



SECURING CANADA'S **MEAT** WORKFORCE

Highlights from a Labour Market
Information Study of Canada's
Meat Processing Industry



FPSC



FOOD PROCESSING SKILLS CANADA
COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA



Canada

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The opinions and interpretations in this publication
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Labour Market Information Study Background

The following brief contains the key findings from a comprehensive labour market information study of Canada's meat processing industry.

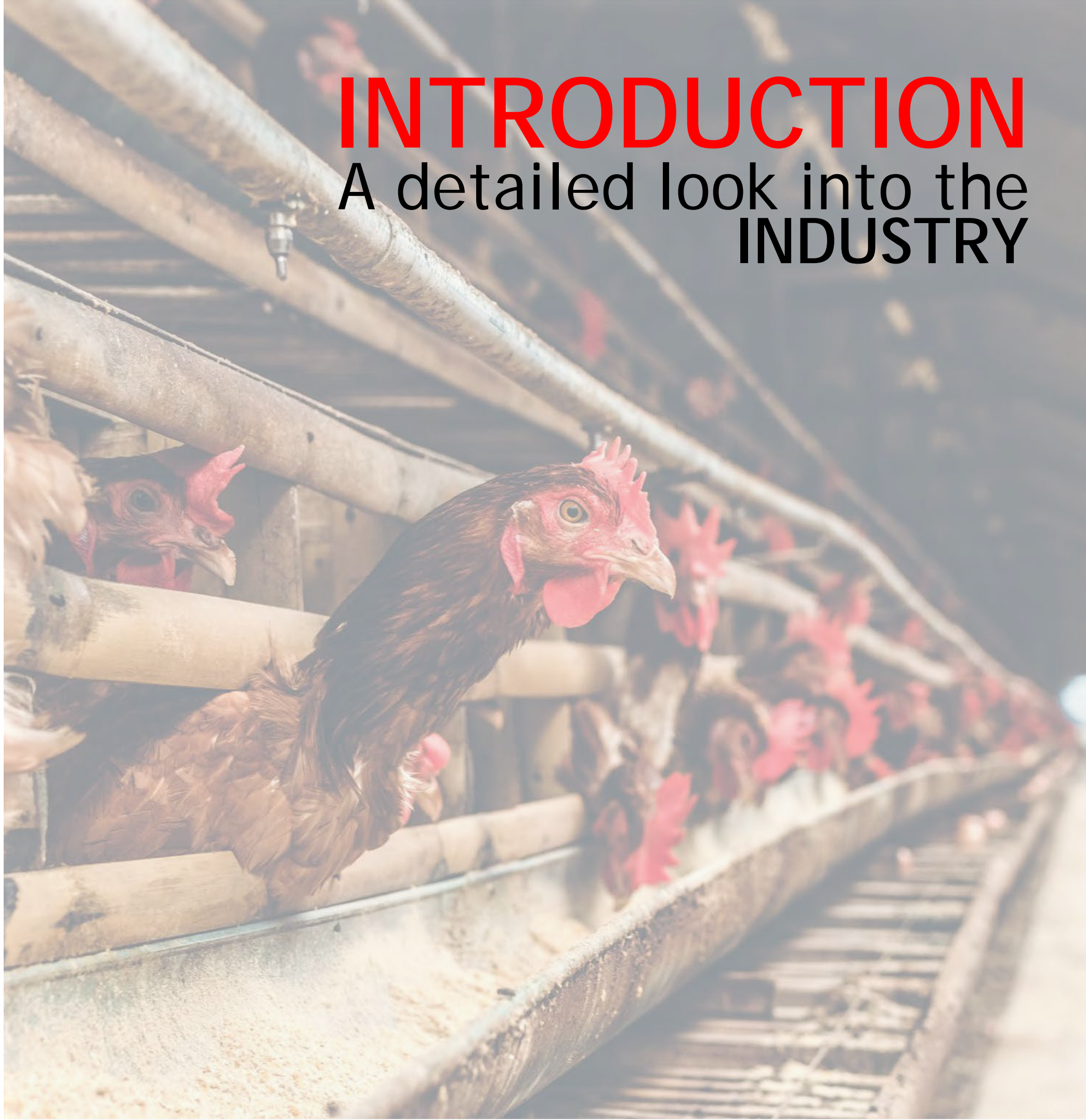
This study was prepared by **Food Processing Skills Canada (FPSC)** in collaboration with Employment and Social Development Canada (ESDC) and various provincial and industry partners.

The study is based on:

- **2** robust economic models that provide detailed quantifiable projections for both labour demand and supply (the first time these numbers have been produced for the industry)
- A broad survey of **417** respondents covering **75%** of the industry workforce
- **14** regional labour market profiles of communities where processing plants are located, to determine regional demand and supply of workers within a 30-60 minutes commuting time, using a wide range of reputable data sources including Statistic Canada's Business Register and the Job Vacancy and Wage Survey
- Extensive understanding of factors impacting labour shortage through field visits and interviews (**300+**) with industry workers/ supervisors, unions, municipalities and community leaders from Indigenous and immigrant groups in the **14** regions profiled
- **4** meat sector review roundtables held in Alberta, Ontario, Quebec and Manitoba to identify industry solutions and best practices regarding labour shortages
- Case studies of the large, federally inspected meat facilities in Canada outlining specific examples of initiatives taken to address labour shortages
- Perceptions research involving **2,000+** of Canada's underrepresented groups (youth, Indigenous, new Canadians, and unemployed) and **1,000+** members of the general public, to assess their level of interest in jobs offered by meat processing plants

INTRODUCTION

A detailed look into the
INDUSTRY



- Food Processing Skills Canada's new labour market information study of the meat processing industry in Canada provides a detailed look at an industry with an export market value of **\$7.64 billion*** which accounts for **25%** of Canada's food and beverage exports. This demonstrates the sector can be a serious player in helping Canada realize its ambitious agri-food export target of **\$75 billion by the year 2027.****
- With **60,000** employees and more than **1600** businesses across Canada, the meat processing industry is also an important contributor to the revitalization of rural life in Canada, representing the promise of greater economic inclusiveness and cultural diversity through progressive hiring practices.
- FPSC designed this study to shine the spotlight, using quantitative data, on the nature and extent of the labour challenges the industry faces, in an effort to inform the collaborative action needed to address them.

* 2007 Dollars

**"What We Heard - Barton Forward: Optimizing Growth in the Canadian Agri-Food Sector", The Canadian Agri-Food Policy Institute, June 2018.

Types of meat INCLUDE



The Industry An Important Economic Contributor

- ✓ **Largest** sub-sector among all food manufacturing commodities
- ✓ Represents **25%** of food manufacturing revenue in Canada
- ✓ **1,600+** meat-processing employers, mostly small-medium enterprises (SMEs), mostly rural
- ✓ **14** of the large meat plants (average 1000+ employees) are the driving force of their rural economies
- ✓ **75%** of processors employ 60 or fewer workers

The Meat Industry Employs



60,000
across Canada

80%

Permanent, full
time workers



Average starting hourly wage
ranges from:

\$14.95

(production labourer)

\$22.92

(master butcher)

Master Butcher is one of the most challenging positions to fill

66% of employers offer benefits;
45% provide extended health/drug care plans



Canadian Meat Market Contributes

GDP **\$6.43 billion** (2017)

Export **\$7.64 billion** (2017)

16% export to the US (58% of large processors)

13% export internationally (69% of large processors)





What is the Current Problem?

The labour supply situation is extremely challenging and projected to get much worse unless changes and solutions are implemented now

7,300 job vacancies went unfilled in 2017

78%

Recruitment is a persistent challenge

78% of employers have challenges - most severe in British Columbia, Quebec and Ontario

62%

General public respondents

62% of those surveyed regarding willingness to work in meat or seafood processing plants said

“they would not apply for these types of jobs”

41%

Recruitment Effort Ratio

24,500 workers were hired in 2017, representing 41% of the workforce. This high recruitment effort by employers is also referred to as imputed turnover*

Why is this happening?

- Lack of available labour pool near processing facilities that are mostly in rural communities
- Working conditions: cold environment, exposure to smell/blood, physical nature of job
- Strong smells often preclude plants from being located in urban centers
- Poor perception of the industry, lack of understanding of skill level involved in various positions
- Changing demographics: ageing workforce, out-migration of youth/young families from rural communities

*Imputed turnover equals the number of hires (excluding seasonal re-hires) divided by the average number of people employed in the sector

The Future Looks Challenging

More trouble ahead

- Need to fill the current gap of **7,300** vacancies
- Need to find an additional **8,600** workers within five years to replace retirements (24,200 by 2030)
- Need to find an additional **3,400** workers within five years to accommodate growth (8,100 by 2030)
- Need to find sustainable solutions to alleviate stress on HR staff and the tight labour market
- The high recruitment effort ratio needs to be addressed to keep more workers in the industry and avoid continually recruiting and hiring **an additional** 24,500 workers per year*

* New hires in 2017



Why is this important?

The federal Advisory Council on Economic Growth identified the agri-food sector as key to significantly increasing Canadian export revenues by 2027. For meat processors the opportunity lies with a growing demand for meat-based protein by large Asian countries such as China.

In order to both maintain current production levels and a steady supply to domestic markets, as well as seize the export opportunities that present themselves, meat processors need to partner with governments and others to explore every possible avenue to address persistent human resource issues in the sector.

Where Will the Workers Come From?

The current labour force is unable to meet the labour requirements for the **meat processing sector** in the Rivière-du-Loup region

Rivière-du-Loup, Québec

(small city on the south shore of the Saint Lawrence River)

 Population: 52,302

 Meat Processing Plants: 2

Current Labour Situation - 2017

	26,549	Total Labour Force	<i>(employed or unemployed and actively seeking work)</i>
minus	25,764	Total Labour Requirement for Competing Industries	<i>(non-meat processing)</i>
	785	Available Labour Force	
minus	1,064	Total Meat Processing Employment	<i>(Annual Average)</i>
	-279	Shortage of workers	<i>(assuming all 785 people work at a meat plant)</i>
	-384	Shortage of workers becomes more acute when considering only workers and jobs at the low-skilled level	<i>(no post-secondary education)</i>




Without intervention this labour market tightness will persist to 2030 and beyond!

Total Labour Market Tightness - Table 1

Labour Market Tightness Rating	2017	2018	2019	2020	2021 to 2025	2026 to 2030
All Skill Levels (Shortage of Workers)	3 (-279)	3 (-253)	3 (-261)	3 (-262)	3 (-247)	3 (-299)
Lower-Skill Level (Shortage of Workers)	3 (-384)	3 (-368)	3 (361)	3 (-354)	3 (-324)	3 (-303)

- 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

What Does This Mean?

-  **62%** of those available to work (general public) will not apply to jobs offered by meat processing plants. This increases the shortage of workers to **765**
-  All workers needed to cover the shortage currently do not exist in Rivière-du-Loup. Vacancies will need to be filled by migration either domestic or international.
-  The demand for low-skilled workers from the two meat plants in Rivière-du-Loup is more than twice the available supply.

Download Regional Reports
Check out the labour tightness in your community



BC: Langley & Chilliwack



AB: High River & Brooks



SK: Wynyard



MB: Winnipeg & SW Manitoba



ON: Guelph-Tri-cities Region
| Toronto | Hamilton



QC: St. Esprit | St. Anselme



NS: Kings County

Who Can DO WHAT?

Workers Supply Issues | Suggestions for governments, employers, educational institutions and communities

Labour supply issues are real. In many communities, there is simply not a sufficient supply of workers to meet the labour demands of the meat processing industry. That is why governments, educational institutions and community leaders, in collaboration with industry, need to make progress by:



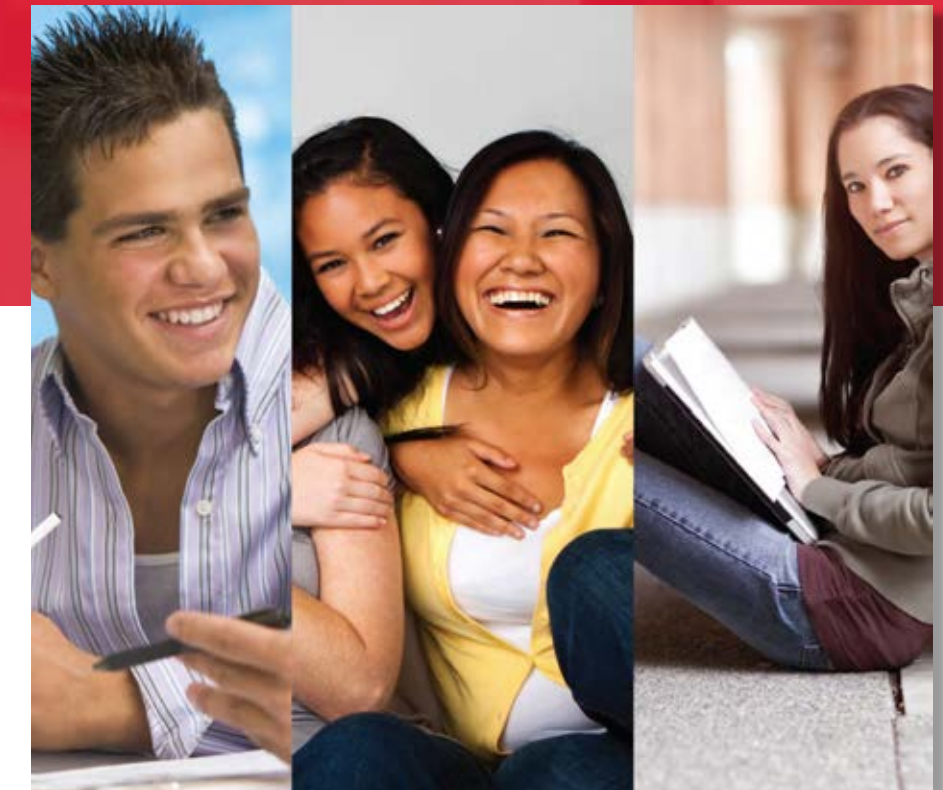
Using immigration to build long-term labour solutions

The industry with the help of its partners, needs to look beyond the use of “temporary” immigration solutions (e.g.: Temporary Foreign Worker Program) to identify permanent, long-term immigration strategies that address labour shortages, especially of low-skilled workers.



Promoting industry workforce as skilled and career-focused

Some of the most severe shortages are for highly skilled occupations (Master Butcher) which pay significantly more than Industrial Meat Cutter. However, Canada has limited training in these fields and career potential within the industry is widely unknown and/or poorly perceived. This needs to change.



Working more productively with Indigenous communities

There is limited knowledge of, and/or engagement with, local Indigenous communities by industry.

While many employers have hired immigration consultants to bridge their understanding of newcomers and their employment needs, there are few examples where similar investments are being made in working with Indigenous communities.

Industry needs the support and encouragement of its partners to work more closely with Indigenous communities in finding mutually beneficial solutions to labour issues.

Who Can Do What?

Recruitment and Retention Best Practices | Suggestions for Employers and Communities
In regions where there is a supply of workers, employers and communities have to strive to always be:



Improving employee readiness

Due to the severity of the labour shortage, employers in some regions are taking a “hire anyone” approach - a practice that can lead to greater turnover as recruits are often not prepared for a full-time, physically-demanding, high-pressure work environment and quit before they have a chance to adjust. Employers working with community partners to improve employment readiness and increase knowledge of the work environment before or at the time of hires, can contribute to stemming the turnover tide. Coaching and ongoing mentoring of new employees often has retention pay-offs.



Increasing flexibility

The workforce is increasingly diverse with ever-changing employee needs and preferences. Employers who accommodate this diversity can improve retention. Those who find creative, novel HR approaches to such things as work hours or production line operations, can realize improved retention.



Staying Competitive

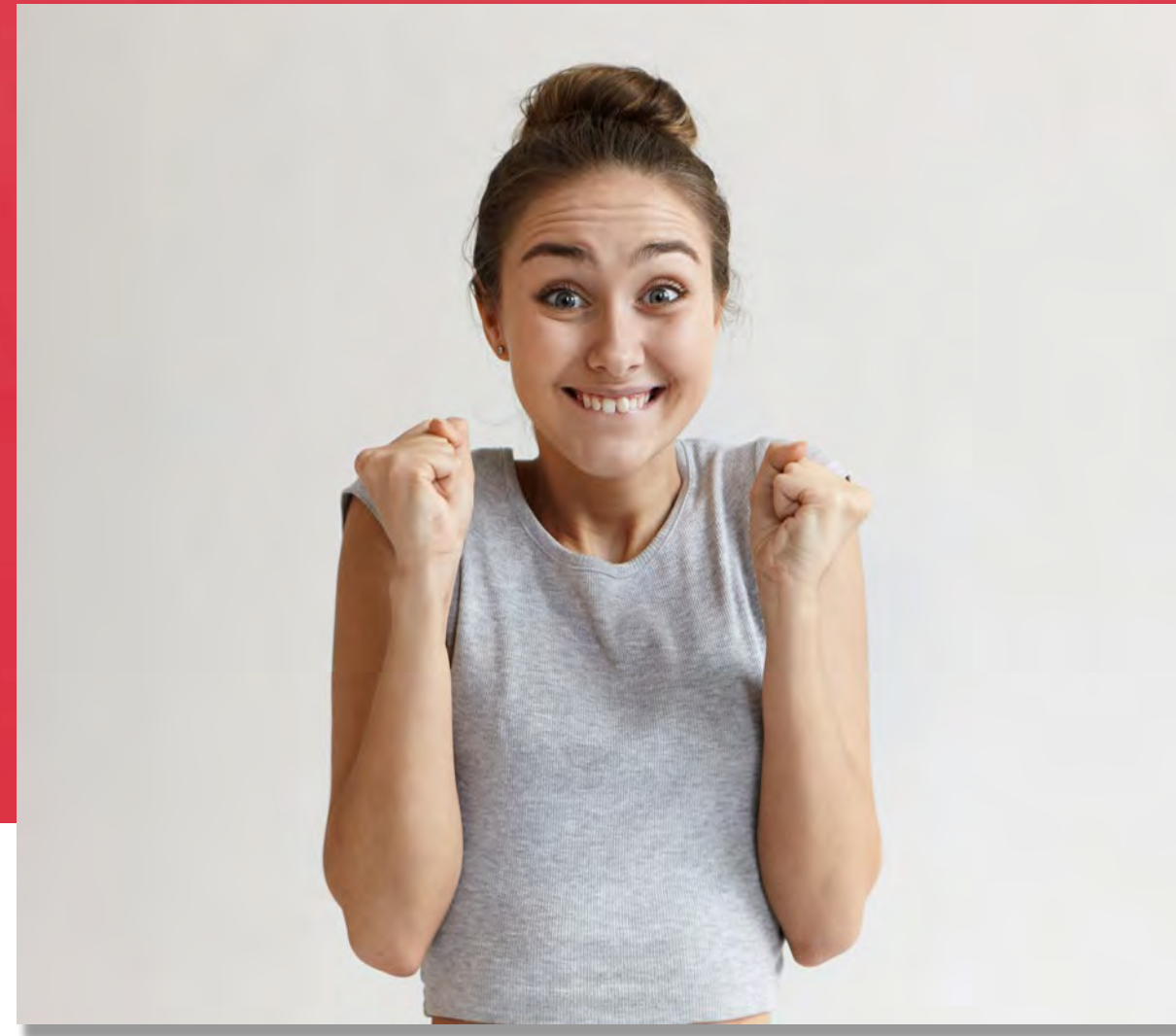
Starting jobs in meat processing, while generally above minimum wage, may not be competitive with other sectors (e.g.: companies in urban settings). However benefit packages - that can be important to some (families, recent immigrants) but less important to others (youth) - can be made flexible (e.g.: hourly wage increase in lieu of some benefits) to better attract and retain younger workers.

Progress is being made....

Meat processors are continuously updating their strategies to attract and retain workers, and to enhance life in the rural communities in which they are located:



Strategies have included sponsoring community college programs, community outreach, working with local agencies, aggressive **recruitment campaigns**, transportation subsidies, and providing hiring and retention bonuses.



Some employers have tried to attract and **retain youth** by offering more job flexibility, a more digitally-connected work environment, split-shifts and job-sharing options.



Employers are willing to go above and beyond to come up with creative solutions to **overcome barriers** such as insufficient transportation by establishing car pools, hiring buses, as well as having their municipalities extend bus hours and routes to accommodate shift times.

And Innovative Solutions Are Being Found....

Temporary Foreign Worker Program (TFWP)

- Employers (mostly large ones), have also used the Temporary Foreign Worker Program (TFWP). In 2017, 1,800 workers (or 3% of the workforce) were hired through the TFWP. Today, temporary foreign workers, along with recent immigrants and refugees, make up **13%** of the industry's workforce.
- Notwithstanding the success employers have had with the TFWP, no one sees this as panacea (e.g., it's very expensive and out of reach for most companies). Rather it is viewed as a stop-gap measure to address an ongoing problem. Instead, employers are looking to migration, both domestic and international, to fill the labour gap, revitalize their communities and grow their businesses.

Indigenous Community Partnerships

- Employers have worked with local Indigenous band councils to find ways for workers to remain in their communities and commute to the processing facility. One successful program has been a partnership with Sandy Bay First Nation, Assiniboine Community College, the Government of Canada and Hylife, which saw the creation of a meat processing training facility in Sandy Bay First Nation. This has not only produced new workers for the industry, but the training program has a waiting list for the next class. Indigenous peoples make up **1.3%** of the meat workforce.



Sandy Bay Graduates



In Closing



FOOD PROCESSING SKILLS CANADA

- While the future looks bright with the rise in global demand for meat-based protein in large Asian countries; **our research makes clear the meat processing industry faces numerous domestic challenges that it first must overcome .**
- **It will take inspired leadership, innovative ideas, new partnerships and enlightened policy development by government in collaboration with industry,** in order to build a more modern, inclusive and sustainable sector that can take full advantage of Canada’s solid reputation as a “trusted global leader in safe, nutritious and sustainable food”.*

*“What We Heard - Barton Forward: Optimizing Growth in the Canadian Agri-food Sector”, Canadian Agriculture Policy Institute, June 2018.

LMI Report Series

November 2018

Final Report | “Where are the workers? The most comprehensive report to date on the labour supply & best practices situation of the Canadian Meat Processing Sector”

Regional Roundtables Report | “Pathways to Solutions - HR practices adopted by the Canadian Meat Processing Sector to address significant labour shortages”

14 Regional Reports | Spotlight on the Regions - A detailed look at the labour supply and demand in 14 regions across Canada.

Employers Workforce Census Style Survey Report | Meat and Poultry Processors speak about demand of workers, wages, recruitment, retention and training by processing type and occupation.

Case Study Report | Meat of the Matter - Labour Challenges and HR best practices of Canada’s remote meat processors (published on 2017)

Best Practices Report | Best Practices from the Industry - A look at Human Resource strategies in the seafood processing sector in Atlantic Canada, with a focus on recruitment and retention of indigenous and immigrant labour pools.

Career Perceptions Survey Report | Would Canadians, youth, immigrants, unemployed and indigenous individuals consider working for the meat processing sector?

Forecasting Reports | What is waiting ahead? Outlook of jobs and supply of workers for the Meat Processing Sector until 2030.

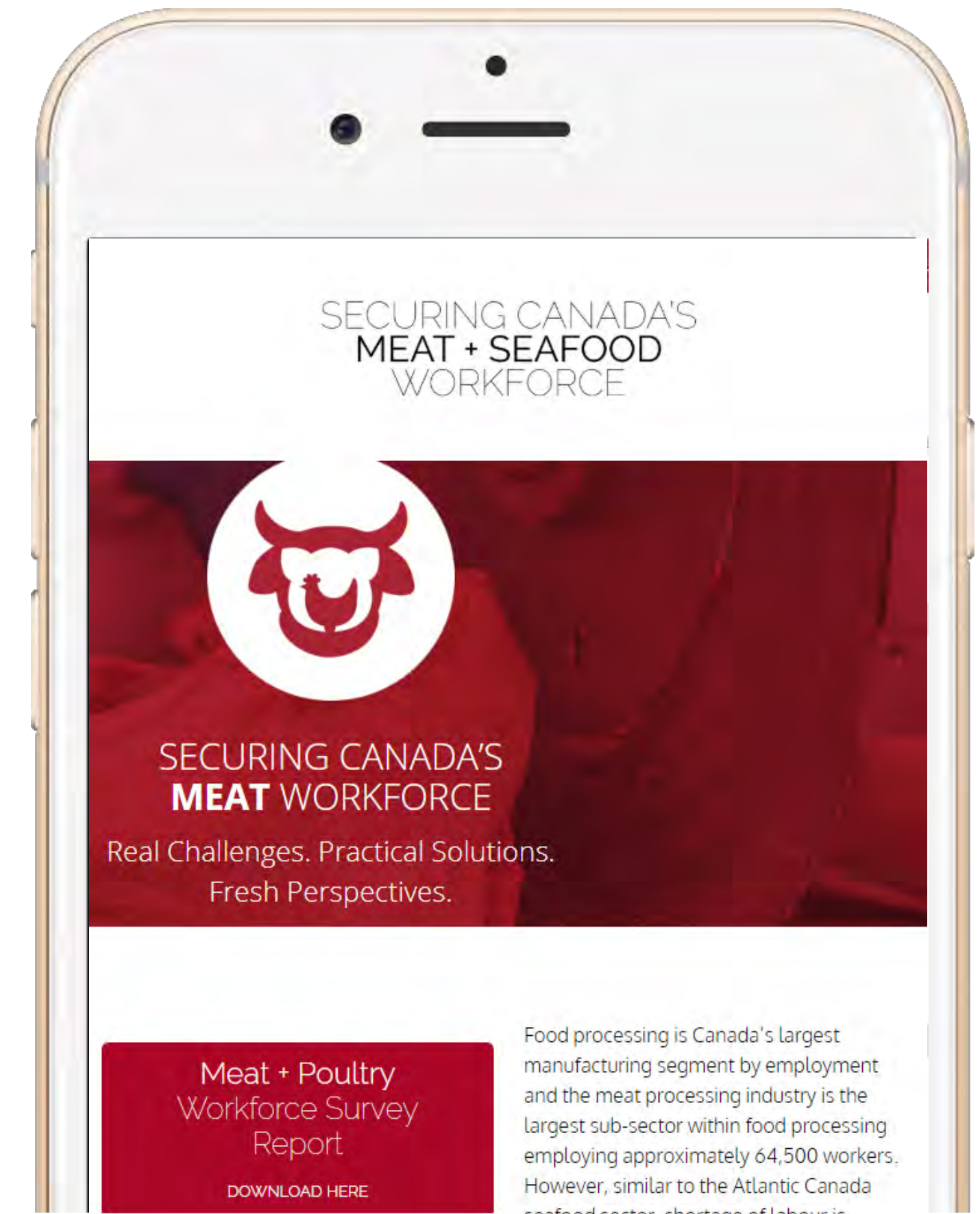
Career Reports | Climbing the Ladder - Understanding Career Paths in Meat Processing Plants

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National Industry Advisory Committee

Food Processing Skills Canada would like to thank the following organizations for their insight, professional experience and participation in helping further the success of Canada's Food and Beverage Manufacturing sector

INDUSTRY MEMBERS

- Aliments Asta Inc. - QC
- Black Angus Fine Meats and Game - ON
- Cargill Limited - AB
- Conestoga Meat Packers Ltd. - ON
- Country Ribbon - NL
- Exceldor Coopérative - QC
- Hylife Foods LP - MB
- JBS Food Canada Inc. - AB
- Johnston Packers LTD - BC
- Newmarket Meat Packers LTD - ON
- Olymel Société en Commandite LP - QC

UNION MEMBERS

- United Food and Commercial Workers Canada- ON

PARTNER ASSOCIATIONS

- BC Association of Abattoirs - BC
- Canadian Meat Council - ON
- Canadian Poultry & Egg Processors Council - ON
- Conseil de la transformation alimentaire du Québec - QC
- Ontario Independent Meat Processors - ON

GOVERNMENT OBSERVERS

- Employment & Social Development Canada, Sectoral Initiatives Program - HQ
- Employment & Social Development Canada, Temporary Foreign Workers Program - HQ
- Agriculture and Agri-Food Canada - HQ
- Immigration, Refugees and Citizenship Canada - HQ

We Want to Hear From You

- This brief is just a sampling of the rich and up-to-date information contained in our new labour market information study - a study that we hope will inform government policy and programs, now and into the future.
- The FPSC would be delighted to brief you and your organization on any aspect of our study.
- We can customize our materials to support any type of discussion or briefing that requires detailed data analysis on issues of particular concern to you.



FPSC-CTAC

Who are we

Food Processing Skills Canada (FPSC) formerly known as the Food Processing Human Resources Council (FPHRC) is Canada's innovative solution to assist food and beverage manufacturers with the "skills and learning" side of their business. From understanding the people who make up this great industry, to the development of industry based training and competency standards, our goal is to have the most skilled and diverse workforce in the world!

FPSC is a recognized global leader in skills development, work-based certification, labour market research, and food safety training. Our state of the art programs and funding initiatives directly supports the advancement of industry, resulting in an exceptionally strong Canadian workforce.

As a well-integrated member of Canada's food processing community, our not-for-profit Council collaborates with government, provincial associations, community colleges, workplace programs and industry specialists to educate and support the overall growth of the sector.



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