Securing Canada's MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Toronto Region
Ontario

FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S **MEAT** WORKFORCE

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TABLE OF CONTENTS

SUMMARY

REGIONAL OVERVIEW

The Toronto Region, located in Southern Ontario, is the largest urban center in Canada. In addition to the City of Toronto, it includes other cities within a one-hour drive, such as Mississauga to the west, Brampton and Vaughan to the north and Oshawa to the east. Meat processing in the Toronto region consists of 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 well above projected meat processing employment demands. This is attributed to the inclusion of the large urban metro Toronto population in the available supply. Sufficient labour supply of lower-skill workers is also expected to be available in the region. Despite ample labour supply, the availability of workers for meat processors will depend on competing employment demands from other sectors. Meat processors may experience difficulties attracting workers from urban into suburban areas (where many of the plants are located), as well as potential recruitment challenges as a result of wage differentials with competing sectors.

Regional meat employment is expected to rise from 8,800 workers in 2017 to 8,900 by 2020 but will remain at 8,900 by 2030. Local processors will likely need to hire 4,100 additional workers between 2017 and 2030, due almost entirely to the need to replace workforce retirements. This figure does not include turnovers which can add significantly to total annual recruitment demands.

The region's population, which includes the Greater Toronto Area, is expected to increase from 6.4 million to over 6.6 million by 2020 and 7.2 million by 2030. Although net in-migration of over 570,000 individuals is expected to be a source of population growth, the main source of growth will be births. However, rising retirements will cause labour force growth to lag behind employment resulting in a decline in the regional unemployment rate to 6.0% by 2030.

POPULATION
6,408,845

LABOUR FORCE
3,601,527

LABOUR MARKET TIGHTNESS

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

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

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

1

MEAT PROCESSING ESTABLISHMENTS

110[1]

MEAT PROCESSING EMPLOYMENT

8,815[2]

HR CHALLENGES

As meat processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing recruitment and retention issues, challenges with industry image, availability of public transit and the impact of labour shortages and vacancies, along with competition for lower-skill workers in an urban environment.

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 Toronto 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. Toronto Region on the Ontario was selected as one of these regions for detailed focus.

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

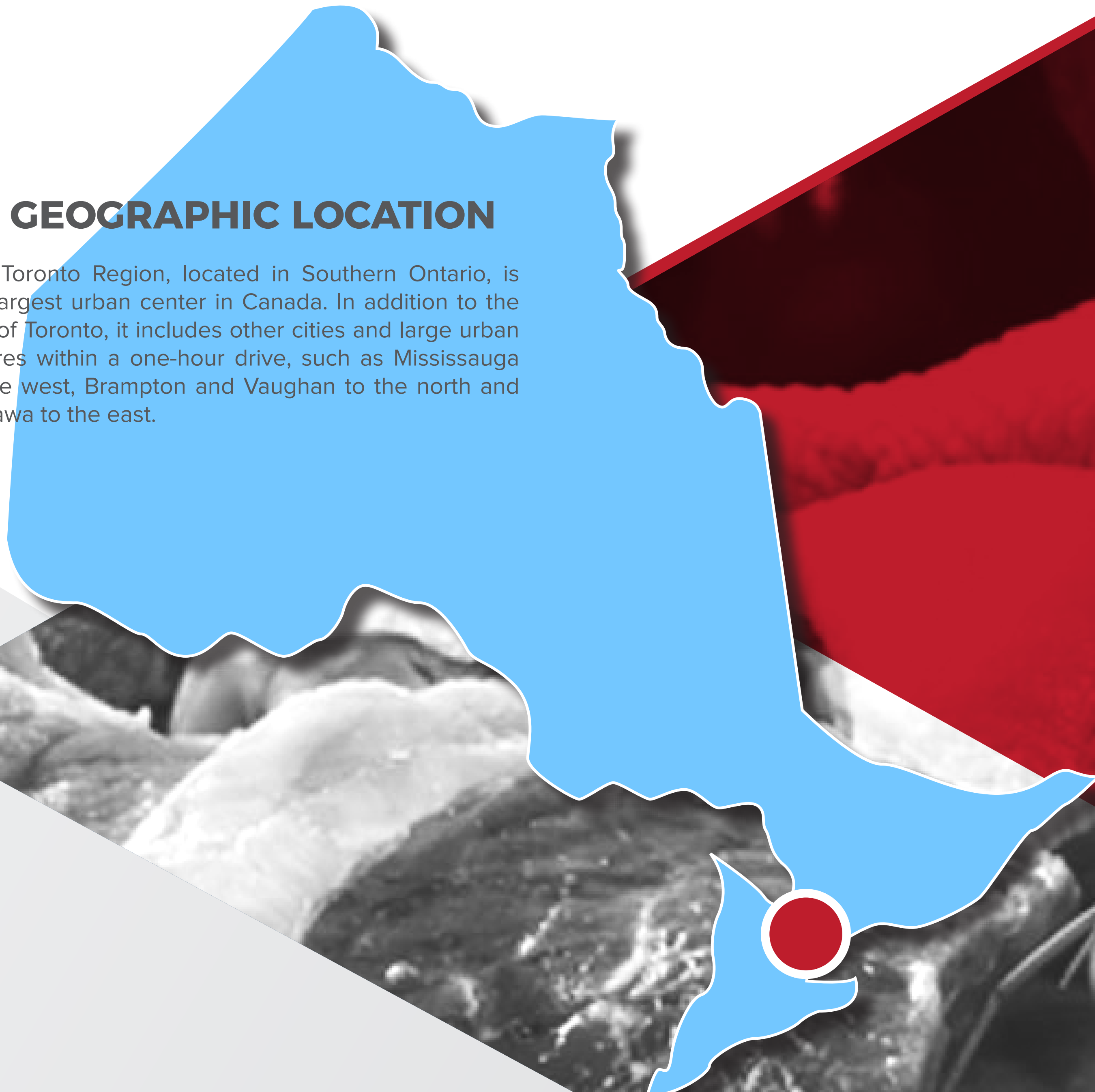
- Two robust econometric models that provide detailed quantifiable projections for both labour demand and supply at the regional level (the first time these numbers have been produced at the regional, provincial and national level for the meat processing industry);
- A broad survey of meat processing 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 Toronto Region, the study team collected information from two large poultry processing plants.

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE TORONTO REGION

2.1 GEOGRAPHIC LOCATION

The Toronto Region, located in Southern Ontario, is the largest urban center in Canada. In addition to the City of Toronto, it includes other cities and large urban centres within a one-hour drive, such as Mississauga to the west, Brampton and Vaughan to the north and Oshawa to the east.



2.2 POPULATION CHARACTERISTICS

The population of the Toronto Region is slightly younger than the Canadian average and is expected to grow over the next decade primarily due to births and some continued in-migration. Compared to the province overall, the population has significantly 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 in 2017 was 6,408,845. According to Census 2016 profiles, the proportions of immigrants (45.4%), non-Canadian citizens (12.2%), and visible minorities (50.5%) are significantly higher to those overall for Ontario, but there are lower proportions relative to those overall of Ontario for the population that identifies as Aboriginal according to Census definitions (0.8%) (see Table1).

TABLE 1: TORONTO REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	TORONTO REGION	ONTARIO
FEMALE	3,106,590	6,889,105
SHARE OF POPULATION	51.5%	51.2%
IMMIGRANTS	2,730,045	3,852,145
SHARE OF POPULATION	45.4%	29.1%
NOT CANADIAN CITIZENS	732,035	1,019,095
SHARE OF POPULATION	12.2%	7.7%
VISIBLE MINORITIES	3,030,970	3,885,585
SHARE OF POPULATION	50.5%	29.3%
ABORIGINAL IDENTITY	49,335	374,935
SHARE OF POPULATION	0.8%	2.8%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (6,408,845 in 2017 and then 7,100,047 by 2030). The population is currently slightly younger than other regions in Canada with the Toronto Economic Region having a median age of 39.4 years compared to the provincial median of 41.3 and a national median age of 41.2 (Census, 2016). Although the total population will increase, it will begin to be an aging population with the proportion of the age cohort 65 years or older rising from 15.0% in 2017 to approximately 20.5% 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 predicted continuation of a pattern of net in-migration of approximately 570,000 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 of close to 700,000 people (see Figure 2).

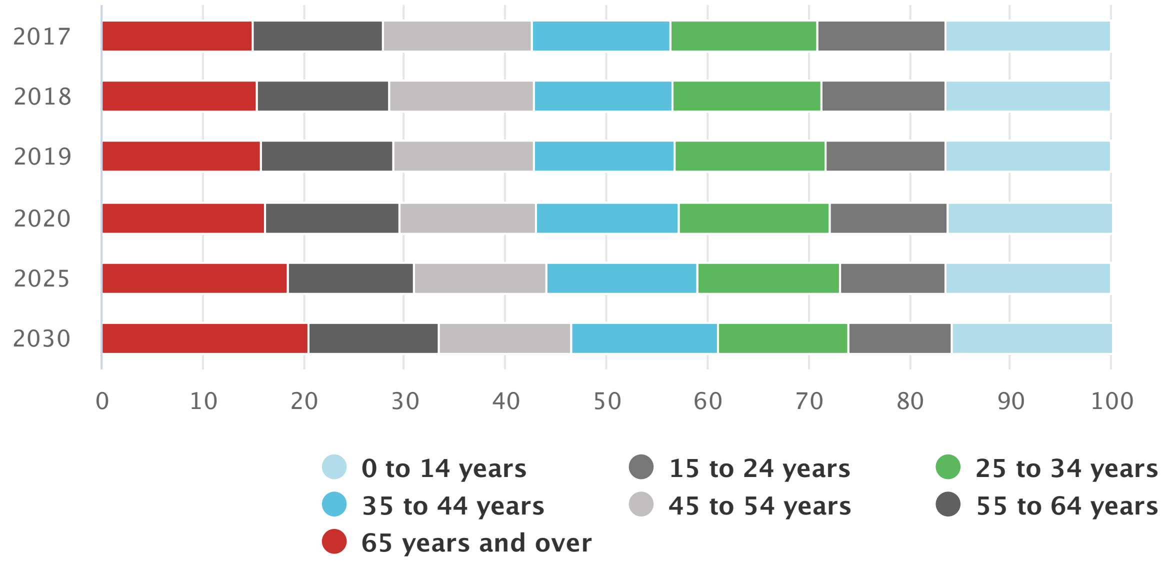


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

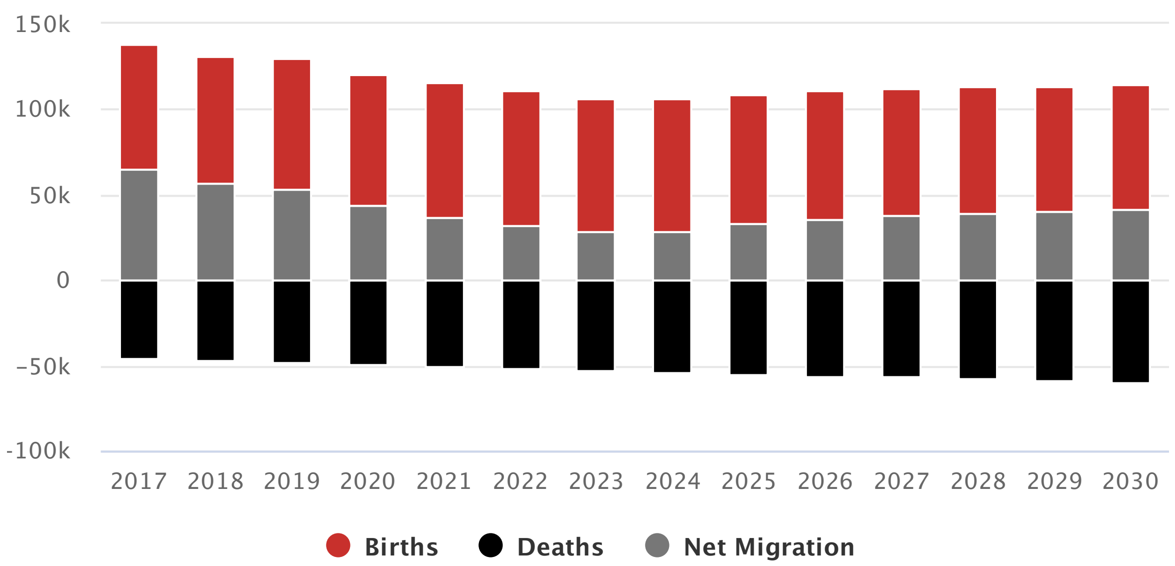


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

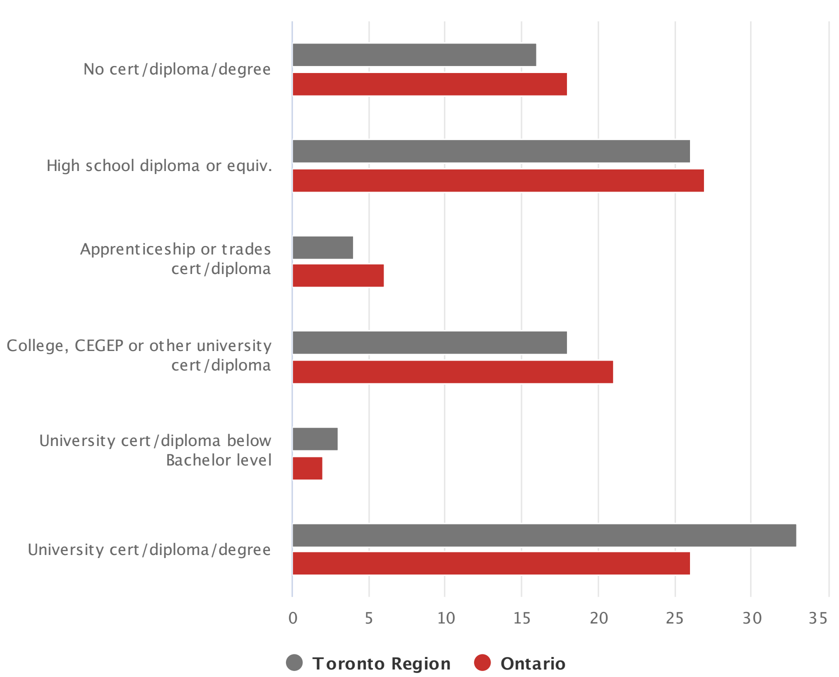


FIGURE 3: EDUCATIONAL ATTAINMENT – TORONTO REGION AND ONTARIO

The education level of the region's residents is higher when compared with Ontario overall (see Figure 3). In the Toronto region, 16% of the working age population does not have a high school diploma (vs. 18% for the province), and 33% (vs. 26% for the province) have a university certificate, diploma or degree.

3.0 OUTLOOK OF ONTARIO MEAT PROCESSING

3.1 ONTARIO MEAT PRODUCT OUTLOOKS

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

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

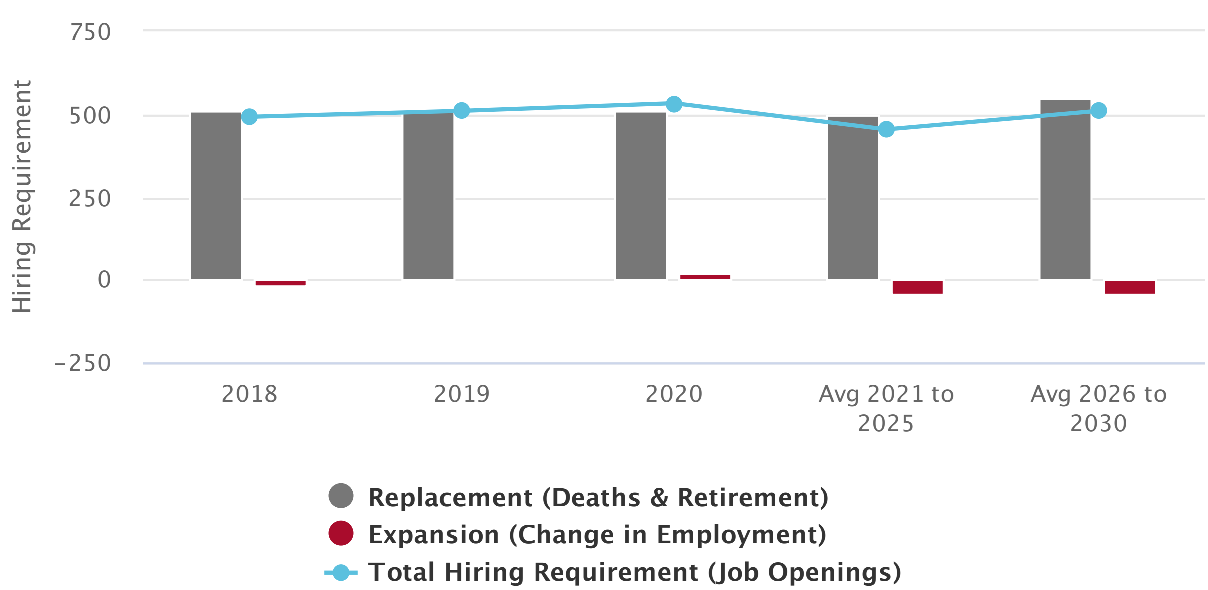
END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.2	0.8	0.7	0.8
International Exports	1.6	2.9	2.1	2.1
Interprovincial Exports	0.9	1.1	1.3	1.2
Interindustry Demand	3.2	2.5	3.0	2.9
Imports	0.8	1.3	1.0	1.0
Total End Market Demand	1.3	1.6	1.6	1.6

3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR ONTARIO

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

Taking account of both replacement and expansion demands, the industry will likely need to need to hire just over 6,350 new workers, or (41%) of the current workforce over the next 13 years (see Figure 4). These hiring requirements are net numbers of new workers and do not include annual hiring requirements due to turnover.

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



4.0 TORONTO REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts 110 processors ranging significantly in size.

Overall, there are one hundred and ten meat processing establishments in the Toronto Region[3], consists of slaughtering, processing and rendering of hog, cattle and poultry. As noted on the map in Section 1, there are four very large establishments (over 500 employees), two large (between 250 and 500 employees) and many others ranging in smaller sizes.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 8,815 WORKERS WITH MORE THAN ONE-HALF (55%) BEING LABOURERS AND PLANT WORKERS.

4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the meat processing sector in the Toronto Region in 2017 was 8,815 (see Table 3). The largest proportion of these workers are at a foundational skill level (NOC 9617) at approximately 29% with large numbers of both production workers and poultry workers. Approximately one-fifth of all employed (18%) were working in occupations at an intermediate skill level (NOC 9461; 9462) with large numbers of slaughter persons and meat cutters. Approximately 8% of the workforce is in the higher skill occupations of specialized meat cutters and master butchers. This distribution was confirmed during interviews where the two plants participating in site visits noted that the largest proportions of their workers were at the foundational lower-skill levels. While a high school diploma is often preferred, it is often not necessary to secure a starting position according to the plants 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 TORONTO REGION - 2017

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	8,815	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	1,164	13%
Poultry Production	1,437	16%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	1,166	13%
Machine Operator	340	4%
Slaughter Person	112	1%
HIGH (NOC 9213)		
Master Butcher	148	2%
Specialized Cutter	563	6%
SUPERVISORY (NOC 9213)		
Supervisors	413	5%
MANAGEMENT (NOC 0911)		
Management	622	7%
OTHER CATEGORIES		
Maintenance	477	5%
Skilled Trades	801	9%
Quality Control Technician	81	1%
Office Staff	835	9%
Other Occupations*	655	7%

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

8,815 **AVERAGE NUMBER OF WORKERS EMPLOYED IN THE MEAT PROCESSING INDUSTRY IN 2017**

4.2.2 WAGES

Median hourly wages for labourers in food processing and industrial butchers and meat cutters are equivalent to the provincial average and to some other C and D level occupations available in the region.

The median hourly wage for labourers in food processing (NOC 9617) in the Toronto region of Ontario in 2017-18 was $14.00/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was higher at $18.00/hour. These wage rates are equivalent to the provincial median rates for these occupations, as well as those offered in another largely urban region in the province (the Ottawa region). To provide some context, the minimum wage in Ontario in 2017 was $11.60/hour.

When compared with other C&D Level Occupations in the same region, the median wages for labourers in food processing were similar.

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)			
Toronto Region (ON)	14.00	14.00	19.00
Ottawa Region (ON)	14.00	14.00	21.00
All Ontario	14.00	14.00	21.00
Industrial butchers and meat cutters (NOC 9462)			
Toronto Region (ON)	14.25	18.00	24.00
Ottawa Region (ON)	N/A	N/A	N/A
All Ontario	14.25	18.00	24.00
Other C&D Level Occupations Toronto (ON)			
Farm Labourer (NOC 8431)	14.00	15.00	25.00
Retail Sales (NOC 6421)	14.00	14.00	20.00
Food Services (NOC 6711)	14.00	14.00	15.38

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

On a provincial level, the average hourly wage in food manufacturing ($18.26) is lower than other forms of manufacturing ($20.94) and lower than the average hourly wage for all industries combined ($20.39) (see Table 5). The hourly wage in food manufacturing is higher than that found in retail trade ($14.04) and accommodation and food services ($12.23), but lower than other industries such as finance and insurance ($30.23), professional, scientific and technical services ($29.46) and educational services ($27.66).

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

	Avg. hourly wage
All industries	**$20.39**
Food Manufacturing	**$18.26**
Manufacturing (Total)	**$20.94**
Professional, scientific & technical services	**$29.46**
Accommodation and food services	**$12.23**
Retail trade	**$14.04**
Health care and social assistance	**$24.29**
Finance and insurance	**$30.23**
Educational services	**$27.66**

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

5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS APPROXIMATELY 3,601,527.

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 3,601,527 (out of a total population of 6,408,845). The largest proportions of the labour force for the Toronto Economic Region work in retail trade (11% of labour force), professional, scientific and technical services (11%), health care and social assistance (9%) and manufacturing (9% - includes meat processing) (Census 2016). At approximately 8,815 workers, the meat processing industry in the Toronto Region makes up a very small proportion of the labour force at approximately 0.2%.

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 7.0%.

The unemployment rate for the region in 2017 was 7.0% on average. According to Census data, approximately 4% of the population in the Toronto 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 Southern Central Ontario region, there has been generally 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 one exception is for Supervisors in food and beverage processing, where the number of workers making claims has increased by 16% on average per year between 2014 and 2016.

The highest number of EI beneficiaries are found among material handlers (917 beneficiaries in 2016), a number that has remained fairly stable since 2014 (939 beneficiaries). The largest annual proportional decreases are observed among process control and machine operators (with an average annual 37% decrease between 2014 and 2016) and among industrial butchers and meat cutters (with an average annual decrease of 23% between 2014 and 2016).

TABLE 6: EI BENEFICIARIES BY OCCUPATION – SOUTHERN CENTRAL ONTARIO REGION

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	222	223	182	-9%
Material handlers	939	1,101	917	-1%
Supervisors, food and beverage processing	92	79	N/A	16%
Process control and machine operators, food and beverage processing	97	43	26	-37%
Industrial butchers and meat cutters, poultry preparers and related workers	250	132	134	-23%
Labourers in food and beverage processing	764	555	424	-22%

Source: Employment and Social Development Canada 2017

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

Currently, recent immigrants play a significant role in addressing labour supply issues in the meat processing industry in the Toronto Region, particularly with respect to meeting the demand for foundational occupations.

The proportion of immigrants in the Toronto Region is higher when compared with Ontario overall (45.4% vs. 29.1%), and this is reflected in the plants interviewed. Recent and longer-term immigrants made up the vast majority of the plants' workforces, particularly at the foundational and intermediate skill levels positions. The plants interviewed noted that they did not access the Temporary Foreign Workers program primarily due to the administrative challenges and costs associated with the program.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

The plants interviewed did not specifically include Indigenous sources of labour in their ongoing recruitment efforts.

There is a small proportion of the population (0.9% in Census 2016; 22,415 individuals) in the Toronto Region who identify as Aboriginal according to Census definitions. There are no First Nations reserve communities within the region boundaries. The plants interviewed did not specifically include Indigenous sources of labour in their recruitment efforts.

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 – TORONTO REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	6,408,845	6,493,059	6,574,652	6,646,531	6,824,608	7,100,047
Avg. Annual Change (%)		1.3%	1.3%	1.1%	0.9%	0.8%
Total Labour Force	3,601,527	3,658,051	3,706,336	3,739,073	3,810,025	3,847,156
Avg. Annual Change (%)		1.6%	1.3%	0.9%	0.6%	0.0%
Total Employment	3,349,752	3,394,333	3,431,041	3,465,430	3,537,089	3,618,125
Avg. Annual Change (%)		1.3%	1.1%	1.0%	0.7%	0.3%
Unemployment Rate	7.0%	7.2%	7.4%	7.3%	7.2%	6.0%

The model projections indicate that taking into account the trends in migration and aging, the Toronto Region will experience 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 7.0% to 6.0% based on increased opportunities, but slower growth in the overall labour force.

LABOUR MARKET TIGHTNESS EXPLAINED

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

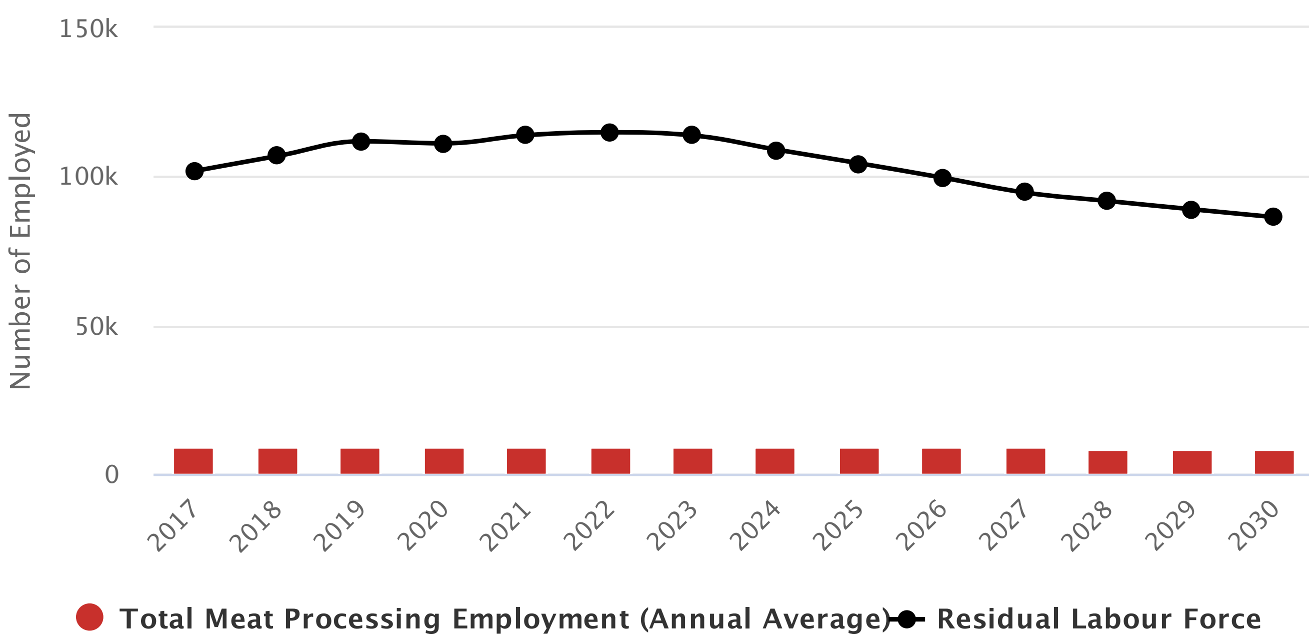
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is lower than the Residual Total Labour Force. This suggests that there is currently (2017) a sufficient local labour force to meet all of the region’s labour requirements (for all industries). This trend continues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

The analysis outlined in Table 8 and Figure 5 describes the labour market context within which the meat processors in the Toronto Region are operating with respect to finding sufficient numbers of workers from the local labour supply. In 2017, the meat processing industry was able to recruit and employ 8,815 within a labour market that had a residual total labour force of 101,876. This means that the meat processing industry`s largest challenge is not necessarily potential labour supply, but rather the successful attraction of this labour supply to the meat processing industry which can be particularly challenging given the location of plants, industry image, competing alternative sectors, and available wages and benefits.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [4]	3,601,527	3,658,051	3,706,336	3,739,073	3,810,025	3,847,156
Total Non-Meat Processing Labour Requirement [5]	3,499,651	3,551,113	3,594,506	3,627,911	3,698,817	3,754,920
Residual Total Labour Force[6]	101,876	106,938	111,831	111,162	111,208	92,236
Total Meat Processing Employment (Annual Average)	8,815	8,840	8,870	8,913	8,850	8,791

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

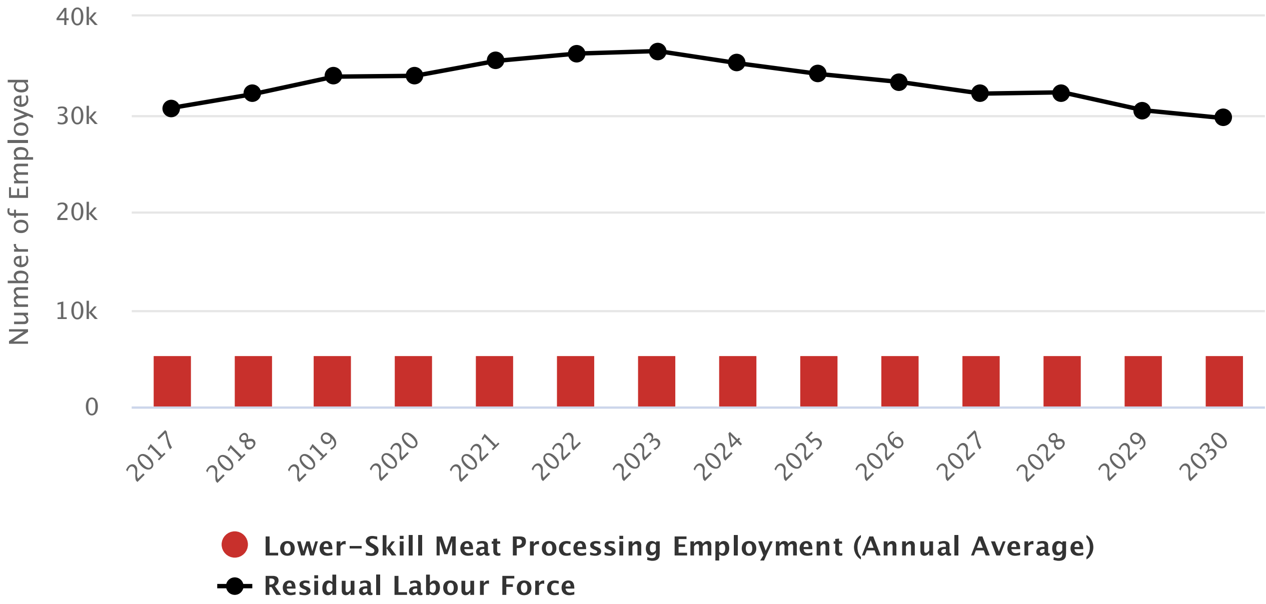
As noted in the description of the occupations, approximately 53% of the occupations in the industry in this region are in the “C” and “D” levels which are often referred to as “lower-skill level” occupations, not requiring post-secondary education. Given much of the focus is on the lower-skill level 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 low. For example, in 2017, the meat processing industry was able to recruit and employ 5,317 workers within a labour market that had a residual total labour force of 30,632.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force[7]	185,090	187,756	190,036	191,717	194,730	197,815
Lower-Skill Non-Meat Processing Labour Requirement	182,430	184,970	187,071	188,743	191,521	195,278
Residual Lower-Skill Labour Force	2,660	2,785	2,964	2,974	3,209	2,936
Lower-Skill Meat Processing Employment (Annual Average)	2,301	2,307	2,315	2,324	2,305	2,258

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 - TORONTO REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Toronto 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 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). These results assume similar industry employment demand (e.g., no new major employers arriving or leaving the area), and no major changes in net migration patterns. This type of analysis does not take into account various other challenges encountered by the meat processing industry such as the location of plants within the region, availability of transportation, competitiveness from other industries, and industry image.

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TABLE 10: SUMMARY OF LABOUR MARKET TIGHTNESS – TORONTO 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 Toronto Region employers will need to attract approximately 3,700 new workers to the meat processing industry by 2030. This is equivalent to approximately 42% of their current annual average workforce. This requirement is due largely to the replacement of anticipated retirements over this period. Unfortunately, this recruitment will be occurring within the context of a regional labour market that is largely urban-based and that has many alternative employment opportunities from which to select. This variety of employment opportunities is likely contributing to the high number of current vacancies experienced by employers in meat processing (estimated at 13% in Ontario), and to some degree the higher turnover rates in the industry as workers have more employment opportunities from which to choose, particularly in the lower-skill level occupations (estimated imputed turnover rate of 36% in Ontario in meat processing industry). All of these factors contribute to the substantial challenges facing Toronto 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 3,712 new workers to the industry between 2018 and 2030. This equates to replacing approximately 42% of the 2017 average meat processing workforce in the region.

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

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[8]	374	320	326	339	1,377	1,350
Industry Growth	80	25	30	43	-76	-78
Retirements and Mortality	294	295	296	296	1.453	1,427

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 Ontario meat processors is estimated at 36%.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	8,815	8,840	8,870	8,913	8,850	8,791
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	1,164	1,167	1,171	1,177	1,168	1,161
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	1,437	1,441	1,446	1,453	1,443	1,433
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	1,166	1,169	1,173	1,179	1,170	1,163
Machine Operator (including Saw Operator)	340	341	342	344	342	339
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	148	149	149	150	149	148
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	563	564	566	569	565	561
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	413	415	416	418	415	412
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	622	623	626	629	624	620
OTHER CATEGORIES						
Maintenance (including Janitors, Sanitation Workers, Cleaners)	477	478	480	482	479	476
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	801	803	806	810	804	799
Quality Control	81	81	81	82	81	81
Office Staff (including Administrator or HR Manager)	835	838	841	845	839	833
Other Occupations*	655	657	660	663	658	564

* 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:

Retention issues

The plants' representatives interviewed indicated that retention issues are challenging with the highest turnover rates (50% +) occurring within the first two weeks of employment. This is attributed to the physical requirements of the job with many people not being prepared to work in a physically demanding environment that requires long periods of standing or lifting and a fast-paced line, along with the overall work environment (e.g., cold, handling raw meat product, smells/odours).

Recruitment

the plants interviewed indicated that recruitment is an ongoing challenge. While the number of applications is high, there are very few that convert into an actual employee. Some note that 200 CV's may result in 4 or 5 interviews which may result in 2 employees, only one of which remains past the first week. The explanation for this according to those interviewed is that many people apply to the plant with little or no idea of what the work involves. As well, some noted that given the ease with which applications can be sent now (electronic/online), many people are applying to a large number of jobs at once using a blanket approach with their applications with little or no investment by the applicant to learn about where they are applying or job requirements. This creates a lot of work for HR who spend large amounts of time sifting through applications and trying to contact applicants for interviews when they have little intention of taking a job in a plant or processing environment.

Impact of labour shortages and vacancies

The main challenges noted with the labour shortages were the lost opportunities for further processing and specialty, value-added products. There have been instances where weekend production has been halted because of labour shortages. It was noted by one plant that the introduction of any processing or line changes or purchase of new equipment always has as a priority the awareness of how many fewer people will be needed to help address with the labour shortages and vacancies.

Competition for lower-skill workers in an urban environment

Although the analysis of labour market tightness indicates that there is a sufficient labour supply to meet the meat processing sector needs, interviews with plant representatives indicated that while the urban setting provides a large potential supply, the competition for the lower-skill workers is intense among many competing sectors, and even within the food processing sector. The plant representatives indicated that there is some churning of employees among the meat processing plants given their proximity, and as well as other food processing sectors with which it is challenging to compete regarding work environments (e.g., baking, beverage manufacturing). Largest competitors for lower-skill workers are noted as other manufacturing employers as well as large new employers with large warehouses and logistics.

Availability of public transportation

The plants interviewed noted that transportation could be a challenge given their semi-urban or suburban locations often located within industrial areas (which is required given the nature of the processing, odours, plant size requirements, etc.). These areas often suffer from a lack of reliable public transportation that can accommodate workers' shifts and volume. As a result, where the competition for labour is high, if transportation cannot be obtained easily, it is often seen as a tipping factor for a potential employee in selecting where to work, particularly when the positions are at foundational, lower-wage levels where owning and operating a car may be cost prohibitive in urban centres.

Challenges with industry image

Plant representatives view the image of meat processing as a major challenge in recruiting. Plant representatives noted that the awareness and knowledge related to food processing in general, and meat processing, in particular, is not high among applicants or the general public. This contributes to the challenges encountered in both recruitment and retention outlined above.

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:

WORKING WITH IMMIGRANT-SERVING AGENCIES AND ORGANIZATIONS

Interviews with managers and employees noted that for some there is ongoing, day-to-day work with community agencies and organizations on the part of the employer. The main areas of focus have been with immigrant-serving organizations to ensure that local organizations are aware of the employment opportunities available at the plants and the current diversity of the workforce within the organizations.

ADDRESSING LANGUAGE BARRIERS

Given the high proportion of recent immigrants in the plants' workforces, there are ongoing challenges with language barriers. Plants have addressed these through the increased use of "hands-on" training through ongoing demonstrations in live work situations (rather than manuals or classroom training), and increased use of technology for translation (e.g., smartphones using translation apps).

EMPLOYEE REFERRAL PROGRAM

One plant described how some of their more successful recruiting had been the result of a referral program from current employees where an employee will be financially compensated for successfully referring new workers to the plant. The benefits of this type of referral is that the quality of candidates are often quite high (employees want only to refer people in whom they have confidence will be able to complete the job), the candidates are aware of the type of work and work environment before applying, and they have a built-in connection to the workplace through the existing employee.

PROACTIVE USE OF TEMPORARY PLACEMENT AGENCIES

While one plant indicated that they use temporary placement agencies "as a last resort," another plant was integrating the use of temp agencies into their overall recruitment strategy. They viewed the use of the temp agency as in some ways a recruitment source where a large number of employees are brought into the plant for a "trial" period during which the employee gets a more complete understanding of the work, environment and benefits/challenges. Similarly, the employer then gets to evaluate the work of a potential longer-term employee through temporary placement without committing to employment and the challenges involved in recruitment. They have found that this process, while it has associated costs, is worthwhile and has lowered turnover rates among new workers.

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