Securing Canada’s MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Saint Esprit Region

Quebec

FPSC
FOOD PROCESSING SKILLS CANADA
COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA’S **MEAT** WORKFORCE

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SUMMARY

REGIONAL OVERVIEW

The Saint-Esprit Region is located in the Launadière region of Quebec, approximately 60 km north of downtown Montreal. It is located on both banks of the Saint-Esprit River. Meat processing in the Saint-Esprit 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 will be well below projected meat processing employment demands over the next five years. However, stable meat employment demand is expected to allow the labour supply to catch up later in the decade. This is especially true among lower-skill workers, where demands will fall below supply beginning in 2026. Despite this trend, competition from other sectors in the region could lead to continued potential recruitment challenges for meat processors. This analysis also suggests significant numbers of workers are required from outside the region to meet labour requirements in the near-term.

Regional meat employment is expected to remain stable around 2,600 workers over the forecast period, with average annual growth of just 0.2%. Local processors will likely need to hire 1,100 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.

The region's population is expected to surpass 837,000 by 2020 and reach nearly 890,000 by 2030, with modest average annual growth of 0.6%. Additionally, while net migration is expected to be a source of population growth in the region, it will be outpaced by births which sustains natural population growth. The regional unemployment rate is expected to remain near 6.0%.

POPULATION
819,957

LABOUR FORCE
461,499

LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Saint-Esprit 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	3	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 retention issues, challenges with immigration pathways (e.g., currently limited to hiring people with potential to become industrial butchers), and coping with the loss of business opportunities stemming from labour shortages.

MEAT PROCESSING ESTABLISHMENTS

14[1]

MEAT PROCESSING EMPLOYMENT

2,572[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 Lanaudière and Laurentides 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. Saint-Esprit Region on the Quebec was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the Saint-Esprit Region, meat processing overall in the province of Quebec, and specifically in the Saint Esprit 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:

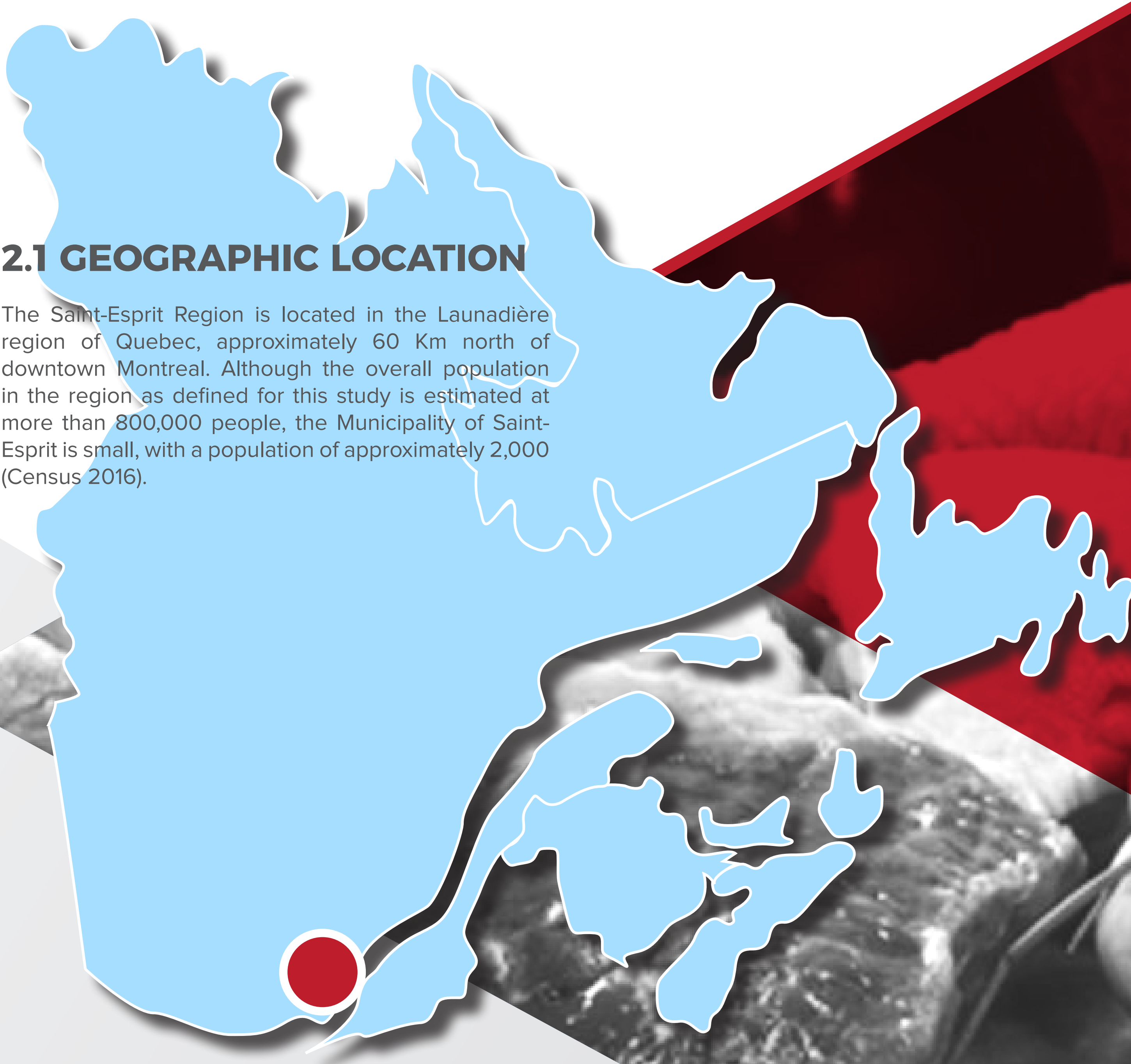
- Two robust econometric models that provide detailed, quantifiable projections for both labour demand and supply at the regional level. This is the first time that these numbers have been produced at the regional, provincial and national for the meat processing industry;
- A broad survey of meat processing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

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE SAINT ESPRIT REGION

2.1 GEOGRAPHIC LOCATION

The Saint-Esprit Region is located in the Launadière region of Quebec, approximately 60 Km north of downtown Montreal. Although the overall population in the region as defined for this study is estimated at more than 800,000 people, the Municipality of Saint-Esprit is small, with a population of approximately 2,000 (Census 2016).



2.2 POPULATION CHARACTERISTICS

The population of the Saint-Esprit Region is older relatively to other regions in Canada, but it is expected to grow over the next decade 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 819,957. According to Census 2016 profiles, the proportions of immigrants (6.3%), visible minorities (6.3%), non-Canadian citizens (1.4%) and the population that identifies as Aboriginal according to Census definitions (1.2%) (see Table1) are lower than those overall for Quebec.

TABLE 1: SAINT ESPRIT REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	SAINT-ESPRIT REGION	QUEBEC
FEMALE	405,920	4,147,605
SHARE OF POPULATION	50.9%	50.8%
IMMIGRANTS	49,015	1,091,305
SHARE OF POPULATION	6.3%	13.7%
NOT CANADIAN CITIZENS	11,035	379,910
SHARE OF POPULATION	1.4%	4.8%
VISIBLE MINORITIES	49,110	1,032,365
SHARE OF POPULATION	6.3%	13.0%
ABORIGINAL IDENTITY	9,470	182,890
SHARE OF POPULATION	1.2%	2.3%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (819,957 in 2017 and then 877,798 by 2030). The population is currently older than other regions in Canada with the Lanaudière Economic Region, where Saint-Esprit is located, having a median age of 42.6 years compared to the provincial median of 42.5 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 16.8% in 2017 to approximately 22.5% by 2030 (see Figure 1). While population growth will be negatively impacted by the continued aging of the population and increased number of deaths, this will be countered by a pattern of net in-migration of approximately 68,500 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).

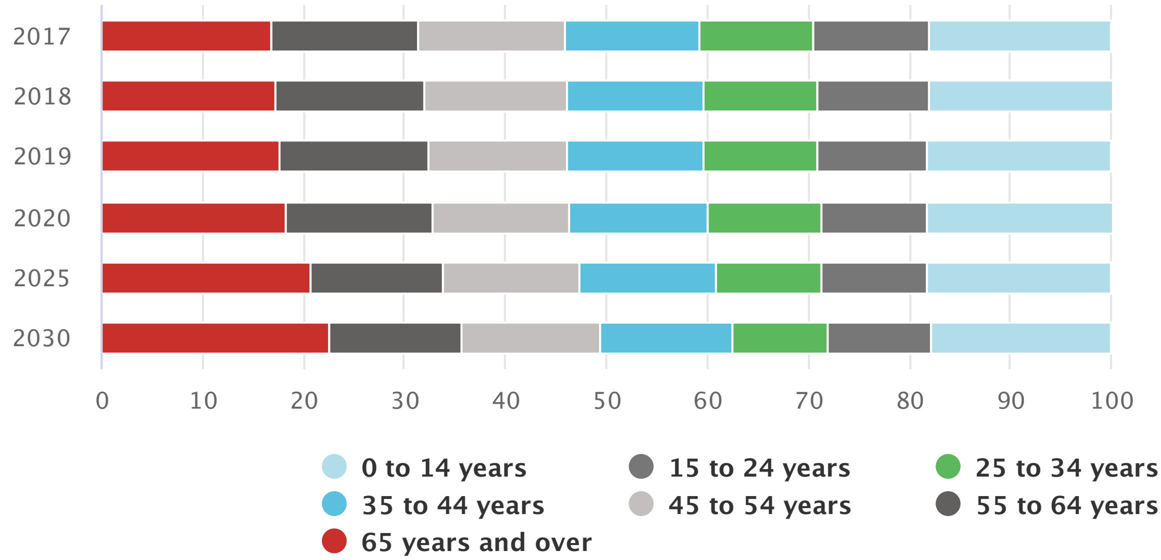


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

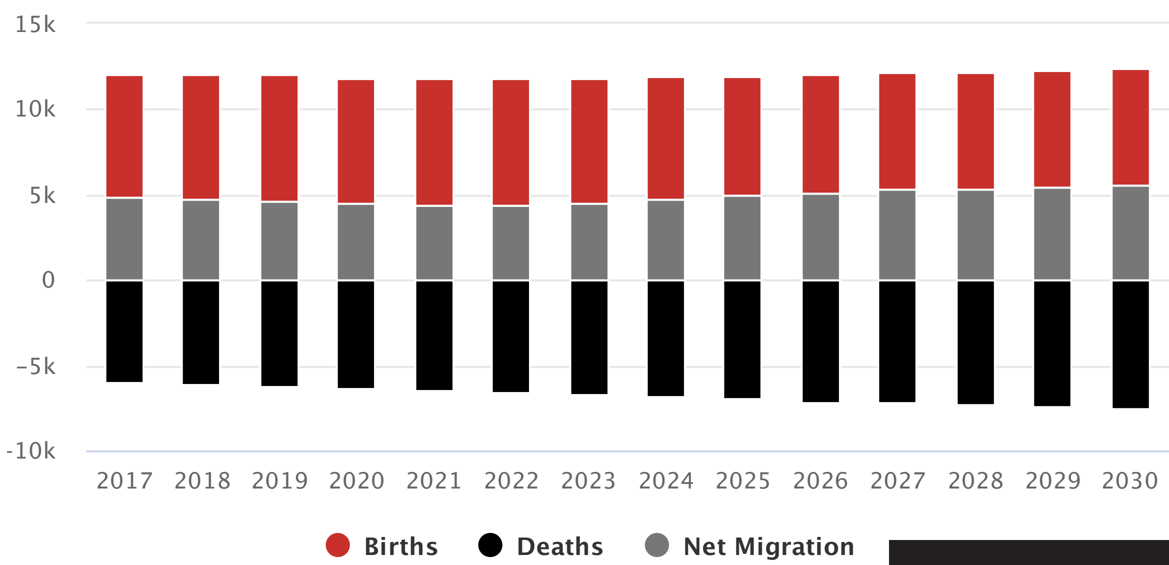


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

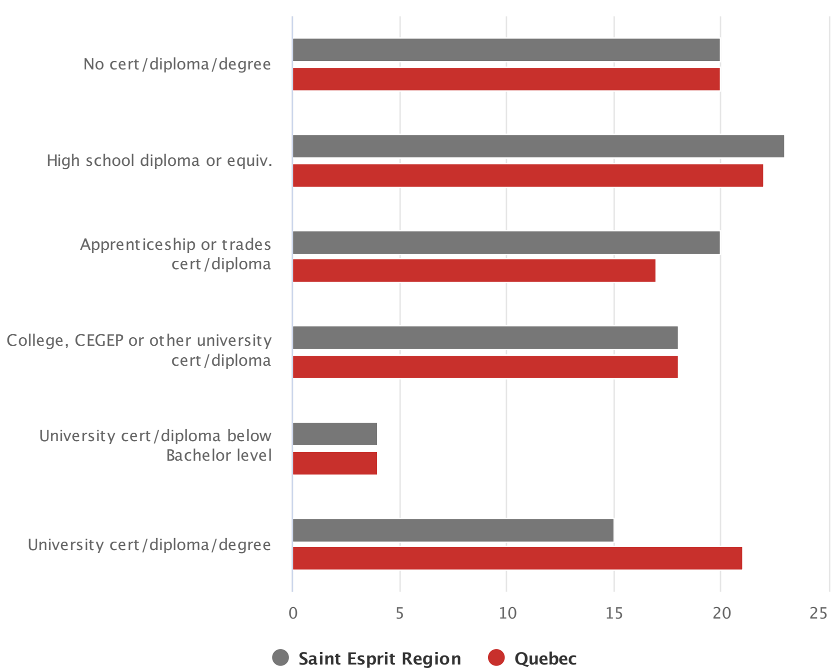


FIGURE 3: EDUCATIONAL ATTAINMENT – SAINT ESPRIT REGION AND QUEBEC

The overall education level of the region's residents is quite similar to that of Quebec overall (see Figure 3). Among the working age population in the region, 20% do not have a high school diploma (vs. 20% for the province), and 23% (vs. 22% for the province) have a secondary school diploma, for a total of 53% with no postsecondary education in the region. From interviews, it was determined that part of this might be attributable to the ongoing youth out-migration from the region into often more urban centres with the youth often having higher levels of education than older cohorts. This also corresponds to the aging demographics for the region.

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 2022-26, 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 forecast 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 forecast 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)

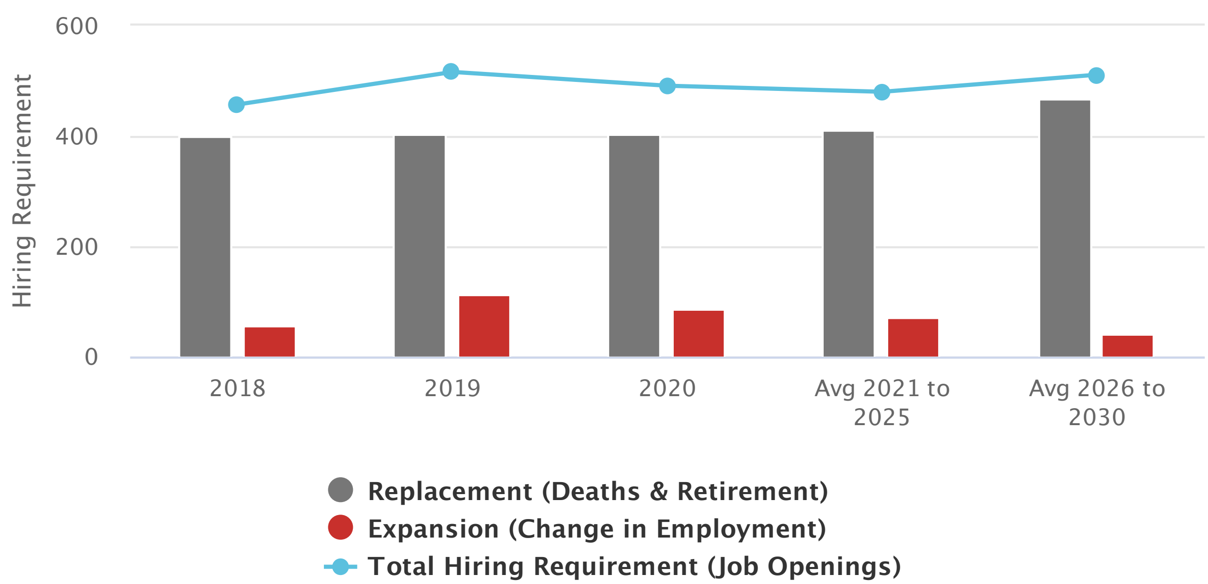
END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.5	0.4	0.5	0.6
International Exports	-0.3	1.6	1.5	1.6
Interprovincial Exports	0.8	1.1	1.2	1.1
Interindustry Demand	3.1	1.6	1.5	1.6
Imports	0.4	0.8	0.8	0.8
Total End Market Demand	1.1	1.4	1.3	1.4

3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR QUEBEC

Meat processing employment is expected to rise by a moderate by 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 forecast 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 forecast 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 forecast 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 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 SAINT ESPRIT REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts 14 processors ranging significantly in size.

Overall, there are fourteen meat processing establishments in the Saint Esprit Region[3], with a focus on pork and poultry processing and rendering activities. As noted on the map in Section 1, there are three very large establishmentss (over 500 employees), and the other plants are small or medium size.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 2,572 WORKERS WITH APPROXIMATELY 60% 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 Saint Esprit Region in 2017 was 2,572 (see Table 3). Approximately one-fourth of all employed (23%) were in at occupations at an intermediate skill level (NOC 9461; 9462) with a large number of meat cutters. Approximately 11% 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 made large recruitment efforts to ensure sufficient numbers of skilled meat cutters would be available to meet their requirements. There are also challenges to find enough workers to fulfill the entry-level positions and limitations to finding these employees from the local labour pool. 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.

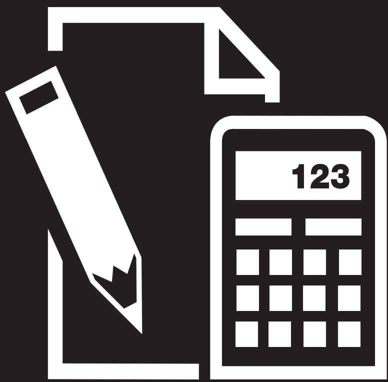
3 Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.

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

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	2,572	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	511	20%
Poultry Production	186	7%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	370	14%
Machine Operator	89	3%
Slaughter Person	163	6%
HIGH (NOC 9213)		
Master Butcher	59	2%
Specialized Cutter	228	9%
SUPERVISORY (NOC 9213)		
Supervisors	123	5%
MANAGEMENT (NOC 0911)		
Management	125	5%
OTHER CATEGORIES		
Maintenance	121	5%
Skilled Trades	218	8%
Quality Control Technician	28	1%
Office Staff	226	9%
Other Occupations*	127	5%

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

2,572 **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 slightly above 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 Launadière region of Quebec in 2017-18 was $15.00/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was higher at $19.22/hour. These wage rates are both equivalent to the provincial median rates for these occupations as well to those in the closest urban region in the province (Montreal). 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, such as retail sales or food services, the median wages for labourers in food processing were generally higher by approximately $2.00 to $3.00/hour.

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

	Low Wage (10th percentile)	Median Wage (50th Percentile)	High Wage (90th percentile)
Labourers in food processing (NOC 9617)			
Lanaudière Region (QC)	12.00	15.00	28.78
Montreal Region (QC)	N/A	N/A	N/A
All Quebec	12.00	15.00	21.63
Industrial butchers and meat cutters (NOC 9462)			
Lanaudière Region (QC)	12.53	19.22	21.00
Montreal Region (QC)	12.53	19.22	21.00
All Quebec	12.53	19.22	21.00
Other C&D Level Occupations Bas-Saint-Laurent Region (QC)			
Farm Labourer (NOC 8431)	N/A	N/A	N/A
Retail Sales (NOC 6421)	12.00	13.00	25.00
Food Services (NOC 6711)	12.00	12.00	17.00

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 higher than that found in retail ($13.05) and accommodation and food services ($13.05), but lower than other industries such as construction ($22.04), professional, scientific and technical services ($26.10) and educational services ($26.20).

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

	Avg. hourly wage
All industries	**$19.15**
Food Manufacturing	**$17.26**
Manufacturing (Total)	**$19.59**
Agriculture, forestry, fishing and hunting	**$14.80**
Health care and social assistance	**$19.29**
Retail trade	**$13.05**
Health care and social assistance	**$19.29**
Construction	**$22.04**
Educational services	**$26.20**

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

5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS APPROXIMATELY 461,499.

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 461,499 (out of a total population of 819,957). The largest proportions of the labour force for the Lanaudière Economic Region work in retail trade (14%), health care and social assistance (14%), manufacturing (12% of the labour force - includes meat processing), and construction (10%) (Census 2016). Other main competitors for workers in the area are Firestone and Scott Paper in nearby Joliette.

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 5.9% on average. According to Census data, approximately 8.8% of the population 15 years or older in the Central Quebec Economic Region 17 who had income received regular Employment Insurance (EI) payments at some point in 2016.

According to EI data provided by ESDC for the Central Quebec economic region, 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 are employed as material handlers in the sector (3,861 EI beneficiaries in 2016 with an average annual 9% decrease between 2014 and 2016), followed by labourers in food and beverage processing (2,335 beneficiaries in 2016 with an average annual decrease of 17% between 2014 and 2016). One of the main shortages outlined in interviews is with respect to labourers and plant workers. In 2016 the data indicates that there were 338 industrial butchers/meat cutters collecting EI benefits with an annual average decrease in numbers of approximately 16% since 2014.

TABLE 6: EI BENEFICIARIES BY OCCUPATION – CENTRAL QUEBEC ECONOMIC REGION 17

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	783	807	669	-7.0%
Material handlers	4,729	4,772	3,861	-9.0%
Supervisors, food and beverage processing	142	91	91	-9.0%
Process control and machine operators, food and beverage processing	670	672	579	-7.0%
Industrial butchers and meat cutters, poultry preparers and related workers	504	361	338	-16.0%
Labourers in food and beverage processing	3,564	2,841	2,335	-17.0%

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 Saint-Esprit Region, particularly with respect to the highly skilled meat cutting occupations.

While the proportion of immigrants in the Saint Esprit Region is lower when compared with Quebec overall (6.3% vs. 13.7%), the meat processing industry is reliant on temporary workers working towards permanent residency in Canada. As of 2017, one of the main plants in the region reports having 100 TFW, representing 10% of their workforce. The vast majority of these workers are hired as highly skilled meat cutters (90%). To facilitate integration to Quebec, the contracting is focused in francophone countries.

Although there is an expressed interest in finding recent immigrants, in interviews plant managers indicate that there is little information available regarding how to reach out to these groups. It would also be advantageous to consider some kind of relocation program to motivate newcomers to move outside the main urban centres.

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 (1.2% in Census 2016; 9,470 individuals) in the Saint-Esprit Region who identify as Aboriginal according to Census definitions; however, there is no large community nearby. 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. THIS TREND CONTINUES THROUGH TO 2030, WITH A SMALL PROJECTED IMPROVEMENT FOR LOWER SKILL LEVEL SHORTAGES BY 2026.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	819,957	825,984	831,837	837,395	853,015	877,798
Avg. Annual Change (%)		0.7%	0.7%	0.7%	0.6%	0.6%
Total Labour Force	461,499	465,519	467,833	467,902	468,356	473,241
Avg. Annual Change (%)		0.9%	0.5%	0.0%	0.0%	0.3%
Total Employment	434,141	437,470	440,146	440,164	440,227	446,634
Avg. Annual Change (%)		0.8%	0.6%	0.0%	0.0%	0.4%
Unemployment Rate	5.9%	6.0%	5.9%	5.9%	6.0%	5.6%

The model projections indicate that taking into account the trends in migration and aging, the Saint-Esprit Region will experience an increase in population within the period under study (2017 to 2030) (see Table 7). These factors will also contribute to a growing labour force for the region, albeit at a slower rate than population growth given the aging population and anticipated retirements. As a result, unemployment rates are expected to decline slightly from an average of 5.9% to 5.6% based on increased opportunities, but slower growth in the overall labour force.

LABOUR MARKET TIGHTNESS EXPLAINED

Specifically, for this project, the analytic team developed an approach to demonstrate the "tightness" of the labour market in supplying the employment demands from meat processing in the identified regions. This was calculated by estimating labour requirements in other sectors in the region (non meat-processing labour requirements) and subtracting those requirements from the total labour force estimates. This difference results in an estimated "residual" labour force for the region from which meat processing needs to draw. Not all of the meat processing workers come from the residual pool, as the sector actively competes with other sectors for workers; however, the "tightness" measure indicates where shortages are likely occurring for not only the meat processing sector but likely other sectors drawing from the same labour supply. Using this approach, the current and future labour market tightness was calculated to determine the extent to which the region's labour force can meet the labour requirements of all sectors (both non-meat processing and meat processing).

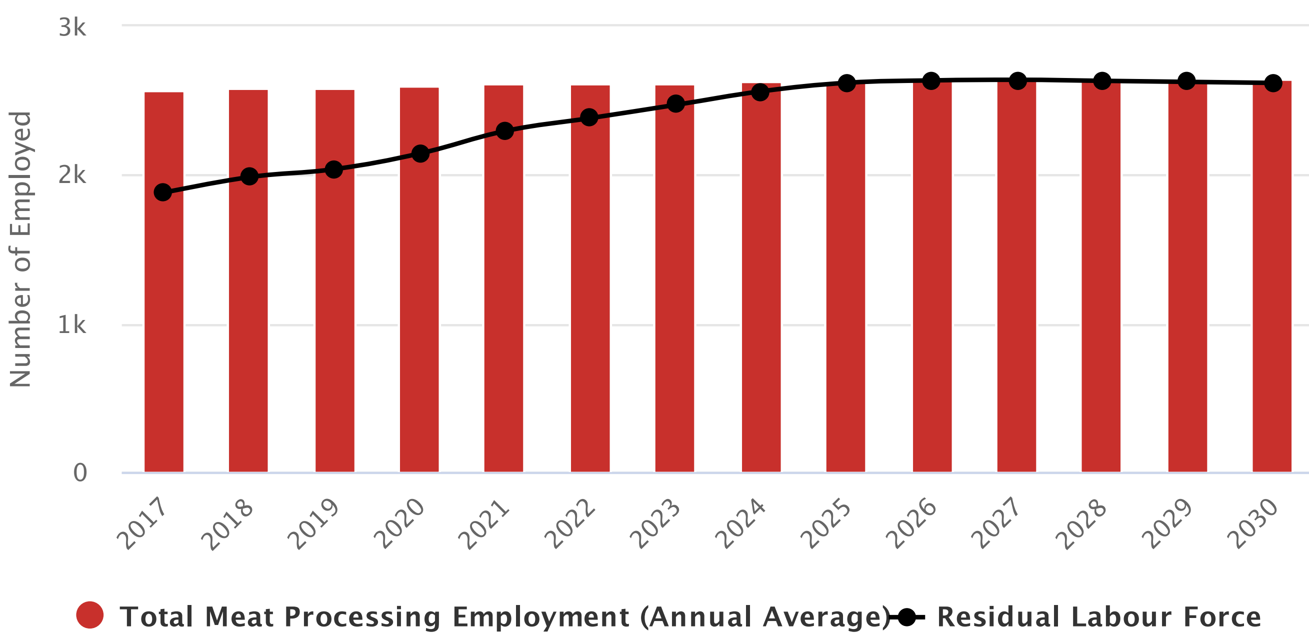
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is higher than the Residual Total Labour Force. This suggests that there is currently (2017) an insufficient local labour force to meet all of the region's labour requirements (for all industries) leaving an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

The analysis outlined in Table 8 and Figure 6 describes the labour market context within which the meat processors in the Saint-Esprit 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 2,572 within a labour market that had a residual total labour force of only 1,881. 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 – SAINT ESPRIT REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [4]	461,499	465,519	467,883	467,902	468,356	473,241
Total Non-Meat Processing Labour Requirement [5]	459,618	463,534	465,844	465,757	465,889	471,278
Residual Total Labour Force[6]	1,881	1,985	2,039	2,145	2,467	2,631
Total Meat Processing Employment (Annual Average)	2,572	2,580	2,593	2,604	2,623	2,646

FIGURE 5: TOTAL MEAT PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE – SAINT-ESPRIT 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.

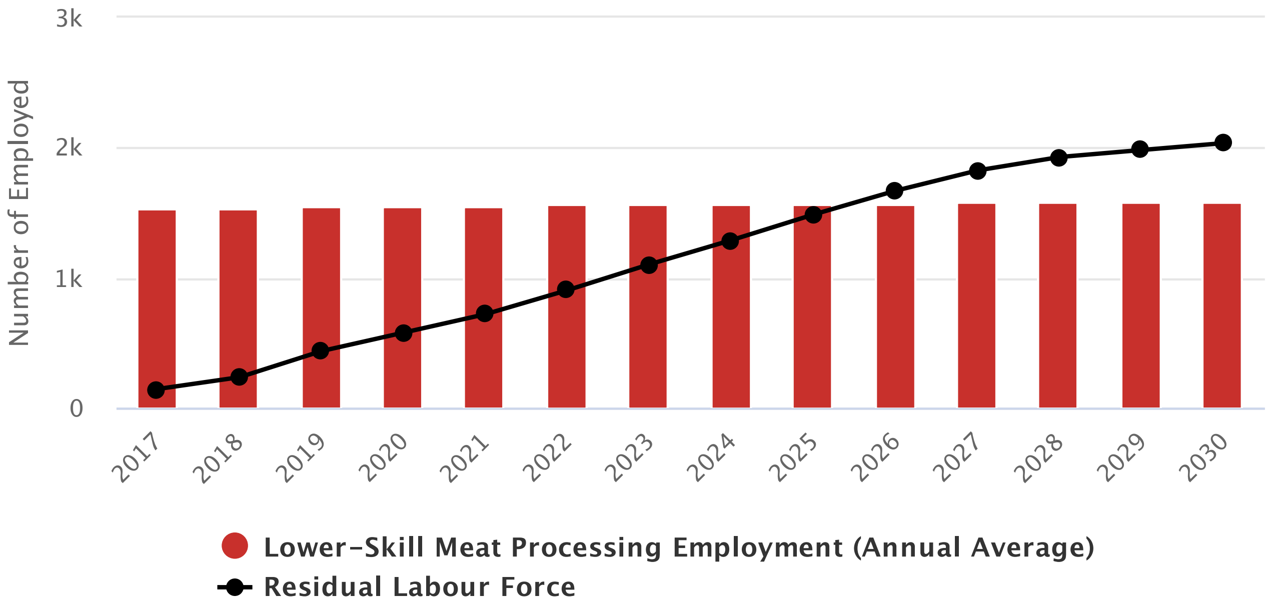
As noted in the description of the occupations, approximately 60% of the occupations in the industry in this region are in the “C” and “D” levels which are often referred to as “lower-skill level” occupations, not requiring post-secondary education. Given much of the focus is on the lower-skill level 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 high. For example, in 2017, the meat processing industry was able to recruit and employ 1,533 workers within a labour market that had a residual total labour force of only 143. 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 – SAINT ESPRIT REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force [7]	145,673	146,942	147,688	147,694	147,837	149,379
Lower-Skill Non-Meat Processing Labour Requirement	145,529	146,668	147,253	147,117	146,737	149,221
Residual Lower-Skill Labour Force	143	274	435	577	1,100	1,888
Lower-Skill Meat Processing Employment (Annual Average)	1,533	1,537	1,545	1,551	1,563	1,577

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
SAINT-ESPRIT REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Saint-Esprit 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), with a slight improvement in the situation for lower-level skill workers by 2026. 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 – SAINT ESPRIT 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	3	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 Saint-Esprit Region employers will need to attract approximately 1,000 new workers to the meat processing industry by 2030. This is equivalent to approximately 40% 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 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 24% in Alberta in meat processing industry). All of these factors contribute to the substantial challenges facing Saint-Esprit 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 1,000 new workers to the industry between 2018 and 2030. This equates to replacing approximately 40% of the 2017 average meat processing workforce in the region.

TABLE 11: HIRING REQUIREMENT OUTLOOK – SAINT ESPRIT REGION – 2017-2030

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[8]	68	78	84	81	390	367
Industry Growth	-3	8	13	11	34	11
Retirements and Mortality	70	70	71	71	356	356

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) – SAINT ESPRIT REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	2,572	2,580	2,593	2,604	2,623	2,646
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	511	512	515	517	521	525
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	186	187	188	189	190	192
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	370	371	373	374	377	380
Machine Operator (including Saw Operator)	89	89	89	90	90	91
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	59	59	60	60	60	61
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	228	228	230	230	232	234
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	123	123	124	124	125	126
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	125	126	126	127	128	129
OTHER CATEGORIES	27	27	26	26	26	27
Maintenance (including Janitors, Sanitation Workers, Cleaners)	121	121	122	122	123	124
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	218	219	220	221	222	224
Quality Control	28	28	28	29	29	29
Office Staff (including Administrator or HR Manager)	226	226	227	228	230	232
Other Occupations*	127	127	128	129	130	131

* 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

Local recruitment is always a priority. Given their proximity to Montreal, one large plant interviewed reports that 13% of current employee commute on a daily basis from the city, which has in turn translated into a challenge to find a sufficient number of drivers. Important challenges are being faced recruiting workers at all levels. In that regard, although the TFWP has been a source to find industrial butchers, one of the plants interviewed reports their limitations in using the program when other positions are also vacant. There are only 30-to 35% of positions in the plant that are for industrial butchers, whereas there are challenges recruiting in all positions, especially at the entry level.

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 45% in the first year. Of those who leave, almost half do so in their first few days at work, and 70% quit by ten months. Some of the reasons quoted by employees to leave include going back to school or finding a position in construction (which pays $30/hour in the spring). The plant managers indicated they are making considerable efforts are made to retain workers at all levels (see Section 8).

Challenges with immigration pathways

The TFWP is currently restricted to hiring individuals with the potential to become industrial butchers. However, as indicated above, the labour shortages are observed across all entry-level positions, and local labour sources are insufficient to meet the demand. The limitations to 10% of their current workforce also place limitations as to how the program can be used to help with existing shortages. A forward-looking and more proactive program is recommended, where future expansion plans can be taken into consideration in the requests. As mentioned by a plant manager: “once we are facing a labour shortage, is already too late.”

Impact of labour shortages and vacancies

The main challenges noted with the labour shortages were the lost opportunities for developing and growing the plant, including new products, further processing and specialty, value-added products, as well as being able to develop products with different specifications. Limitations to develop products under new specifications are a main barrier in accessing new export markets, where the requirements are usually diverse. In turn, this creates a risk of losing existing contacts which negatively impacts growth and stability in the business. Plant managers interviewed estimated that losses are in the amount of $800 per day per vacant position/absentee worker.

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 with both plant managers, supervisors, trainers and line employees, considerable emphasis was placed on the company culture and 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. Some of these included:

- Offering benefits to employees (health, bonuses based on attendance, access to purchasing product).
- They have created two positions for "loyalty advisors" whose responsibility is to help employees feel engaged and to facilitate the onboarding process of new employees. The process consists of creating a group of entry-level individuals (10 to 20 people) who are gradually integrated into the company. There is always a resource person to answer questions, and they obtain specific training to prepare them for their tasks. This initiative has been quite successful increase retention from 5-6 people for each individual hired to 6-7 workers retained. It has been noted as well that new workers are better prepared for their positions and become more efficient at work faster.
- Employees that were interviewed describe an organizational culture that fosters open communication and that focuses on integrating workers from different backgrounds.

AN ESTABLISHED PROCESS TO WELCOME TFW

One main employer interviewed has a process established to ensure that TFW are welcome and integrate well into the community. From arrival to their airport to securing lodging and helping them learn how to shop for groceries, new employees are coached throughout the first two weeks on a regular basis. One of the loyalty advisors has usually met them in their country of origin before making the trip.

IDENTIFYING LEADERS AND PROMOTING FROM WITHIN

There is a concerted effort to identify and develop leaders from the current staff. The majority of supervisors (80%) come from the production floor.

FOOD PROCESSING SKILLS CANADA

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