Securing Canada’s MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Brooks Region

Alberta

FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA’S MEAT WORKFORCE

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SUMMARY

REGIONAL OVERVIEW

The Brooks Region is in south-eastern Alberta. The City of Brooks (pop. 14,451) is located approximately 186 km southeast of Calgary and 110 km northwest of Medicine Hat. Meat processing in the Brooks Region is focused on cattle, including one of the largest beef processing facilities in Canada. 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.

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 grow by over 2.0 per cent annually, rising from 2,700 workers in 2017 to nearly 3,000 by 2020 and 3,600 by 2030. Local processors will likely need to hire 2,100 additional workers between 2017 and 2030 (or approximately 75 per cent of their current workforce), due to industry growth and 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 1.7 per cent over the forecast period, reaching 37,000 by 2020 and 44,500 by 2030. Net in-migration is expected to be the main source of population growth in the region, outpacing births. Despite strong population growth, rising retirements will cause labour force growth to lag behind employment, resulting in a decline in the regional unemployment rate from 6.8 per cent in 2017 to below 5.0 per cent by 2030.

POPULATION
35,884

LABOUR FORCE
17,088

LABOUR MARKET TIGHTNESS

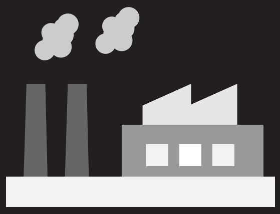
The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Brooks Region and subtracting those requirements from the total labour force estimates, reveals substantial challenges facing this industry.

	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

MEAT PROCESSING ESTABLISHMENTS



3[1]

MEAT PROCESSING EMPLOYMENT

2,695[2]

HR CHALLENGES

As meat processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing recruitment and retention issues, challenges with NOC coding, challenges with immigration pathways and challenges with industry image.

PROMISING PRACTICES AND INNOVATIONS

Collectively, employers in the meat processing industry in the region are trying various strategies to address labour shortages: building a workforce by contributing to the local community, shaping an employee-centered organization culture (e.g., healthy workplace philosophy, in-house nursing staff, employee "improvement teams"), workplace ESL training and an emphasis on promoting from within.

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 Lethbridge-Medicine Hat 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 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 current and future labour force needs. An 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. Brooks Region in Southern Alberta was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the Brooks Region and of meat processing overall in the province of Alberta and specifically in the Brooks 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 sections outline the HR challenges identified in the region and some of the promising practices and innovative solutions that employers and communities are trying to address labour supply issues.

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

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

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE BROOKS REGION

2.1 GEOGRAPHIC LOCATION

The Brooks Region is in south-east Alberta and includes the County of Newell. The City of Brooks (pop. 14,451), located approximately 186 km southeast of Calgary and 110 km northwest of Medicine Hat, is the major urban centre between Calgary and Medicine Hat and the second largest community in southeastern Alberta.

2.2 POPULATION CHARACTERISTICS

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

The overall population for the region in 2017 was 35,884. According to Census 2016 profiles, the proportions of immigrants (19.4%) and non-Canadian citizens (11.3%) are similar to those overall for Alberta, but there are lower proportions of visible minorities (17.4%) and the population that identify as Aboriginal according to Census definitions (3.5%) (see Table1).

TABLE 1: BROOKS REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	BROOKS REGION	ALBERTA
FEMALE	16,410	2,027,765
SHARE OF POPULATION	48.4%	49.9%
IMMIGRANTS	6,260	845,215
SHARE OF POPULATION	19.4%	21.2%
NOT CANADIAN CITIZENS	3,660	355,405
SHARE OF POPULATION	11.3%	8.9%
VISIBLE MINORITIES	5,610	933,165
SHARE OF POPULATION	17.4%	23.5%
ABORIGINAL IDENTITY	1,140	258,640
SHARE OF POPULATION	3.5%	6.5%

Source: Census 2016

According to projections, the population levels are expected to increase over the next 13 years (from 35,884 in 2017 to 43,219 by 2030). The population is currently younger than other regions in Canada, with the City of Brooks having a median age of 35.0 years compared to the Alberta median of 36.7 and a national median of 41.2 (Census, 2016). Although the total population will increase, it will begin to be an ageing population, with the proportion of the age cohort 65 years or older rising from 12 per cent in 2017 to approximately 17 per cent by 2030 (see Figure 1). While population growth will be negatively impacted by the continued ageing of the population and an 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 8,500 people by 2030. Overall, the period under study will be impacted by the predicted in-migration in the region, which will result in a small rise in population (see Figure 2).

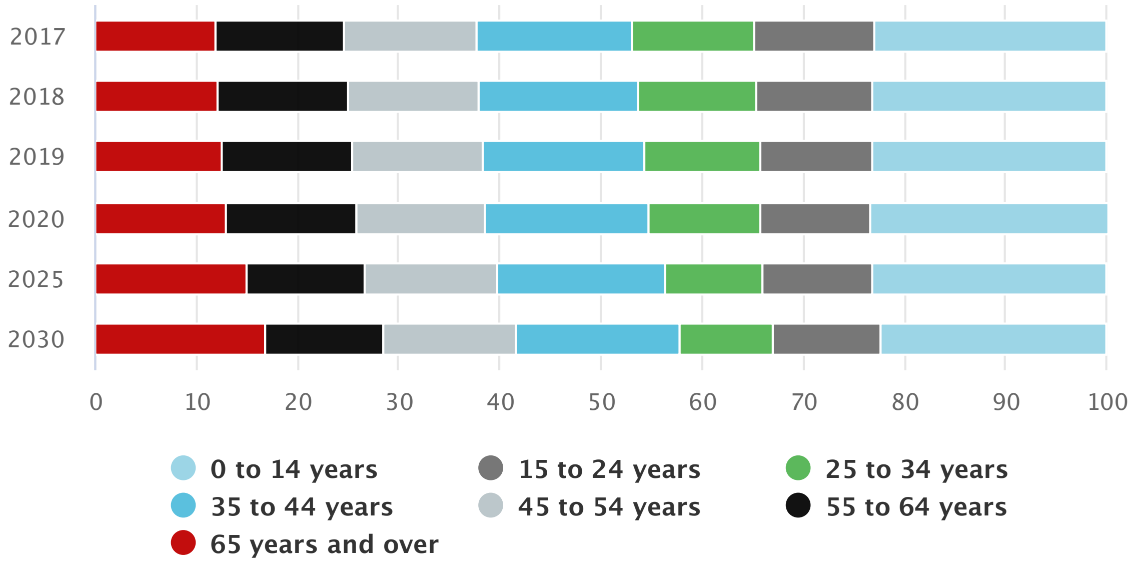


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

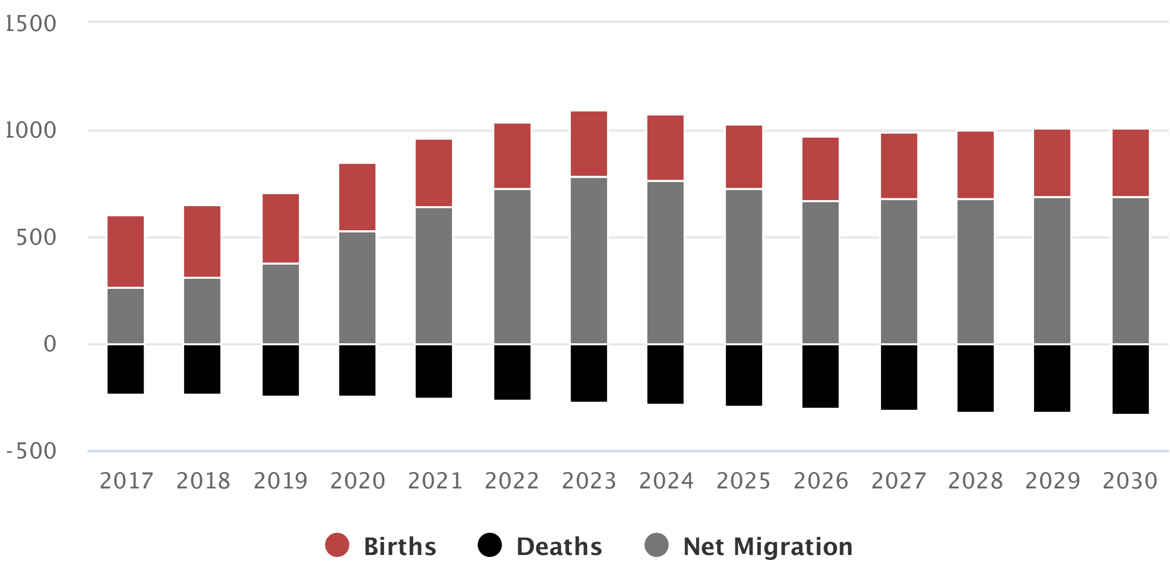


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

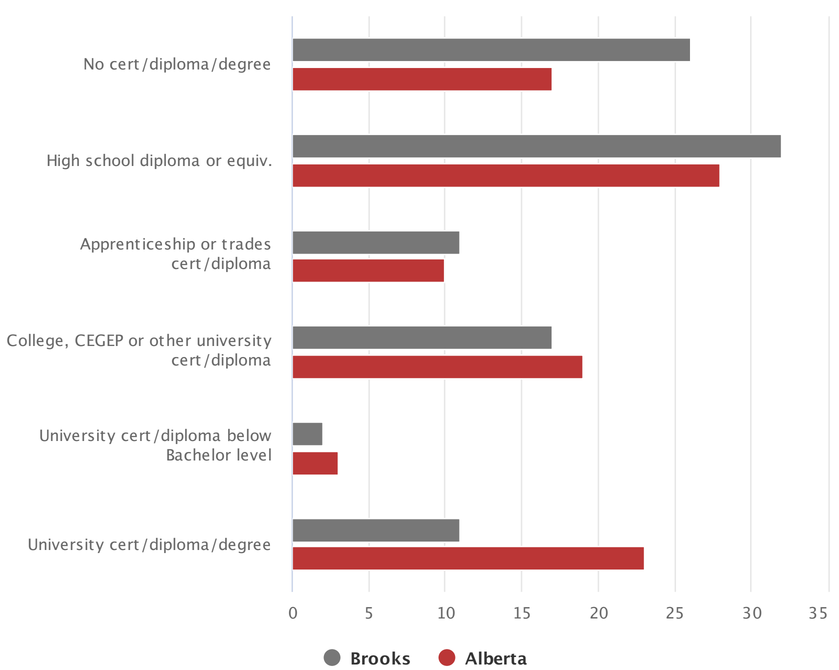


FIGURE 3: EDUCATIONAL ATTAINMENT – BROOKS REGION AND ALBERTA

The overall education level of the region's residents is somewhat lower when compared with Alberta overall (see Figure 3). Just over one quarter (26%) do not have a high school diploma (compared to 17% for the province), and 11 per cent have a degree (23% for the province). From interviews, it was determined that part of this difference may be attributable to the ongoing youth out-migration from the region into more urban centres with the youth often having higher levels of education than older cohorts. This also corresponds to the ageing demographics for the region.

3.0 OUTLOOK OF ALBERTA MEAT PROCESSING

3.1 ALBERTA MEAT PRODUCT OUTLOOKS

Total output for meat processing is forecast to expand by 2.7% annually on average during the period 2018-21, then moderate to 2.0% during 2022-26 and 2.3% during 2027-30 (see Table 2). Growth will be helped by some increases in meat consumption from 1.2% annually on average during 2018-21 to 1.8% during 2022-26, and 1.5% during 2027-30, as chicken and lamb consumption boosts overall meat consumption.

International exports are forecast to expand at a moderately strong rate over the projection period, averaging 2.9% during 2022-26, and 2.2% during 2022-26 and 2.1% during 2027-30. There are broad-based gains in beef, veal, pork and poultry product exports. Meat of all types will benefit from the implementation of the CETA[3] and the CPTPP[4]. Furthermore, Alberta's exports to other provinces will gain from the overall rise in meat consumption in those provinces – interprovincial exports are forecast to expand at a modest rate of 1.0% annually during each of the sub-periods. Interindustry demand is forecast to average 1.7% during 2018-21, and 2.8% during 2022-30.

3 Canada-European Union (EU) Comprehensive Economic and Trade Agreement
4 Comprehensive and Progressive Agreement for Trans-Pacific Partnership

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

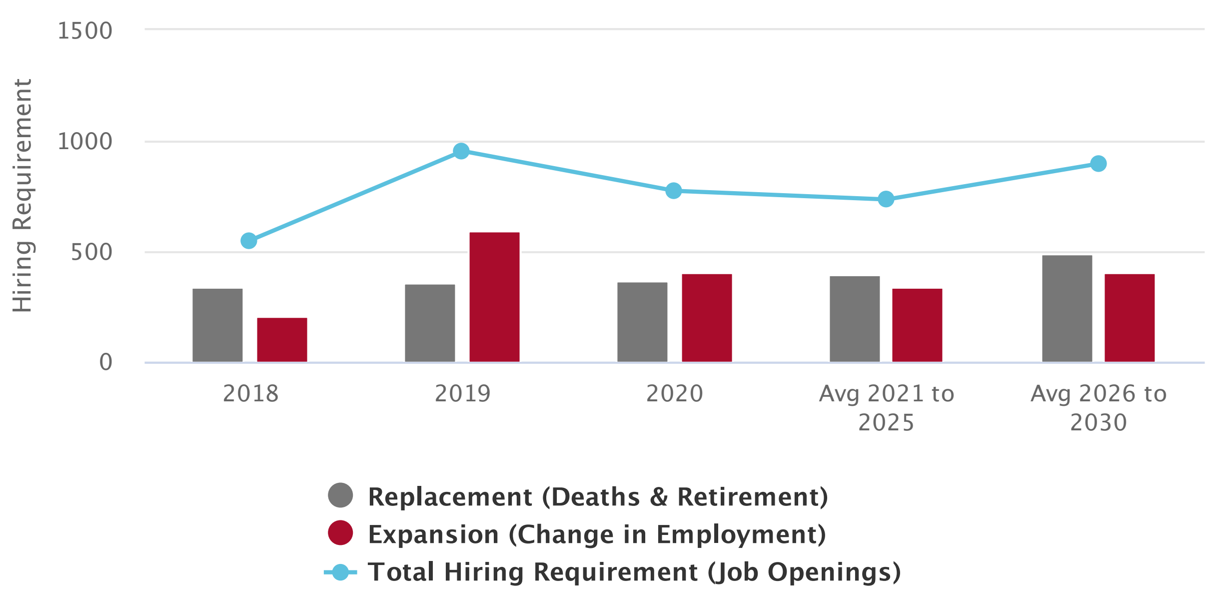
END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	0.8	1.2	1.8	1.5
International Exports	5.0	2.9	2.2	2.1
Interprovincial Exports	0.6	1.0	1.0	1.0
Interindustry Demand	2.2	1.7	2.8	2.8
Imports	1.7	1.6	2.1	1.8
Total End Market Demand	4.9	2.7	2.0	2.3

3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR ALBERTA

Meat processing employment is expected rise by 9.1% between 2017 and 2020, or by close to 1,200 jobs from the current 13,250. Total employment is expected to exceed 18,000 by 2030. Meat processing real GDP is forecast to expand at a strong pace over the forecast by 3.2% annually during the 2018-21 period, 2.5% during 2022-26 and 2.7% during 2027-30. Labour productivity (GDP per hour worked) is forecast to increase by 0.5% on average over the projection period. This means the needed total hours of work will rise at a strong pace of 2.7% annually on average during 2018-30, 2.0% during 2022-26 and 2.2% during 2027-30. Average hours worked per employee is forecast to fall by 0.2% annually on average over the projection period, which leads to the total number of jobs rising by 2.9% per year during 2018-21, 2.2% during 2022-26 and 2.4% during 2027-30.

Taking account of both replacement and expansion demands, the industry will likely need to need to hire just over 10,400 new workers, or 77 per cent, of the current workforce over the next 13 years (see Figure 4). These hiring requirements are net numbers of new workers and do not include annual hiring requirements due to turnover.

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



4.0 BROOKS REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts three processors ranging significantly in size.

Overall, there are three meat processing establishments in the Brooks Region[5], with a focus on both slaughter and meat processing. As noted on the map in Section 1, there is one very large establishment (more than 500 employees) and two relatively small plants (fewer than 50 employees). The largest plant is one of the largest employers in southern Alberta and one of the largest beef processing plants in Canada.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 2,700 WORKERS AT PEAK SEASON, WITH APPROXIMATELY ONE-HALF BEING LABOURERS AND PLANT WORKERS.

4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the Brooks Region in 2017 was 2,695 (see Table 3). One-third of all employed (33%) are in occupations at an intermediate skill level (NOC 9461; 9462) with large numbers of slaughter persons, meat cutters and machine operators. Approximately one-quarter of the workforce (24%) are in the higher-skill occupations of specialized meat cutters and master butchers. This distribution was confirmed during interviews where the main plant made large recruitment efforts to ensure sufficient numbers of skilled meat cutters would be available to meet their requirements. The higher-skill positions generally require 1-3 years of previous experience in meat cutting, with some of the specialized positions requiring more experience and higher levels of skill. The plant personnel interviewed indicated that it has extensive on-the-job training for all of its 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.

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

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

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	2,695	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	226	8%
Poultry Production	0	0%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	256	9%
Machine Operator	104	4%
Slaughter Person	541	20%
HIGH (NOC 9213)		
Master Butcher	51	2%
Specialized Cutter	599	22%
SUPERVISORY (NOC 9213)		
Supervisors	112	4%
MANAGEMENT (NOC 0911)		
Management	112	4%
OTHER CATEGORIES		
Maintenance	103	4%
Skilled Trades	227	8%
Quality Control Technician	10	0%
Office Staff	172	6%
Other Occupations*	181	7%

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

2,695

AVERAGE NUMBER OF WORKERS EMPLOYED IN THE MEAT PROCESSING INDUSTRY IN 2017

4.2.2 UNIONIZATION

The largest employer in the area is unionized.

Workers at the largest plant in the area are unionized (UFCW).

4.2.3 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 Lethbridge-Medicine Hat Region[6] of Alberta in 2017-18 was $19.25/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was slightly higher at $20.20/hour. These wage rates are both slightly higher than the provincial median rates ($19.00/hour and $20.00/hour respectively) for these occupations, and similar to those in the closest urban region in the province (Calgary). To provide some context, the minimum wage in Alberta in 2018 was $15.00/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 $4.00/hour. The one exception was for a farm worker which provided a slightly higher median hourly wage ($20/hour). A main competitor for the meat processing industry in Alberta is the oil and gas sector. The wages for a labourer in this sector are significantly higher, with a median wage of $25.00/hour.

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

	Low Wage (10th percentile)	Median Wage (50th Percentile)	High Wage (90th percentile)
Labourers in food processing (NOC 9617)			
Lethbridge-Medicine Hat (AB)	16.00	19.25	21.60
All Alberta	15.00	19.00	23.17
Calgary Region (AB)	15.00	19.00	23.17
Industrial butchers and meat cutters (NOC 9462)			
Lethbridge-Medicine Hat (AB)	18.75	20.20	25.00
All Alberta	17.90	20.00	24.00
Calgary Region (AB)	19.00	20.00	21.00
Other C&D Level Occupations Lethbridge-Medicine Hat (AB)			
Farm Labourer (NOC 8431)	15.00	20.00	28.00
Retail Sales (NOC 6421)	15.00	15.00	21.98
Food Services (NOC 6711)	15.00	15.00	17.58
Oil and Gas Labourer (NOC 8615; Alberta)	18.00	25.00	36.00

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

6 The Lethbridge-Medicine Hat Region of Alberta includes the Brooks Region as well as some additional areas. Reliable wage data from ESDC was only available for this slightly larger region.

On a provincial level, the average hourly wage in food manufacturing ($18.60) is lower than other forms of manufacturing ($23.44) and lower than the average hourly wage for all industries combined ($20.75) (see Table 5). The average hourly wage in food manufacturing is higher than that found in retail ($14.45) and agriculture ($17.60) but lower than other industries such as construction ($25.49) and oil and gas ($29.09).

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

	Avg. hourly wage
All industries	**$20.75**
Food Manufacturing	**$18.60**
Manufacturing (Total)	**$23.44**
Agriculture, forestry, fishing and hunting	**$17.60**
Oil and Gas	**$29.09**
Retail trade	**$14.45**
Health care and social assistance	**$24.38**
Construction	**$25.49**
Educational services	**$27.89**

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

5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS APPROXIMATELY 17,000.

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 17,088 (out of a total population of 35,884). The largest proportions of the labour force for the City of Brooks and Newell County combined work in manufacturing (17% of labour force - includes meat processing), agriculture, forestry, fishing and hunting (12%), mining, quarrying, and oil and gas extraction (10%) and retail trade (9%) (Census 2016).

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 6.8%.

The unemployment rate for the region in 2017 was 6.8% on average. According to Census data, approximately six per cent of the population in the Brooks Region 15 years or older who had income received regular Employment Insurance (EI) payments at some point in 2015.

According to EI data provided by ESDC for the Southern Alberta region, there has 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 largest number of EI beneficiaries and proportionally the largest increase has occurred among material handlers in the sector (3,009 EI beneficiaries in 2016, with an average annual increase of 143% between 2014 and 2016). One of the main shortages outlined in interviews is with respect to industrial butchers and meat cutters. In 2016, the data indicate there were 330 industrial butchers/meat cutters collecting EI benefits, with an annual increase in numbers of approximately 56%.

TABLE 6: EI BENEFICIARIES BY OCCUPATION – SOUTHERN ALBERTA REGION

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	218	452	741	120%
Material handlers	779	1,740	3,009	143%
Supervisors, food and beverage processing	68	83	119	38%
Process control and machine operators, food and beverage processing	184	149	203	5%
Industrial butchers and meat cutters, poultry preparers and related workers	155	196	330	56%
Labourers in food and beverage processing	497	725	909	41%

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 Brooks Region, particularly with respect to the highly skilled meat cutting occupations.

While the proportion of immigrants in the Brooks Region is slightly lower when compared with Alberta overall (19.4% vs. 21.2%), the meat processing industry is reliant on recent immigrants and temporary workers working towards permanent residency in Canada. In 2016 and 2017, there were 265 positions approved through the Temporary Foreign Workers Program (TFWP) in the region for industrial butchers and meat cutters (NOC 9462). This number of TFWs is similar to the total estimated number of industrial meat cutters employed by the sector in the region in 2017 (see Table 3). Plant managers interviewed 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 off as TFWs and are making their way through the immigration programs to permanent residency).

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.

The Brooks Region is close to one Indigenous community (Siksika Nation) which is an approximately 40-minute drive from the large processing plant. The Siksika Nation has a total population living on-reserve of approximately 4,100. In addition, there is a small proportion of the population in the Brooks Region (3.5% in Census 2016; 1,140 individuals) who identify as Aboriginal according to Census definitions. In interviews with plant managers in the Region, there are ongoing outreach activities with the leadership of the local Indigenous community, with more effort expected over the short-term. It is estimated there are 600-800 potential workers from the local Indigenous community, so the managers indicate there is continued effort to explore approaches that might be successful for the workers, community and plant.

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 WHICH INCREASES DURING PEAK PERIODS. 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	35,884	36,296	36,764	37,366	39,641	43,219
Avg. Annual Change (%)		1.2%	1.3%	1.6%	2.0%	1.6%
Total Labour Force	17,088	17,091	17,178	17,426	18,134	18,892
Avg. Annual Change (%)		0.0%	0.5%	1.4%	1.3%	0.4%
Total Employment	15,922	16,028	16,257	16,658	17,363	17,983
Avg. Annual Change (%)		0.7%	1.4%	2.5%	1.3%	0.3%
Unemployment Rate	6.8%	6.2%	5.4%	4.4%	4.3%	4.8%

The model projections indicate that, taking into account the trends in migration and ageing, the Brooks Region will experience some population growth within the period under study (2017 to 2030) (see Table 7). These trends will also contribute to a growing labour force for the region, albeit at a slower rate than population growth given the ageing population and anticipated retirements. As a result, unemployment rates are expected to decline from an average of 6.8% to 4.8%, based on increased opportunities but slower growth in the overall labour force.

LABOUR MARKET TIGHTNESS EXPLAINED

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

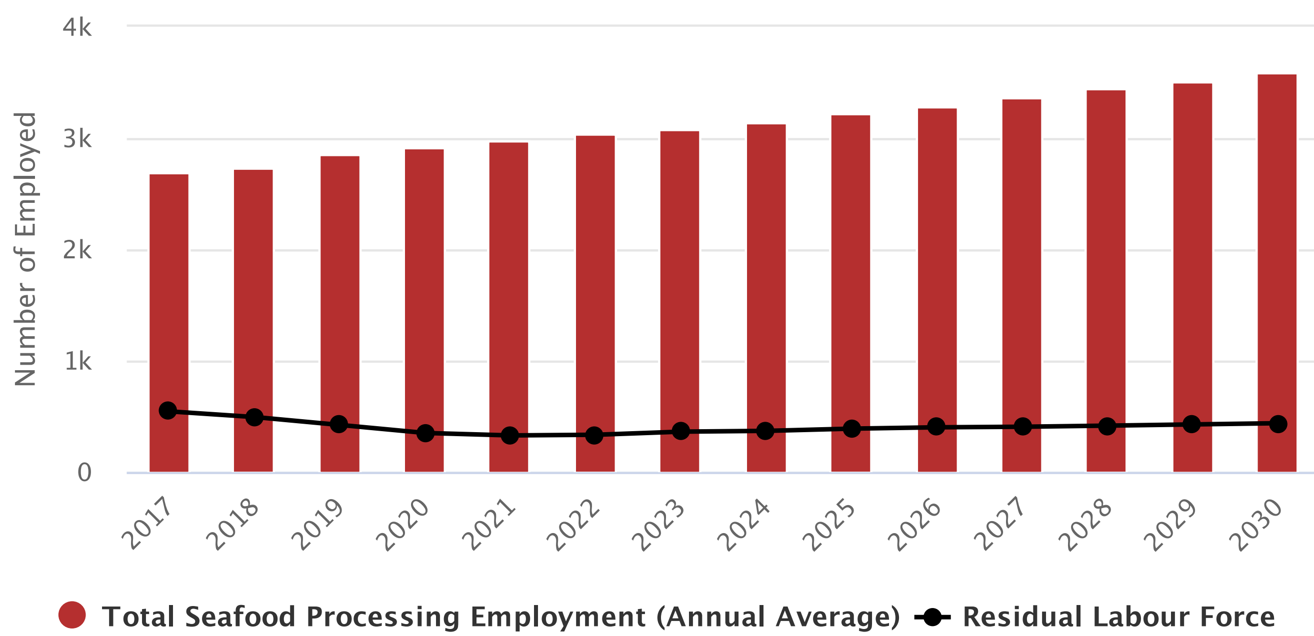
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is higher than the Residual Total Labour Force. This suggests there is currently (2017) an insufficient local labour force to meet all of the region's labour requirements (for all industries), leaving an overall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

The analysis outlined in Table 8 and Figure 6 describes the labour market context within which the meat processors in the Brooks 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 2,695 within a labour market that had a residual total labour force of only 543. This means 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 the industry not been successful in recruiting labour external to the region and competing with other industries in recruiting workers.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [7]	17,088	17,091	17,178	17,426	18,134	18,892
Total Non-Meat Processing Labour Requirement [8]	16,545	16,000	16,757	17,077	17,779	18,475
Residual Total Labour Force[9]	543	492	421	349	355	417
Total Meat Processing Employment (Annual Average)	2,695	2,740	2,851	2,917	3,093	3,441

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



7 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.
8 Non-meat processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.
9 The residual labour force is the difference between the labour force and the non-meat processing labour requirement.

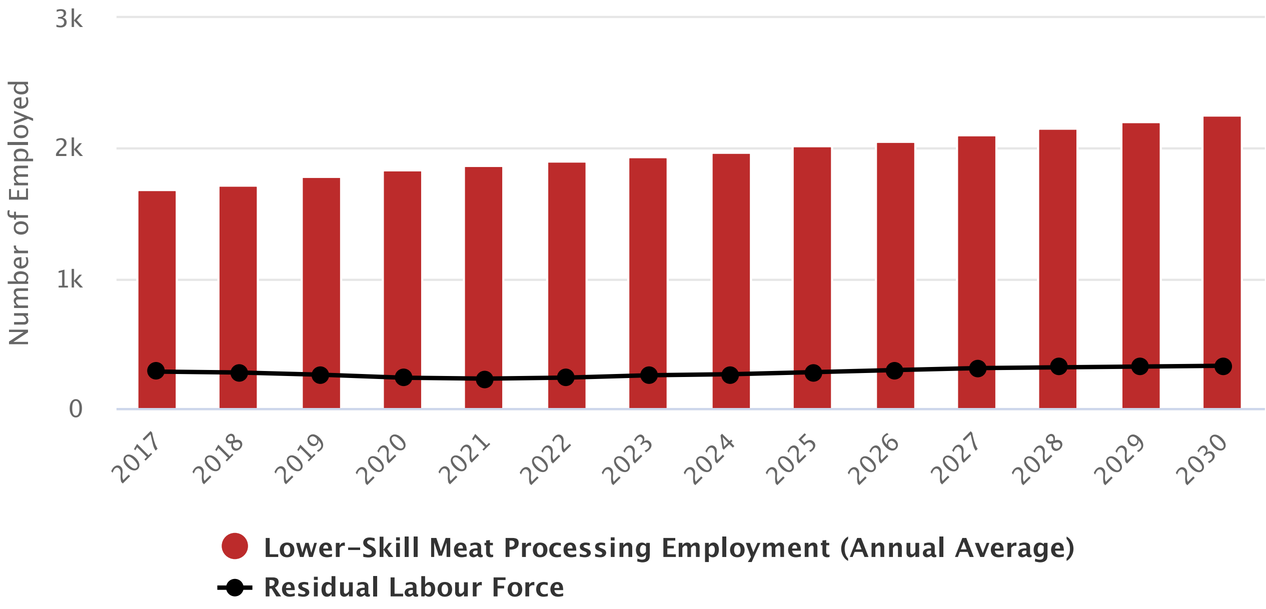
As noted in the description of the occupations, approximately 40 per cent of the occupations in the industry in this region are in the "C" and "D" levels, which are often referred to as "lower-skill level" occupations not requiring post-secondary education. Given much of the focus is on the lower-skill level labour force, the study also analysed the "tightness" of the lower-skill level labour market (see Table 7 and Figure 7) and found 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 1,690 workers within a labour market that had a residual total labour force of only 280. This means 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 – BROOKS REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force[10]	7,243	7,245	7,281	7,386	7,687	8,008
Lower-Skill Non-Meat Processing Labour Requirement	6,964	6,972	7,025	7,154	7,437	7,761
Residual Lower-Skill Labour Force	280	273	256	223	249	311
Lower-Skill Meat Processing Employment (Annual Average)	1,690	1,719	1,788	1,829	1,940	2,158

10 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 – BROOKS REGION – 2017-2030



The overall summary of the labour market tightness as modeled for the Brooks Region (Table 8) demonstrates 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.

3

TABLE 10: SUMMARY OF LABOUR MARKET TIGHTNESS – BROOKS 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	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

6.2 NUMBER OF WORKERS REQUIRED

Within a very tight labour market, projections indicate the Brooks Region employers will need to attract approximately 2,000 new workers to the meat processing industry by 2030. This is equivalent to approximately 75% of their current annual average workforce. This requirement is due both to anticipated industry growth and replacement of anticipated retirements over this period. Unfortunately, this recruitment will be occurring within the context of a very tight regional labour market that is currently experiencing labour shortages which are predicted to continue during this period. This tightness in the labour market is contributing to the high number of current vacancies experienced by employers in meat processing (estimated at five per cent in Western Canada) and to some degree the higher turnover rates in the industry as workers have more employment opportunities from which to choose, particularly in the lower-skill level occupations (estimated imputed turnover rate of 24% in Alberta in meat processing industry). All of these factors contribute to the substantial challenges facing Brooks Region meat processors in their attempts to recruit enough workers to replace retirements, fill ongoing vacancies and work to address turnover rates while also trying to grow, remain competitive and increase productivity.

Overall, it is anticipated there will be a need as of 2017 for increased numbers of new hires, due both to industry growth and the need for replacements as a result of anticipated retirements and deaths among the workforce (see Table 9). Overall, this results in the need to attract 2,026 new workers to the industry between 2017 and 2030, which equates to replacing approximately 75 per cent of the current average meat processing workforce in the region.

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

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[11]	116	112	181	137	686	794
Industry Growth	50	45	111	66	304	372
Retirements and Mortality	66	66	70	72	382	422

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

11 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 Alberta meat processors is estimated at 24%.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	2,695	2,740	2,851	2,917	3,093	3,441
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	226	230	239	245	260	289
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	256	260	271	277	294	327
Machine Operator (including Saw Operator)	104	106	110	113	120	133
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	51	51	54	55	58	65
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	599	609	634	648	688	765
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	112	114	119	121	129	143
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	112	114	119	121	129	143
OTHER CATEGORIES						
Maintenance (including Janitors, Sanitation Workers, Cleaners)	103	105	109	112	119	132
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	227	231	241	246	261	290
Quality Control	10	10	10	10	11	12
Office Staff (including Administrator or HR Manager)	172	175	182	186	198	220
Other Occupations*	181	184	191	196	208	231

* 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 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:

Recruitment

The most challenging positions to recruit for are industrial meat cutters. During interviews, managers noted they are only hiring for “knife positions.” The challenges are that there are limited numbers of higher-skill meat cutters available in Canada, and there are not currently sufficient numbers to train internally. The most challenging to recruit are the highly skilled chuck butchers who are coming primarily from international sources. There are fewer challenges in recruiting for the “non-knife positions,” with many of these being filled internally with transfers from other occupations who want to spend some time “off the knife” (e.g., boxing).

Challenges with NOC coding

Of particular concern for the plant managers interviewed was the current NOC coding that no longer seems to reflect the actual occupations for industrial meat cutters. The NOC coding for an industrial meat cutter is 9462, with the second digit “4” indicating a lower-level or semi-skilled occupation (level C). In contrast, the NOC coding for a retail meat cutter is 6331 with the second digit “3” indicating a higher skill level than that required for industrial meat cutters (level B). The managers noted that, given the changes in the industry to case-ready products being produced within the plant (and not in a retail setting) and the level of skill required for many of the more complex tasks (e.g., loin puller, chuck boner), the classification of industrial meat cutters is dated and no longer reflective of the reality of these occupations. As noted in one interview, “there are 50 different roles under meat cutter, and 25 are highly skilled, detailed roles – you can’t just pull someone off the street to do this.”

Challenges with industry image

The image of meat processing is viewed by plant managers as a major challenge in recruiting. Examples were provided where one local company (solar energy) was highlighted in local media with the addition of 50 local jobs, while at the same time the large meat processor was adding 270 local jobs and there was little recognition and did not have the same appeal with media. Other examples included recruitment conversations stopping abruptly once the potential recruits understood the facility included a slaughter component. The other main point raised by plant managers with respect to image issues was that the industry is not well understood, in particular the diversity of jobs and opportunities available for potential workers, including well-paying, permanent jobs with significant opportunities for advancement and training.

Retention issues

The main retention issues are among some of the hiring from the local labour sources. High-school graduates or post-secondary graduates will either leave the company or move into other areas of the company off the floor. Among Indigenous local workers, there tends to be only a two-to-three month tenure before they move on to another employer – this is an area of concern, so efforts are currently underway to better understand the challenges in retention with this group. The plant managers indicated their turnover rates are lower than the industry average, and considerable efforts are made to retain workers at all levels (see Section 8).

Challenges with immigration pathways

While the TFWP is based on the concept of "temporary" workers, the plant managers interviewed indicated they hire TFWs with the intention that those workers will be able with some support to become permanent residents and long-term employees of the company. Managers expressed concern about the name of the program and the desire that it be in more keeping with its actual use in the meat processing industry (with the acknowledgement that it is quite different in other sectors that are more seasonal). As noted in one interview, "we are not looking for temporary workers – we want people to move here and bring their families – these are permanent jobs where the plant operates every day all year round."

The current program has TFWs separated from their families for extended periods (2-3 years) and was viewed as "not Canadian" in that the Canadian approach to immigration should be about building communities. Managers interviewed indicated they are currently working with the TFWP as that is their only source to access international labour but the intention is to then work with the Provincial Nominee Program soon after the TFW arrives to start the employee (and hopefully also his or her family) along the pathway to permanency. Their described approach to hiring after a learning curve is to have 50 per cent focused on capacity/skills required to do the job with the rest of the selection process focused on whether the TFWs are going to come and stay, bring their family and have a long-term plan to establish themselves in the community, learn the language and help the community.

Impact of labour shortages and vacancies

The main challenges noted were the lost opportunities for further processing and specialty, value-added products. The other challenge noted with respect to shortages of specialized positions is that there can quickly be a chain effect on production if there are an insufficient number of specific people in key positions. Given the volume and speed of production, many of the specialized cutting positions are crucial to have fully staffed with performing, experienced personnel in order not to risk interruptions in the production chain.

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 approaches identified during interviews include:

BUILDING A COMMUNITY AS WELL AS A WORKFORCE

There is considerable effort, emphasis and focus by the large employer on building and supporting the community within which it is located. This includes supporting the local economy (injection of $20 million per month in wages and local contracts), trying to assist and use local services as much as possible, working with the municipal council in planning, and working with local service providers and businesses (e.g., police/RCMP, immigrant and newcomer services, cellphone providers, landlords/real estate services, recreation facilities, etc.) in welcoming, supporting and integrating families who are new to the community or country. The type of support is varied, including financial support in some cases and extensive participation by community representatives on planning groups, informal and formal partnerships, and ongoing communication with community agencies and groups.

COMPANY PRIORITIES AND CULTURE

During interviews with plant managers, supervisors, trainers and line employees, considerable emphasis was placed on the company culture and the company's demonstrated priorities in emphasizing the importance of people as the key to success. While this is often a motto or desired area of emphasis for many businesses, numerous examples were provided where this was being put into practice, including:

- Developing specific training for each level and occupation, with considerable investment not only in the development of detailed training materials but also the development and support of training staff.
- Supporting a healthy workplace with in-house nursing staff who have expertise in common injuries from repeated tasks, and on-site physiotherapy.
- On-boarding new employees through an approach similar to a coaching approach used with athletes covering both physical and mental dimensions of performance. There is extensive, ongoing monitoring, with daily and weekly checks by the training team on various areas for each employee.
- Developing and supporting an "improvement team" made up of eight to nine unionized employees who meet to decide on one area or opportunity they want to address. They research the problem, complete studies and come up with solutions that are tested through trials and then presented to senior management. One example of a recent project was to address monotonous jobs on a specific line. The team designed a conveyor-belt system that eliminated four jobs from which the workers were moved to more interesting positions where they have gained confidence and improved morale because they are now doing more productive work. It is assumed the workers on the line know the challenges better than anyone as they are in direct contact, so the company wants to support and take advantage of this specialized knowledge.
- Supporting a "community hub" on site near the cafeteria where local agencies and worker supports are provided space to engage with and provide outreach to employees.

PRODUCTIVE RELATIONSHIP WITH UNION AND SUPERVISOR SUPPORT

From the interviews, it was noted there is a good, productive relationship between the employer and the union. The company's approach is to provide considerable training and support to supervisors, and that these front-line supervisors should be able to address concerns directly with the worker. If an issue cannot be dealt with by the supervisors and gets to the HR level, this is considered an area that needs further work or improvement and likely a change in approach.

WORKING WITH COMMUNITY AGENCIES AND ORGANIZATIONS

Interviews with managers and employees noted there is ongoing, day-to-day work with community agencies and organizations on the part of the employer. This includes alerting local schools when new families with children will be arriving and partnering on the types of supports that will be needed to assist with settlement. This can also extend to assisting with organizational planning and development. For example, the local French school and resident group made the employer aware that their student enrolment was declining. As a result, the employer made an effort in its next round of recruitment to focus on areas of Québec in their catchment area with a focus on francophone newcomers who were considering relocating. They successfully brought 75 workers and their families to the region, many with large families which managed to fill the school. The company pays for relocation which is contingent on the employee staying for two years. For this group, many of the families continue to work and live in Brooks.

IDENTIFYING LEADERS AND PROMOTING FROM WITHIN

The employer makes a concerted effort to develop staff and be aware of their skills and capacities in various areas (going beyond their current role) to recognize the richness and potential that a diverse, international workforce provides for the company. It has a database of the skills and unique experience of employees that can potentially be used in other roles beyond those for which they were originally hired. One example was a person originally hired for a line position on the floor but who had a background as a bank manager in her home country. Noting her skills and her continued improvement in English, the company was able to initially move her into a clerical position in HR, shortly after which she had automated this position so it only took two hours per week to complete, after which she moved into other HR analytical roles. Another example was someone who was hired to work on the floor but who had been trained as a lawyer in her home country. She was moved to work the scale function, which requires considerable skill (it is the place where the company can make or lose money), and then eventually into a management role in the company. As well, there is a concerted effort to identify and develop leaders from the current staff. Virtually all of management (96%) comes from other roles within the company.

DIVERSITY ENHANCES ENGLISH AS THE LANGUAGE OF WORKPLACE

There has been a concerted effort by the employer to recruit from several different countries, rather than focusing on a single country or region which can then become the dominant group or culture in the workplace. By diversifying the countries from which it recruits, there is an increased emphasis on learning English as the language of the workplace, which in turn helps with the acquisition of English-language skills. This contributes to higher success rates for immigration and ultimately having temporary workers stay, work and live in Brooks along with their families.

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