Securing Canada's MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Brandon Region

Manitoba

FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S **MEAT** WORKFORCE

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SUMMARY

REGIONAL OVERVIEW

The Brandon Region is in Southwest Manitoba. It includes the City of Brandon (pop. 48,860) which is located approximately 215 km west of Winnipeg and the City of Neepawa (pop. 4,609) located approximately 190 km west of Winnipeg and approximately 75km northeast of Brandon. Meat processing in the Brandon, Manitoba region is focused entirely on hogs, with facilities split between animal slaughtering and processing/rendering activities.

LABOUR MARKET OVERVIEW

Regional labour market analysis suggests that after accounting for labour requirements in other sectors, regional labour supply is well below projected meat processing employment demands during the forecast period. Supply constraints are similarly acute among lower-skill workers in the region, potentially due to wage differentials with competing sectors. This analysis suggests significant numbers of workers are required from outside the region to meet labour requirements.

Regional meat employment is expected to rise from 2,700 workers in 2017 to over 2,800 by 2020 and nearly 3,000 workers by 2030. Local processors will likely need to hire 1,300 additional workers between 2017 and 2030, primarily due to the need to replace workforce retirements. This figure does not include turnovers which can add significantly to total annual recruitment demands.

The region's population is expected to grow at an average annual rate of 1.1% over the forecast period, reaching nearly 103,000 by 2020 and just over 112,000 by 2030. Net in-migration is expected to be a significant source of population growth in the region. Despite moderate population growth rising retirements will cause labour force growth to lag behind employment resulting in a declining regional unemployment rate in the near-term. However, the unemployment rate is expected to surpass current levels in the coming decade.

POPULATION

99,521

LABOUR FORCE

52,202

LABOUR MARKET TIGHTNESS

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

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

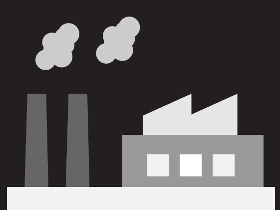
1 = Meat processing employment demand is less than 50% of regional labour force at annual average employment levels
2 = Meat processing employment demand is between 50 and 100% of regional labour force at annual average employment levels
3 = Meat processing employment demand is greater than 100% of regional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

3

HR CHALLENGES

As meat processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing recruitment and retention issues, challenges with immigration pathways and coping with the impact of labour shortages and vacancies on business opportunities.

MEAT PROCESSING ESTABLISHMENTS



8[1]

MEAT PROCESSING EMPLOYMENT

2,691[2]

1 The number of establishments is based on 2016 data from Statistics Canada's Business Register.
2 Meat processing employment is estimated based on 2016 Census data for the Southwest (MB) 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 aim of the overall study is to identify the scope of human resource (HR) challenges for the meat processing sector, and compile HR best practices that would help employers meet their labour force current and future needs. One important aspect of understanding HR challenges in the sector, some of which are region specific, was to gather detailed information and profiles of areas that rely heavily on meat processing for their local economies. Fourteen regions across Canada were selected for specific focus based on the amount of processing activity, and proportion of labour force working in the industry. Brandon Region in Manitoba was selected as one of these regions for detailed focus.

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

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

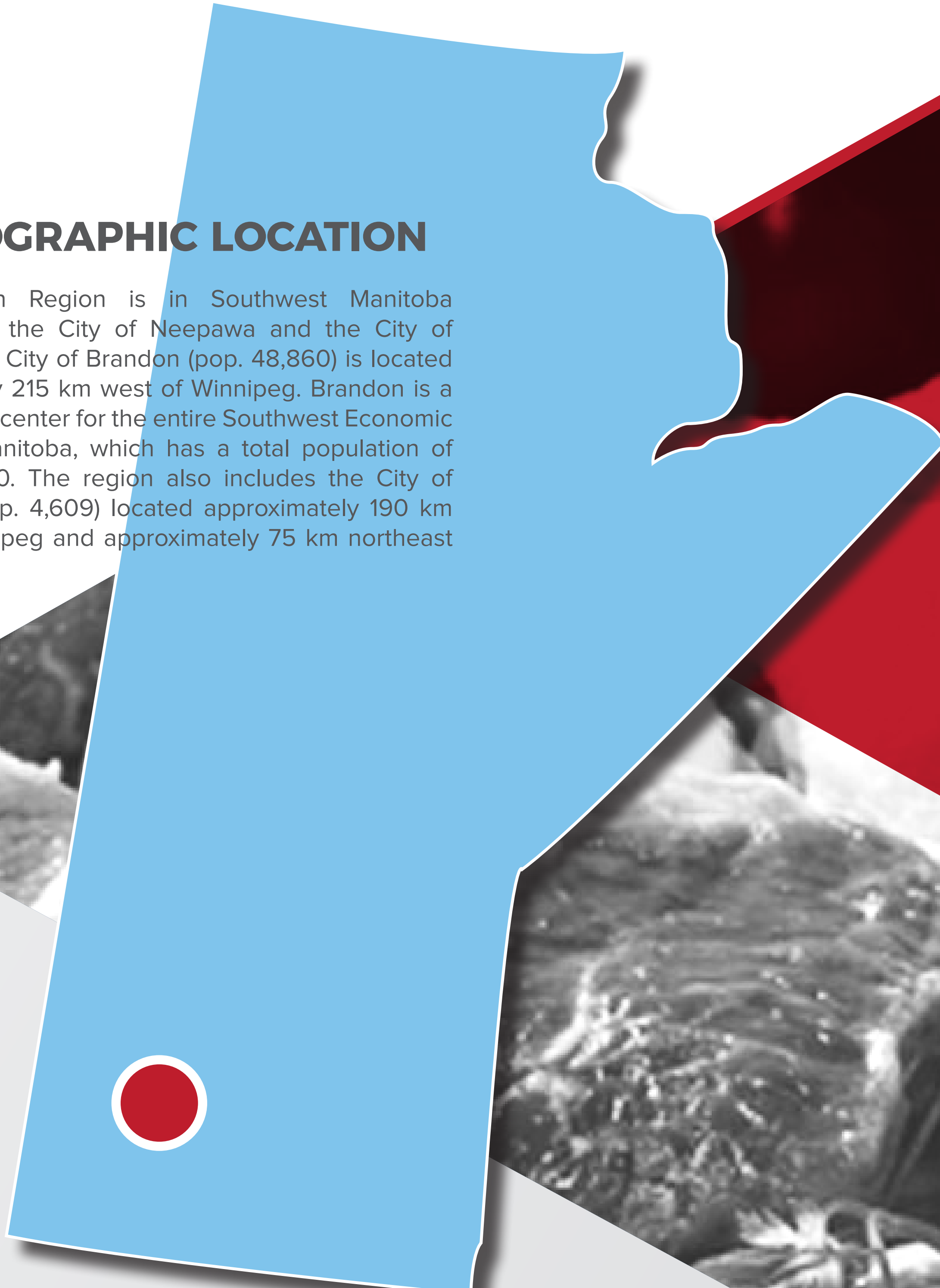
- Two robust econometric models that provide detailed, quantifiable projections for both labour demand and supply at the regional level. This is the first time that these numbers have been produced at the regional, provincial and national for the meat processing industry;
- A broad survey of meat processing facilities (n=417) across Canada covering approximately 75% of the industry workforce; and
- Qualitative information focused on themes and issues collected through site visits and interviews with plant managers, employees, unions and community stakeholders. For the Brandon Region, the study team collected information from two large hog processing plant (over 500 employees).

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE BRANDON REGION

2.1 GEOGRAPHIC LOCATION

The Brandon Region is in Southwest Manitoba and includes the City of Neepawa and the City of Brandon. The City of Brandon (pop. 48,860) is located approximately 215 km west of Winnipeg. Brandon is a major service center for the entire Southwest Economic Region of Manitoba, which has a total population of nearly 110,000. The region also includes the City of Neepawa (pop. 4,609) located approximately 190 km west of Winnipeg and approximately 75 km northeast of Brandon.



2.2 POPULATION CHARACTERISTICS

The population of Brandon Region is expected to grow over the next decade primarily due to in-migration. Compared to the province overall, the population has lower levels of immigrants, visible minorities and people identifying as Aboriginal (according to Census definitions) but it has a slightly higher proportion of non-Canadian citizens.

The overall population for the region in 2017 was 99,521. According to Census 2016 profiles, the proportions of immigrants (12.5%), visible minorities (11.5%) and the population that identify as Aboriginal according to Census definitions (10.4%) are lower than those overall for Manitoba. The proportion of non-Canadian citizens (9.2%) is slightly higher than that of the province overall (see Table 1). The proportion of non-Canadian citizens is consistent with information provided by plant managers interviewed, who have been developing programs to attract new immigrants to relocate to the region out of Winnipeg.

TABLE 1: SAINT ESPRIT REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	BRANDON REGION	MANITOBA
FEMALE	47,985	646,970
SHARE OF POPULATION	50.5%	50.6%
IMMIGRANTS	11,215	227,465
SHARE OF POPULATION	12.5%	18.3%
NOT CANADIAN CITIZENS	8,210	107,620
SHARE OF POPULATION	9.2%	8.7%
VISIBLE MINORITIES	10,345	216,850
SHARE OF POPULATION	11.5%	17.5%
ABORIGINAL IDENTITY	9,310	223,310
SHARE OF POPULATION	10.4%	18.0%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (99,521 in 2017 and then 112,143 by 2030). The population in the Southwest Economic Region of Manitoba with a median age of 39.2 is slightly older than other regions in the province (Manitoba median age is 38.3) and relatively younger than other regions in the country, compared to 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 17.0% in 2017 to approximately 20.8% 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 to a large extent by a predicted continuation of a pattern of net in-migration of approximately 12,000 people by 2030. Overall, the period under study will be impacted by the predicted in-migration in the region, which will result in a small rise in population (see Figure 2).

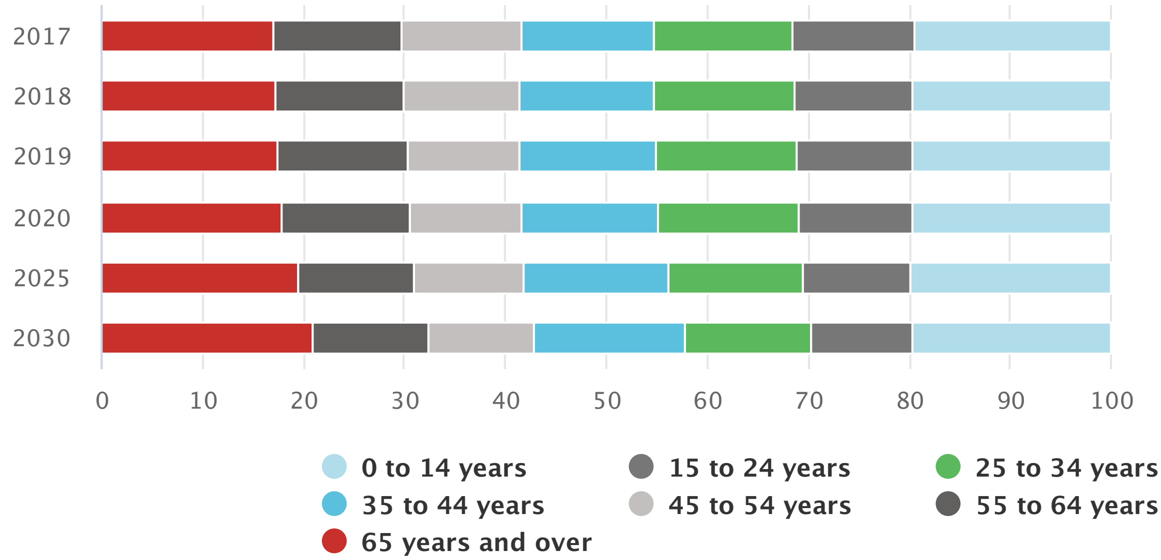


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

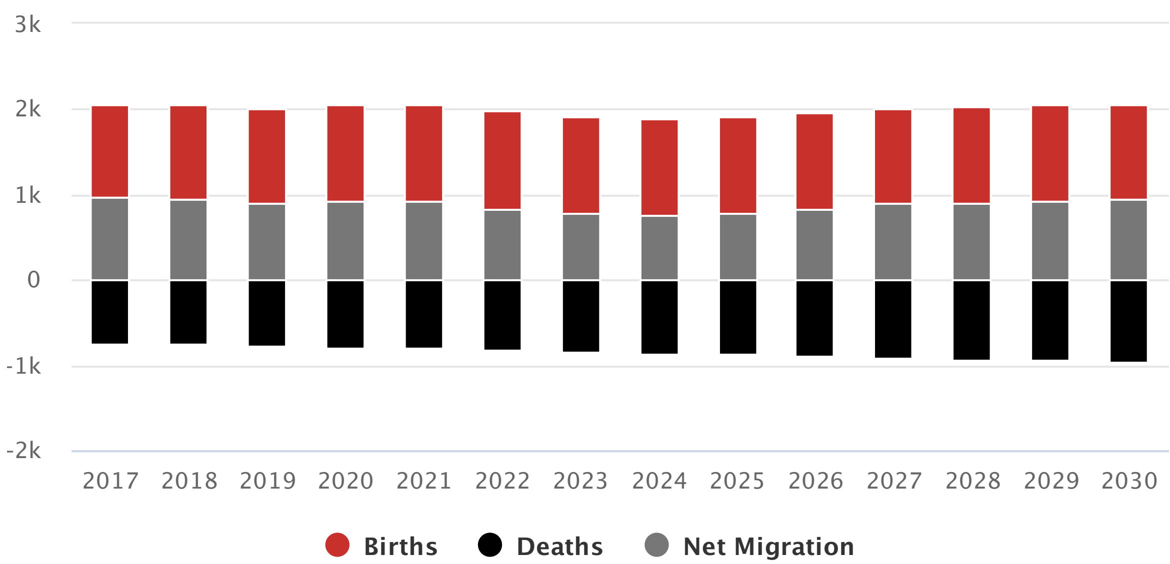


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

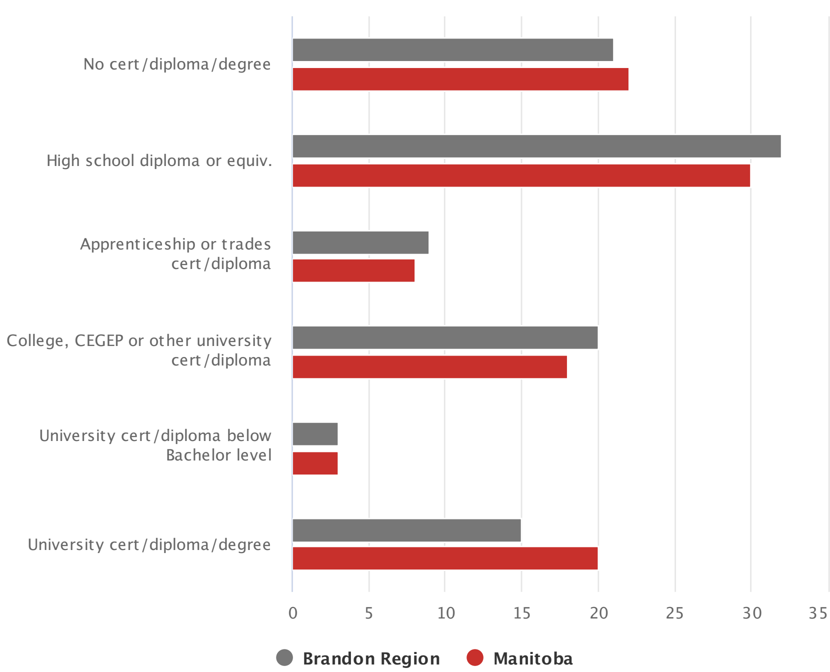


FIGURE 3: EDUCATIONAL ATTAINMENT – BRANDON REGION AND MANITOBA

The overall education level of the region's residents is somewhat lower when compared with Manitoba overall (see Figure 3). Among the working age population in the Brandon region, 21% do not have a high school diploma (vs. 22% for the province), and 32% (vs. 30% for the province) have a secondary school degree, for a total of 53% without a postsecondary certification.

3.0 OUTLOOK OF MANITOBA MEAT PROCESSING

3.1 MANITOBA MEAT PRODUCT OUTLOOKS

Total real gross output for meat processing (or total end market demand) is forecast to expand at a moderate pace of 1.6% on average over 2018-21, 1.5% over 2022-26 and then 1.4% over 2027-30. Growth will be helped by the increases in overall processed meat consumption that is forecast to average 1.0% over 2018-21 to 1.0% over 2022-26, and 1.1% over 2027-30 as poultry and lamb consumption boosts overall meat consumption.

International exports are forecast to expand at a moderately strong rate over the projection period, averaging 2.8% over 2018-21, 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 TPP. Manitoba'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 by 1.2% over each of the sub-periods. Interindustry demand is reliant on the demand for meat products by other industries, particularly other food processing industries, it is forecast to average 4.7% over 2018-21, and 2.6% over 2022-25 and 2.7% over 2026-30.

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

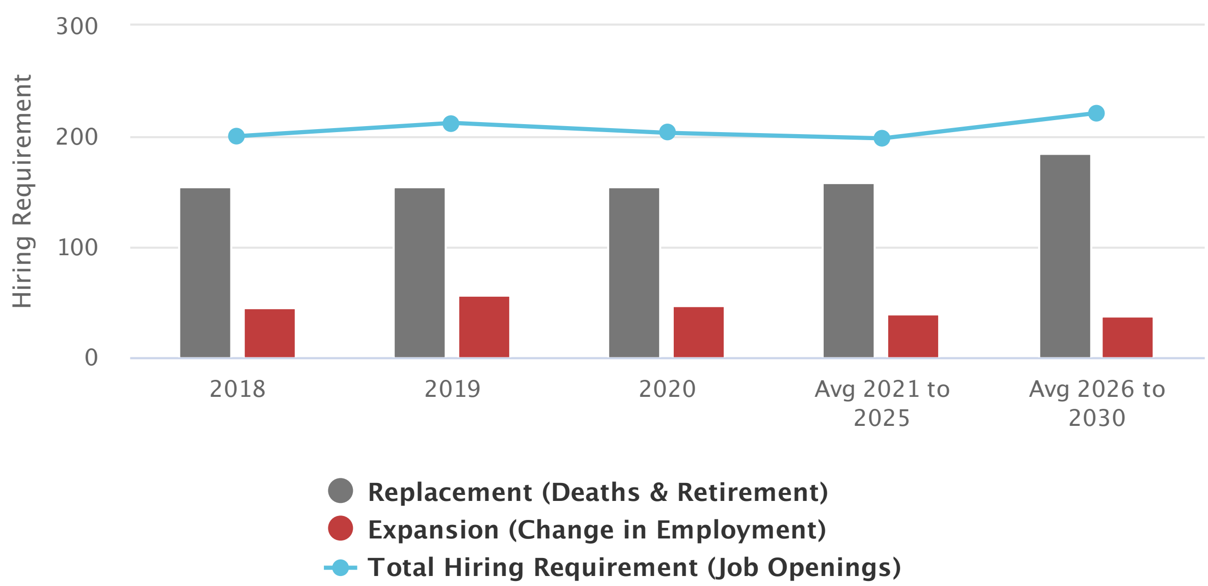
END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	0.1	1.0	1.0	1.1
International Exports	7.4	2.8	2.1	2.1
Interprovincial Exports	0.9	1.2	1.2	1.2
Interindustry Demand	-1.2	4.1	2.6	2.7
Imports	1.0	1.4	1.2	1.2
Total End Market Demand	1.5	1.6	1.5	1.4

3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR MANITOBA

Meat processing employment is expected to rise by 2.4% between 2017 and 2020, an increase of 150 jobs from 6,236. Total employment is expected to approach 6,800 by 2030. Meat processing real GDP is forecast to expand on average by 1.7% over the 2018-21 period, 1.6% over 2022-26 and 1.5% over 2027-30. Labour productivity (GDP per hour worked) is forecast to increase by 0.9% on average over the projection period. This means that the needed total hours of work will rise at a modest pace of 0.8% on average over 2018-30, 0.6% over 2022-26 and 0.6% over 2027-30. Average hours worked per employee is forecast to increase slightly over the projection period, which leads to the total number of jobs rising by 0.8% over 2018-21, 0.6% over 2022-26 and 0.5% over 2027-30.

Taking account of both replacement and expansion demands, the industry will likely need to need to hire just over 2,700 new workers, or (44%) of the current workforce over the next 13 years. These hiring requirements are net numbers of new workers and do not include annual hiring requirements due to turnover.

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



4.0 BRANDON REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts 8 processors ranging significantly in size.

Overall, there are eight meat processing establishments in the Brandon Region[3], with a focus on both slaughter and meat processing. As noted on the map in Section 1, there are two very large establishments (over 500 employees) in addition to six relatively small plants (under 50 employees). The large employers are two of the largest hog processing plants in Canada.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 2,700 WORKERS WITH APPROXIMATELY TWO-THIRDS 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 Brandon Region in 2017 was 2,695 (see Table 3). Approximately one-third of all employed (32%) were at an occupational with a foundational skill level (NOC 9617), and another third (30%) were employed in occupations at an intermediate skill level (NOC 9461; 9462) with large numbers of slaughter persons and meat cutters. Approximately 10% of the workforce is in the higher skill occupations of specialized meat cutters and master butchers. This distribution was confirmed during interviews where the main plants interviewed made large recruitment efforts to ensure sufficient numbers of all levels of skill would be available to meet their requirements. The higher skill positions generally require 1-3 years of previous experience in meat cutting with some of the specialized positions taking more experience and higher levels of skill. The plants interviewed indicated that they have extensive on-the-job training for all their positions ranging from the foundational to the higher skill level occupations. While a high school diploma is often preferred, it is often not necessary to secure a starting position according to the plant and HR managers interviewed for the study.

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

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

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	2,691	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	857	32%
Poultry Production	0	0%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	493	18%
Machine Operator	28	1%
Slaughter Person	283	11%
HIGH (NOC 9213)		
Master Butcher	95	4%
Specialized Cutter	162	6%
SUPERVISORY (NOC 9213)		
Supervisors	108	4%
MANAGEMENT (NOC 0911)		
Management	112	4%
OTHER CATEGORIES		
Maintenance	119	4%
Skilled Trades	188	7%
Quality Control Technician	10	0%
Office Staff	188	7%
Other Occupations*	46	2%

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

2,691 **AVERAGE NUMBER OF WORKERS EMPLOYED IN THE MEAT PROCESSING INDUSTRY IN 2017**

4.2.2 WAGES

Median hourly wages for labourers in food processing and industrial butchers and meat cutters are slightly above the provincial average, and higher than some other C and D level occupations available in the region. The median wages for labourers in the oil and gas sector remain significantly higher than labourers in the meat processing sector.

The median hourly wage for labourers in food processing (NOC 9617) in the Southwest region of Manitoba in 2017-18 was $15.00/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was slightly higher at $17.00/hour. These wage rates are both similar to the provincial median rates ($15.00/hour and $17.20/hour respectively) for these occupations, and similar to those in the closest urban region in the province (Winnipeg). To provide some context, the minimum wage in Manitoba as of October 2017 was $11.15/hour.

When compared with other C&D Level Occupations in the same region, the median wages for labourers in food processing were generally higher by approximately $1.00 to $3.00/hour. The one exception was for a farm worker that provided a slightly higher median hourly wage ($18.38/hour).

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

	Low Wage (10th percentile)	Median Wage (50th Percentile)	High Wage (90th percentile)
Labourers in food processing (NOC 9617)			
Southwest (MB)	13.25	15.00	17.20
Winnipeg Region (MB)	12.00	15.00	18.20
All Manitoba	12.44	15.00	18.29
Industrial butchers and meat cutters (NOC 9462)			
Southwest (MB)	14.10	17.00	20.45
Winnipeg Region (MB)	14.00	17.65	19.00
All Manitoba	14.00	17.20	20.25
Other C&D Level Occupations Bas-Saint-Laurent Region (QC)			
Farm Labourer (NOC 8431)	12.00	18.38	24.00
Retail Sales (NOC 6421)	11.35	14.00	21.63
Food Services (NOC 6711)	11.35	11.75	15.00

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

On a provincial level, the average hourly wage in food manufacturing ($18.24) is lower than other forms of manufacturing ($19.96) and higher than the average hourly wage for all industries combined ($18.83) (see Table 5). The average hourly wage in food manufacturing is higher than that found in retail ($13.09) and agriculture ($15.63), but lower than other industries such as educational services ($22.96) and Health care and social assistance ($23.90).

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

	Avg. hourly wage
All industries	**$18.83**
Food Manufacturing	$18.24
Manufacturing (Total)	$19.96
Agriculture, forestry, fishing and hunting	$15.63
Health care and social assistance	$13.09
Retail trade	$23.90
Health care and social assistance	$20.19
Construction	$22.96
Educational services	$26.20

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

5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS APPROXIMATELY 52,202.

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 52,202 (out of a total population of 99,521). The largest proportions of the labour force for the City of Brandon are in Health Care and Social Assistance (17.1%), Retail trade (13.3%) and Manufacturing (11.6% of labour force - includes meat processing). The distribution is different in the City of Neepawa, with the largest proportions of labour force in Manufacturing (33.5% of labour force - includes meat processing), Health Care and Social Assistance (12.9%), Retail trade (10.8%) (Census 2016).

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 6.6%.

The unemployment rate for the region in 2017 was 6.6% on average. According to Census data, approximately 5% of the population in the Brandon 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 Manitoba economic region (which includes the Brandon region), there has generally been a growing trend in the number of workers from the food and beverage processing sector (not just meat processing) making EI claims (see Table 6). The highest number of EI beneficiaries has occurred among material handlers in the sector (517 EI beneficiaries in 2016 with an average annual 4% increase between 2014 and 2016) and the proportionally largest increase occurred among Manufacturing managers in the sector (118 EI beneficiaries in 2016 with an average annual 48% increase between 2014 and 2016). One exception is the number of EI beneficiaries among Labourers in food and beverage processing, which has decreased by an average of 9% annually.

One of the main shortages outlined in interviews is with respect to industrial butchers and meat cutters. In 2016 the data indicates that there were 118 industrial butchers/meat cutters collecting EI benefits with an annual increase in numbers of approximately 21%.

TABLE 6: EI BENEFICIARIES BY OCCUPATION – SOUTHERN MANITOBA ECONOMIC REGION

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	60	88	118	48%
Material handlers	480	415	517	4%
Supervisors, food and beverage processing	30	N/A	49	32%
Process control and machine operators, food and beverage processing	66	57	90	18%
Industrial butchers and meat cutters, poultry preparers and related workers	83	79	118	21%
Labourers in food and beverage processing	275	259	225	-9%

Source: Employment and Social Development Canada 2017

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

Currently, recent immigrants and temporary foreign workers play a significant role in addressing labour supply issues in the meat processing industry in Brandon Region, particularly with respect to the highly skilled meat cutting occupations.

While the proportion of immigrants in the Brandon Region is lower when compared with Manitoba overall (12.5% vs. 18.3%), the meat processing industry is reliant on recent immigrants and temporary workers working towards permanent residency in Canada. In 2017 there were 65 positions approved through the Temporary Foreign Workers Program (TFWP) in the region for industrial butchers and meat cutters (NOC 9462). Plant managers interviewed from one employer indicated that the TFWP is a key source of highly skilled meat cutters, with most of their skilled meat cutters being TFWs or recent immigrants (often workers who started as TFWs and are making their way through the immigration programs to permanent residency). For the other main employer, the TFWP was a main source of workforce for entry-level positions until 2013 when program changes made it less useful for this employer.

In the City of Neepawa, approximately 29% of the 2016 population have immigrated over the past ten years. According to 2016 Census data, of the current population residing in Neepawa, 85 individuals immigrated between 2006 and 2010, and 1,255 immigrated between 2011 and 2016. Many of these immigrants are Filipinos who have been hired to work in the meat processing sector. According to interviews, these families have settled and have integrated into the community. In the 2016 Census, 35.5% of the City's population identifies as a Filipino visible minority. As the community grows, they are able to welcome newcomers with additional supports. In interviews with employees, it was highlighted that in the early years of the TFWP, it was difficult to find housing. Today, Filipino families own houses and rent to newcomers.

In the City of Brandon, there has been a major influx of immigrants since 2006, with 3,404 arriving of current Brandon residents having arrived in Canada between 2006 and 2010 and an additional 2,595 residents having arrived between 2011 and 2016, representing 11.5% of the 2016 population in the City (Census 2016).[5] This is consistent with interviews with one main employer in the region, where the TFWP was the main source of unskilled labour between 2007 and 2012. In 2008, the plant doubled its production by introducing a second shift. To find the workers, they recruited from China, Latin America (particularly El Salvador, Colombia and Honduras) and from Ukraine. These groups have fully integrated into the community (particularly the Hispanic immigrants), and the Brandon population increased from 45,000 to 50,000.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

There is an ongoing effort by the local plant to work directly with the leadership of the local Indigenous communities to find or develop a successful approach in integrating Indigenous workers into the sector's workforce.

In the Brandon region, there are approximately 9,300 people who identify as Aboriginal according to Census definitions, representing 10.4% of the population (Census 2016). There are also several First Nations communities within 100km of the region (e.g., Rolling River, Keeseekooewenin, Birdtail Sioux, Sioux Valley Dakota Nation, Sandy Bay). In interviews with plant managers in the Region, there are ongoing outreach activities with the leadership of the local Indigenous community, and some initiatives were put in place over a number of years, such as offering transportation to and from the processing plant. Although the employers continue to reach out to First Nations communities and to make presentations, one of the main employers indicates that the transportation program had to be discontinued. There were absenteeism issues with workers and the drivers from the community (for instance, when there were community events). Retention of Aboriginal workers is more successful when the workers move closer to the plant. However, this is less common as attachment to their home communities is high.

The Sandy Bay community, on the West shore of Lake Manitoba, has a population of approximately 4,100 people. A meat-cutting training program was introduced in 2016 in this community, and there are plans for four cohorts of approximately 16 students each on an annual basis. Potential participants must have completed grade 10 and pass a basic skill test. The program consists of 12-weeks meat-cutting training and one-week essential work skills training. The meat-cutting training focuses on retail butchering. According to plant managers interviewed, 2-3 workers per cohort in this program have found employment at one of the main employers in the large pork processing facilities. In addition to this program, for a few years, there have been several workers from the community commute daily from the community to Neepawa to work in the plant.

5 Demographic profile, City of Brandon, https://townfolio.co/mb/brandon/demographics

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

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

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	99,521	100,808	102,050	103,307	106,757	112,143
Avg. Annual Change (%)		1.3%	1.2%	1.2%	1.1%	1.0%
Total Labour Force	52,202	52,863	53,386	54,002	55,176	56,733
Avg. Annual Change (%)		1.3%	1.0%	1.2%	0.7%	0.5%
Total Employment	48,777	49,514	50,065	50,703	51,467	52,491
Avg. Annual Change (%)		1.5%	1.1%	1.3%	0.5%	0.4%
Unemployment Rate	6.6%	6.3%	6.2%	6.1%	6.7%	7.5%

The model projections indicate that taking into account the trends in migration and aging, the Brandon Region will experience some population growth within the period under study (2017 to 2030) (see Table 7). These factors will also contribute to a growing labour force for the region, albeit at a slower rate than population growth given the aging population and anticipated retirements. Given that employment is expected to grow but also at a slower pace than the labour force for most of the forecasting period, unemployment rates are expected to increase from an average of 6.6% to 7.7% based on increased opportunities that are not keeping pace with the overall labour force.

LABOUR MARKET TIGHTNESS EXPLAINED

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

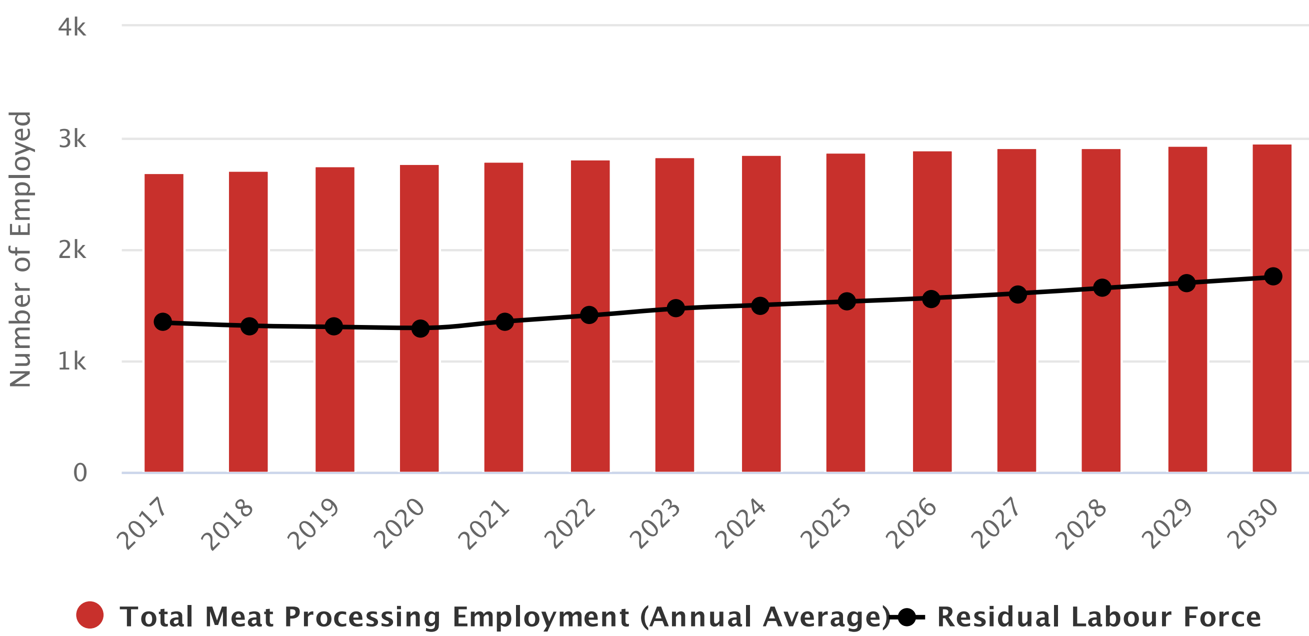
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is higher than the Residual Total Labour Force. This suggests that there is currently (2017) an insufficient local labour force to meet all of the region's labour requirements (for all industries) leaving an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

The analysis outlined in Table 8 and Figure 6 describes the labour market context within which the meat processors in the Brandon Region are operating with respect to finding sufficient numbers of workers from the local labour supply. Within this very tight, competitive labour market, the industry employers have had some success recruiting. For example, in 2017, the meat processing industry was able to recruit and employ 2,691 within a labour market that had a residual total labour force of only 1,339. This means that the meat processing industry was likely recruiting workers from other industries and from outside the local region. While the industry did experience vacancies, these would likely have been substantially higher had it not been successful in recruiting labour external to the region, and/or competing with other industries in recruiting workers.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [6]	52,202	52,863	53,386	54,002	55,176	56,733
Total Non-Meat Processing Labour Requirement [7]	50,863	51,551	52,085	52,710	53,726	55,081
Residual Total Labour Force[8]	1,339	1,312	1,301	1,292	1,450	1,652
Total Meat Processing Employment (Annual Average)	2,691	2,717	2,762	2,783	2,839	2,926

FIGURE 5: TOTAL MEAT PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE – BRANDON REGION – 2017-2030



6 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.

7 Non-meat processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.

8 The residual labour force is the difference between the labour force and the non-meat processing labour requirement.

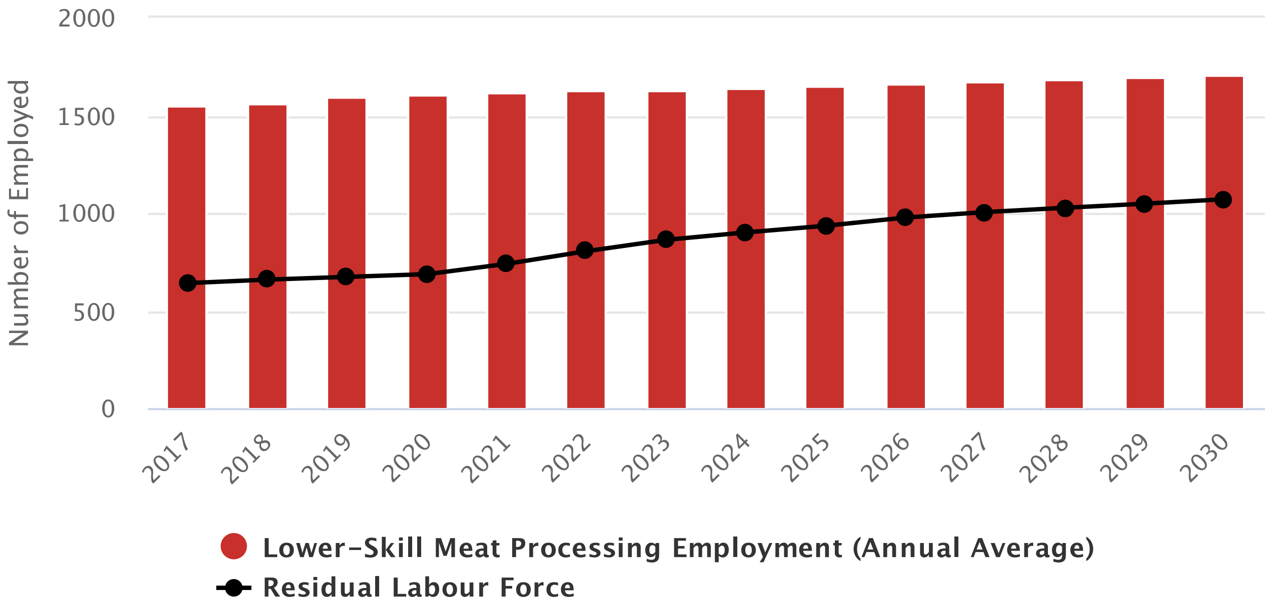
As noted in the description of the occupations, approximately 70% of the occupations in the industry in this region are in the “C” and “D” levels which are often referred to as “lower-skill level” occupations, not requiring post-secondary education. Given much of the focus is on the lower-skill level labour force, the study also analyzed the “tightness” of the lower-skill level labour market (see Table 9 and Figure 7). The tightness of lower-skill level labour market is also high. For example, in 2017, the meat processing industry was able to recruit and employ 1,550 workers within a labour market that had a residual total labour force of only 640. This means that the meat processing industry was likely recruiting workers from other industries, and from outside the local region. This level of tightness suggests that many of the industries that rely on a lower-skill level labour market are also experiencing labour shortages in this region.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force [9]	23,816	24,118	24,357	24,638	25,173	25,884
Lower-Skill Non-Meat Processing Labour Requirement	23,176	23,460	23,685	23,952	24,325	25,079
Residual Lower-Skill Labour Force	640	658	672	686	848	1,035
Lower-Skill Meat Processing Employment (Annual Average)	1,550	1,565	1,591	1,603	1,635	1,686

9 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 BRANDON REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Brandon Region (Table 10) demonstrates that the local labour force is unable to meet the employment requirements of employers in the area at average levels. This tightness is demonstrated for the overall labour market as well as the lower-level skill workers. This trend is anticipated to continue throughout the period of study (2017 to 2030). 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.

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

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

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

6.2 NUMBER OF WORKERS REQUIRED

Within a very tight labour market, projections indicate that the Brandon Region employers will need to attract approximately 1,185 new workers to the meat processing industry by 2030. This is equivalent to approximately 44.5% of their current annual average workforce. This requirement is due to both anticipated industry growth and replacement of anticipated retirements over this period. Unfortunately, this recruitment will be occurring within the context of a very tight regional labour market that is currently experiencing labour shortages which are predicted to continue during this period. This tightness in the labour market is contributing to the number of current vacancies experienced by employers in meat processing (estimated at 5% in Western Canada), and to some degree the higher turnover rates in the industry as workers have more employment opportunities from which to choose, particularly in the lower-skill level occupations (estimated imputed turnover rate of 30% in Manitoba in meat processing industry). All of these factors contribute to the substantial challenges facing Brandon 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 approximately 1,165 new workers to the industry between 2018 and 2030. This equates to replacing approximately 44% of the current average meat processing workforce in the region.

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

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[10]	78	94	114	90	443	445
Industry Growth	11	26	45	21	92	85
Retirements and Mortality	67	68	69	69	351	361

The employment outlook according to occupation is detailed in Table 12 (Annual Average).

10 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 Manitoba meat processors is estimated at 30%.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	2,691	2,717	2,762	2,783	2,839	2,926
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	857	865	879	886	904	931
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	0	0	0	0	0	0
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	493	498	506	510	520	536
Machine Operator (including Saw Operator)	28	29	29	29	30	31
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	95	96	98	99	100	104
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	162	164	167	168	171	177
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	108	109	111	112	114	118
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	112	113	115	116	118	122
OTHER CATEGORIES	27	27	26	26	26	27
Maintenance (including Janitors, Sanitation Workers, Cleaners)	119	120	122	123	126	130
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	188	190	193	194	198	204
Quality Control	10	10	10	10	10	11
Office Staff (including Administrator or HR Manager)	188	190	193	194	198	204
Other Occupations*	46	47	48	48	49	50

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

7.0 OVERVIEW OF HR ISSUES ENCOUNTERED

Interviews with plant managers in the region outlined various HR issues that they have experienced in the attempt to retain and recruit an adequate labour force. While issues and challenges vary from plant to plant, these are some of the common themes that were identified and may be characteristic of this region. Main themes include:

Recruitment

the most challenging positions to recruit for are industrial meat cutters, and these are always a priority in their recruitment efforts. The challenges are that there are limited numbers of higher skilled meat cutters available in Canada, with many of the skilled meat cutters coming primarily from international sources. Also, turnover rates of approximately 20% in one of the main plants that were interviewed, translates into hiring requirements of 400 individuals on an annual basis in a community of 50,000 people. The plant managers indicated they are making considerable efforts to recruit new workers at all levels (see Section 8). One of the main employers interviewed reports having approximately 60 critical meat cutting vacancies at any given point in two main production lines (belly and loin). These are critical production lines as they are the most profitable lines where there is more value added to the product.

Retention issues

main retention issues are focused on hiring from the local labour sources. Younger workers are looking for opportunities to move to the city. There are also retention issues with workers from First Nations communities, often due to commuting distances and transportation.

Challenges with immigration pathways

While the TFWP is based on the concept of "temporary" workers, the plant managers interviewed indicated that they hire TFWs with the intention that they will be able with some support to become permanent residents and long-term employees of the company. Managers have been using the Provincial Nominee Program (PNP) to facilitate permanency for their workers. One large plant indicates that 100% of their TFWP workers go to the PNP. One challenge with foreign workers is to provide them with support for spouses to find adequate employment. Having workers coming from many different countries can pose a challenge for integration. In addition, having several nationalities and languages represented can increase the capacity needed within community services and settlement organizations.

Impact of labour shortages and vacancies

The main challenge noted with the labour shortages was not being able to meet the client demands resulting in accumulated back orders. The shortages have also impacted current workers, who may be required to speed up lines and/or work longer hours. This, in turn, may contribute to increased fatigue, injury, or worker retention issues.

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:

ENSURING ADEQUATE ENGLISH KNOWLEDGE BEFORE HIRING INTERNATIONALLY

Knowledge of English as a Second Language has become a requirement for one large plant to hire workers from foreign countries. Having all newcomers with adequate ESL skills facilitates the process of integration at work and within a smaller community. This is one reason behind one of the plants focusing on hiring primarily from one country such as the Philippines, as they know that workers arrive with a reasonable level of English and they often have postsecondary credentials as well as experience in the industry.

MEAT CUTTING CERTIFICATE PROGRAM FOR INTERNATIONAL STUDENTS

Both major employers in the region have partnered with Assiniboine Community College to develop an industrial meat cutter program, primarily geared towards attracting international students. The first intake of students is expected in May 2019. The meat cutting school is replicating a production line with conveyors. The 48-week program will train for both retail and industrial meat cutting and will be structured as follows: 20 weeks of basic training for international students; six weeks in a meat cutting lab (different cuts); and the next 22 weeks include one week in the classroom and one week in the plant. The structure allows for two cohorts of 20 students concurrently. The program provides an immediate source of labour while students are completing their training in the plant, and international students can work for one year after program completion on their work permit.

STRATEGIES TO MANAGE ABSENTEEISM

in interviews with plant managers and supervisors, it was highlighted that absenteeism is not an issue at one of the main employers, in part due to a significant attendance bonus (an additional $1 per hour for a two-week or one-month period with no absences). A bonus program for attaining quality and safety targets, also in the amount of an additional $1 per hour, was mentioned by one main employer. In addition, when there are concerns with attendance, the supervisor works closely with HR to identify the reasons and how to address them. To manage situations when a line might be running short, they ensure all supervisors and managers have good knowledge of their employees' abilities, training and skills.

DEVELOPMENT OF A REFERRAL PROGRAM TO ATTRACT WORKERS FROM URBAN AREAS

One of the employers makes a concerted effort to attract workers from Winnipeg, the main urban area in the province. They have established a referral program where current employees can receive up to $1000 per new worker recommended, distributed as follows: $150 if the person attends an orientation, $350 if the person finishes their probationary period and $500 if the new workers stay in their position for one year. In addition, to promote relocation, a $5000 relocation assistance package is offered (with a commitment of two years of work). Close ties have been established with some immigrant communities (in particular the Ethiopian and Eritrean communities), and the referral program has been quite successful among these groups.

IDENTIFYING LEADERS AND PROMOTING FROM WITHIN

Manager noted that they make concerted efforts to develop staff and be aware of their skills and capacities in various areas (going beyond their current role), and to recognize the richness and potential that their diverse, international workforces provide. For instance, a QA assistant manager started working in packaging in one of the plants, but as managers realized she had supervisory experience, she was promoted and reached the assistant manager position after five years in the company. Another exemplary case is a production manager who is responsible for production during the day shift, with responsibility for approximately 340 workers. Having arrived from the Philippines with a Food Science degree and previous experience in the meat processing sector, she moved up the ranks to her current position. The skills and degrees of international workers are also taken into account when offering new opportunities, as in the case of an IT employee who started on the packing line, but moved to the IT department once an opportunity became available. In interviews with HR managers in one plant, it was highlighted that encouraging promotions from within have required some challenges in the language to collective agreements, which may have precluded workers from bidding for a higher skill job in the past.

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