017 was 899,337. According to Census 2016 profiles, the proportions of immigrants (5.3%), non-Canadian citizens (2.7%), visible minorities (4.6%) and the population that identifies as Aboriginal according to Census definitions (1.3%) are lower in proportion when compared to the province overall (see Table1).

TABLE 1: LÉVIS REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	LÉVIS REGION	QUEBEC
FEMALE	445,970	4,147,605
SHARE OF POPULATION	51.0%	50.8%
IMMIGRANTS	44,470	1,091,305
SHARE OF POPULATION	5.3%	13.7%
NOT CANADIAN CITIZENS	22,940	379,910
SHARE OF POPULATION	2.7%	4.8%
VISIBLE MINORITIES	38,760	1,032,365
SHARE OF POPULATION	4.6%	13.0%
ABORIGINAL IDENTITY	10,655	182,890
SHARE OF POPULATION	1.3%	2.3%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (899,337 in 2017 and then 962,778 by 2030). The population is older than other regions in Canada, with the Chaudière-Appalaches Economic Region, where the City of Lévis is located, having a median age of 44.7 years compared to the provincial median of 36.7 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 19.7% in 2017 to approximately 26.3% 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 68,000 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, although growth through immigration would be outpaced by births (see Figure 2).



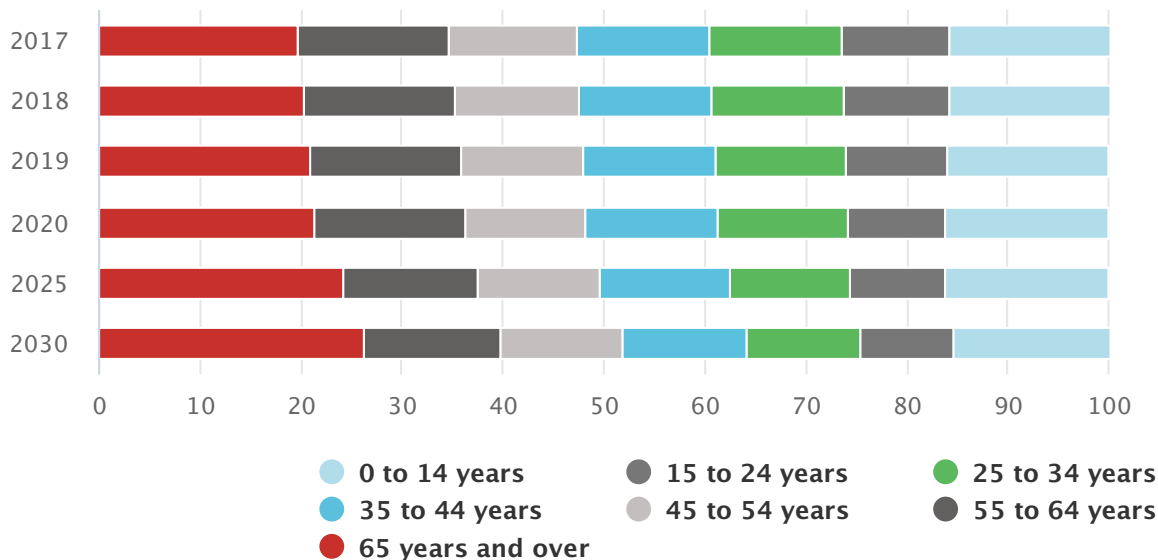


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

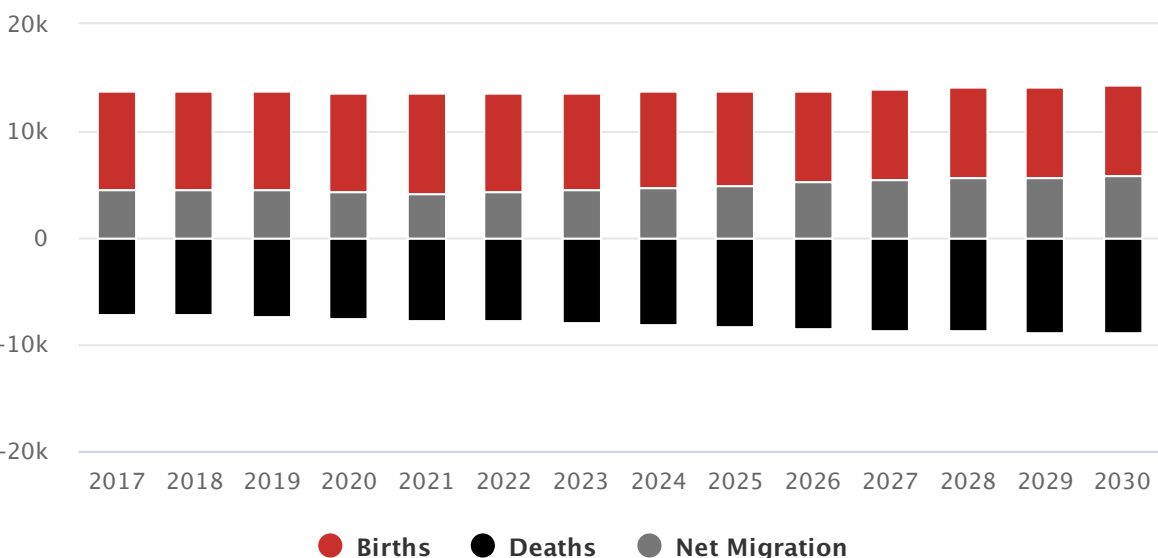


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

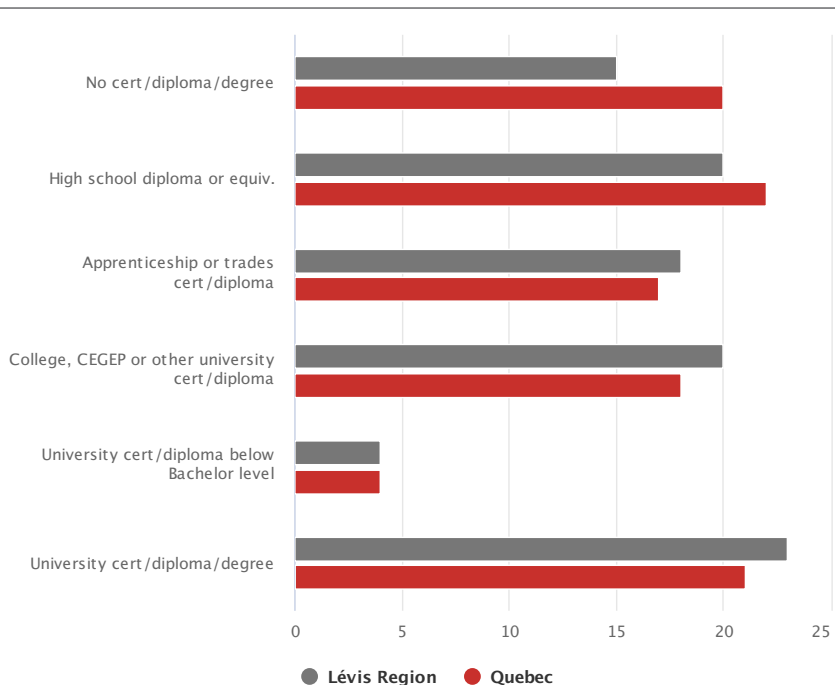
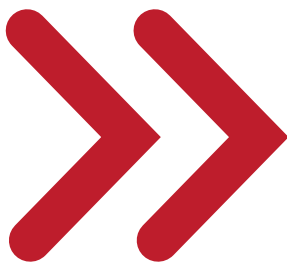


FIGURE 3: EDUCATIONAL ATTAINMENT - LÉVIS REGION AND QUEBEC

The overall education level of the region's residents is higher when compared with Quebec overall (see Figure 3). In the Lévis region, 15% of the working age population does not have a high school diploma (vs. 20% for the province), and 20% have a secondary school diploma (vs. 22% for the province). This is likely explained by the region's proximity to Quebec City, the provincial capital with the provincial legislature and a large proportion of public servants resulting in a population with a relatively higher education level in general.

3.0 OUTLOOK OF QUEBEC MEAT PROCESSING



3.1 QUEBEC MEAT PRODUCT OUTLOOKS

Total real gross output (or end-market demand) for meat processing in Quebec is forecast to expand at a moderate pace of 1.4% on average over 2018-21, 1.3% over 2022-26 and 1.4% over 2027-30 (see Table 2). Growth will be helped slightly by increases in overall meat consumption that is forecast to average 0.4% over 2018-21 to 0.5% over 2022-26, and 0.6% over 2027-30 as poultry and lamb consumption boosts overall meat consumption.

International exports are forecast to expand at a modest pace over the projection period, averaging 1.6% over 2018-21, and 1.5% over 2022-26 and 1.6% 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 Canada-EU CETA and the TPP with ten other Pacific Rim nations. Quebec's exports to other provinces will gain from the overall rise in meat consumption in those provinces; interprovincial exports are forecasted to expand at a modest rate of 1.1% over 2018-21, 1.2% over 2022-26 and 1.1% over 2027-30. Interindustry demand is reliant on the demand for meat products by other industries, particularly other food processing industries, it is forecasted to average 1.6% over 2018-21, and 1.5% over 2022-25 and 1.6% over 2026-30.



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

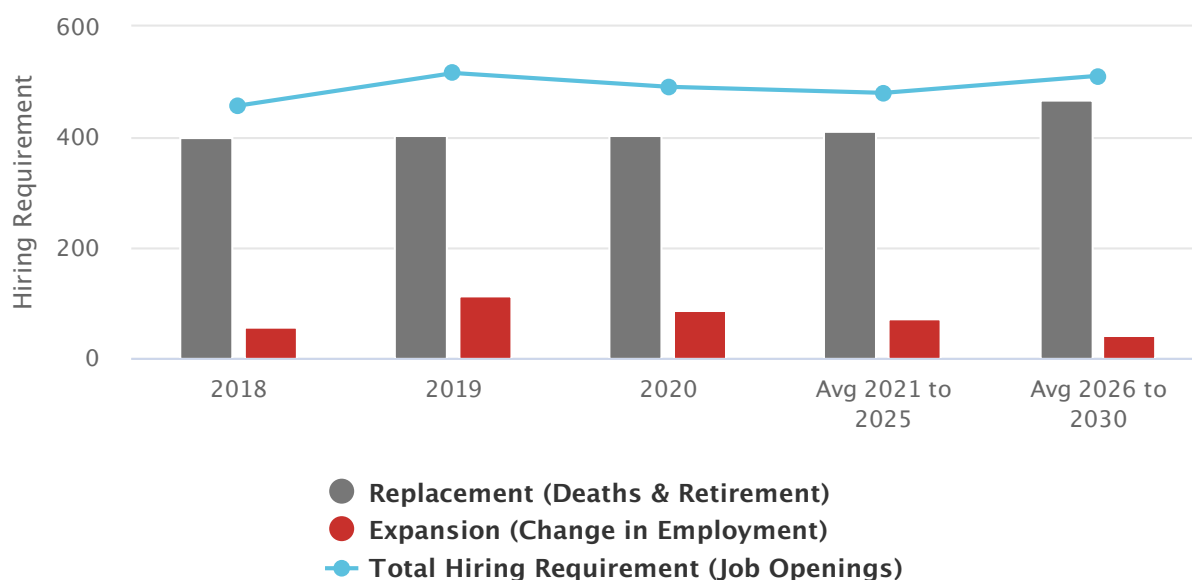
END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.5	0.4	0.5	0.6
International Exports	-0.3	1.6	1.5	1.6
Interprovincial Exports	0.8	1.1	1.2	1.1
Interindustry Demand	3.1	1.6	1.5	1.6
Imports	0.4	0.8	0.8	0.8
Total End Market Demand	1.1	1.4	1.3	1.4

3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR QUEBEC

Meat processing employment is expected to rise by a moderate 1.8% between 2017 and 2020, an increase of 250 jobs from 14,250. Total employment is expected to surpass 15,000 by 2030. Meat processing real GDP is forecasted to expand on average by 1.4% over the 2018-21 period, then 1.3% annually on average between 2022 and 2030. Labour productivity (GDP per hour worked) is forecasted to increase by 1.2% on average over the projection period. This means that the needed total hours of work will rise modestly by 0.2% on average over 2018-21, 0.1% over 2022-26 and 0.2% over 2027-30. Average hours worked per employee is forecasted to fall by 0.4% on average over the projection period, which leads to the total number of jobs rising by 0.6% over 2018-21, 0.5% over 2022-26 and 0.2% over 2027-30.

Taking account of both replacement and expansion demands, the industry will likely need to hire just over 6,420 new workers, or (45%) of the current workforce over the next 13 years. These hiring requirements are net numbers of new workers and do not include annual hiring requirements due to turnover.

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



4.0 LÉVIS REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts 18 processors ranging significantly in size.

Overall, there are eighteen meat processing establishments in the Lévis Region³, with a focus on poultry and other processing and rendering activities. As noted on the map in Section 1, there are two very large establishments (over 500 employees), five large establishments (250 to 500 employees), one medium establishment (50 to 99 employees) with the remainder being small size employers (1 to 30 employees).



THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 3,075 WORKERS WITH APPROXIMATELY 58% 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 Lévis Region in 2017 was 3,074 (see Table 3). Approximately one-fifth of all employed (21%) were in at occupations at an intermediate skill level (NOC 9461; 9462) with a large number of slaughter persons and meat cutters. Approximately 5% of the workforce is in the higher skill occupations of specialized meat cutters and master butchers. The higher skill positions generally require 1-3 years of previous experience in meat cutting with some of the specialized positions taking more experience and higher levels of skill. The plant interviewed indicated that they have extensive on-the-job training for all their positions ranging from the foundational to the higher skill level occupations. While a high school diploma is often preferred, it is often not necessary to secure a starting position according to the plant and HR managers interviewed for the study.

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



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

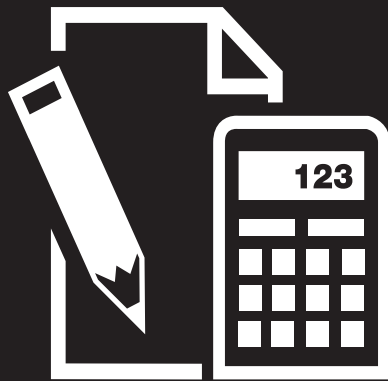
	AVG 2017 (#)	AVG 2017 (%)
Total Employment	3,074	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	317	10%
Poultry Production	668	22%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	415	14%
Machine Operator	19	1%
Slaughter Person	180	6%
HIGH (NOC 9213)		
Master Butcher	39	1%
Specialized Cutter	129	4%
SUPERVISORY (NOC 9213)		
Supervisors	146	5%
MANAGEMENT (NOC 0911)		
Management	150	5%
OTHER CATEGORIES		
Maintenance	213	7%
Skilled Trades	260	8%
Quality Control Technician	34	1%
Office Staff	270	9%
Other Occupations*	234	8%

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



3,074

AVERAGE NUMBER OF WORKERS EMPLOYED IN THE MEAT PROCESSING INDUSTRY IN 2017



4.2.2 WAGES

Median hourly wages for labourers in food processing are higher than the provincial median, whereas median hourly wages for industrial butchers and meat cutters are similar to province's median. Wages for both occupational groups are 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 Chaudière-Appalaches Economic Region of Quebec 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 \$19.26/hour. These wage rates for labourers are higher than both the provincial median rates and the median wages offered in the closest urban region in the province (Quebec City – Capitale Nationale). The wage rates for Industrial butchers are equivalent to both provincial median wage rates and those of Quebec City. To provide some context, the minimum wage in Quebec 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 \$7.00/hour for retail sales and food services, and by approximately \$5/hour for farm workers.

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)			
Chaudière Appalaches Region (QC)	13.24	19.90	25.00
National Capital Region (QC)	12.00	15.00	21.63
All Quebec	12.00	15.00	21.63
Industrial butchers and meat cutters (NOC 9462)			
Chaudière Appalaches Region (QC)	15.22	19.26	22.00
National Capital Region (QC)	12.53	19.22	21.00
All Quebec	12.53	19.22	21.00
Other C&D Level Occupations Chaudiere Appalaches (QC)			
Farm Labourer (NOC 8431)	12.00	15.00	21.18
Retail Sales (NOC 6421)	12.00	12.00	23.00
Food Services (NOC 6711)	12.00	12.00	14.00

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

On a provincial level, the average hourly wage in food manufacturing (\$17.26) is lower than other forms of manufacturing (\$19.59) and lower than the average hourly wage for all industries combined (\$19.15) (see Table 5). The hourly wage in food manufacturing is lower than that found in Health care and social assistance (\$19.29), public administration (\$24.64), educational services (\$26.20), and professional, scientific and technical services (\$20.10) but higher than other industries such as accommodation and food services (12.04) and retail trade (\$13.05).



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

	Avg. hourly wage
All industries	\$19.15
Food Manufacturing	\$17.26
Manufacturing (Total)	\$19.59
Professional, scientific and technical services	\$26.10
Accommodation and food services	\$12.04
Retail trade	\$13.05
Health care and social assistance	\$19.29
Educational services	\$26.20
Public Administration	\$24.64



5.0

REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS
APPROXIMATELY 506,337



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 506,337 (out of a total population of 899,337). The largest proportions of the labour force for the Chaudière-Appalaches economic region work in manufacturing (17% of labour force - includes meat processing), agriculture, forestry, fishing and hunting (12%), mining, quarrying, and oil and gas extraction (10%) and retail trade (9%) (Census 2016).

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 4.0%.

The unemployment rate for the region in 2017 was 4.0% on average. Plant managers interviewed indicated that the region has one of the lowest unemployment rates in the province. According to Census data, approximately 7.1% of the population in the Lévis 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 South Central Quebec (Economic Region 13), there has been a slight increase in the number of workers in some food and beverage processing occupations (not just meat processing) making EI claims (see Table 6). For instance, there are 276 labourers, 26 process control and machine operators who made EI claims in 2016. The number of material handlers making EI claims has decreased since 2014, by approximately 27% on average annually, for 211 individuals making claims in 2016. The information is not available for supervisors in food and beverage processing or industrial butchers and meat cutters.



TABLE 6: EI BENEFICIARIES BY OCCUPATION – SOUTH CENTRAL QUEBEC (ECONOMIC REGION 13)

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	77	64	82	6%
Material handlers	419	366	211	-27%
Supervisors, food and beverage processing	*	*	*	N/A
Process control and machine operators, food and beverage processing	47	105	26	-24%
Industrial butchers and meat cutters, poultry preparers and related workers	*	*	*	N/A
Labourers in food and beverage processing	277	340	276	2%

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 Lévis Region.

While the proportion of immigrants in the Lévis Region is lower when compared with Quebec overall (5.3% vs. 13.7%), the meat processing industry is reliant on recent immigrants to complement the local workforce. One of the main plants in the region was involved in a major project to attract recent permanent residents to the region. In 2008, approximately 150 recent immigrants relocated to the region, and that number has increased in recent years to 200 people. One advantage of relocating permanent residents is that these individuals generally are fluent in French, although the plant provided language lessons to help in the transition. More than 30 nationalities are represented among the workers who were relocated. Plants in the area have also made efforts to contract temporary foreign workers to help solve labour shortages issues. However, one of the plants reported in interviews having faced challenges with the foreign workers, originally from Mexico, having limited knowledge of French.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

There is no large Indigenous community in the area.

There is a small proportion of the population (1.3% in Census 2016; 10,655 individuals) in the Lévis Region who identify as Aboriginal according to Census definitions. The Nation Huronne Wendat is in close proximity to Quebec City, and the on-reserve population is reported at approximately 1,500 people. However, in interviews with plant managers, this was not highlighted as a potential source of workers for the industry.

6.0

CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

THERE IS CURRENTLY AN INSUFFICIENT LOCAL LABOUR FORCE TO MEET THE REGION'S LABOUR REQUIREMENTS (FOR ALL INDUSTRIES) LEAVING AN OVERALL POTENTIAL GAP WHICH INCREASES DURING PEAK PERIODS. THIS TREND CONTINUES THROUGH TO 2030.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	899,337	905,948	912,367	918,464	935,596	962,778
Avg. Annual Change (%)		0.7%	0.7%	0.7%	0.6%	0.6%
Total Labour Force	506,337	510,915	513,998	514,544	516,215	519,596
Avg. Annual Change (%)		0.9%	0.6%	0.1%	0.1%	0.2%
Total Employment	485,891	489,946	493,242	493,767	495,097	499,696
Avg. Annual Change (%)		0.8%	0.7%	0.1%	0.1%	0.2%
Unemployment Rate	4.0%	4.1%	4.0%	4.0%	4.1%	3.8%

The model projections indicate that taking into account the trends in migration and aging, the Lévis 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 4.0% to 3.8% 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 higher than the Residual Total Labour Force. This suggests that there is currently (2017) an insufficient local labour force to meet all of the region’s labour requirements (for all industries) leaving an overall potential gap. This trend continues all the way through to 2030.

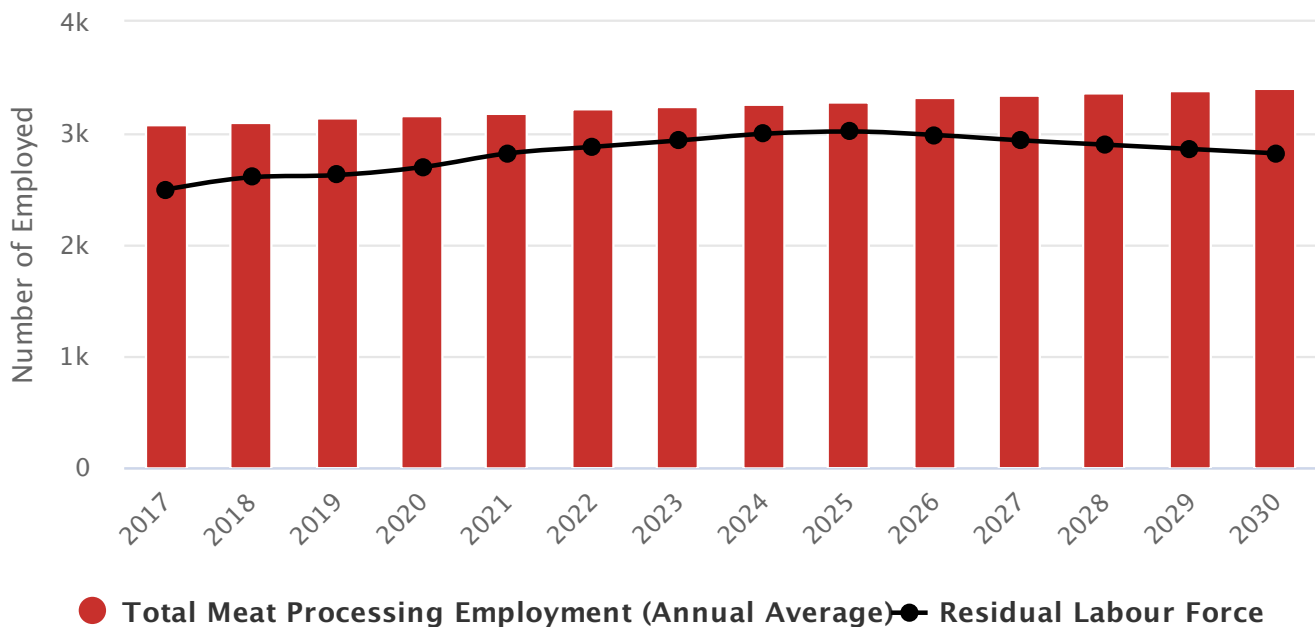
The analysis outlined in Table 8 and Figure 5 describes the labour market context within which the meat processors in the Lévis Region are operating with respect to finding sufficient numbers of workers from the local labour supply. Within this very tight, competitive labour market, the industry employers have had some success recruiting. For example, in 2017, the meat processing industry was able to recruit and employ 3,074 within a labour market that had a residual total labour force of only 2,495. This means that the meat processing industry was likely recruiting workers from other industries and from outside the local region. While the industry did experience vacancies, these would likely have been substantially higher had it not been successful in recruiting labour external to the region, and/or competing with other industries in recruiting workers.



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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force ⁴	506,337	510,915	513,998	514,544	516,215	519,596
Total Non-Meat Processing Labour Requirement ⁵	503,842	508,310	511,373	511,848	513,287	517,087
Residual Total Labour Force ⁶	2,495	2,605	2,625	2,697	2,928	2,899
Total Meat Processing Employment (Annual Average)	3,074	3,101	3,133	3,164	3,242	3,359

FIGURE 5: TOTAL MEAT PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE – LÉVIS 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 58% 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 6). The tightness of lower-skill level labour market is also high. For example, in 2017, the meat processing industry was able to recruit and employ 1,832 workers within a labour market that had a residual total labour force of only 932. This means that the meat processing industry was likely recruiting workers from other industries, and from outside the local region. This level of tightness suggests that many of the industries that rely on a lower-skill level labour market are also experiencing labour shortages in this region.



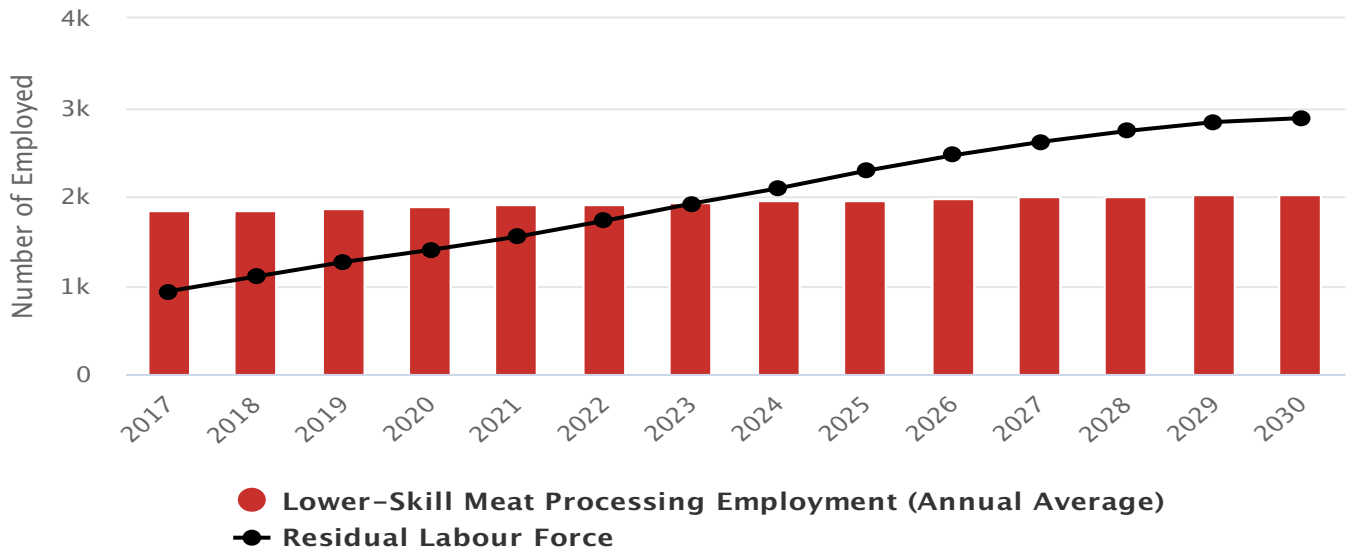
TABLE 9: LOWER-SKILL LEVEL LABOUR MARKET TIGHTNESS – LÉVIS REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force ⁷	149,244	150,593	151,502	151,663	152,155	153,152
Lower-Skill Non-Meat Processing Labour Requirement	148,312	149,495	150,242	150,267	150,242	152,435
Residual Lower-Skill Labour Force	932	1,098	1,260	1,396	1,913	2,704
Lower-Skill Meat Processing Employment (Annual Average)	1,832	1,848	1,867	1,885	1,932	2,001

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 – LÉVIS REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Lévis Region (Table 10) demonstrates that the local labour force is unable to meet the employment requirements of employers in the area at average levels. This tightness 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), except for a slight improvement in the availability of lower-skill workers as of 2024. 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.

3

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

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

1 = Meat processing employment demand is less than 50% of regional labour force at annual average employment levels

2 = Meat processing employment demand is between 50 and 100% of regional labour force at annual average employment levels

3 = Meat processing employment demand is greater than 100% of regional labour force at annual average employment level

6.2 NUMBER OF WORKERS REQUIRED

Within a very tight labour market, projections indicate that the Lévis Region employers will need to attract approximately 1,500 new workers to the meat processing industry by 2030. This is equivalent to approximately 49% of their current annual average workforce. This requirement is due to both anticipated industry growth and replacement of anticipated retirements over this period. Unfortunately, this recruitment will be occurring within the context of a very tight regional labour market that is currently experiencing labour shortages which are predicted to continue during this period. This tightness in the labour market is contributing to the high number of current vacancies experienced by employers in meat processing (estimated at 19% in Quebec), 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 56% in Quebec in meat processing industry). All these factors contribute to the substantial challenges facing Lévis 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 1,516 new workers to the industry between 2018 and 2030. This equates to replacing approximately 49% of the current average meat processing workforce in the region.



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

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement⁸	207	115	122	120	588	571
Industry Growth	19	26	33	31	131	103
Retirements and Mortality	87	88	89	90	457	468

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 Quebec meat processors is estimated at 56%.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	3,074	3,101	3,133	3,164	3,242	3,359
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	317	319	323	326	334	346
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	668	674	681	688	705	730
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	415	419	423	428	438	454
Machine Operator (including Saw Operator)	19	20	20	20	20	21
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	39	39	40	40	41	43
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	129	131	132	133	137	141
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	146	148	149	151	154	160
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	150	151	152	154	158	163
OTHER CATEGORIES	27	27	26	26	26	27
Maintenance (including Janitors, Sanitation Workers, Cleaners)	213	214	217	219	224	232
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	260	263	265	268	275	285
Quality Control	34	34	34	35	36	37
Office Staff (including Administrator or HR Manager)	270	272	275	278	284	295
Other Occupations*	234	236	238	241	246	255

* 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

Given the very low unemployment rate in the region (4%), recruitment efforts are directed to attracting workers from the Montreal, Quebec and Sherbrooke regions and providing them with support to relocate. One of the main plants in the region put on hold projects to apply to the TFWP three times to focus their efforts on attracting local labour and new immigrants. In recent years, it is reported that fewer students are available for work in the summer. One plant indicates that in the past they were able to attract up to 150 students to work in the summer, but that in recent years these figures have dwindled.

» Impact of labour shortages and vacancies

The main challenges noted with the labour shortages were not being able to meet clients demand resulting in accumulated backorders for the product. The shortages have also impacted current workers, who are required to work longer hours, resulting in fatigue and worker retention issues.

» Retention issues

The main retention issues are among local employees during their first year at work. The main employer interviewed reports that the retention rate is approximately 50% in the first year, and that this rate is similar for both recent immigrants and local workers. In the second year of employment and thereafter, the retention rate increases to 80 to 85%. The plant managers indicated they are making considerable efforts to retain workers at all levels (see Section 8).





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:

COMPANY PRIORITIES AND CULTURE

During interviews, considerable emphasis was placed on the company culture and the company's demonstrated priorities in emphasizing the importance of the people as the key to success. While this is often a motto or desired area of emphasis for many businesses, numerous examples were provided where this was being put into practice. For instance:

- One of the main plants offers benefits to employees (health and dental benefits, bonuses for working evening and night shifts, and prizes to employees).
- They are constantly working in developing a team-based brand and developing programs to increase engagement and a sense of belonging on the part of employees. One major undertaking by one large employer in the region has been the development of an HR campaign to change the industry image and decrease turnover by highlighting the pride that employees have in working at the plant and offering a high-quality product. The marketing campaign reflects the experiences lived by the workers in the professional day-to-day, and photographs are posted in the plant, online and used in recruitment materials. It is expected to impact the organizational culture and HR management. Two consultations took place with employees before developing and launching this campaign that showcases photos of workers during their daily activities.

AN ESTABLISHED PROCESS TO RELOCATE PERMANENT RESIDENTS

One main employer interviewed has a process established to recruit permanent residents from large urban areas in the province and to make sure they are welcome and integrate well into the community. A consultation committee was established in collaboration with municipal stakeholders to ensure that the local community was aware and ready for the arrival of a large number of immigrants. The committee collaborated to ensure that all services, such as enrolling school, securing a driver's license and finding lodging, among others, were available to the immigrants moving to the region. Greater efforts and support on the part of the government are encouraged so that new Canadians are motivated to relocate to rural areas due to attractive employment conditions and services available.





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