Securing Canada's FISH + SEAFOOD Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Kent-Westmorland Region
New Brunswick

FPSC
FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S
FISH + SEAFOOD
WORKFORCE

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SUMMARY

REGIONAL OVERVIEW

The Kent-Westmorland Region is located in southeastern New Brunswick on the Northumberland Strait and includes the urban centre of Moncton (pop. 144,810) and smaller communities such as Richibucto (pop. 1,266), Shediac (pop. 7,184), Bouctouche (pop. 1,722), Cap Pelé (pop. 2,425) and Wellington (pop. 3,079). Currently, median hourly wages for shellfish/fish labourers and plant workers are slightly below the provincial average, and lower than most other C and D level occupations available in the region. The proportion of immigrants in the region is higher when compared with New Brunswick overall (5.2% versus 4.6%).

LABOUR MARKET OVERVIEW

Regional labour market analysis suggests seafood processing employment demand is potentially met by the available local labour supply, but peak demands for lower-skilled workers are likely to exceed supply by 2022. Seasonal peaks in seafood processing employment in New Brunswick can raise demand by (69%) above the annual average employment. Another potential challenge for processors is attracting potentially available workers from the Moncton area. Excluding this portion of the workforce shrinks the available workforce significantly. The significantly higher vacancy rates (7.2%) in the province's food processing sector suggests competing demands from other industries is the principle cause of labour market challenges for seafood processors in the region.

The region's population is expected to rise slightly over the decade, assuming modest in-migration in the latter half of the decade. Aging demographics are expected to cause the unemployment rate to fall significantly over the coming decade, reducing labour availability for all employers in the region.

Seafood processing employment in the region is expected to increase slightly from 1,865 workers in 2017 to 1,934 by 2030. Accounting for replacement demand (retirements or death), local processors will likely need to hire 1,100 workers over the same period, nearly 60% of the current workforce. This figure does not include turnovers, which can add significantly to total annual recruitment demands.

POPULATION

196,524

LABOUR FORCE

113,493

LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in the Kent-Westmorland Region and subtracting those requirements from the total labour force estimates, reveals a sufficient labour force to meet all of the region's labour requirements (for all industries). Given the decreases in the labour force coupled with a rise in employment, the estimated surplus presents a decreasing trend all the way through to 2030.

Labour Market Tightness Rating	2017	2018	2019	2020	AVG 2021 TO 2025	AVG 2026 TO 2030
Total	1	1	1	1	1	1
Lower-Skill	1	1	1	1	2	2

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

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

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

1

SEAFOOD PROCESSING ESTABLISHMENTS

23[1]

SEAFOOD PROCESSING EMPLOYMENT

1,865[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 Southern (NS) economic region.

HR CHALLENGES

As seafood processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout this region include ongoing recruitment pressures, especially with longer fishing seasons and greater fishing quotas in recent years. Other issues include an aging workforce, retention issues with new employees, absenteeism in busy months and competition amongst local processors for low-skill level labourers. In some plants, labour shortages are having a detrimental impact on production. Projections indicate that employers will need to attract more than 1,100 new workers by 2030 and will face substantial challenges in replacing anticipated retirements and high numbers of vacancies and turnover.

PROMISING PRACTICES AND INNOVATIONS

Collectively, employers in the region are trying various approaches to address the challenges with labour supply and retention by integrating temporary foreign workers into communities and sponsoring them for permanent residency, offering part-time work to older employees (65 years old or older), offering compensation based on performance and recruiting international students to fill seasonal peaks.

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 aim of the overall study is 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 proportion of labour force working in the industry. Kent-Westmorland in southeastern New Brunswick was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the Kent-Westmorland Region, fish and seafood processing overall in the province of New Brunswick, and specifically in the Kent-Westmorland 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 Kent-Westmorland Region, the study team collected information from three plants ranging from medium (100 to 200 employees) to large (more than 200 employees) with different types of product and processing.**

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE KENT-WESTMORLAND REGION

2.1 GEOGRAPHIC LOCATION

The Kent-Westmorland region is located in southeastern New Brunswick, on the Northumberland Strait and includes the urban centre of Moncton (pop.144,810). Outside the main urban area, the region is characterized by small communities such as Richibucto (pop. 1,266), Shediac (pop. 7,184), Bouctouche (pop. 1,722), Cap Pelé (pop. 2,425) and Wellington (pop. 3,079). The region is recognized for its fishing and seafood processing industry as well as a tourism destination
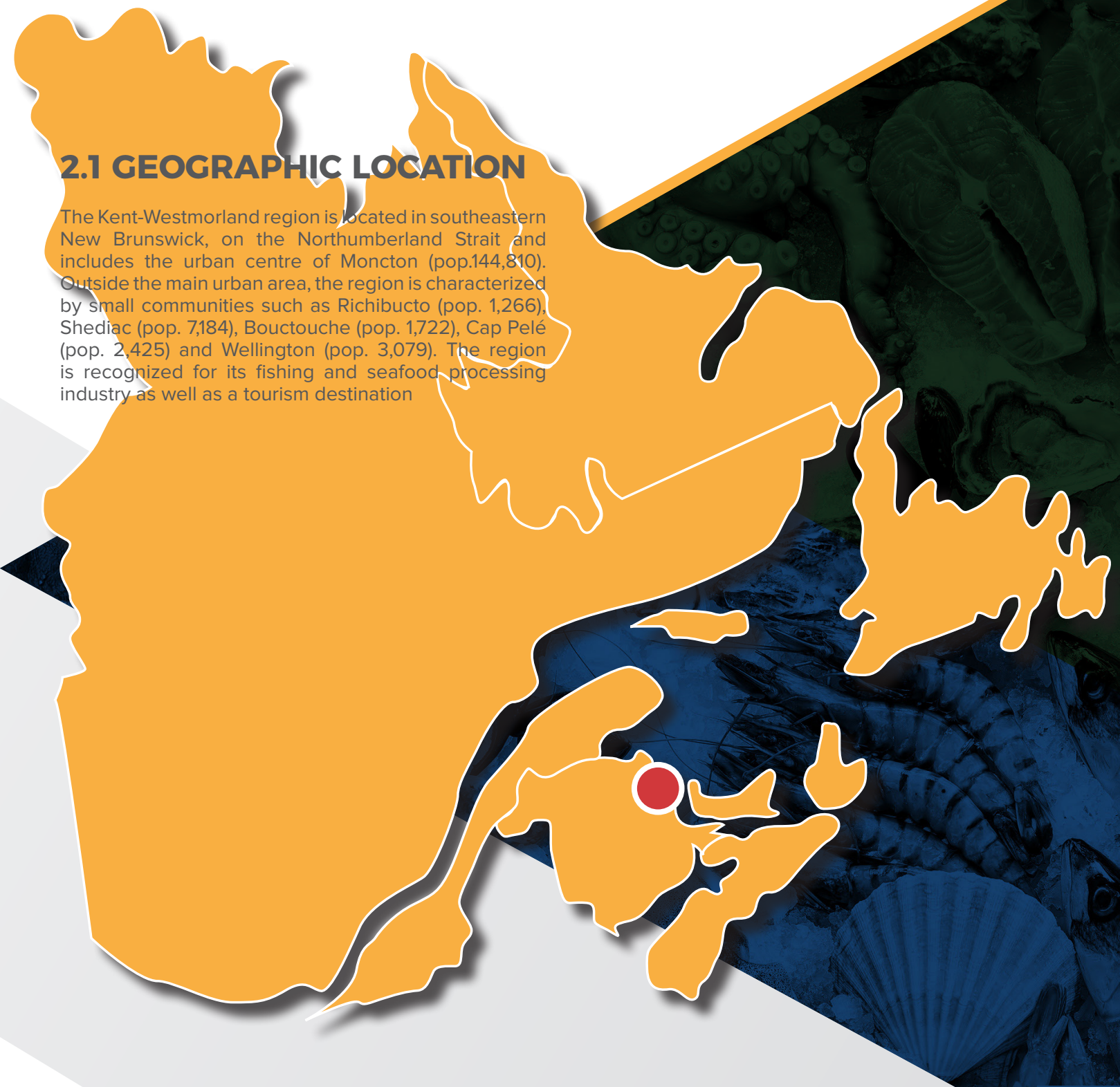
2.2 POPULATION CHARACTERISTICS

The population of Kent-Westmorland Region is aging and expected to grow by approximately 3,000 people over the next decade. Compared to the province overall, the population has proportionally higher number of immigrants and non-Canadian citizens, but lower proportions of visible minorities and of people identifying as Aboriginal (according to Census definitions).

The overall population for the region in 2017 was 196,524. According to Census 2016 profiles, the proportions of immigrants (5.2%) and non-Canadian citizens (3.4%) exceed those observed overall for New Brunswick, but the proportion of the population that identifies as a visible minority (2.0%) or as Aboriginal according to Census definitions (2.8%) are lower than those observed for the province overall (see Table 1). The higher proportion of immigrants and non-Canadian citizens is likely influenced by the city of Moncton being included in the region, as these population groups are more likely to find a place of residence and work closer to urban centres.

TABLE 1: KENT-WESTMORLAND POPULATION CHARACTERISTICS

CHARACTERISTIC	KENT-WESTMORLAND REGION	NEW BRUNSWICK
FEMALE	**9,890**	**381,745**
SHARE OF POPULATION	50.9%	51.1%
IMMIGRANTS	**9,760**	**33,810**
SHARE OF POPULATION	5.2%	4.6%
NOT CANADIAN CITIZENS	**6,490**	**19,930**
SHARE OF POPULATION	3.4%	2.7%
VISIBLE MINORITIES	**385**	**24,535**
SHARE OF POPULATION	2.0%	3.4%
ABORIGINAL IDENTITY	**5,275**	**29,380**
SHARE OF POPULATION	2.8%	4.0%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years, reaching 197,000 by 2020 and surpassing 199,000 by 2030. Although the total population will grow slightly, it will be an aging population with the proportion of the age cohort 65 years or older rising from 19.8% in 2017 to 27.2% by 2030 (see Figure 1). The main driver of population growth will be births – estimated at 26,000 over the forecast period – with little impact from net migration (see Figure 2).

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

Legend:
- 0 to 14 years
- 15 to 24 years
- 25 to 34 years
- 35 to 44 years
- 45 to 54 years
- 55 to 64 years
- 65 years and over
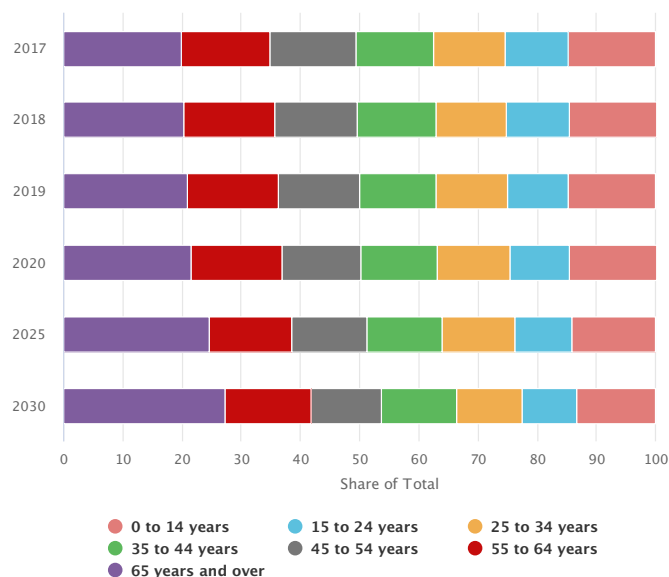
FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

Legend: Births, Deaths, Net Migration
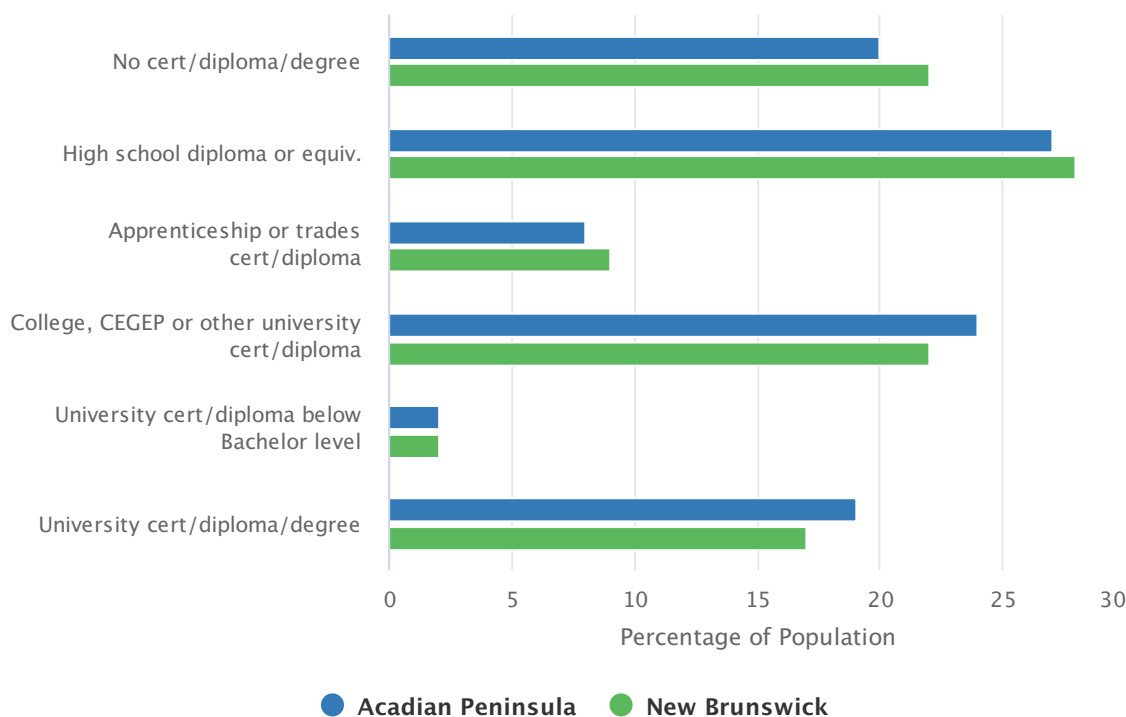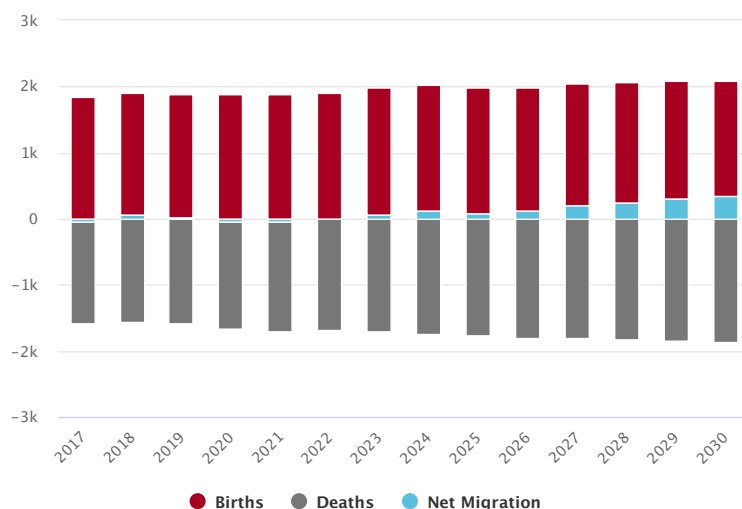
FIGURE 3: EDUCATIONAL ATTAINMENT – KENT-WESTMORLAND & NEW BRUNSWICK

Legend: Acadian Peninsula, New Brunswick

The overall education level of the region's residents is quite similar to that observed in New Brunswick overall (see Figure 3). Twenty per cent (20%) do not have a high school diploma

(vs. 22% for the province) and 19% (vs. 17% for the province) have a university degree (bachelor level or greater). The high levels of education presented below are influenced by the city of Moncton that is included in the analysis. From the interviews, it was determined that individuals with higher education levels tend to look for work in the urban centre.

3.0

OUTLOOK OF NEW BRUNSWICK FISH AND SEAFOOD PROCESSING
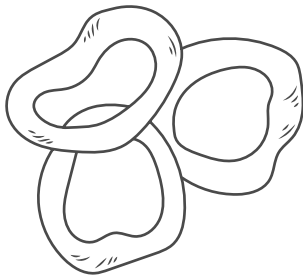
3.2 NEW BRUNSWICK SEAFOOD PRODUCT OUTLOOKS

Seafood processing real GDP is forecast to expand by 0.2% on average over the 2018-2021 period, then the pace of growth is expected to quicken to 1.1% on average over 2022-2026 and 2027-2030. Overall consumption growth is expected to see a reversal from an outright decline over 2013-2017 to increasingly positive albeit slow growth as consumer demand for prepared fish products improves. International exports are expected to rise slowly over the forecast period as export market growth is modest, but on the positive side of the ledger, trade agreements will encourage market penetration in the European Union and in the members of the TPP trade pact. Interprovincial exports are expected to improve modestly as consumer demand in other provinces gain from the trend toward more processed fish consumption. Interindustry demand also improves as the demand for prepared fish inputs rises, primarily as a result of increased provincial food production.

3.1 OVERALL PROVINCIAL ECONOMIC OUTLOOK

GDP in New Brunswick grew by 1.9% in 2017, boosted by strong government capital investment and current spending. As government investment enters its downward phase in the next few years, growth in business investment helps to offset its effect on GDP. The result is average overall growth of 0.8% during 2017-21. In the long-term, the tightening labour market drives up wages and personal income growth, which in turn stimulates consumer expenditures. Business investment also drives growth in the long-term, as investment related to the Mactaquac hydro dam replacement ramps up. GDP growth averages 1.1% per year over 2022-2026 and 1% over 2027-2030.

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

END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.7	0.1	0.4	0.6
International Exports	0.3	0.1	1.1	1.1
Interprovincial Exports	-0.2	0.5	0.6	0.8
Interindustry Demand	2.8	1.0	0.7	0.5
Imports	-0.7	0.1	0.4	0.6
Total End Market Demand	0.6	0.2	1.1	1.1

3.3 SEAFOOD PROCESSING EMPLOYMENT OUTLOOK FOR NEW BRUNSWICK

Seafood processing employment is expected to rise from current levels of 5,200 workers to 5,400 jobs by 2030 assuming the industry can sustain assumed productivity gains. Production labour (processing and plant workers) constitute nearly 6-in-10 (62%) jobs. Labour productivity (GDP per hour worked) is forecast to average 0.2% over the projection period. Coupled with seafood processing real GDP growth, this means that total hours of work are forecast to rise by 0.0% on average over 2018-2021, and then increase by 0.8% over 2022-2026 and 2027-2030. Average hours worked per employee is forecast to rise by 0.3% on average over the projection period, which leads to the total number of jobs falling by 0.3% over 2018-2021, and then rising by 0.5% over 2022-2026 and 2027-2030.

Replacement demands (deaths and retirements) are expected to total 2,245 between 2017 and 2030. Taking account of both replacement and expansion demands, the industry will likely need to need to hire slightly more than 2,550 new workers, or (46%) 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.
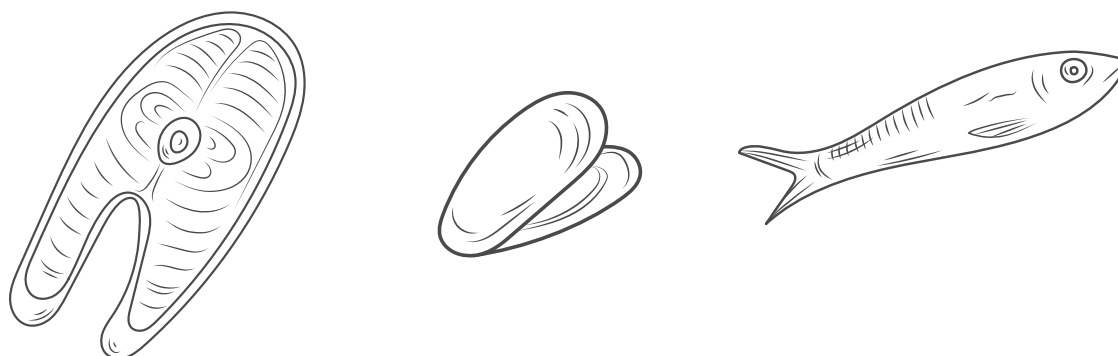
4.0 KENT-WESTMORLAND REGION FISH AND SEAFOOD PROCESSORS

4.1 EMPLOYERS

The region hosts 23 processors ranging in size, species processed and types of processing.

Overall, there are 23 fish and seafood processing establishments in the Kent-Westmorland Region[3]. Species processed include lobster, crab, scallops and mussels. As noted on the map in Section 1, most of these establishments are relatively small (under 50 employees) with a few notable larger facilities. Most of the plants operate on a seasonal basis.

THE CURRENT INDUSTRY WORKFORCE IS MORE THAN 3,100 WORKERS AT PEAK SEASON WITH APPROXIMATELY THREE-QUARTERS 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 Kent-Westmorland Region in 2017 was 1,865 on average and rising to 3,159 at peak season[4] (see Table 3). Close to three-quarters employed at the peak season (74%) were labourers (NOC 9618) or plant workers (NOC 9463). This distribution was confirmed during interviews where plants made large recruitment efforts during the peak season to ensure sufficient numbers of labourers and plant workers would be available to meet their requirements. The labourer positions do not generally require previous experience or training and are often the entry-level position for many of the plants. The plant worker jobs generally require some experience in the industry (6-12 months) with on-the-job training (e.g., operating specific pieces of equipment). 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. y.
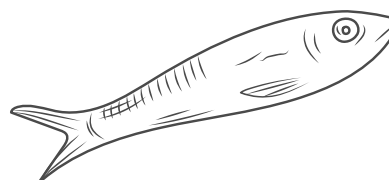
3. Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.
4. Average employment refers to average monthly employment over the calendar year, while peak employment is the average number employed during the month with the highest employment during the year.

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

	AVG 2017 (#)	AVG 2017 (%)	PEAK 2017 (#)	PEAK 2017 (%)	EXTRA NEEDED FOR PEAK
Total Employment	1,865	100%	3,159	100%	1,294
FOUNDATIONAL (NOC 9618)					
Shellfish Processing Labourer	569	31%	1,138	36%	569
Fish Processing Labourer	228	12%	456	14%	228
INTERMEDIATE (NOC 9463)					
Shellfish Plant Worker	262	14%	524	17%	262
Fish Plant Worker	106	6%	212	7%	106
SUPERVISORY (NOC 9213)					
Supervisors	87	5%	87	3%	0
MANAGEMENT (NOC 0911; 0016)					
Management	46	2%	46	1%	0
OTHER CATEGORIES					
Maintenance	55	4%	80	3%	14
Skilled Trades	88	5%	106	3%	18
Quality Control Technician	13	1%	16	1%	3
Office Staff	79	4%	79	3%	0
Other Occupations	319	17%	415	13%	96

* this includes occupations in areas such as transport, logistics, material handlers that do not fall within the main NOC codes identified above.
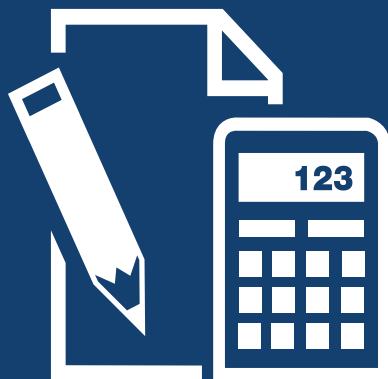
1,865

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

4.2.2 UNIONIZATION

The seafood processing workers in the area are not unionized.

The unionization data available for review indicated that there were currently no unionized workers in the plants in this region.

4.2.3 WAGES

Median hourly wages for shellfish/fish labourers and plant workers are slightly below the provincial average and lower than most other C and D level occupations available in the region.

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)			
Moncton-Richibucto Region (NB)	11.55	13.00	16.84
All New Brunswick	11.55	13.35	15.40
Campbellton-Miramichi Region (NB)	11.55	12.50	14.29
Saint John — St. Stephen Region (NB)	11.75	14.49	18.00
Shellfish/Fish Plant Worker (NOC 9463)			
Moncton-Richibucto Region (NB)	11.25	12.00	16.85
All New Brunswick	11.25	12.75	19.26
Campbellton-Miramichi Region (NB)	11.77	12.55	19.26
Saint John — St. Stephen Region (NB)	11.93	14.42	15.85
Other C&D Level Occupations (NS)			
Farm Worker (NOC 8431)	11.25	14.00	17.50
Deckhand, Fishing (NOC 8441)	N/A	N/A	N/A
Retail Sales (NOC 6421)	11.25	12.00	19.23
Food Services (NOC 6711)	11.325	11.25	14.00
Cashier (NOC 6611)	11.25	11.25	14.00

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

The median hourly wage for shellfish/fish labourers (NOC 9618) in the Moncton-Richibucto Region[5] of New Brunswick in 2017 was $13/hour (see Table 4). The median wage for shellfish/fish plant workers (NOC 9463) was lower at $12/hour. These wage rates are both slightly lower than the provincial median rates ($13.35/hour and $12.75/hour respectively) and median rates in other regions in the province, except for the case of shellfish/fish labourers whose median wage rate is very similar in both the regions of Moncton-Richibucto and Campbellton-Miramichi. To provide some context, the minimum wage in New Brunswick in 2017 was $11/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 slightly higher or on par. The one exception was for farm workers (NOC 8431), which earn a higher median hourly wage ($14/hour).

Interviews with plant managers reveal that wages in this industry have been increasing in recent years. For instance, one plant reports a 14% increase in wages in the past three years. Entry-level wages in the plants visited are generally $12/hour. In addition, hourly wage data does not capture performance bonuses offered for speed and quality, which may increase hourly wages by $6 to $7. Workers may also have access, depending on the plant, to pension plans and other benefits.

5. The Moncton-Richibucto economic region of New Brunswick includes the Kent-Westmorland Region as well as some additional areas. Reliable wage data was only available for this slightly larger region.

5.0

REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE NUMBERS ABOUT 113,500. APPROXIMATELY ONE-THIRD 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 113,493 (out of a total population of 196,524). The largest proportions of the labour force for Shediac, Cap-Pelé and Beaubassin region work in manufacturing (20% of the labour force, which includes fish and seafood processing), retail trade (10%), health and social services (12%) and public administration (10%).

According to Census 2016 data, more than one-third (36%) of the population 15 years or older worked full time for the full-year (see Figure 4). Close to one-third worked part of the year and/or part time (32%), while a similar proportion (32%) reported not working in 2015. This is consistent with the information collected from interviews, which indicated that much of the private sector-based employment in the region, excluding the urban centre of Moncton, is seasonal (e.g., tourism, retail, fish harvesting, agriculture). It is challenging for people to find full-time, year-round employment, which is often more characteristic of the public-sector opportunities in the area (e.g., health, education) and who would be more commonly offered in the Moncton area.

Did not work: 32.0 %

Worked part year and/or part time: 32.0 %
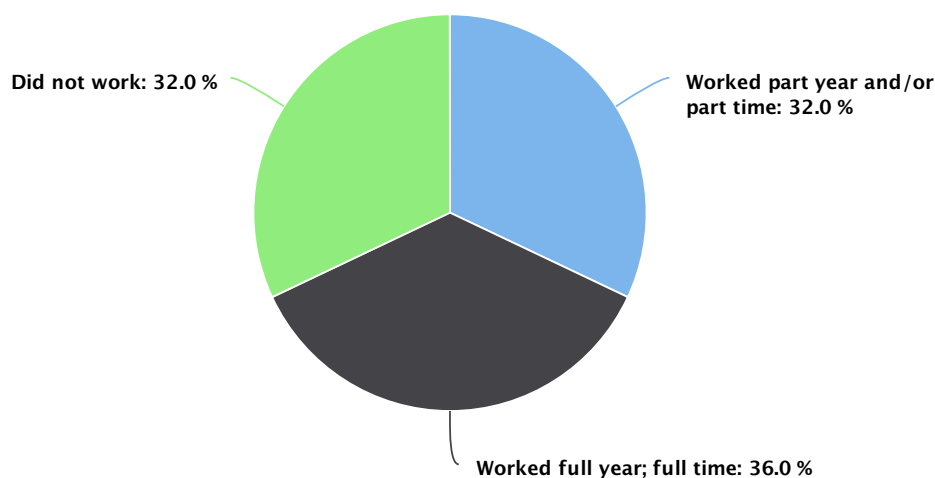
FIGURE 4: WORK PATTERNS (15 YEARS OR OLDER) – KENT-WESTMORLAND REGION

Source: Census 2016

Worked full year; full time: 36.0 %

6.   This is a group of communities in the Kent-Westmorland region, excluding the urban centre of Moncton.
7.   Campbell, David (Jupia Consultants Inc.) for the New Brunswick Multicultural Council (2018). Shediac and Cap-Pelé in 2030.

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 8.6%, with considerable monthly fluctuations given the seasonality of many of the industries.

The unemployment rate for the region in 2017 was 8.6% on average, but monthly the rate experiences considerable fluctuations from a low of 2.1% to a high of 18%. According to Census data, more than one-tenth (11.6%) 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 423 in the month of September to approximately 730 in February, March and April (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 slightly higher numbers of claimants occurring in 2016 (+3.8% for overall claims on an annual average for this period; +15.1% for food processing).

TABLE 5: AVERAGE MONTHLY EI CLAIMANTS FOR KENT-WESTMORLAND REGION — 2014 TO 2016[8]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total (All Occupations)	6,813	6,630	6,857	6,627	5,587	4,867	5,380	5,037	4,377	4,683	5,317	6,530
Skill Level C & D*	4,283	4,193	4,340	4,183	3,477	2,983	3,307	3,057	2,587	2,857	3,260	4,060
Food Processing**	703	733	727	733	557	437	583	523	423	527	563	647

*includes intermediate jobs that usually call for high school and/or job-specific training (Skill Level C) and 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
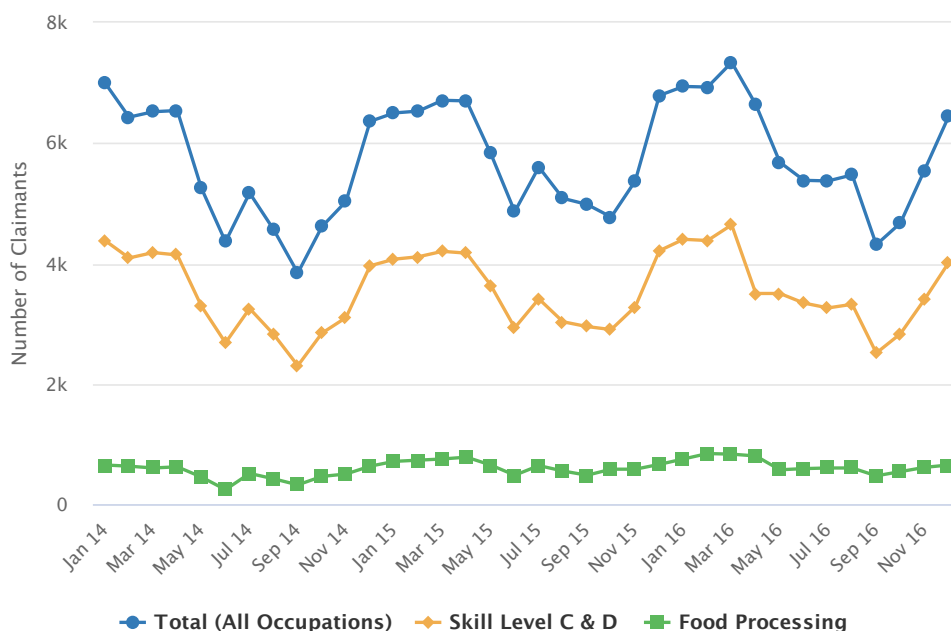

FIGURE 5: MONTHLY EI CLAIMANTS FOR KENT-WESTMORLAND REGION — 2014 TO 2016

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

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5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

The proportion of immigrants in the Kent-Westmorland Region is higher when compared with New Brunswick overall (5.2% vs. 4.6%), which is partially influenced by the urban centre of Moncton. In addition, plant managers interviewed report relying heavily on the Temporary Foreign Workers Program (TFWP) as a significant source of labour for the region's plants. There are more than 600 TFWs working with plants in the region, which represents approximately 20% of the workforce during the peak season. The use of this program varies from plant to plant, in some cases with TFWs representing approximately 30% of the workforce.

With the region impacted by the labour market in the Moncton area, employers compete heavily for local workers and have turned to the TFWP as a mechanism to address the issue. Being involved in the program requires major investment, including travel costs, support for finding housing, etc. In some plants, a human resources position has been created within the company dedicated to managing this type of worker particularly when it represents a large percentage of their workforce. Foreign workers are hired for six to nine months from various countries, including Mexico, the Philippines, China, Vietnam and Jamaica. The level of commitment by foreign workers is an incentive for plant managers to hire them. For instance, one plant manager highlights that the absenteeism rate among foreign workers is much lower than among local workers (3% versus 30 to 35%, respectively). TFWs are, for the most part, integrating well into the communities.

On the other hand, efforts to attract new immigrants have not been as successful. One plant manager reports an initiative in 2017, where they contacted 13 potential candidates newly arrived from Syria. Eight visited the plant, four applied for a position, three started work.

Of those three, one completed one work day, one completed one work week and just one completed the full season. Word of mouth is expected to help improve recruitment from that particular community.

> **Currently, the temporary foreign worker program plays a key role in helping plants address labour supply issues in the fish and seafood processing industry in the Kent-Westmorland Region. Temporary foreign workers represent approximately 20% of workers during peak season.**

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

Plant managers have undertaken efforts to attract workers from Indigenous communities with limited success.

The Kent-Westmorland region includes three Indigenous communities (Fort Folly, approximately 60 km south of Cap-Pele and Shediac; as well Buctouche MicMac and Elsipogtog First Nation both near Richibucto). In addition, more than 5,000 individuals in the Kent-Westmorland region identify as Aboriginal, according to Census definitions (Census 2016).

Some plants have undertaken efforts to recruit and retain members from Indigenous communities. For instance, one plant collaborated with Service Canada in a pilot project where 10 members of an Indigenous community received skill-and-work readiness training and had the opportunity to learn about the working conditions of the plant before they were employed. Out of 10 individuals hired, four completed the season. The plant manager involved in this pilot expressed satisfaction with the initiative and would welcome continued funding for it. Another plant manager regularly posts job openings and meets with the band but has experienced little success in attracting Indigenous workers. The distance from the Indigenous communities to those plants closer to Cap-Pelé and Shediac seems to be a barrier to attracting workers from these communities.

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

ALTHOUGH LABOUR MARKET TIGHTNESS ESTIMATES SUGGEST THAT THERE IS A SURPLUS OF WORKERS IN THE REGION, THIS ESTIMATE IS HEAVILY IMPACTED BY THE PRESENCE OF THE CITY OF MONCTON. EMPLOYERS IN FISH PROCESSING PLANTS REPORT FACING HEAVY COMPETITION FROM AN URBAN LABOUR MARKET, OFFERING OPPORTUNITIES IN LIGHT MANUFACTURING OR THE SERVICE INDUSTRY, WHICH LIMITS THEIR ABILITY TO ATTRACT WORKERS.

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	196,524	196,867	197,171	197,394	198,091	199,248
Avg. Annual Change (%)		0.2%	0.2%	0.1%	0.1%	0.1%
Total Labour Force	113,493	113,845	113,850	113,496	113,296	112,372
Avg. Annual Change (%)		0.3%	0.0%	-0.3%	-0.1%	-0.1%
Total Employment	103,745	104,067	104,301	104,550	105,694	106,238
Avg. Annual Change (%)		0.3%	0.2%	0.2%	0.3%	0.1%
Unemployment Rate	8.6%	8.6%	8.4%	7.9%	6.7%	5.5%

The model projections indicate that considering the trends in out-migration and aging population, the Kent-Westmorland Bandon Region will have some population growth within the period under study (2017 to 2030) (see Table 6). Given the aging population, the labour force is expected to contract from approximately 113,800 in 2018 to 112,372 by 2030. As a result, unemployment rates are expected to decline from an average of 8.6% to 5.5% given the expected decreases in the labour force coupled with increases in total employment.

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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 and Peak) is smaller than the Residual Total Labour Force. From the model results, this suggests that there is currently (2017) sufficient labour force to meet all of the region's labour requirements (for all industries). Given the decreases in the labour force coupled with a rise in employment, the estimated surplus presents a decreasing trend all the way through to 2030.
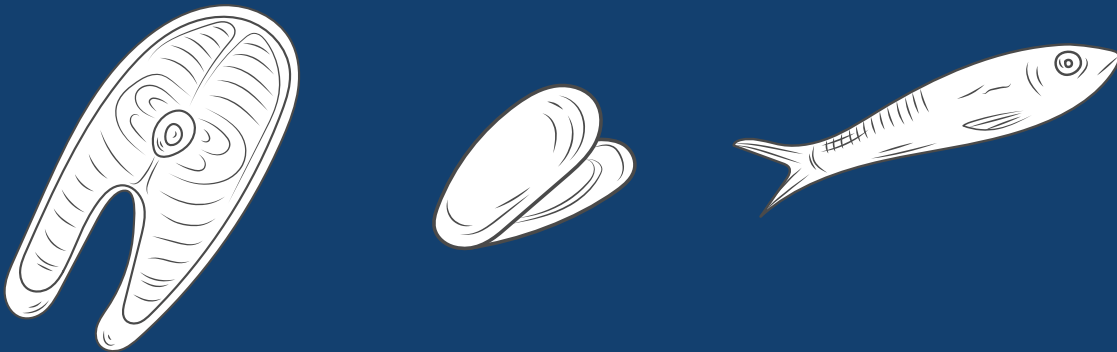
TABLE 7: TOTAL LABOUR MARKET TIGHTNESS: KENT-WESTMORLAND REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [9]	113,493	113,845	113,850	113,496	113,296	112,372
Total Non-Seafood Processing Labour Requirement [10]	107,131	107,457	107,613	107,658	108,343	108,394
Residual Total Labour Force [11]	6,362	6,388	6,238	5,838	4,952	4,038
Total Seafood Processing Employment (Annual Average)	1,865	1,861	1,834	1,844	1,874	1,924
Total Seafood Processing Employment (Peak)	3,159	3,152	3,106	3,123	3,175	3,260

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

● Total Seafood Processing Employment (Annual Average)
● Total Seafood Processing Employment (Peak)

9. 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.
10. Non-seafood processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.
11. The residual labour force is the difference between the labour force and the non-seafood processing labour requirement.
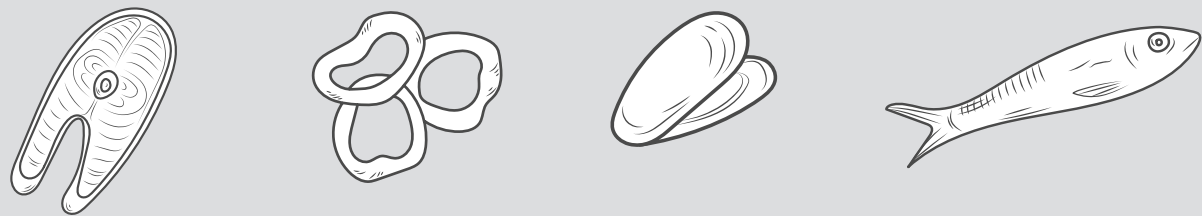
TABLE 8: LOWER-SKILL LABOUR MARKET TIGHTNESS – RICHMOND REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force [12]	46,380	46,524	46,526	46,382	46,300	45,922
Lower-Skill Non-Seafood Processing Labour Requirement	43,793	43,927	43,982	44,002	44,284	44,311
Residual Lower-Skill Labour Force	2,588	2,597	2,544	2,380	2,016	1,680
Lower-Skill Seafood Processing Employment (Annual Average)	1,291	1,289	1,270	1,277	1,298	1,333
Lower-Skill Seafood Processing Employment (Peak)	2,188	2,183	2,151	2,163	2,199	2,258

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

As noted in the description of the occupations, close to three quarters 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 with respect to recruitment and retention. Given much of the focus is on the lower-skill labour force, the study also analyzed the "tightness" of the lower-skill labour market (see Table 8 and Figure 7).
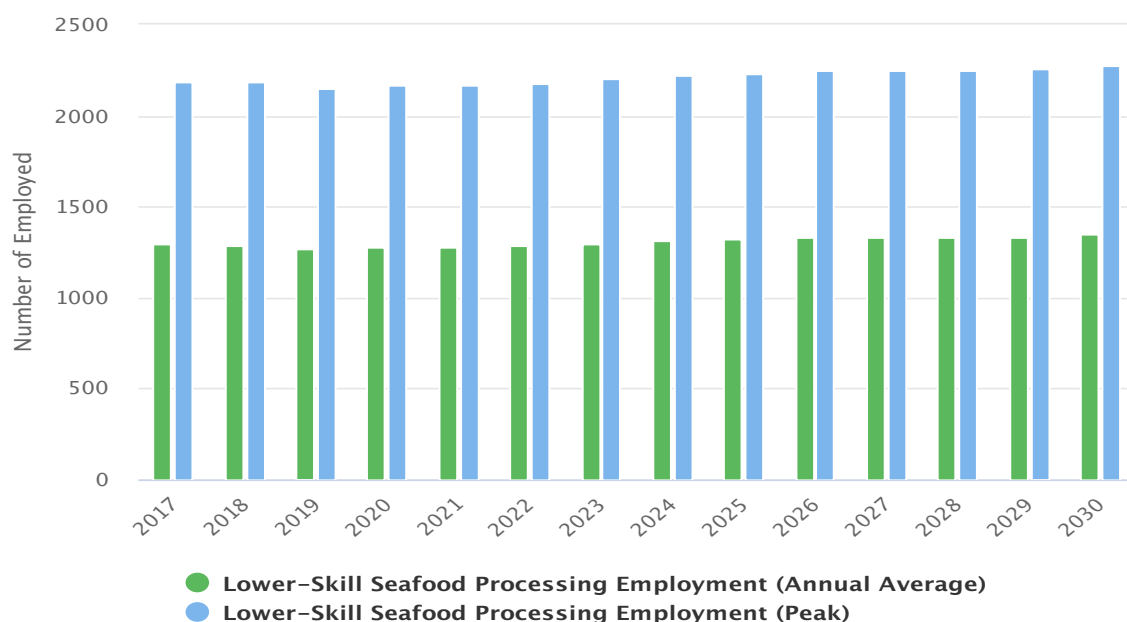
FIGURE 7: LOWER-SKILL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE: KENT-WESTMORLAND REGION – 2017-2030

The overall summary of the labour market tightness as modelled for the Kent-Westmorland Region suggests that there is an available force that will decrease 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.

Contrary to the situation depicted in the labour market tightness model, plant managers interviewed describe a very tight labour market, with heavy competition among employers to attract new workers. A vast majority of workers choose to work in Moncton, where there are options with full-time employment in light manufacturing, retail and the service industry. Employment in the seafood processing industry at peak times represents no more than 3% of the total labour force in the region. Given a regional unemployment rate of 8.6%, this industry faces major competition with a job vacancy rate of 7.2% in the food processing industry overall that is three times larger than the average job vacancy rate in the region (2.4%). The situation has worsened in recent years, as plant managers report that the industry has experienced major growth, ranging from two to four times greater output that is in turn conducive to greater demand for workers.

TABLE 9: SUMMARY OF LABOUR MARKET TIGHTNESS: KENT-WESTMORLAND REGION – 2017-2030

Labour Market Tightness Rating	2017	2018	2019	2020	AVG 2021 TO 2025	AVG 2026 TO 2030
Total	1	1	1	1	1	1
Lower-Skill	1	1	1	1	2	2

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

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

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

6.2 NUMBER OF WORKERS REQUIRED

Projections indicate that the Kent-Westmorland Region employers will need to attract more than 1,100 new workers to the fish and seafood processing industry by 2030. This is equivalent to approximately 57% of their current annual average workforce. This requirement is due to replacement of anticipated retirements over this period, while considering projected industry growth and labour productivity gains. This will further exacerbate the high number of vacancies experienced by employers in seafood processing (currently estimated at 12% in Atlantic Canada), and to some degree the higher turnover rates in the industry (estimated imputed turnover rate of 40% for Atlantic Canada in seafood processing industry). All of these factors contribute to the substantial challenges facing Kent-Westmorland 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. While their proximity to an urban centre (Moncton) provides potential access to a larger labour pool, efforts to date in recruiting from urban centres to work in rural plants has proved challenging given the number of opportunities available in other sectors in an urban setting, particularly for lower-skill level workers.

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Seafood processing workforce in the Kent-Westmorland Region is expected to slightly increase from an estimated 1,865 workers to 1,924 workers between 2017 and 2030, an increase of approximately 60 workers (+3%). Accounting for replacement demand (retirements or death) local processors will likely need to hire a total of more than 1,000 new workers over the same period. This figure does not include turnovers, which can add significantly to total annual recruitment demands.

TABLE 10: HIRING REQUIREMENT OUTLOOK: KENT-WESTMORLAND REGION – 2017-2030

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[13]	187	58	34	72	367	353
Industry Growth	125	-4	-27	10	60	38
Retirements and Mortality	62	62	61	62	306	315

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

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	1,865	1,861	1,834	1,834	1,874	1,924
Shellfish Processing Labourer	569	568	559	562	572	587
Fish Processing Labourer	228	227	224	225	229	235
Shellfish Plant Worker	262	262	258	259	264	271
Fish Plant Worker	106	106	104	105	107	110
Supervisors	87	87	86	86	88	90
Maintenance	66	66	65	66	67	69
Skilled Trades	88	88	87	87	88	91
Quality Control Technician	13	13	13	13	13	13
Management	46	46	46	46	47	48
Office Staff	79	79	78	78	80	82
Other Occupations	319	318	314	315	321	329

13. 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%.
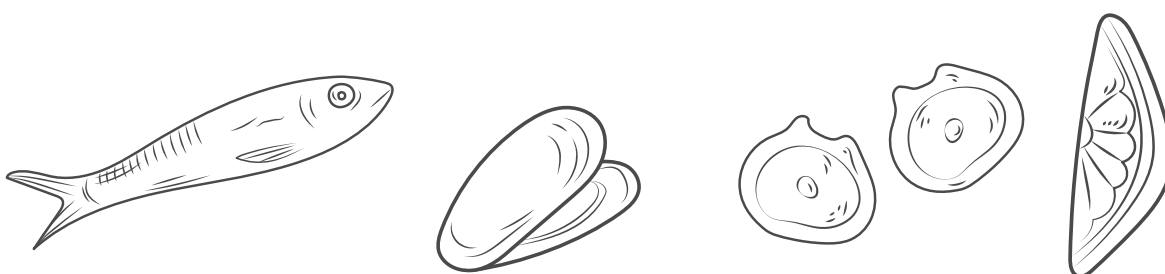
TABLE 12: EMPLOYMENT OUTLOOK (PEAK): KENT-WESTMORLAND REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	**3,159**	**3,152**	**3,106**	**3,123**	**3,175**	**3,260**
Shellfish Processing Labourer	1,138	1,135	1,119	1,125	1,143	1,174
Fish Processing Labourer	456	455	448	451	458	470
Shellfish Plant Worker	524	523	516	518	527	541
Fish Plant Worker	212	212	209	210	213	219
Supervisors	87	87	86	86	88	90
Maintenance	80	79	78	79	80	82
Skilled Trades	106	105	104	104	106	109
Quality Control Technician	16	16	15	15	16	16
Management	46	46	46	46	47	48
Office Staff	79	79	78	78	80	82
Other Occupations	415	414	408	410	417	428

7.0 OVERVIEW OF HR ISSUES ENCOUNTERED

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

❯❯ Recruitment

In the larger, seasonal plants there is an ongoing attempt at recruiting sufficient numbers of people during their processing seasons. Ads are continuously placed on radios, newspapers and online job boards. Plants participate in employment fairs. Many of the referrals are by word of mouth from within the community. Despite these efforts, plant managers indicate that vacancies in any given day range between

40 to 60. In the past 10 years, plant managers have noticed increasing difficulty to attract local workers such as fishermen and students who would have worked during their off-season or the summer. Plant managers also mention an aging population, resulting in retirements that create recruitment pressures.

❯❯ Retention Issues

Among the plants interviewed, there appears to be a core group of employees who come back season after season, representing approximately half of the workforce. The average age of employees is 50 to 57 years old depending on the plant. Retention is not an issue with this group, but the retention rate of new employees hovers around 30%. Unpredictable schedules and long hours are considered causes of retention issues. One employer recalls a recent year when they received 600 applications for employment, out of which 400 individuals were interviewed and 200 were hired but did not complete the full work season.

❯❯ Competition for low-skill level labour

Plant managers noted that competition for low-skill level labour is high. Main competitors noted were other fish plants in the area, call centres (e.g., a new one opened in Moncton) and retail stores. Although fish processing plants may offer higher salaries, competition is offering full-time employment for the full year. A vast majority of youth chooses to work in Moncton where there are jobs available in light manufacturing and the service industry.

❯❯ Impact of labour shortages and vacancies

Labour shortages and vacancies have detrimental impacts on production, expansion and the quality of work for current employees. Given the shortages observed, the staff present are required to work very long hours (that may often go up to 16 hours) and do not have days off during peak season. Plant managers cannot let go workers who are often absent, which impacts negatively on their productivity and discourages those workers who are more committed. Shortages also limit expansion plans, product diversification and opening new markets. For instance, one plant manager reports that they would be able to run two shifts with an additional 100 workers – these being over and above their current vacancies. Such an expansion would translate into increasing production by 20% to 30%, and a resulting multiplying effect on other related industries, such as trucking, packaging and fishing. Loss of raw product that was not processed on time is not uncommon. Some plant managers even fear that some businesses will eventually close or move to other jurisdictions where labour issues are not present or are minor.

7.0 OVERVIEW OF HR ISSUES ENCOUNTERED CONT'D

Absenteeism

Part of the challenges of shortages is also attributed to absenteeism, which is estimated by one plant at 35% to 40% of workers daily. This is attributed to the long hours that are required with limited days off (given the shortages), the physical nature of the work, low selectivity in hiring (given labour shortages) and the current EI system, which contributes to a cap in the number of hours that people are willing to work with open claims. The understanding was that after a certain number of hours each week, the advantages of working are outweighed by impact on claim amounts. For these reasons, employees often will be absent, which in turn creates more shortages contributing to a cycle effect. One plant manager indicates that the day after pay day, there are regularly 30-40 employees who are absent.

Industry image

Some pointed to the challenges with the processing industry's image. The ability to attract younger workers to the industry is somewhat limited given the sector's reputation and that working at a plant is not perceived as a career. Plant managers also indicate that the industry is generally not attractive to youth, as this group prefers to look for alternative employment opportunities where there are day offs and shorter hours (during peak season, it is common to require employees to work long hours, seven days a week, for several weeks). Given the proximity of many plants to Moncton, they face competition with services and retail jobs that may offer work conditions that are more attractive to youth. The "hire anybody" approach that some plants are resorting to in order to fill positions does not help with trying to market the industry as an attractive sector with many opportunities.

Limited control over input

Recruitment needs have become graver in recent years given longer fishing seasons and greater fishing quotas (i.e., over the past 10 years, the volume of lobster that is processed has doubled). Interviewees indicate that greater co-ordination with the fishing industry with a view to spread arrival of inputs would allow companies to plan their work hours better and offer more attractive schedules to employees. In one plant, employees are only notified at 4 p.m. if they would be working the next day. Another plant has made heavy investments in freezers and containers to allow them to spread the processing work throughout the year and minimize the loss of raw input.

Technology and automation

Investments in technology and automation seem to vary from plant to plant. Many plants have adopted technologies for conveying systems, product freezing or packaging. Despite some large investments, the impact of technology to reduce labour needs is limited. The industry is not large enough for the R&D investments required to materialize. Often times, machinery is developed but remains unused, which has resulted in a cycle where plants are reticent to invest given past experiences.

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:

PATHWAY TO PERMANENT RESIDENCY

Plants that hire temporary foreign workers often sponsor them for their permanent residency and there are efforts to create communities or clusters for immigrants to help them integrate.
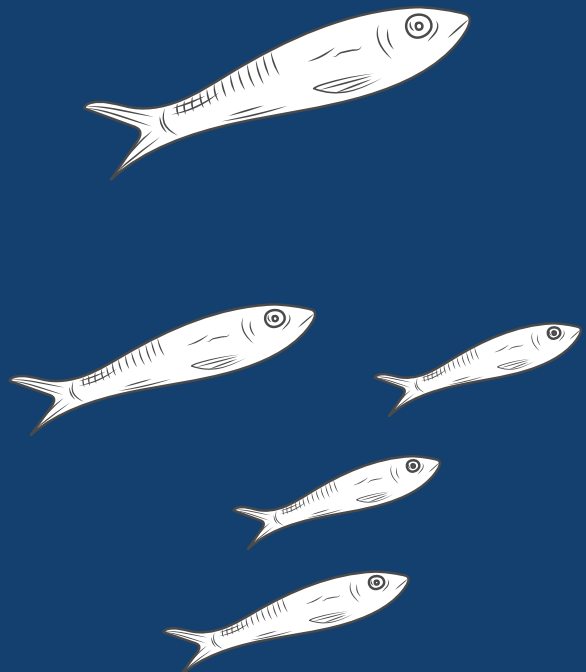
PART-TIME WORK FOR OLDER WORKERS

Employees 65 years old or older are offered part-time work, two to three days per week. One plant reports having 20 employees under this model.

RECRUITING INTERNATIONAL STUDENTS TO FILL SEASONAL PEAKS

Although it has proven more difficult to hire local students, some plants have created programs to hire international students during the summer.

COMPENSATION BASED ON PERFORMANCE

Plants compensate based on performance. They guarantee a minimum wage, but experienced, high performers can often double or triple the hourly wage through this system of compensation. One challenge noted is that new entrants can be disappointed in their comparative pay levels, which may contribute to turnover.

FOOD PROCESSING SKILLS CANADA