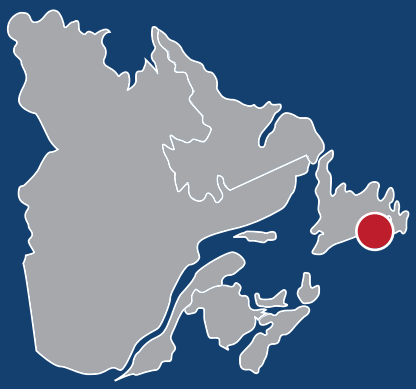
Securing Canada's FISH + SEAFOOD Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Burin Region

Newfoundland & Labrador



FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S **FISH + SEAFOOD** WORKFORCE

This project was funded by the Government of Canada's Sectoral Initiatives Program.

The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.

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SUMMARY

REGIONAL OVERVIEW

The Burin Region is located on the South coast of Newfoundland, along the Burin Peninsula. The largest fish and seafood processing town in the region is Marystown (pop. 5,216), with the other main municipalities being Burin (pop. 2,315), St. Lawrence (pop. 1,192), Fortune (pop. 1,401) and Grand Bank (pop. 2,310). There are other 19 smaller municipalities in the region.

LABOUR MARKET OVERVIEW

Regional labour market analysis suggests that after accounting for labour requirements in other sectors, local seafood processing employment demand already exceeds available supply during peak periods. This likely means significant numbers of workers from outside the region are required to meet peak demands. Seasonal peaks in seafood processing employment in Newfoundland and Labrador can effectively double average annual demands. Supply constraints are not expected to change over the forecast period, and even average annual employment demand is not likely to be met locally by 2025. Supply constraints are expected to be even more acute among lower-skill workers, as regional labour supply is not projected to meet even average seafood processing employment demand for any year during the forecast period.

Currently, median hourly wages for shellfish/fish labourers and plant workers are slightly above the provincial average, and higher than most other lower-skill level occupations (C and D level) available in the region.

The region's population is expected to decrease at an average annual growth rate of -0.4% over the forecast period, falling from 10,900 in 2017 to 10,300 by 2030. The region's population decline over the forecast period can be attributed to net out-migration of 200 individuals and natural population decline (more deaths than births). Aging demographics are expected to cause the region's high unemployment rate to fall from 25.5% in 2017 to just over 15.0% by 2030, reducing labour availability for all employers in the region.

Seafood processing employment in the Burin, Newfoundland and Labrador region is expected to remain stable around 550 workers between 2017 and 2030. Local processors will likely need to hire nearly 300 additional workers between 2018 and 2030, driven entirely by the need to replace workforce retirements and deaths. This figure does not include turnovers which can add significantly to total annual recruitment demands.

POPULATION
10,866

LABOUR FORCE
5,758

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LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Burin 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	2	2	2	2	2	3
LOWER SKILL	3	3	3	3	3	3

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

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

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

3

HR CHALLENGES

As seafood processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing recruitment and retention issues, an aging workforce, older workers and computers, along with difficulty filling QA positions and maintaining a temporary call-in list.

SEAFOOD PROCESSING ESTABLISHMENTS

3[1]

SEAFOOD PROCESSING EMPLOYMENT

556[2]

1 The number of establishments is based on 2016 data from Statistics Canada's Business Register.

2 Seafood processing employment is estimated based on 2016 Census data for the South Coast-Burin Peninsula economic region.

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1.0 INTRODUCTION

This report is one in a series of 12 regional reports developed to provide detailed labour market information (LMI) for the fish and seafood processing industry in Atlantic 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 Fish and Seafood Workforce: Real Challenges, Practical Solutions and Fresh Perspectives.*

The overall study aims to identify the scope of human resource (HR) challenges for the Atlantic fish and seafood 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 fish and seafood processing for their local economies. Twelve regions across the four Atlantic provinces were selected for specific focus based on the amount of processing activity, and the proportion of labour force working in the industry. Burin Region in Newfoundland and Labrador was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the Burin Region, fish and seafood processing overall in the province of Newfoundland, and specifically in the Burin 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 Atlantic levels for the fish and seafood processing industry;
- A broad survey of fish and seafood processing facilities (n=100) across the Atlantic provinces covering approximately 69% 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 Burin Region, the study team collected information from one large plant (over 150 employees) that processes shellfish.

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

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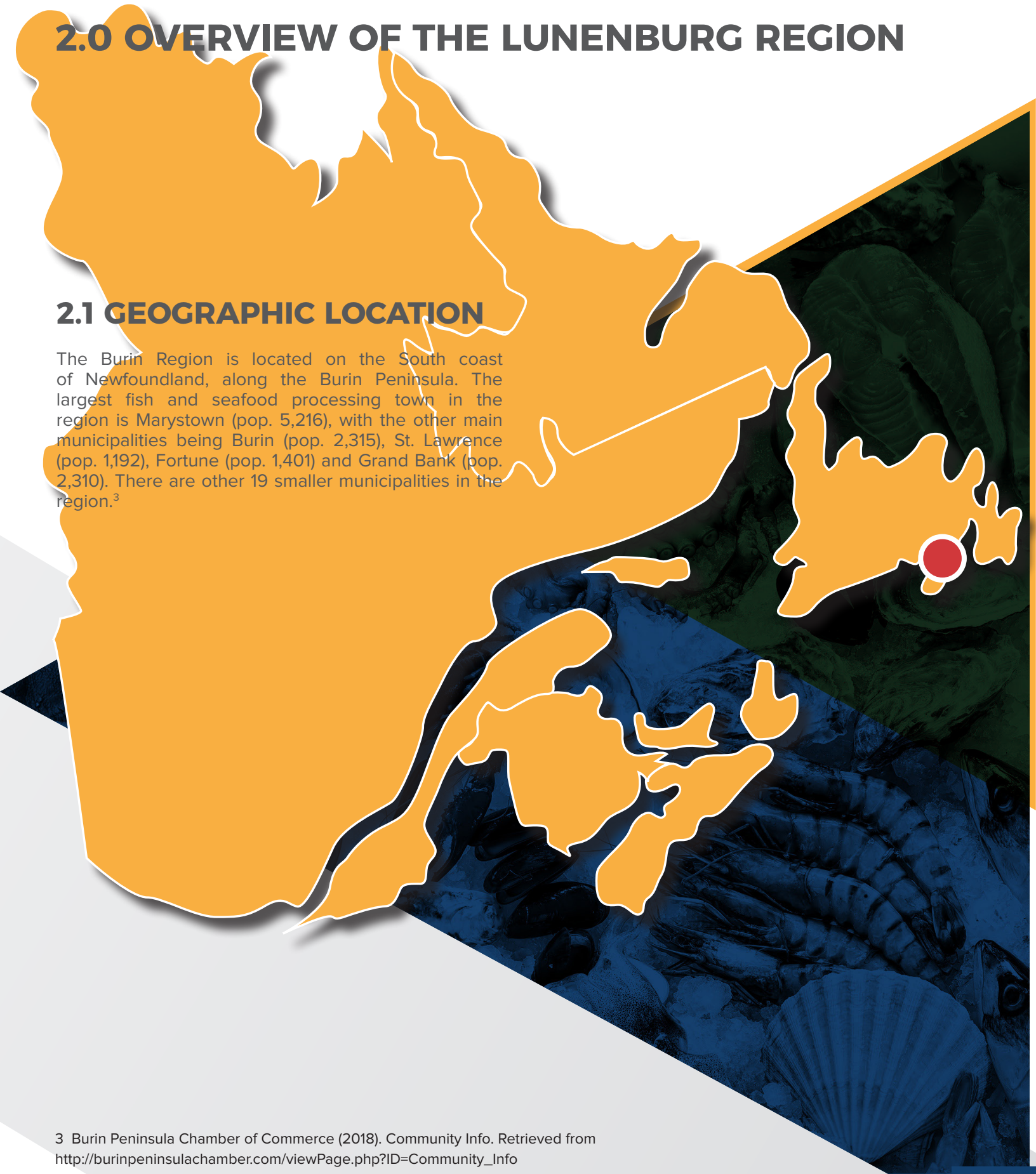
2.0 OVERVIEW OF THE LUNENBURG REGION



2.1 GEOGRAPHIC LOCATION

The Burin Region is located on the South coast of Newfoundland, along the Burin Peninsula. The largest fish and seafood processing town in the region is Marystown (pop. 5,216), with the other main municipalities being Burin (pop. 2,315), St. Lawrence (pop. 1,192), Fortune (pop. 1,401) and Grand Bank (pop. 2,310). There are other 19 smaller municipalities in the region.[3]

3 Burin Peninsula Chamber of Commerce (2018). Community Info. Retrieved from http://burinpeninsulachamber.com/viewPage.php?ID=Community_Info

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2.2 POPULATION CHARACTERISTICS

The population of Burin Region is aging, and not expected to grow substantially over the next decade. Compared to the province overall, the population has proportionally lower levels of immigrants, visible minorities, non-Canadian citizens and the population that identify as Aboriginal according to Census definitions.

The overall population for the region in 2017 was 10,866. According to Census 2016 profiles, the proportions of immigrants (1.0%), visible minorities (1.1%), non-Canadian citizens (0.8%) and the population that identify as Aboriginal according to Census definitions (1.3%) are lower than those overall for Newfoundland. (see Table 1).

TABLE 1: BURIN REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	LUNENBURG REGION	NOVA SCOTIA
FEMALE	5,395	265,790
SHARE OF POPULATION	50.5%	51.1%
IMMIGRANTS	110	12,075
SHARE OF POPULATION	1.0%	2.4%
NOT CANADIAN CITIZENS	85	9,090
SHARE OF POPULATION	0.8%	1.8%
VISIBLE MINORITIES	115	11,810
SHARE OF POPULATION	1.1%	2.3%
ABORIGINAL IDENTITY	135	45,725
SHARE OF POPULATION	1.3%	8.9%

Source: Census 2016

According to projections, the population levels are expected to decline during the forecast period, (10,900 in 2017 to 10,300 by 2030). Along with a declining population, the average age will increase over the coming decade: the cohort 65 years or older is expected to increase from 21.2% in 2017 to 29.9% by 2030 while the 15-34 cohort will decline from 18.4% to 16.2% (see Figure 1). Population growth will be negatively impacted by the continued aging of the population and increased number of deaths, a pattern of net out-migration of approximately 200 individuals, combined with a low birth rate will contribute to the region's declining population. Overall, the period under study will be impacted by the predicted larger numbers of deaths than births in the region, which, combined with net out-migration patterns during the first half of the project period, will result in a decline in population (see Figure 2).

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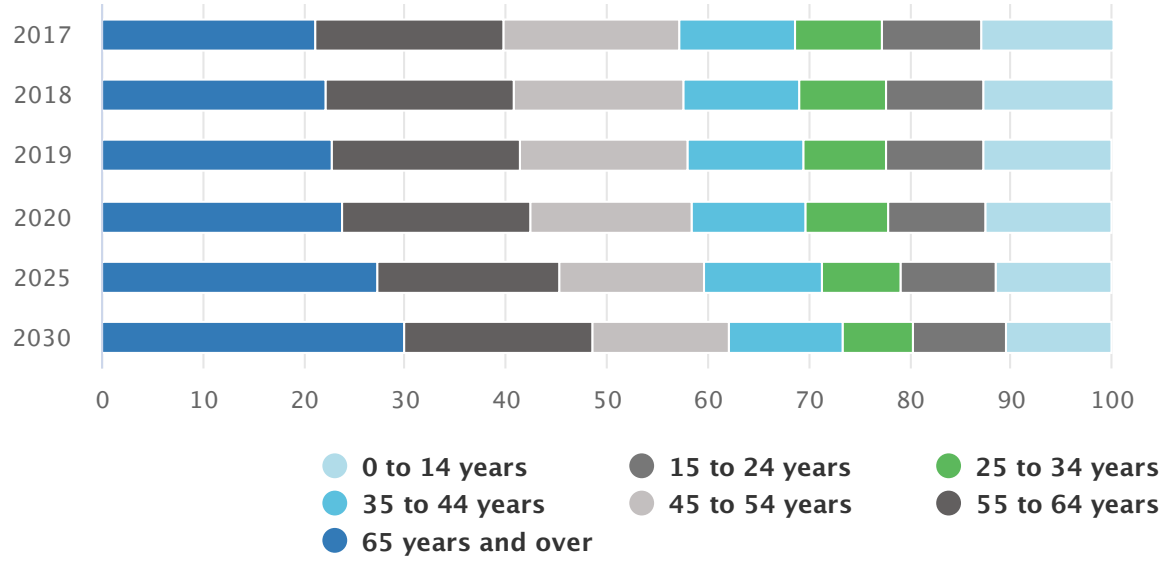


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

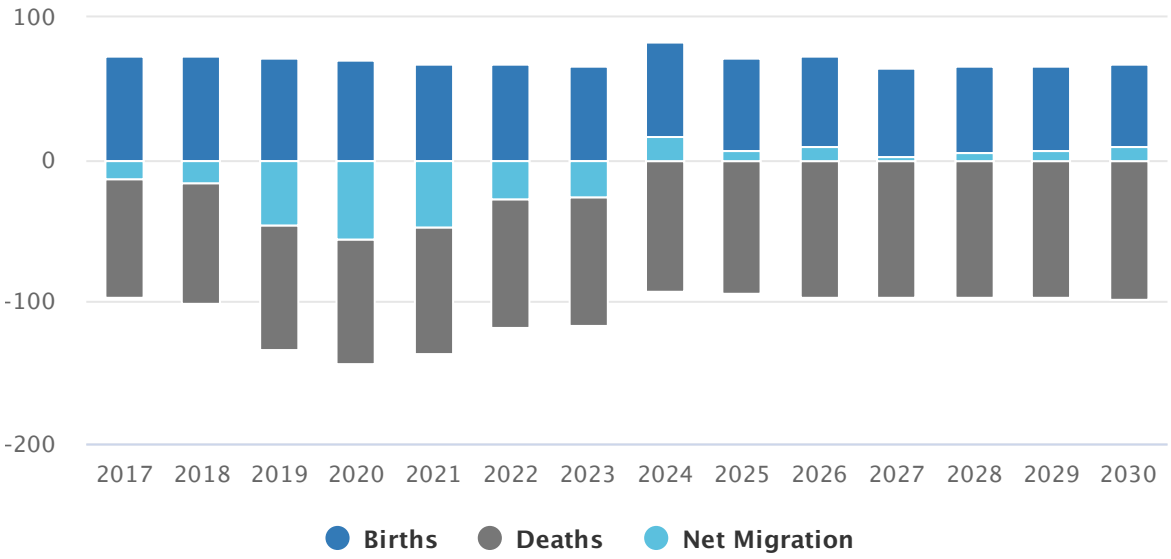


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

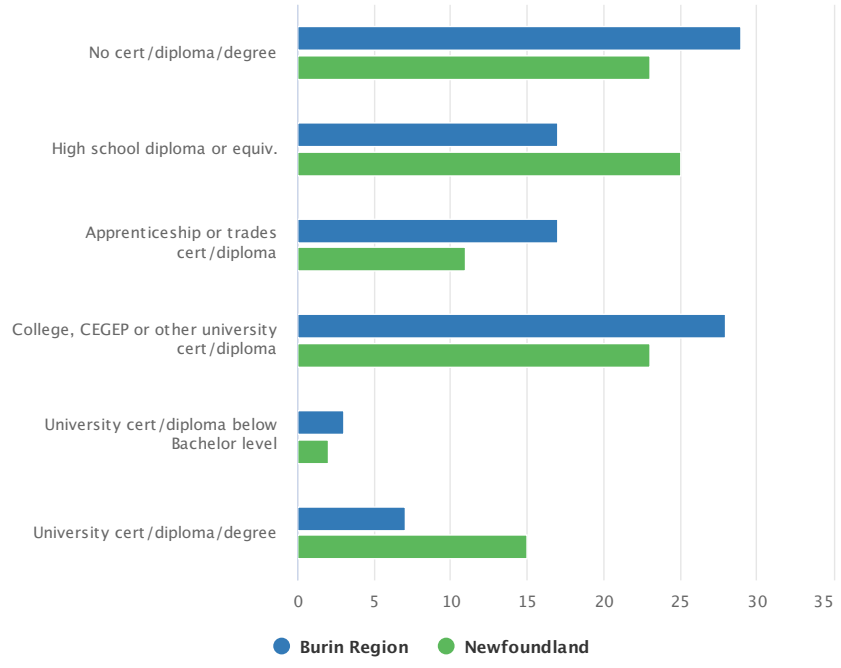
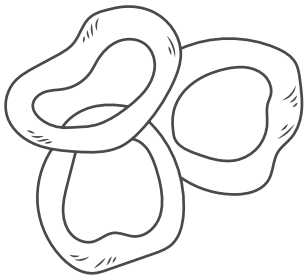


FIGURE 3: EDUCATIONAL ATTAINMENT – BURIN REGION AND NEWFOUNDLAND

The overall education level of the region's residents is somewhat lower when compared with Newfoundland overall (see Figure 3). Twenty-nine percent (29%) do not have a high school diploma (vs. 23% for the province), and 7% (vs. 15% for the province) have a university certificate, diploma or degree. From interviews, it was determined that part of this might be attributable to the ongoing out-migration from the region into often more urban centres by younger people who often have higher levels of education than older cohorts. This also corresponds to the aging demographics for the region.

3.0 OUTLOOK OF NEWFOUNDLAND FISH AND SEAFOOD PROCESSING



3.1 OVERALL PROVINCIAL ECONOMIC OUTLOOK

Newfoundland and Labrador's GDP was hit hard by the drop in oil prices in 2014-15, resulting in the provincial GDP falling. Real GDP bounced back in 2016-17 helped by strong growth in the energy sector. Oil-related exports are expected to help drive growth in the economy over most of the forecast period. Falling investment is expected to be offset by a full year of production at the Hebron offshore platform in 2018, leaving overall growth stagnant. GDP growth averages 0.5% over the medium term before increasing to 1.6% per year over 2022-26 as production at the White West Rose oil field helps to offset the end of production at Terra Nova, and the Voisey's Bay nickel mine extension comes online. Over the 2017-30 period, real GDP growth is anticipated to average 1.0%.

3.2 NEWFOUNDLAND SEAFOOD PRODUCT OUTLOOKS

The overall growth of real gross output (or total end-market demand) for prepared fish products is expected to accelerate over the forecast period after declining sharply on average over the 2013 to 2017 period to average 1.5% over the 2018-21 period, 2.6% over 2022-26 and 2.6% over the 2027-30 period. There are many reasons for the improvement in overall real gross output. There is expected to be a deceleration in the decline in overall consumption, and ultimately a reversal as population decline moderates and consumer demand for prepared fish products improves. International exports are expected to rise at a moderate pace throughout the forecast period as trading partner market growth is moderately strong and trade agreements encourage market penetration in the European Union and the members of the TPP trade pact. Interprovincial exports are expected to improve as consumer demand for processed fish products in other provinces increase. Interindustry demand also improves as the demand for processed fish inputs rises, primarily as a result of increased provincial food production.

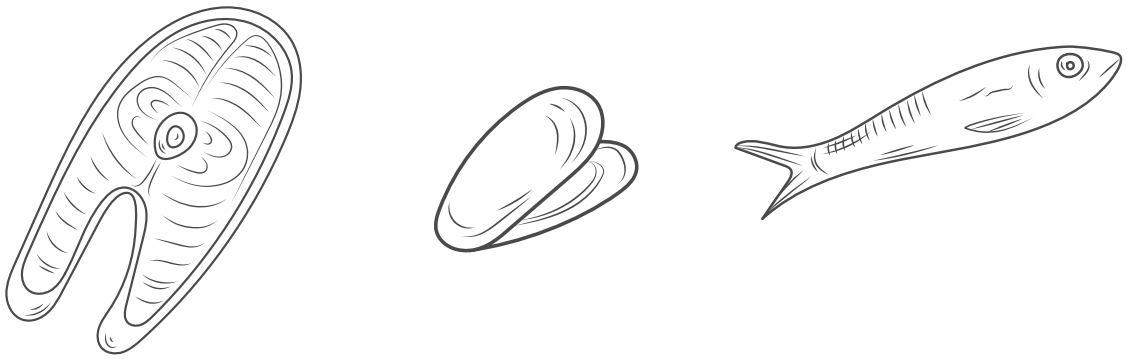
TABLE 2: NL PREPARED SEAFOOD END MARKET GROWTH (ANNUAL AVERAGE % CHANGE)

END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.8	-0.8	-0.3	0.0
International Exports	-8.2	1.6	2.5	2.6
Interprovincial Exports	-0.4	0.5	0.6	0.9
Interindustry Demand	-0.8	-0.4	1.6	1.7
Imports	-0.7	-0.5	0.0	0.3
Total End Market Demand	-7.9	1.5	2.6	2.6

3.3 SEAFOOD PROCESSING EMPLOYMENT OUTLOOK FOR NEWFOUNDLAND

Seafood processing employment is expected to remain near current levels of 1,500 workers (-0.7% change from 2018 to 2030) assuming the industry can sustain significant productivity gains. Seafood processing real GDP is forecast to expand by 1.3% on average over the 2018-21 period, then the pace of growth is expected to quicken to 2.4% on average over 2022-26 and 2027-30. Labour productivity (GDP per hour worked) is forecast to expand at 1.7% on average over the forecast period. In order to produce the forecasted output total hours of work is forecast to fall by -0.4% on average over 2018-21, and then increase by 0.6% and 0.7% on average over 2022-26 and 2027-30 respectively in order to produce the forecasted output. Average hours worked per employee is forecast to rise over the projection period by 0.4% on average, which leads to the total number of jobs falling by -0.8% over 2018-21, and then rising by 0.3% over 2022-26 and 0.3% over 2027-30.

Replacement demands (deaths and retirements) are expected to total 775 between 2017 and 2030. This represents the need to replace half (51%) 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, which can double or triple the actual number of annual new hires needed to sustain employment requirements.



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4.0 BURIN REGION FISH AND SEAFOOD PROCESSORS

4.1 EMPLOYERS

The region hosts three processors ranging in size, species processed, and types of processing.

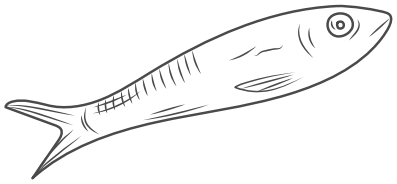
Overall, there are three fish and seafood processing establishments in the Burin Region[4]. The region has a large surf clam plant that runs almost year-round.

THE CURRENT INDUSTRY WORKFORCE IS CLOSE TO 1,100 WORKERS AT PEAK SEASON WITH MORE THAN 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 sector in the Burin Region in 2017 was 556 on average and rising to 1,093 at peak season[5] (see Table 3). Over two-thirds of all employed at the peak season (68%) were labourers (NOC 9618) or plant workers (NOC 9463).



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

5 Average employment refers to average monthly employment over the calendar year, while peak employment is the average number employed during the month with the highest employment during the year.

TABLE 3: PROFILE OF WORKERS BY OCCUPATIONS FOR BURIN REGION - 2017 (AVERAGE & PEAK)

	AVG 2017 (#)	AVG 2017 (%)	PEAK 2017 (#)	PEAK 2017 (%)	EXTRA NEEDED FOR PEAK
Total Employment	556	100%	1093	100%	537
FOUNDATIONAL (NOC 9618)					
Shellfish Processing Labourer	97	17%	240	22%	143
Fish Processing Labourer	71	13%	176	16%	105
INTERMEDIATE (NOC 9463)					
Shellfish Plant Worker	76	14%	189	17%	113
Fish Plant Worker	57	10%	140	13%	83
SUPERVISORY (NOC 9213)					
Supervisors	18	3%	18	2%	0
MANAGEMENT (NOC 0911; 0016)					
Management	16	3%	16	1%	0
OTHER CATEGORIES					
Maintenance	17	3%	23	2%	6
Skilled Trades	37	7%	56	5%	19
Quality Control Technician	10	2%	13	1%	3
Office Staff	27	5%	27	2%	0
Other Occupations	129	23%	193	18%	64

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

556

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

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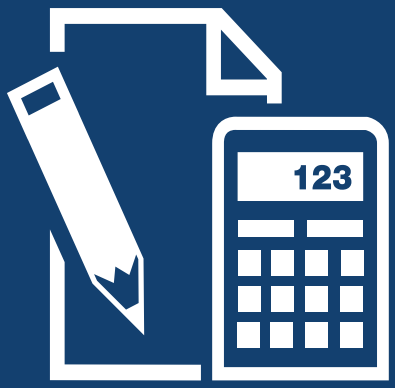

4.2.2 WAGES

Median hourly wages for shellfish/fish labourers are slightly above the provincial average, and median wages for shellfish/fish plant workers are slightly below the provincial average. Median wages for the South Coast-Burin Peninsula Region are higher than most other C and D level occupations available in the region.

The median hourly wage for shellfish/fish labourers (NOC 9618) in the South Coast-Burin Peninsula region[6] of Newfoundland in 2017 was $13.52/hour (see Table 4). The median wage for shellfish/fish plant workers (NOC 9463) was slightly higher at $14.20/hour. The median wage rate for shellfish/fish labourers (NOC 9618) is slightly lower than the provincial median rate ($13.70/hour), but rates for shellfish/fish plant workers (NOC 9463) at $14.00/hour are slightly higher than provincial median wage rates. To provide some context, the minimum wage in Newfoundland in 2017 was $11.00/hour.

When compared with other C&D Level Occupations in the same region, the median wages for shellfish/fish labourers and plant workers were generally higher by approximately $2.00/hour to $2.45/hour.

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

	Low Wage (10th percentile)	Median Wage (50th Percentile)	High Wage (90th percentile)
Shellfish/Fish Processing Labourer (NOC 9618)			
South Coast- Burin Peninsula (NL)	**11.40**	**13.52**	**19.45**
All Newfoundland	**11.78**	**13.70**	**16.05**
Avalon Peninsula (NL)	**11.50**	**13.70**	**16.00**
Shellfish/Fish Plant Worker (NOC 9463)			
South Coast- Burin Peninsula (NL)	**11.85**	**14.20**	**15.85**
All Newfoundland	**12.58**	**14.00**	**15.81**
Avalon Peninsula (NL)	**12.90**	**13.68**	**15.60**
Other C&D Level Occupations (NS)			
Retail Sales (NOC 6421)	**11.15**	**11.50**	**18.00**
Food Services (NOC 6711)	**11.15**	**11.75**	**20.00**
Cashier (NOC 6611)	**11.15**	**11.15**	**12.50**

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

6 The South Coast-Burin Peninsula Region of Newfoundland includes the Burin Region as well as some additional areas. Reliable wage data was only available for this slightly larger region.

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5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE NUMBERS ARE APPROXIMATELY 5,700. APPROXIMATELY ONE-QUARTER OF THE ADULT POPULATION WORKED IN A FULL-YEAR, FULL-TIME POSITION IN 2015.

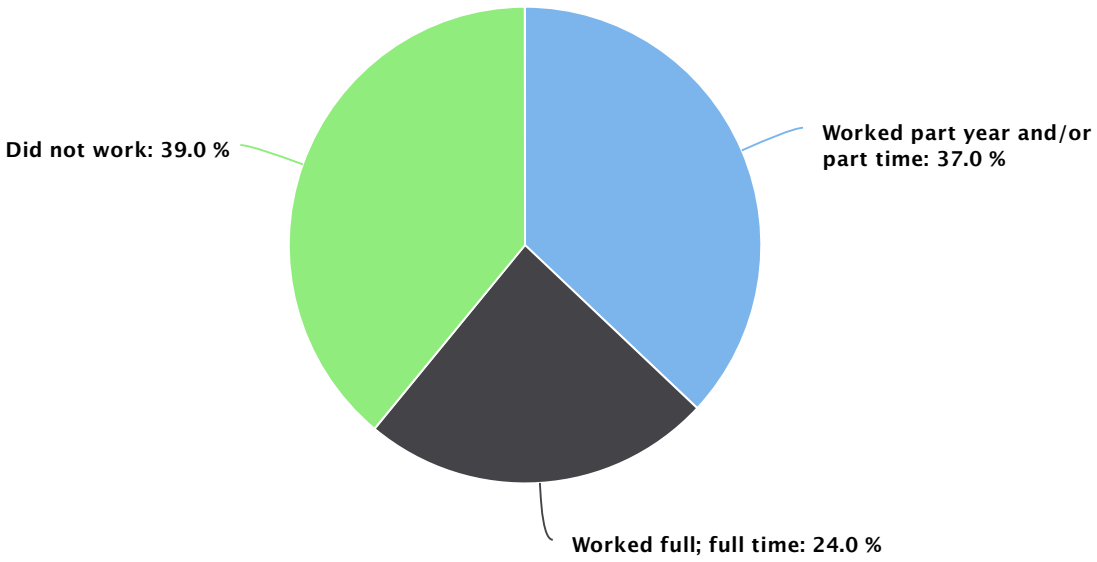
5.1 OVERVIEW OF LOCAL LABOUR FORCE

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 5,758 (out of a total population of 10, 866). The largest proportions of the labour force for the South Coast-Burin Economic Region (encompassing an area larger than Burin Region), work in health and social services (16% of the labour force), construction (12%), manufacturing (11% - includes fish and seafood processing) and retail trade (11%) (Census, 2016).

According to Census 2016 data, only one-quarter (24%) of the population 15 years or older worked full-time for the full-year (see Figure 4). A larger proportion worked part of the year and/or part-time (37%), while the same proportion (39%) reported not working in 2015.

FIGURE 4: WORK PATTERNS (15 YEARS AND OLDER) - BURIN REGION



Source: Census 2016

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TABLE 5: AVERAGE MONTHLY EI CLAIMANTS FOR BURIN REGION – 2014 TO 2016[7]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total (All Occupations)	**1,233**	**1,090**	**1,077**	**1,040**	**913**	**850**	**937**	**970**	**913**	**943**	**1,013**	**1,280**
Skill Level C & D*	**590**	**540**	**540**	**537**	**460**	**423**	**463**	**450**	**423**	**433**	**480**	**580**
Food Processing**	**47**	**43**	**47**	**27**	**20**	**10**	**13**	**13**	**23**	**23**	**13**	**23**

*includes intermediate jobs that usually call for high school and/or job-specific training (Skill Level C) & labour jobs that usually give on-the-job training (Skill Level D)

**includes the following occupations: manufacturing managers (NOC 0911); bakers (6,332); retail salespersons (6,421); material handlers (7,452); food and beverage processing supervisors (9,213); industrial butchers and meat cutters (9,462); fish and seafood plant workers (9,463); food and beverage processing labourers (9,617)

Source: Employment and Social Development Canada 2017

7 Monthly EI beneficiaries as reported in the table represent the average number of beneficiaries in the month between 2014 and 2016.

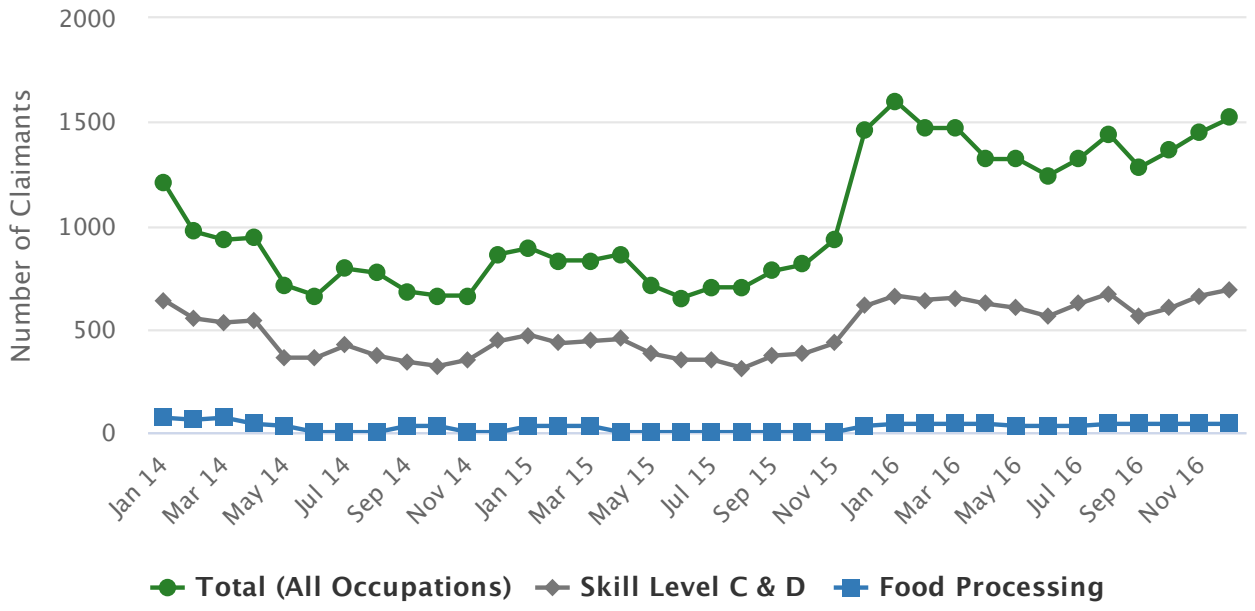
5.1.2 UNEMPLOYMENT

The unemployment rate for the region in 2017 was 25.5% on average, but monthly the rate experiences considerable fluctuations from a low of 13.2% to a high of 55.0%. According to Census data, approximately one-fifth (23.3%) of the population 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 region, the average monthly number of EI claimants in food processing sectors across three years demonstrates the seasonality of the number of EI claimants ranging from an average low of 10 in June to close to 50 in the months of January and March (see Table 5). Figure 5 also demonstrates the seasonality of the number of EI claimants with the cyclical pattern illustrated to be similar across the three years of available data (2014-2016) with increasing numbers of claimants occurring each of the three years (+34% change for overall claims on an annual average for this period).

THE AVERAGE UNEMPLOYMENT RATE FOR THE REGION IN 2017 WAS 25.5%, WITH CONSIDERABLE MONTHLY FLUCTUATIONS GIVEN THE SEASONALITY OF MANY OF THE INDUSTRIES.

FIGURE 5: MONTHLY EI CLAIMANTS FOR BURIN REGION – 2014 TO 2016



> **THERE HAS BEEN LIMITED OUTREACH TO INDIGENOUS COMMUNITIES BY THE EMPLOYERS INTERVIEWED FOR THIS PROJECT GIVEN THAT LABOUR SUPPLY NEEDS ARE MET BY THE LOCAL COMMUNITY.**

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

The proportion of immigrants in the Burin Region is slightly lower when compared with Newfoundland overall (1.0% vs. 2.4%). The plant interviewed was not using the TFWP. Recent immigrants to the region did not make up a large proportion of their workforce.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

The Burin Region includes one Indigenous community (Miawpukek First Nation) South of Gander with a total population living on-reserve of approximately 841. In addition, there is a small proportion of the population (1.3% in Census 2016; 135 individuals) in the Burin Region who identify as Aboriginal according to Census definitions. In interviews with plants in the Region, there were no specific outreach activities or partnership development with local Indigenous communities.

> **Currently, recent immigrants and temporary foreign workers play a limited role in addressing labour supply issues in the fish and seafood processing industry in Burin Region.**

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

ACCORDING TO THE OVERALL LABOUR MARKET ANALYSES, 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, INCREASING TOWARDS THE SECOND HALF OF THIS PERIOD. FOR THE FISH AND SHELLFISH PROCESSORS, THIS SHORTAGE IS MOST SEVERE DURING THE PROCESSING PEAK SEASON.

TABLE 6: POPULATION AND LABOUR FORCE OUTLOOK SUMMARY: BURIN REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	10,866	10,837	10,775	10,701	10,553	10,413
Avg. Annual Change (%)		-0.3%	-0.6%	-0.7%	-0.4%	-0.3%
Total Labour Force	5,758	5,693	5,601	5,472	5,267	5,089
Avg. Annual Change (%)		-1.1%	-1.6%	-2.3%	-1.0%	-0.6%
Total Employment	4,290	4,222	4,212	4,182	4,199	4,245
Avg. Annual Change (%)		-1.6%	-0.2%	-0.7%	0.2%	0.2%
Unemployment Rate	25.5%	25.8%	24.8%	23.6%	20.3%	16.6%

The model projections indicate that taking into account the trends in out-migration, and aging population, the Burin Region will experience a slight decline in population within the period under study (2017 to 2030) (see Table 6). These factors will also contribute to a decline in the size of the labour force: falling from 5,758 in 2017 to approximately 5,089 in 2030. Unemployment rates are expected to decline from an average of 25.5% to 16.6% based on increased opportunities, but a smaller 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 seafood processing in the identified regions. This was calculated by estimating labour requirements in other sectors in the region (non-seafood-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 seafood processing needs to draw. Not all of the seafood 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 seafood 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-seafood processing and seafood processing).

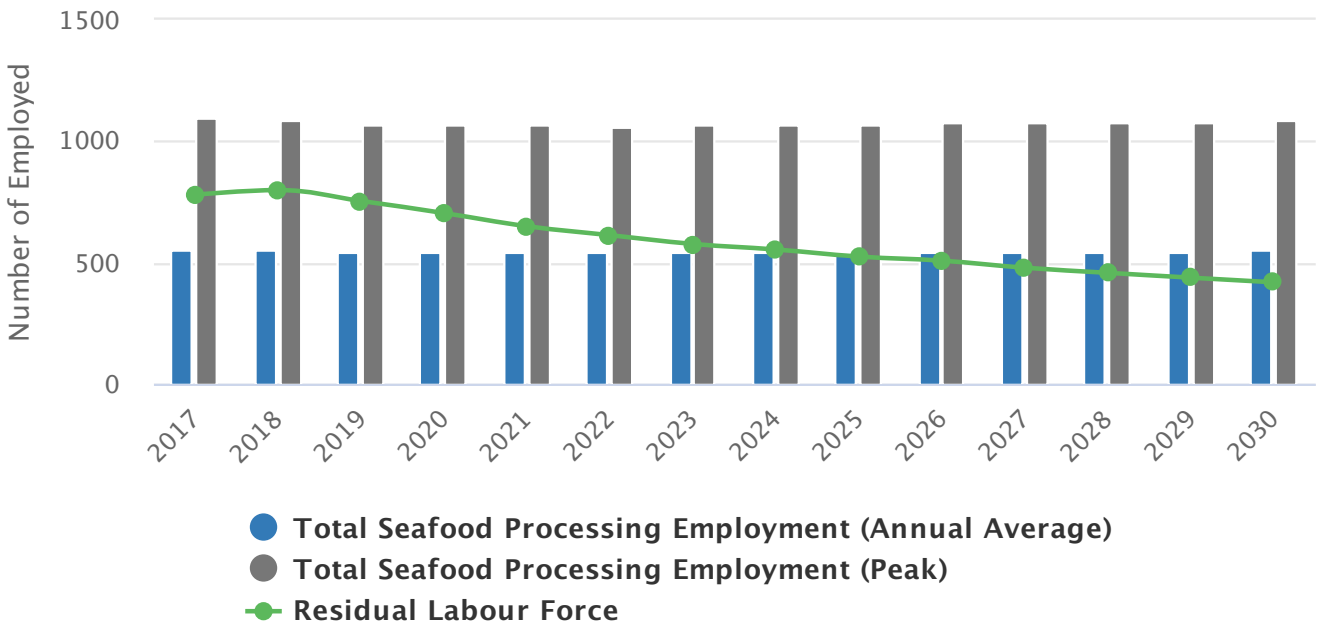
As illustrated in Table 7 and Figure 6, the Total Seafood Processing Employment (Annual Average) is smaller than the Residual Total Labour Force, but Total Seafood Processing Employment is higher than the Residual Total Labour Force during peak season. This suggests that there is currently (2017) enough local labour force to meet all the region's labour requirements (for all industries) on average during the year, but that an overall gap is observed during peak periods. This trend continues all the way through to 2030, with the labour market tightening even more towards the second half of this period.

The analysis outlined in Table 7 and Figure 6 describes the labour market context within which the fish and seafood processors are operating with respect to finding sufficient numbers of workers from the local labour supply. Within this tight, competitive labour market, the industry employers have had some success recruiting. For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 1,093 within a labour market that had a residual total labour force of only 779. This means that the seafood processing industry was likely recruiting workers from other industries, and potentially recruiting workers from outside the local region.

TABLE 7: TOTAL LABOUR MARKET TIGHTNESS – BURIN REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [8]	5,758	5,693	5,601	5,472	5,267	5,089
Total Non-Seafood Processing Labour Requirement [9]	4,979	4,895	4,848	4,769	4,684	4,654
Residual Total Labour Force[10]	779	798	753	703	583	459
Total Seafood Processing Employment (Annual Average)	556	553	543	543	543	548
Total Seafood Processing Employment (Peak)	1,093	1,086	1,067	1,067	1,068	1,077

FIGURE 6: TOTAL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE – BURIN REGION – 2017-2030



8 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.

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

10 The residual labour force is the difference between the labour force and the non-seafood processing labour requirement.

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As noted in the description of the occupations, approximately two-thirds 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. As well, these occupations are noted among plant managers as the most challenging concerning recruitment and retention. 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 8 and Figure 7). The tightness of lower-skill level labour market is higher than for the labour market overall. For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 678 workers within a labour market that had a residual total labour force of only 285. This means that the seafood processing industry was likely recruiting workers from other industries, and potentially recruiting workers 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 8: LOWER-SKILL LABOUR MARKET TIGHTNESS: BURIN REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force [11]	2,006	1,983	1,951	1,906	1,834	1,772
Lower-Skill Non-Seafood Processing Labour Requirement	1,721	1,680	1,659	1,624	1,590	1,603
Residual Lower-Skill Labour Force	285	303	292	281	244	205
Lower-Skill Seafood Processing Employment (Annual Average)	345	342	336	335	355	340
Lower-Skill Seafood Processing Employment (Peak)	678	672	660	659	658	669

11 The lower-skill labour force is the portion of the total labour force with no education beyond a high school diploma.

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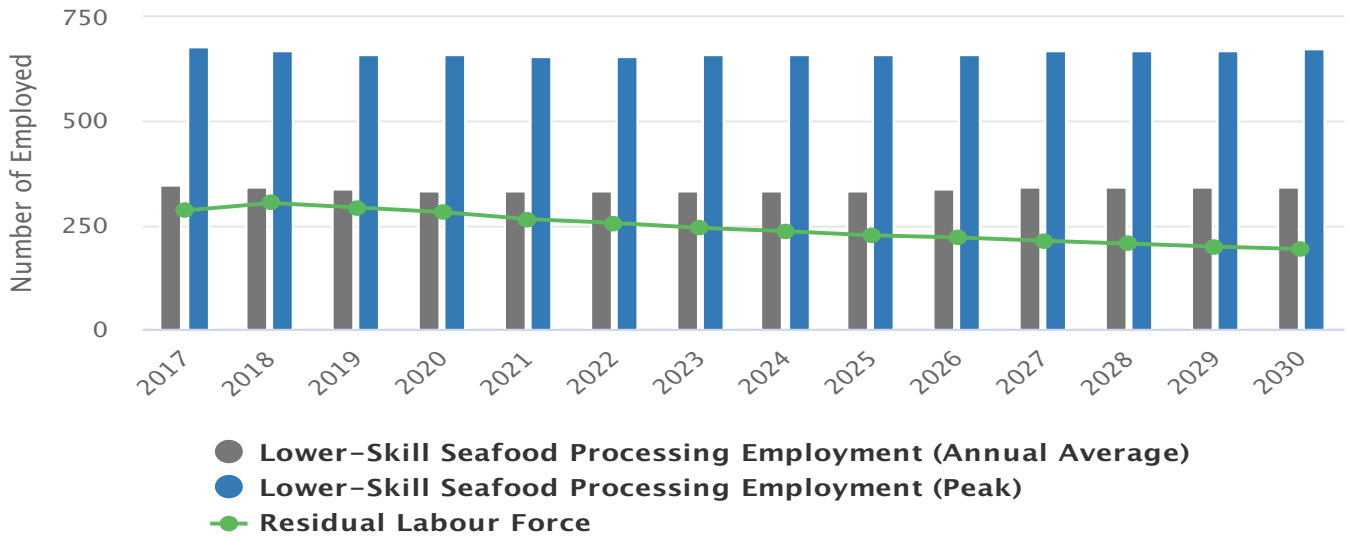
FIGURE 7: LOWER-SKILL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE – BURIN REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Burin Region (Table 9) demonstrates that the local labour force is able to meet the employment requirements of employers in the area at only total average levels, specifically between 2017 and 2024. Beginning in 2025, the local labour force will be unable to meet employment requirements. For lower-skill occupations, the labour force is unable to meet employment requirements at average or peak 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 9: SUMMARY OF LABOUR MARKET TIGHTNESS: BURIN REGION – 2017-2030

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

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

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

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

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6.2 NUMBER OF WORKERS REQUIRED

Within a very tight labour market, projections indicate that the Burin Region employers will need to attract approximately 284 new workers to the fish and seafood processing industry by 2030. This is equivalent to approximately 51% of their current annual average workforce. This requirement is due to the replacement of anticipated retirements over this period while considering projected industry growth and labour productivity gains. 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 seafood processing (estimated at 12% in Atlantic 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 turnover rate of 40% for Atlantic Canada in seafood processing industry). All of these factors contribute to the substantial challenges facing Burin Region seafood 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 while there will be some shedding of jobs in the short term (2017-2018) due to negative industry growth, but as of 2020, there will be a need for increased numbers of new hires, due to the need for replacements and anticipated retirements and deaths among the workforce (see Table 10). Overall, this results in the need to attract 284 new workers to the industry between 2018 and 2030. This equates to replacing approximately 51% of the 2017 average seafood processing workforce in the region.

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TABLE 10: HIRING REQUIREMENT OUTLOOK: BURIN REGION – 2017-2030

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[12]	-191	20	13	23	111	117
Industry Growth	-214	-3	-10	0	2	7
Retirements and Mortality	23	23	23	23	109	110

The employment outlook according to occupation is detailed in Table 11 (Annual Average) and Table 12 (Peak).

TABLE 11: EMPLOYMENT OUTLOOK (ANNUAL AVERAGE): BURIN REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	556	553	543	543	543	548
Shellfish Processing Labourer	97	96	94	95	95	95
Fish Processing Labourer	71	71	69	69	69	70
Shellfish Plant Worker	76	76	75	75	75	75
Fish Plant Worker	57	56	55	55	55	56
Supervisors	18	18	18	18	18	18
Maintenance	17	17	17	17	17	17
Skilled Trades	37	37	37	37	37	37
Quality Control Technician	10	10	10	10	10	10
Management	16	16	16	16	16	16
Office Staff	27	27	26	26	26	27
Other Occupations	129	128	126	126	126	127

12 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 Atlantic seafood processors is 40%.

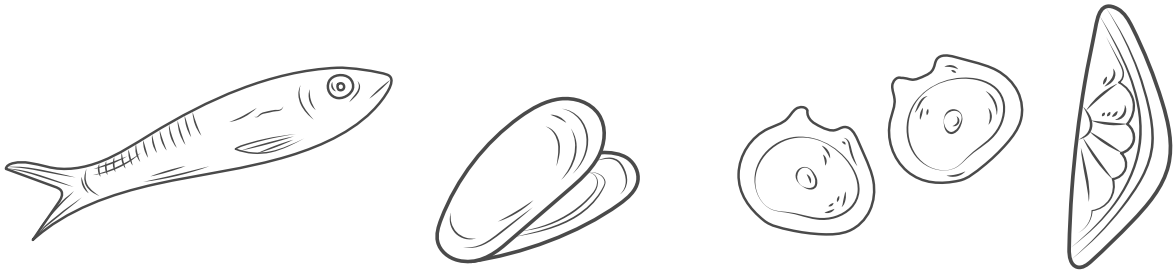

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TABLE 12: EMPLOYMENT OUTLOOK (PEAK): BURIN REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	1,093	1,086	1,067	1,067	1,068	1,077
Shellfish Processing Labourer	240	239	234	234	235	237
Fish Processing Labourer	176	175	172	172	172	174
Shellfish Plant Worker	189	188	185	185	185	187
Fish Plant Worker	140	140	137	137	137	138
Supervisors	18	18	18	18	18	18
Maintenance	23	22	22	22	22	22
Skilled Trades	56	56	55	55	55	55
Quality Control Technician	13	12	12	12	12	12
Management	16	16	16	16	16	16
Office Staff	27	27	26	26	26	27
Other Occupations	193	192	189	189	189	191

7.0 OVERVIEW OF HR ISSUES ENCOUNTERED

Interviews with plant managers in the region outlined various HR issues that they have experienced in an 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 the various plants in this region. Main themes include:

Recruitment

The plant interviewed did not have any major issues with recruiting. It is a large, unionized plant that runs approximately 10-11 months out of the year. As a result, it is often the employer of choice among the small number of fish plants still operating in the area, with the other plants running considerably shorter seasons.

Retention issues

Overall, employee turnover is also not a major issue for the plant interviewed. 90% of their employees have been at the plant for 25 years or longer. They do experience some challenges recruiting and retaining staff in the skilled trades (e.g., engineers, refrigeration) which they attribute primarily to their location in a small town, rural setting. In addition, there is some turnover experienced with the staff who are hired for overnight work (sanitation crews) as they prefer to move on to the regular production lines. As positions open up on the production lines, they often move to those positions if possible requiring additional recruiting efforts to replace them on the night shifts.

Aging workforce

One challenge noted in interviews with the plant manager was that they have an aging workforce with anticipated retirements upcoming over the next 5-7 years. The average age of their workforce is 57 years old. The manager recognizes that they are in an aging community, with many of the younger people migrating out to more urban areas for education and employment opportunities.

Older workers and computers

One challenge the plant has experienced is having older workers be comfortable working with computers on the lines (e.g., scanning codes). These positions carry an extra bonus ($0.25/hour) and more opportunities to advance, as many of the older workers are reluctant to take on these positions.

QA positions

The QA positions can at times be challenging to fill from the regular workforce as they are viewed as “enforcement” and as a result are not that popular. They are considered “management,” but their pay and benefits follow the collective agreement (although they do not belong to the union).

Maintaining a temporary call-in list

They have more recently had some challenges maintaining many people on their temporary call-in list because they cannot necessarily guarantee the 14 weeks needed to have them qualify for EI. As a result, these workers are seeking out other opportunities that will ensure that they qualify for EI each year.

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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:

WORD-OF-MOUTH RECRUITING

The plant interviewed indicated that their most successful approach to recruiting is through word-of-mouth with existing employees. The plant is generally viewed as an employer of choice in the community, so it is not challenging at this point to fill positions as they become available.

EI ADJUSTMENTS

Currently, the plant interviewed operates approximately 42-48 weeks per year with employees having 6-8 weeks off. The plant manager indicated that all processing employees have open EI claims that allows them to collect benefits when the plant is not processing, or they are not called to work. This is facilitated with the EI adjustments that allow for workers to claim their best 14 weeks of pay as the basis for their claim. This allows for more flexibility for both the employer and employees compared to the previous requirement of the last 14 weeks as the basis of pay which would have made it more challenging to find workers at various times (e.g., workers would not want to work the slower weeks which would reduce their claim amounts).

PROVIDING TRANSPORTATION

The plant interviewed indicated that they have provided transportation to workers from nearby communities, as needed.

OFFERING LONG-TERM, STABLE EMPLOYMENT

The plant manager indicated that they are viewed as an employer of choice in the region because they offer steady, stable employment of approximately ten months per year. Most of the other plants in the area and other employment opportunities are seasonal, and not as stable.

USE OF TECHNOLOGY

The plant has invested in some areas of technology and automation which has resulted in an elimination of approximate 15-20 jobs. They note that there is room for a bit more automation, but not a lot more that will have an impact on the size of the workforce.

WORKPLACE ETHOS

The plant manager interviewed reported that one of the main reasons that they have fewer HR challenges than other plants is that they have a "workforce and environment with a fabulous ethos." They have a workforce who care about each other and the quality of the product that they produce. They recognize that it can be a stressful environment at times, but they "do not operate using blame."

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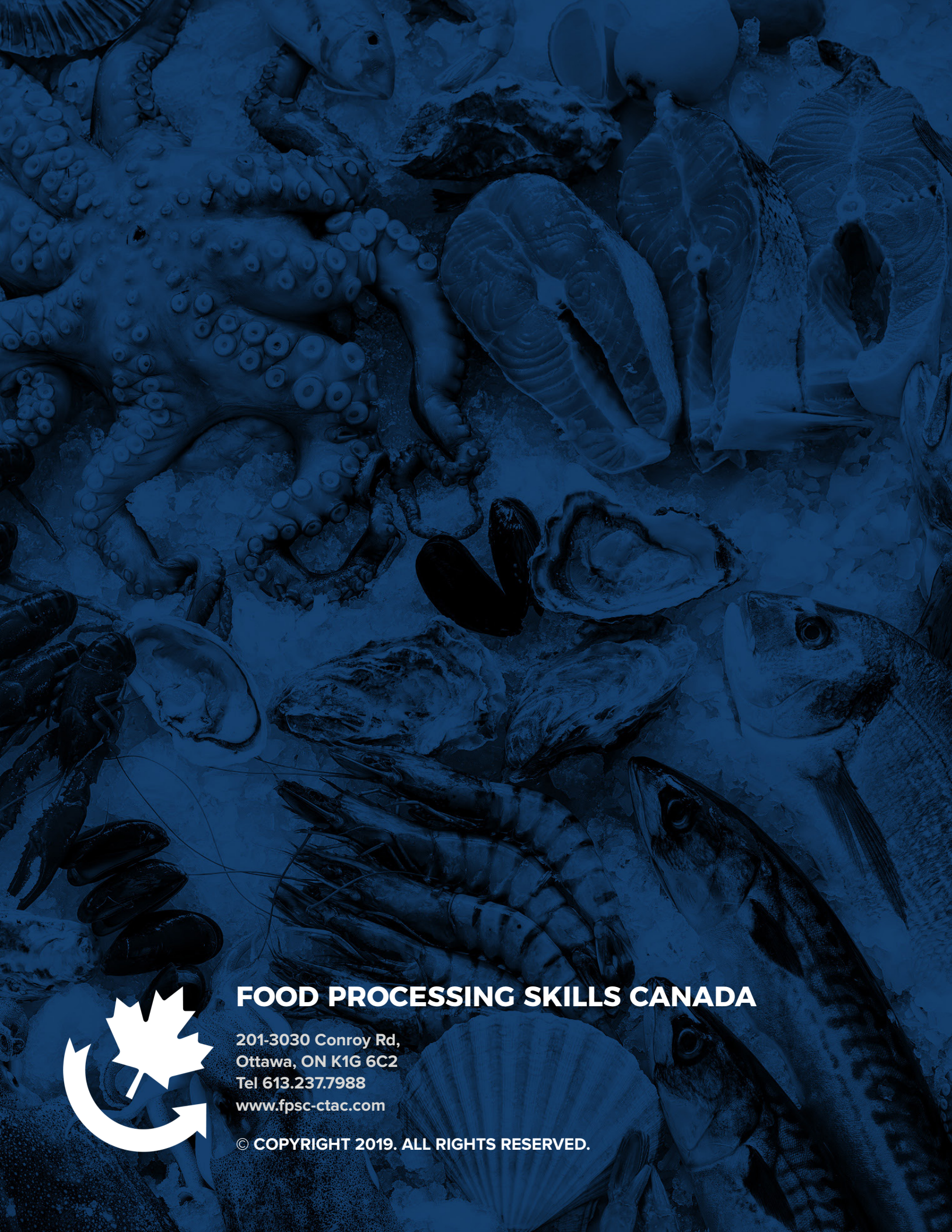

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