

SECURING CANADA'S FISH + SEAFOOD WORKFORCE

Real Challenges. Practical Solutions. Fresh Perspectives.

Executive Summary



FPSC



FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

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Food Processing Skills Canada

201 – 3030 Conroy Road

Ottawa, Ontario K1G 6C2

Tel. (613) 237-7988

Toll Free: 1-877-963-7472

Fax: 613-237-9939

lmi@fpssc-ctac.com

www.fpsc-ctac.com



Canada

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INDUSTRY

Joanne Losier	Cape Bald Packers Ltd (NB)
Bob Sleva	Connors Bros. Clover Leaf Seafoods Company (NB)
Simon Jarding	Quin-Sea Fisheries – Royal Greenland A/S (NL)
Osborne Burke	Victoria Co-operative Fisheries Limited (NS)
Adlai Cunningham	Sea Star Seafoods (NS)
Paula Kieley	Ocean Choice International (NL)
Lynn Rayner	Acadian Supreme Inc. (PE)
Pam Perrot	Beach Point Processing Company (PE)

UNION

Derek Johnstone	United Food and Commercial Workers (ON)
-----------------	---

PARTNERS

Heather Manuel	Fisheries and Marine Institute of Memorial University (NL)
Ray Hayter	Fisheries and Marine Institute of Memorial University (NL)
Gerald (Jerry) Amirault	Lobster Processors of New Brunswick and Nova Scotia (NS)
Liza Fitzgerald	Nova Scotia Fisheries Sector Council (NS)

GOVERNMENT

Philippe Massé	Employment and Social Development Canada (HQ)
Benoit Tessier	Employment and Social Development Canada (HQ)
Shelly Binch	Employment and Social Development Canada (HQ)
Corinne Prince-St-Amand	Immigration, Refugees and Citizenship Canada (HQ)

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EXECUTIVE SUMMARY

Canada was built on fishing and trapping. Today, fish and seafood processing continues to play a vital role in the lives of many rural and remote Atlantic Canadian communities. The industry employs 15,670 workers and boasts \$3.9 billion in annual exports. It also enjoys a worldwide reputation for quality.

However, employers in the fish and seafood processing sector have been suffering acute labour shortages for years. As this study concludes, the situation is projected to worsen under status quo conditions. In 2017, 1,800 job vacancies went unfilled due to the lack of available workers in regions where processing plants are located, and an additional 2,500 workers will be needed

over the next five years to replace retirees (7,500 by 2030). Unfortunately, this recruitment need will be occurring within the context of very tight regional labour markets that are currently experiencing labour shortages during peak seasons and which are predicted to continue during this period.

Overall, the analysis indicated that of the 12 regions studied in-depth, were facing very tight labour markets where the current or projected demand for workers (total and lower skill level) from the regional industries was higher than the existing local labour market (see table below).

Region	Total Labour Force			Lower Skill-Level Labour Force		
	2018	2019	2020	2018	2019	2020
Very tight (average and peak season)						
Old Perlican, NL	3	3	3	3	3	3
Clare, NS	3	3	3	3	3	3
Charlotte, NB	3	3	3	3	3	3
Lunenburg, NS	3	3	3	3	3	3
Richmond, NS	3	3	3	3	3	3
Burin Peninsula, NL	2	2	3	3	3	3
New Bandon-Caraquet, NB	2	2	2	3	3	3
Prince, PE	2	2	2	3	3	2
Tight (peak season – lower skill levels)						
Kings, PE	2	2	2	3	2	2
Pictou, NS	1	1	2	3	3	3
Cornerbrook, NL	1	1	2	2	2	2
Kent-Westmorland, NB	1	1	1	1	2	2

1 = Regional labour force meets seafood processing employment demand at annual average and peak employment levels

2 = Regional labour force meets seafood processing employment demand at annual average levels only

3 = Regional labour force does not meet seafood processing employment at annual average or peak levels

This report, which was prepared by Food Processing Skills Canada (FPSC) in partnership with industry, federal and provincial governments and funded by Employment and Social Development Canada, synthesizes the findings from several complementary study components, including: 12 regional community profiles, field visits, a large survey of employers and interviews with more than 140 plant workers, managers, immigrant agencies, Indigenous groups and community leaders. The study identifies chief regional concerns, provides

access to data sources, validates assumptions and outlines promising practices and solutions for addressing HR challenges and contribute to a sustainable workforce.

Securing the future of the fish and seafood processing industry in Atlantic Canada is a large and complicated endeavour that requires a high degree of coordination among a wide array of stakeholders. The results of the study are sobering, but also offer reason for optimism.

THE CURRENT SITUATION

To gain a deeper understanding of the various occupations within the fish and seafood processing sector, job descriptions and organizational charts were analyzed. Occupations consist of six main levels ranging from foundational through to senior executive leadership roles. Four out of the six occupational categories require no post-secondary training or education, which presents both opportunities and challenges for the sector. Some key observations include:

- the significant impact of unionization on the division of labour;
- the size of the facility has an impact on distinctions and differences between occupations;
- the physical requirements for many of the positions; and
- the differing skill requirements between fish and seafood processing.

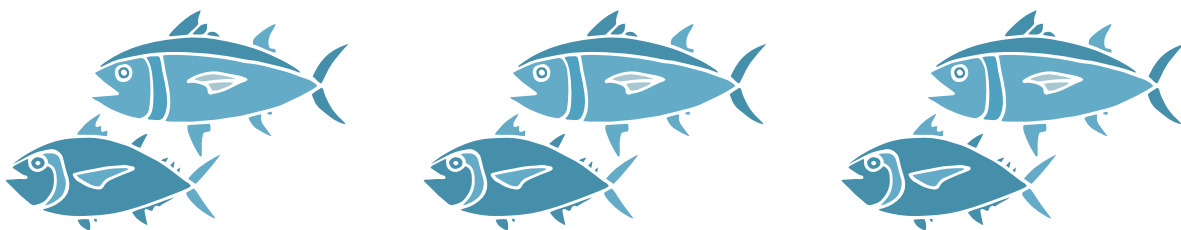
As most jobs in the industry are at the foundational and intermediate levels, career progression is neither fast nor certain for new workers.

The reliance on international markets present both opportunities and challenges. Key determinants include the demand factors of the global and Canadian economic environment, exchange rates, international exports and demographics. These combine with supply factors such as fish quotas, aquaculture production and fish/seafood landings. The net result often produces a

rapidly fluctuating demand for products, which can be difficult to respond to within a very tight labour market.

Canada lags behind in both R&D and technology implementation in the global seafood processing sector. To remain competitive in international markets for seafood products, advanced technological implementation developed specifically for Canadian firms is required. Barriers to greater technology adoption include a lack of interest in the industry from Canada's tech sector, industry uncertainty and seasonality. It is important to note that the species-specific nature of processing plants mean it makes it difficult, if not impossible, for employers to shift production based on sudden supply or demand for a product (e.g., moving from shellfish to fish processing).

Other challenges facing the sector include a decreasing supply of lower-skilled, production-level workers due to rising levels of education among youth. Working conditions, the physical nature of the job, seasonality, unpredictability of trade, negative perceptions and a lack of awareness of the industry are challenges to employment, especially among youth. Despite recent wage increases, the average starting wage for plant workers/labourers ranges from \$13.69 to \$14.97 per hour (considered slightly higher than other sectors with low-skilled entry positions), which is also seen as a deterrent for those starting out.



AT A CROSSROADS

In Atlantic Canada, the seafood processing industry is at a crossroads in its development. There are currently more than 700 companies comprised primarily of small-to-medium-sized businesses with only one-quarter of companies having more than 120 employees. Many of the plants rely heavily on a seasonal, low-wage, low-skilled labour force to produce a single or limited number of lower value products. This makes it challenging to potentially transition to higher value products that rely on advanced automated methods, which in turn require significant upfront investment (technology, R&D investments), as well as potentially different skill levels among the workforce (and likely higher labour costs).

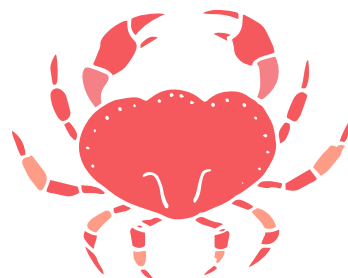
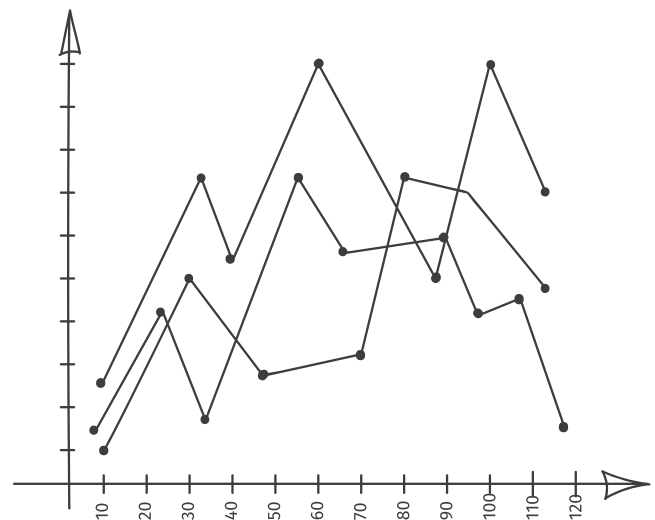
This contrasts with the European processing plants that tend to be highly specialized according to species, but which produce an array of product forms.

Other challenges include the precariousness of natural resources, ongoing impacts of climate change, resource management regimes, fluctuations in quota and supply of labour from both local and temporary sources; all of which negatively impact the ability of companies to invest in operations and raise capital for technological investment.

RECRUITMENT FACTS AND FIGURES

One of the most daunting obstacles facing the industry is recruiting workers, especially since the majority of processing plants in Atlantic provinces are located in remote, rural settings, with small and aging populations. Some key characteristics of the current labour force and noteworthy recruitment/hiring challenges include:

- women play a significant role, making up 43% of the workers in 2017;
- an aging workforce with more than 37% currently aged 55 years or older;
- movement to urban centres by youth, young families;
- challenges of engaging unemployed workers as major labour source during peak times;
- relying on a workforce that accesses EI benefits on a regular and systematic basis;
- 2% of workforce is composed of immigrants, temporary foreign workers;
- costs associated with applying to the temporary foreign worker program; and
- underrepresentation of Indigenous Canadians in the sector's workforce.



LABOUR DEMAND VERSUS SUPPLY

In many regions, there are just too few people to meet the local employment requirements overall. It is estimated that the Atlantic fish and seafood industry will require 7,500 workers over the 2018 to 2030 period or roughly 600 workers on average per year to fill ongoing vacancies, replace retirements and work to address high turnover rates. This equates to approximately 50%

of the current average workforce of 15,000 (2017). Unfortunately, as processors try to grow, increase productivity and remain competitive, recruitment will occur within very tight regional labour markets, which already experience labour shortages during peak seasons; shortages that are predicted to continue into the foreseeable future.

WHAT CAN BE DONE TO IMPROVE THE SITUATION GOING FORWARD?

Options available for employers are limited. To meet hiring demands, they will need to compete against other seafood processors, as well as employers from other industries, which will be challenging given the anticipated increase in retirements among the workforce. In response, the research found that employers have attempted to bring in more workers (regional relocation, temporary foreign workers), tried to change processes to require less labour (automation, technology), or chosen to move the processing plants closer to more readily available labour sources. For any employers, hiring temporary foreign workers is neither easy nor cheap. For fish and seafood processors, this option is further complicated and made riskier by the fact that TFW ap-

plications must be placed well before catch quotas are set. The seasonal nature of processing also means that processors must reapply for TFW each year.

The research also suggests that governments, employers, educational institutions and communities work together to find solutions to the labour supply issue and in other areas, including offering R&D funding and assistance with marketing exports, immigration policies, EI policies, rural development initiatives, post-secondary education support, employment-related training and childcare support.



RECOMMENDATIONS

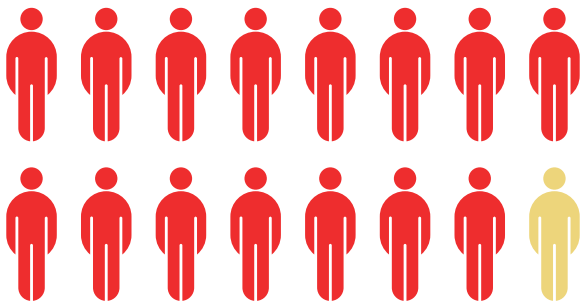
The following recommendations are drawn from the LMI study results and implications. Several are aimed at quickly stabilizing the sector's labour market situation. The expectation is that these will provide suffi-

cient time for the longer-term measures contained in the other recommendations to produce impacts and, ultimately, create labour market equilibrium in the fish and seafood processing industry.

RECOMMENDATIONS THAT ARE EXPECTED TO PRODUCE IMPACTS OVER THE NEAR TERM

RECOMMENDATION: ADDRESSING THE CRITICAL LABOUR SHORTAGE

The research has determined the sector is currently facing, and is expected to continue to face, a significant labour shortage. This situation has negative implications for the competitiveness of the sector and potentially, for its survival. There is a need to implement measures to help balance labour market supply and demand relatively quickly. The following recommendations are aimed at achieving this.



Key Players

- Immigration, Refugees and Citizenship Canada (IRCC)
- Employment and Social Development Canada (ESDC)
- Industry associations

Initial Step

- Discuss the federal government views on above recommendations.

The federal government should consider:

- Taking a cross sectoral approach to promoting short term peak fish and seafood processing work within Atlantic Canada, especially among seasonal workers who are out of season.
- Change the Atlantic Immigration Pilot Program to be inclusive of seasonal fish and seafood processors.
- Revive the Career Focus Wage Subsidy Program for fish and seafood processors as it was an extremely effective recruiting tool for recent post-secondary graduates, with 90% of hires staying on.
- Changing how it defines the industry's "foundational" jobs away from "low skilled". This would aid perceptions of the sector, and improve immigration options for employers.
- Creating a fish and seafood processing seasonal worker program akin to the agricultural worker program. This would help reduce the amount of catch lost due to labour shortages, particularly at peak periods.
- Lifting restrictions on the number of times a Temporary Foreign Workers (TFW) can return to work for sector employers.
- Removing the cap on the number of TFW a sector employer can hire per year.
- Lowering the cost of applying to the TFW program.
- Simplifying the LMIA process (e.g., by making local level LMI data available to employers).
- Adjusting the current immigration pathways so that TFWs would be more likely to find work in the sector an enticing option (e.g., allow sector employers to work with those in other industries to pool hours to create a full-time job, assistance with housing and transportation).

RECOMMENDATION: REGIONAL SOLUTIONS

The current labour-market-demand-versus-supply situation is tight and projected to continue to be so until at least 2030. With no single obvious solution to the labour shortage, it is likely progress can only come through incremental improvements in a range of areas, including within plants (e.g., shorter shifts for older workers), as well as outside them (e.g., rural economic development). Government policies and programs can have a significant positive (or negative) impact on the industry's success and, concomitantly, on the success of the communities where the plants are located.

It is recommended that governments at all levels, conduct a coordinated review of all relevant programs and policies, including, for example, R&D funding, immigration policies, EI policies (e.g., with regard to absenteeism, disincentives to work), employment-related training and rural development.

Additionally, that communications between federal, provincial, and municipal governments as well as intra-departmental discussions within government improve, to ensure there is more collaboration and a clearer focus on outcomes.

Key Players	Initial Step
<ul style="list-style-type: none"> • Immigration, Refugees and Citizenship Canada (IRCC) • Department of Fisheries and Oceans (DFO) • Employment and Social Development Canada (ESDC) • Atlantic Canada Opportunities Agency (ACOA) • Industry associations 	<ul style="list-style-type: none"> • Explore potential mechanisms and structures for undertaking a coordinated review of programs and policies.

RECOMMENDATION: FLEXIBLE WORKPLACES

The fish and seafood processing sector's approach to human resources management is more traditional than that of other industries. The research suggests there is significant room for innovation.

Some of the HR practices that contribute to problems, such as turnover and absenteeism, come from the fact that processors have no control over, and little advance warning about, the size and timing of raw product delivery (e.g., resulting in very long shifts for employees). Some businesses have responded by constructing holding tanks to keep catches longer, thereby spreading processing work over a longer period (e.g., resulting in shorter shifts).

In the absence of a holding tank, there are several ways to better align workplaces with employee preferences. A more rational and consultative approach to scheduling could allow shifts to be tailored, so that employees who are open to working longer or extra

shifts can do so, while those who are not are only requested to do so as a last resort. More generally, potential approaches for increasing workplace flexibility include implementing shorter shift options in a plant that has a predominantly older workforce, along with time off for medical appointments and enhanced health benefits (e.g., prescription drug coverage). For a workforce that includes several women, tailored enhancements could include child-care provisions and additional parental leave.

Sector employers should consider developing a recruitment and retention rewards programs. Examples include employee referral bonuses, retention bonuses, tenure milestone bonuses and recognition.

FPSC could assist by developing HR tools and training to help those with HR responsibilities implement some best practices.

Key Players	Initial Step
<ul style="list-style-type: none"> • Industry associations • Industry members (including HR professionals) • Food Processing Skills Canada (FPSC) 	<ul style="list-style-type: none"> • Conduct a needs assessment to identify which areas of HR are most in need of innovation/change.

RECOMMENDATIONS THAT ARE EXPECTED TO PRODUCE IMPACTS OVER THE MEDIUM TERM

RECOMMENDATION: SHARED HR SERVICES BUREAUS

To assist all firms (but particularly smaller ones), it is recommended that the sector, with the assistance of governments and industry associations, create shared HR services bureaus in strategic locations where the industry operates. The bureaus could be staffed by HR and finance professionals to provide firms with expert advice and services on a temporary, as-needed basis. Services could include:

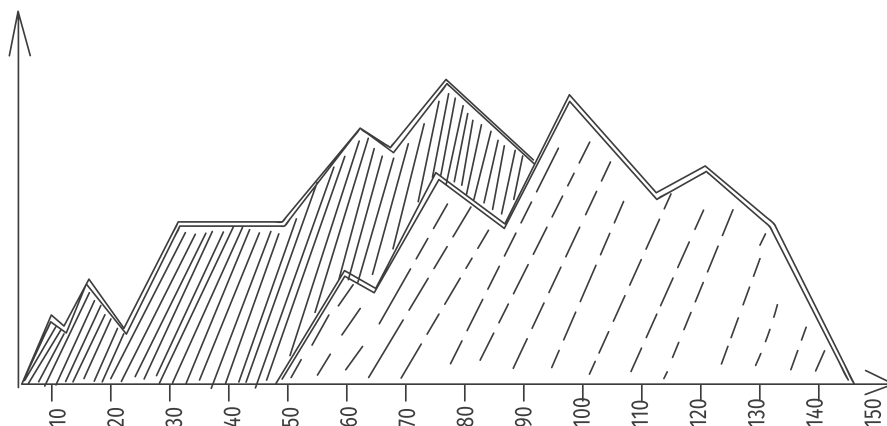
- recruitment and hiring assistance
- researching government and other HR-related programs (e.g., subsidies and grants)
- application completion/proposal writing assistance
- assistance with the completion of Labour Market Impact Assessments required under the Temporary Foreign Worker Program.
- raising awareness of job/career opportunities by forging closer links with secondary and post-secondary schools, as well as assisting with the development of experiential learning programs.

- coordinating with other sectors that operate in opposite seasons to fish and seafood to maximize the utilization of domestic workers – in effect sharing workers so they work in more than one season, possibly even year-round. As a first step, it is recommended that the potential uptake from workers and businesses be studied, including potential impacts on EI claims.

The concept of “work-sharing” has a long history in Canada, including within provisions of the EI program. It is recommended that sector employers, possibly in collaboration with ESDC, apply this concept (albeit in reverse) by examining ways of coordinating with other non-industry employers to “share” the local, seasonal labour supply (e.g., combining seafood processing in summer with snowplowing in winter).

FPSC could support the bureaus at a national level by developing training modules and tools.

Key Players	Initial Step
<ul style="list-style-type: none"> • Industry associations • Industry members (including HR professionals) • Federal government • Employment and Social Development Canada (ESDC) • Food Processing Skills Canada (FPSC) 	<ul style="list-style-type: none"> • Study potential uptake from workers and businesses, including potential impacts on EI claims.



RECOMMENDATION: SOCIAL ASSISTANCE RE-SKILLING

The industry has a prevalence of positions that require neither a high school diploma nor previous training. At the same time, there is a need to increase the local labour supply and to attract youth to the sector.

It is recommended that one or more community partnership models be developed involving the sector, provincial social assistance programs and community organizations that work with social assistance recipients, to 1) raise awareness among social assistance recipients of employment opportunities within the sec-

tor, and 2) help equip them to take advantage of these opportunities.

For example, a specialized program could be developed to allow social assistance recipients to continue to receive some benefits while receiving on-the-job training and/or completing a probationary work period. Another program could focus on work readiness and essential skills. It is envisioned this training would lead to employment opportunities for trainees who are willing and able to continue in their positions.

Key Players	Initial Step
<ul style="list-style-type: none"> • Industry associations • Provincial ministries with responsibility for social assistance • Community organizations working with social assistance recipients and other segments facing employment challenges • Food Processing Skills Canada (FPSC) 	<ul style="list-style-type: none"> • Explore the feasibility of this recommendation under current social assistance rules, regulations and legislation, and estimate potential uptake by SA recipients.

RECOMMENDATION: INDUSTRY LEARNING PROGRAMS (LEADING TO CERTIFICATE)

The sector lacks clear pathways for employee advancement and, relatedly, suffers from high turnover rates.

It is recommended that the sector work with FPSC to develop online and other training programs that lead to a certificate. Certificates could help employees advance their careers, as well as count towards requirements for certification.

It is also recommended that the sector work with community colleges and adult education providers to develop education programs for the more highly skilled and well-paying positions in the sector (e.g., quality control, processing lead hand, processing foreperson).

Key Players	Initial Step
<ul style="list-style-type: none"> • Industry associations • Provincial ministries with responsibility for social assistance • Community organizations working with social assistance recipients and other segments facing employment challenges • Food Processing Skills Canada (FPSC) 	<ul style="list-style-type: none"> • Explore the feasibility of this recommendation under current social assistance rules, regulations and legislation, and estimate potential uptake by SA recipients.

RECOMMENDATION: SUMMER EMPLOYMENT

It is recommended that the sector market summer employment opportunities to Canadian and international post-secondary education students as unique income-generating adventure opportunities. The sector could emulate hotel and hospitality employers in some of Canada’s resort destinations (e.g., Banff) by

providing low-cost accommodations (e.g., build a “staff house”), extended time off to allow for local travelling/ exploration, and amenities that are popular with Millennials. Other models to draw from include Katimavik programs.

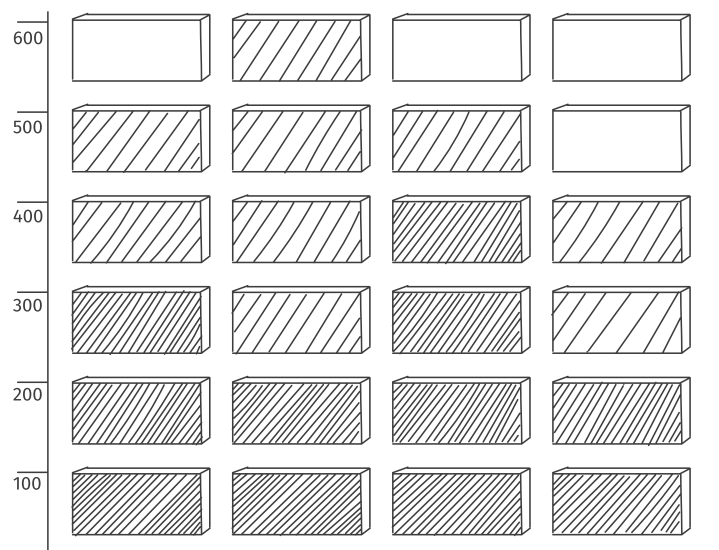
Key Players	Initial Step
<ul style="list-style-type: none"> • Provincial ministries of training and colleges/ universities • Industry associations • Post-secondary education student associations 	<ul style="list-style-type: none"> • Assess the feasibility, potential up-take and potential Return on Investment (ROI) of such programs.

RECOMMENDATION: ATTRACTING IMMIGRANTS TO SETTLE IN FISH AND SEAFOOD PROCESSING COMMUNITIES

Major cities in Atlantic Canada, such as Halifax and Moncton, have a significant number of immigrants, including some who are unemployed or underemployed. We also know from the Choicebook™ attitudes research that newcomers are relatively open to working in the sector.

It is recommended that the sector, government departments and immigration settlement agencies work together to raise awareness among immigrants of the benefits of working in the sector (e.g., salary/benefits, small community quality of life, affordability of housing).

Key Players	Initial Step
<ul style="list-style-type: none"> • Immigration, Refugees and Citizenship Canada (IRCC) • Industry associations • Local immigrant settlement agencies 	<ul style="list-style-type: none"> • Discuss merits of the recommendation with local immigrant settlement agencies, including their capacity to become involved, potential sources of funding, potential up-take from immigrants.



RECOMMENDATION: FIRST NATIONS PARTNERSHIPS

Members of First Nations communities own and operate a few processing plants. The research also suggests these communities are a potential source of labour.

It is recommended that sector associations and the federal government develop partnerships with First Nations communities to 1) support First Nations processors, and 2) raise awareness among members of those communities of opportunities in First Nations processing plants, as well as employment opportuni-

ties in the industry more broadly.

As part of these efforts, local economic development agencies and Service Canada offices should work with local First Nations communities to better understand how various factors can help or hinder First Nations community members becoming part of the industry's labour force. These agencies and offices could also serve as conduits or go-betweens for First Nations communities and employers who have had little or no contact with these communities in the past.

Key Players	Initial Step
<ul style="list-style-type: none"> • Industry associations • First Nations processors • First Nations community leaders • Local/regional economic development agencies • Service Canada 	<ul style="list-style-type: none"> • Explore the receptivity of First Nations plants and communities to implementing this recommendation.

RECOMMENDATION: SECTOR EMPLOYMENT OPPORTUNITIES AWARENESS CAMPAIGNS

The image of the industry ranges from neutral to positive for a large portion of the public, including youth, Indigenous Canadians and immigrants. The industry could capitalize on this relative openness by providing labour market participants with opportunities to enhance their awareness and knowledge of jobs in the industry.

Methods could include open houses, organized tours and virtual tours that youth, employment counsellors, etc. could easily access online. The research also provides guidance for tailoring outreach and awareness campaigns to various segments. Potential overarching messages include:

- “The sector produces quality products that reach dining tables around the world.”
- “The sector is the linchpin between the sea and the chef’s kitchen.”
- “Producing healthy, life-sustaining food is more than just a job.”

It is recommended that the sector develop closer ties with secondary and post-secondary schools to help build awareness of employment possibilities among students and to develop and expand experiential learning programs (e.g., employment readiness).

Key Players	Initial Step
<ul style="list-style-type: none"> • Service Canada offices • Post-secondary institutions • High schools • Community organizations that work with youth • Industry associations • Industry members • Food Processing Skills Canada (FPSC) 	<ul style="list-style-type: none"> • Explore the receptivity of schools to increasing awareness of career opportunities in the sector.

RECOMMENDATIONS THAT ARE EXPECTED TO PRODUCE IMPACTS OVER THE LONG TERM

RECOMMENDATION: INNOVATION PARTNERSHIPS

Advanced processing technologies and automation developed specifically for Canada are needed in order to compete in global markets, but current circumstances do not support investment in the development of these technologies.

To close the automation and productivity gap, it is recommended that a partnership be developed among government, the fish and seafood processing sector, technology development and manufacturing firms, and universities to develop specialized technology for use in the sector, and possibly for export. Increased automation could also help retain older “core” workers by lessening the physically demanding nature of some positions. It could also help to lengthen the work season and minimize peaks and reduce overall labour requirements.

The core strategic priorities for the Ocean Supercluster are to formulate a shared innovation map to guide

technology leadership projects and to undertake a program of cluster building to enhance the quality of collaborations while also extending their benefits widely. The Innovation Partnership should work with the Oceans Supercluster to ensure the needs of fish and seafood processing companies are considered and addressed by the Supercluster strategy.

It is also recommended that the Innovation Partnership:

- help address funding gap in prototype commercialization
- include an industry education component to raise awareness of available technology that could be adopted/adapted by processors
- include an avenue to communicate the most significant technology gaps to governments.

Key Players	Initial Step
<ul style="list-style-type: none">• Fisheries and Marine Institute• Canadian Centre for Fisheries Innovation• Dalhousie University• FoodTech Canada – Fisheries and Seafood Innovation Centres• Coastal Zone Research Institute• Atlantic Fisheries Fund• Federal government• Industry associations	<ul style="list-style-type: none">• Form an industry committee to enter into partnership discussions with key players.





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