Securing Canada's MEAT Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Rivière-du-Loup Region

Quebec

FPSC
FOOD PROCESSING SKILLS CANADA
COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA

SECURING CANADA'S
MEAT WORKFORCE

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SUMMARY

REGIONAL OVERVIEW

The Rivière-du-Loup Region is located in the south shore of the Saint Lawrence River, in the province of Quebec, approximately 190 Km northeast of Quebec City, with the City of Rivière-du-Loup being the major urban center (pop. 28,902 in the CA). The region, as defined for this study, also includes Saint-Alexandre de Kamouraska (pop. 2,109), a smaller town located approximately 22 KM south of the City of Rivière-du-Loup. Meat processing in the Rivière-du-Loup, Quebec region is focused entirely on cattle, specifically slaughtering activities.

LABOUR MARKET OVERVIEW

Regional labour market analysis suggests that after accounting for labour requirements in other sectors, regional labour supply will be insufficient for projected meat processing employment demands during the forecast period. Supply constraints are even more acute among lower-skill workers in the region, potentially due to wage differentials with competing sectors. This analysis suggests the lower-skill workers that are key for many processing occupations are required from outside the region to meet labour requirements.

Regional meat employment is expected to remain stable around 1,100 over the forecast period, with average annual growth of just 0.3%. Local processors will likely need to hire 500 additional workers between 2017 and 2030, due primarily to the need to replace workforce retirements. This figure does not include turnovers which can add significantly to total annual recruitment demands.

The region's population is expected to surpass 53,000 by 2020 and 56,000 by 2030, with a modest average annual growth of 0.6%. Additionally, net migration is expected to be a significant source of population growth in the region. Rising retirements will cause labour force growth to lag behind employment resulting in a slight decline in the regional unemployment rate from 8.0% to 7.6% by 2030.

POPULATION
52,302

LABOUR FORCE
26,594

LABOUR MARKET TIGHTNESS

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

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

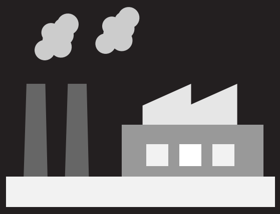
1 = Meat processing employment demand is less than 50% of regional labour force at annual average employment levels
2 = Meat processing employment demand is between 50 and 100% of regional labour force at annual average employment levels
3 = Meat processing employment demand is greater than 100% of regional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

3

HR CHALLENGES

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

MEAT PROCESSING ESTABLISHMENTS



2[1]

MEAT PROCESSING EMPLOYMENT

1,064[2]

1 The number of establishments is based on 2016 data from Statistics Canada's Business Register.
2 Meat processing employment is estimated based on 2016 Census data for the Bas-Saint Laurent economic region

1.0 INTRODUCTION

This report is one in a series of 14 regional reports developed to provide detailed labour market information (LMI) for the meat processing industry in Canada. The regionally focused LMI is one component of a broader study undertaken by Food Processing Skills Canada (FPSC) in collaboration with the Employment and Social Development Canada, and various provincial and industry partners entitled Securing Canada's Meat Workforce: Real Challenges, Practical Solutions and Fresh Perspectives.

The overall study aims to identify the scope of human resource (HR) challenges for the meat processing sector, and compile HR best practices that would help employers meet their labour force current and future needs. One important aspect of understanding HR challenges in the sector, some of which are region specific, was to gather detailed information and profiles of areas that rely heavily on meat processing for their local economies. Fourteen regions across Canada were selected for specific focus based on the amount of processing activity, and proportion of labour force working in the industry. Rivière-du-Loup Region in the Bas-Saint region of Quebec was selected as one of these regions for detailed focus.

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

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

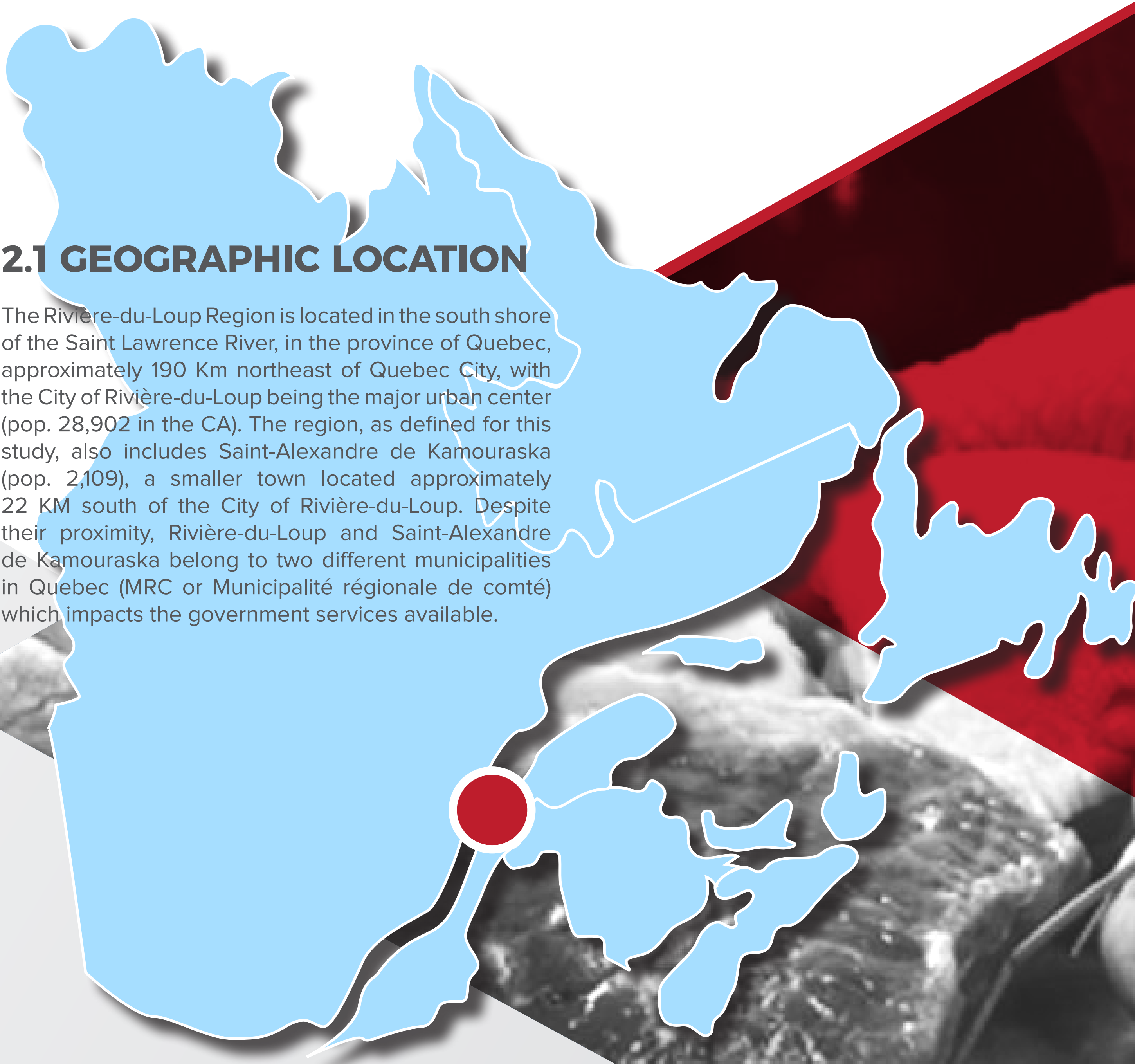
- Two robust econometric models that provide detailed, quantifiable projections for both labour demand and supply at the regional level. This is the first time that these numbers have been produced at the regional, provincial and national for the meat processing industry;
- A broad survey of meat processing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

REAL CHALLENGES, PRACTICAL SOLUTIONS AND FRESH PERSPECTIVES

2.0 OVERVIEW OF THE RIVIÈRE-DU-LOUP REGION

2.1 GEOGRAPHIC LOCATION

The Rivière-du-Loup Region is located in the south shore of the Saint Lawrence River, in the province of Quebec, approximately 190 Km northeast of Quebec City, with the City of Rivière-du-Loup being the major urban center (pop. 28,902 in the CA). The region, as defined for this study, also includes Saint-Alexandre de Kamouraska (pop. 2,109), a smaller town located approximately 22 KM south of the City of Rivière-du-Loup. Despite their proximity, Rivière-du-Loup and Saint-Alexandre de Kamouraska belong to two different municipalities in Quebec (MRC or Municipalité régionale de comté) which impacts the government services available.



2.2 POPULATION CHARACTERISTICS

The population of Rivière-du-Loup Region is relatively older, and although it is expected to continue aging, it is also expected to grow over the next decade primarily due to in-migration. Compared to the province overall, the population has lower levels of immigrants, non-Canadian citizens, people identifying as Aboriginal (according to Census definitions), and visible minorities.

The overall population for the region in 2017 was 52,302. According to Census 2016 profiles, the proportions of immigrants (1.3%), non-Canadian citizens (0.7%), visible minorities (1.0%) and the population that identify as Aboriginal according to Census definitions (1.3%) are lower to those overall in Quebec (see Table1).

TABLE 1: RIVIÈRE-DU-LOUP REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	RIVIÈRE-DU-LOUP REGION	QUEBEC
FEMALE	25,785	4,147,605
SHARE OF POPULATION	50.7%	50.8%
IMMIGRANTS	610	1,091,305
SHARE OF POPULATION	1.3%	13.7%
NOT CANADIAN CITIZENS	335	379,910
SHARE OF POPULATION	0.7%	4.8%
VISIBLE MINORITIES	470	1,032,365
SHARE OF POPULATION	1.0%	13.0%
ABORIGINAL IDENTITY	635	182,890
SHARE OF POPULATION	1.3%	2.3%

Source: Census 2016

According to projections, the population levels are expected to increase over the upcoming 13 years (52,302 in 2017 and then 55,991 by 2030). The population in the region is currently older than other regions in Canada with the Rivière-du-Loup Census Division having a median age of 46.7 years compared to the provincial median of 42.5 and a national median age of 41.2 (Census, 2016). Although the total population will increase, it will begin to be an aging population with the proportion of the age cohort 65 years or older rising from 23.7% in 2017 to approximately 31.0% by 2030 (see Figure 1). While population growth will be negatively impacted by the continued aging of the population and increased number of deaths, this will be countered to a large extent by a predicted continuation of a pattern of net in-migration of approximately 6,100 people by 2030. Overall, the period under study will be impacted by the predicted in-migration in the region, which will result in a small rise in population (see Figure 2).

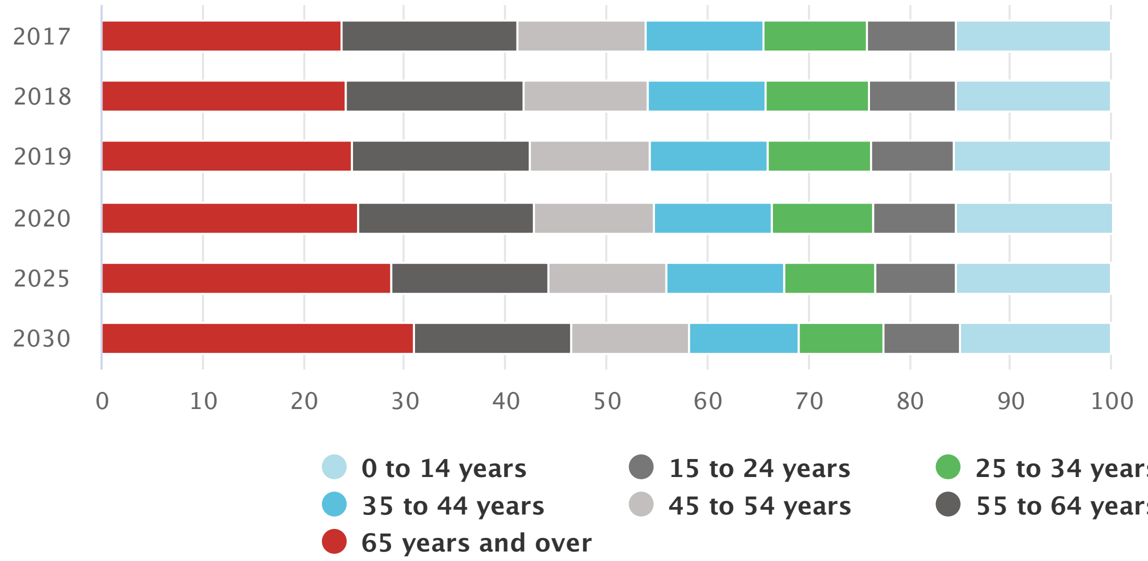


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

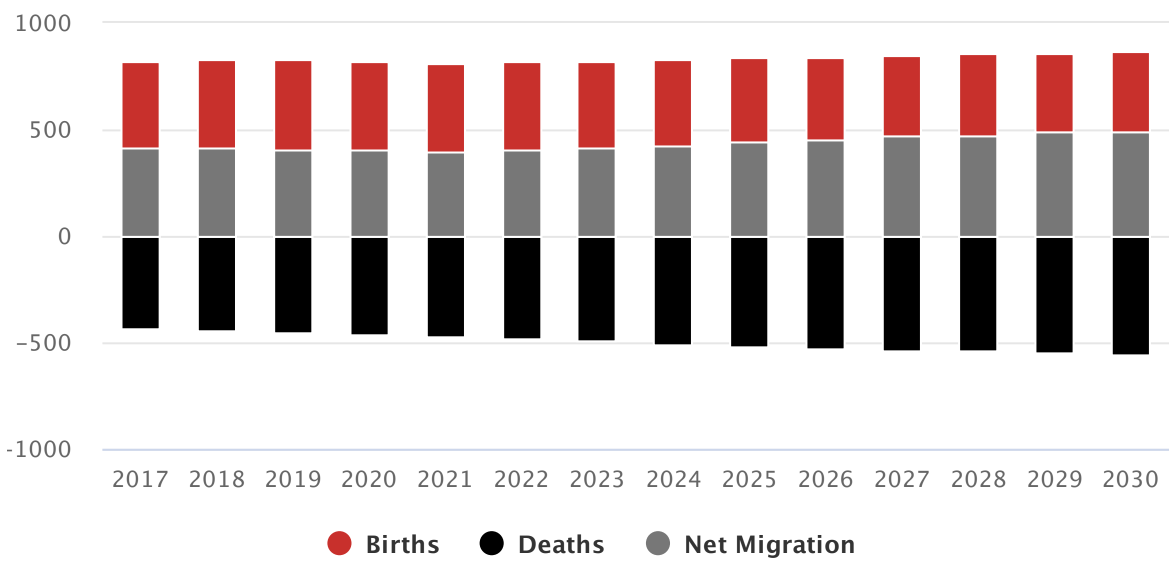


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

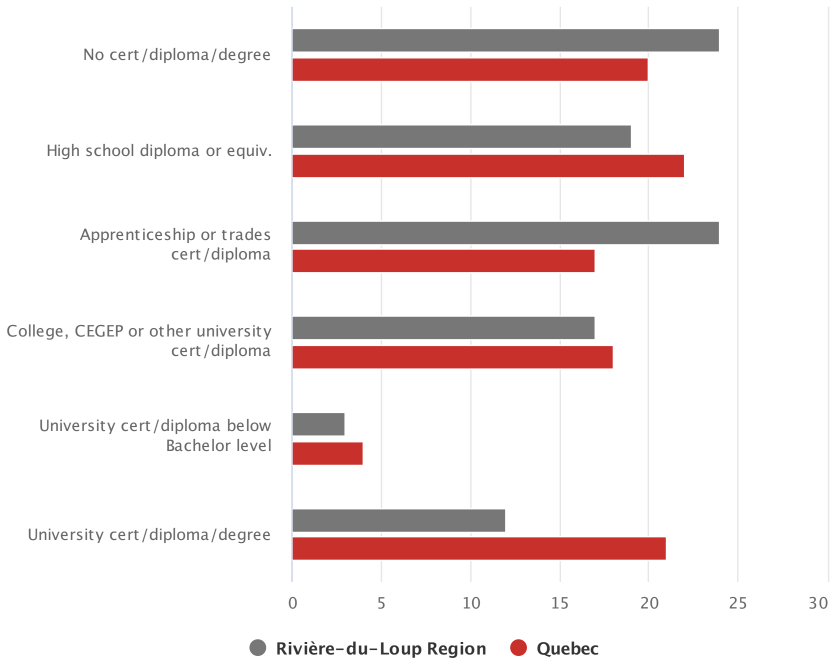


FIGURE 3: EDUCATIONAL ATTAINMENT – RIVIÈRE-DU-LOUP REGION AND QUEBEC

The overall education level of the region's residents is somewhat lower when compared with Quebec overall (see Figure 3). Close to one quarter (24%) do not have a high school diploma (vs. 20% for the province), and 19% (vs. 22% for the province) have a secondary school degree. The percentage of individuals with a university certificate, diploma or degree is 12% (vs 21% for the province). This also corresponds to the aging demographics in the region.

3.0 OUTLOOK OF QUEBEC MEAT PROCESSING

3.1 QUEBEC MEAT PRODUCT OUTLOOKS

Total real gross output (or end-market demand) for meat processing in Quebec is forecast to expand at a moderate pace of 1.4% on average over 2018-21, 1.3% over 2022-26 and 1.4% over 2027-30 (see Table 2). Growth will be helped slightly by increases in overall meat consumption that is forecast to average 0.4% over 2018-21 to 0.5% over 2022-26, and 0.6% over 2027-30 as poultry and lamb consumption boosts overall meat consumption.

International exports are forecast to expand at a modest pace over the projection period, averaging 1.6% over 2022-26, and 1.5% over 2022-26 and 1.6% over 2027-30. There are broad-based gains in beef, veal, pork and poultry product exports. Meat of all types will benefit the implementation of the Canada-EU CETA and the TPP with ten other Pacific Rim nations. Quebec's exports to other provinces will gain from the overall rise in meat consumption in those provinces; interprovincial exports are forecast to expand at a modest rate of 1.1% over 2018-21, 1.2% over 2022-26 and 1.1% over 2027-30. Interindustry demand is reliant on the demand for meat products by other industries, particularly other food processing industries, it is forecast to average 1.6% over 2018-21, and 1.5% over 2022-25 and 1.6% over 2026-30.

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

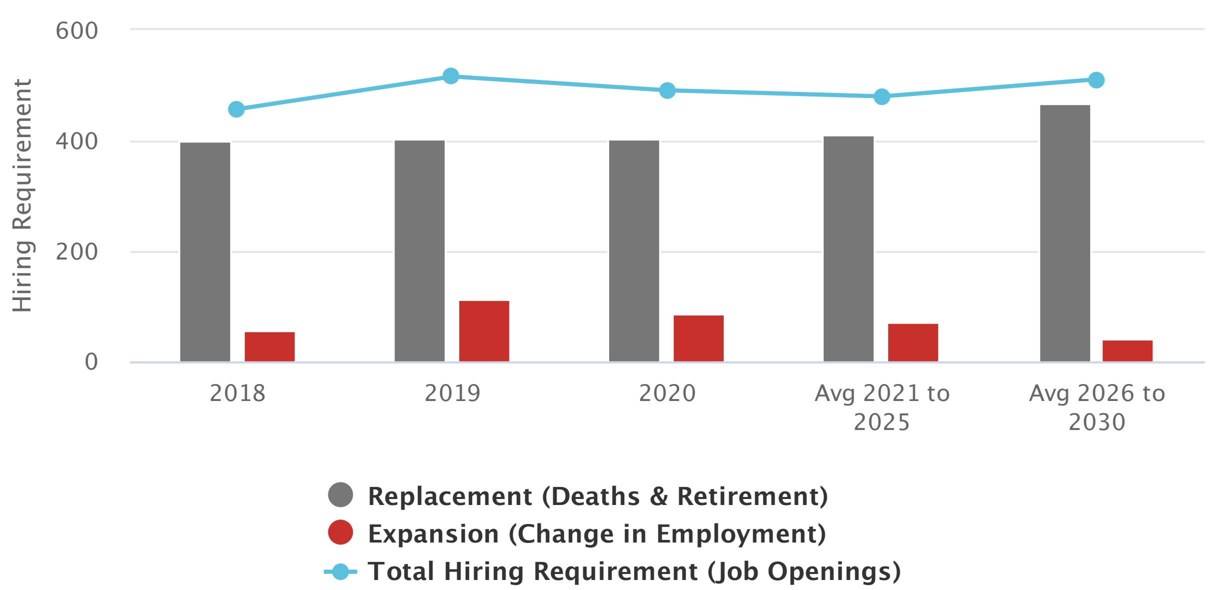
END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.5	0.4	0.5	0.6
International Exports	-0.3	1.6	1.5	1.6
Interprovincial Exports	0.8	1.1	1.2	1.1
Interindustry Demand	3.1	1.6	1.5	1.6
Imports	0.4	0.8	0.8	0.8
Total End Market Demand	1.1	1.4	1.3	1.4

3.2 MEAT PROCESSING EMPLOYMENT OUTLOOK FOR QUEBEC

Meat processing employment is expected to rise by a moderate by 1.8% between 2017 and 2020, an increase of 250 jobs from 14,250. Total employment is expected to surpass 15,000 by 2030. Meat processing real GDP is forecast to expand on average by 1.4% over the 2018-21 period, then 1.3% annually on average between 2022 and 2030. Labour productivity (GDP per hour worked) is forecast to increase by 1.2% on average over the projection period. This means that the needed total hours of work will rise modestly by 0.2% on average over 2018-21, 0.1% over 2022-26 and 0.2% over 2027-30. Average hours worked per employee is forecast to fall by 0.4% on average over the projection period, which leads to the total number of jobs rising by 0.6% over 2018-21, 0.5% over 2022-26 and 0.2% over 2027-30.

Taking account of both replacement and expansion demands, the industry will likely need to need to hire just over 6,420 new workers, or (45%) of the current workforce over the next 13 years. These hiring requirements are net numbers of new workers and do not include annual hiring requirements due to turnover.

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



4.0 RIVIÈRE-DU-LOUP REGION MEAT PROCESSORS

4.1 EMPLOYERS

The region hosts two large processors within a small geographic area.

Three are two meat processing establishments in the Rivière-du-Loup Region[3], with a focus on both hog slaughtering and meat processing. As noted on the map in Section 1, one is a very large establishment (over 500 employees), and the other one is a large establishment (between 250 and 500 employees). According to the interviews, the large establishment has experienced significant growth over the past decade, being closer to 500 employees at this time. As indicated by government officials interviewed, having two large establishments in close proximity results in great competition to attract potential workers. There is also competition with other industries in the region, such as Bombardier and Lepage Millwork.

THE CURRENT INDUSTRY WORKFORCE IS APPROXIMATELY 1,064 WORKERS WITH CLOSE TO TWO-THIRDS BEING LABOURERS, PLANT WORKERS AND SKILLED MEAT CUTTERS AND MASTER BUTCHERS.

4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the Rivière-du-Loup Region in 2017 was 1,064 (see Table 3). Close to one-third of all employed (32%) were in at occupations at a foundational skill level (NOC 9617) working as production labourers. Approximately one-quarter of the workforce (26%) are employed in occupations at an intermediate skill level (NOC 9461; 9462) with large numbers of slaughter persons, meat cutters, and machine operators. Approximately 6% of those employed are in the higher skill occupations of specialized meat cutters and master butchers. This distribution was confirmed during interviews where the plant made large recruitment efforts to ensure sufficient numbers of plant workers would be available to meet their requirements. The higher skill positions generally require 1-3 years of previous experience in meat cutting with some of the specialized positions taking more experience and higher levels of skill. The plant interviewed indicated that they have extensive on-the-job training for all their positions ranging from the foundational to the higher skill level occupations. A high school diploma is not necessary to secure a starting position according to the plant and HR managers interviewed for the study.

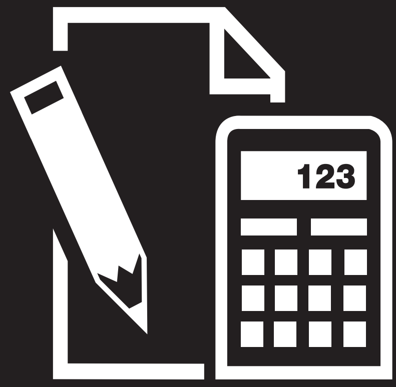
3 Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.

TABLE 3: PROFILE OF WORKERS BY OCCUPATIONS FOR RIVIÈRE-DU-LOUP REGION - 2017

	AVG 2017 (#)	AVG 2017 (%)
Total Employment	1,064	100%
FOUNDATIONAL (NOC 9617)		
Production Labourer	341	32%
Poultry Production	0	0%
INTERMEDIATE (NOC 9462; 9461)		
General Meat Cutter/Knife Person	168	16%
Machine Operator	49	5%
Slaughter Person	62	6%
HIGH (NOC 9213)		
Master Butcher	20	2%
Specialized Cutter	41	4%
SUPERVISORY (NOC 9213)		
Supervisors	51	5%
MANAGEMENT (NOC 0911)		
Management	52	5%
OTHER CATEGORIES		
Maintenance	58	5%
Skilled Trades	90	8%
Quality Control Technician	12	1%
Office Staff	93	9%
Other Occupations*	28	3%

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

1,064 **AVERAGE NUMBER OF WORKERS EMPLOYED IN THE MEAT PROCESSING INDUSTRY IN 2017**



4.2.2 WAGES

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

The median hourly wage for labourers in food processing (NOC 9617) in the Bas-Saint-Laurent Region[4] of Quebec in 2017-18 was $15.00/hour (see Table 4). The median wage for industrial butchers and meat cutters (NOC 9462) was higher at $19.22/hour. These wage rates are both aligned with the provincial median rates ($15.00/hour and $19.22/hour respectively) for these occupations, and well as to those in the closest urban region in the province (Capitale Nationale). To provide some context, the minimum wage in Quebec in 2017 was $11.25/hour.

When compared with other C&D Level Occupations in the same region, such as farm labourers and workers in retail sales or food services, the median wages for labourers in food processing were higher by $1.00 to $3.00/hour. Despite the differences in salaries indicated here, plant managers interviewed highlight that entry-level salaries are generally equivalent to what is offered by the numerous competitors for labourers in the region. According to information collected for the two plants in the region, entry-level salaries for production workers range between $13.95 and $14.50/hour after any probation period. In the main plant interviewed, there are no bonuses for speed provided to reduce the risk of injury.

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

	Low Wage (10th percentile)	Median Wage (50th Percentile)	High Wage (90th percentile)
Labourers in food processing (NOC 9617)			
Bas-Saint-Laurent Region (QC)	12.00	15.00	21.63
Capital Nationale Region (QC)	12.00	15.00	21.63
All Quebec	12.00	15.00	21.63
Industrial butchers and meat cutters (NOC 9462)			
Bas-Saint-Laurent Region (QC)	12.53	19.22	21.00
Capital Nationale Region (QC)	12.53	19.22	21.00
All Quebec	12.53	19.22	21.00
Other C&D Level Occupations Bas-Saint-Laurent Region (QC)			
Farm Labourer (NOC 8431)	12.00	14.00	21.25
Retail Sales (NOC 6421)	12.00	13.50	24.36
Food Services (NOC 6711)	12.00	12.00	19.09

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

4 The Bas-Saint-Laurent Region of Quebec includes the Rivière-du-Loup Region as well as some additional areas. Reliable wage data from ESDC was only available for this slightly larger region.

On a provincial level, the average hourly wage in food manufacturing ($17.26) is lower than other forms of manufacturing ($19.59) and lower than the average hourly wage for all industries combined ($19.15) (see Table 5). The hourly wage in food manufacturing is higher than that found in retail ($13.05) and agriculture ($14.80), but lower than other industries such as health care and social assistance ($19.29), construction ($22.04) and educational services ($26.20).

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

	Avg. hourly wage
All industries	**$19.15**
Food Manufacturing	**$17.26**
Manufacturing (Total)	**$19.59**
Agriculture, forestry, fishing and hunting	**$14.80**
Health care and social assistance	**$19.29**
Retail trade	**$13.05**
Health care and social assistance	**$19.29**
Construction	**$22.04**
Educational services	**$26.20**

5.0 REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE IS APPROXIMATELY 26,550.

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 26,549 (out of a total population of 52,302). The largest proportions of the labour force for the Regional Municipality of Rivière-du-Loup work in manufacturing (13% of the labour force - includes meat processing), retail trade (14%) and health care and social assistance (14%) (Census 2016).

5.1.2 UNEMPLOYMENT

The average unemployment rate for the region in 2017 was 8.0%.

The unemployment rate for the region in 2017 was 8.0% on average. According to Census data, approximately 13% of the population in the Riviere-du-Loup Region 15 years or older who had income received regular Employment Insurance (EI) payments at some point in 2015.

According to EI data provided by ESDC for the Bas-St-Laurent region, there has been a decreasing trend in the number of workers from the food and beverage processing sector (not just meat processing) making EI claims (see Table 6). The highest number of EI beneficiaries are found among material handlers in the sector (2,096 EI beneficiaries in 2016, decreasing by 4% on average from 2,295 EI beneficiaries in 2014). One of the main shortages outlined in interviews is concerning industrial butchers and meat cutters. In 2016 the data indicate that there were 99 industrial butchers/meat cutters collecting EI benefits, down from 337 EI beneficiaries in 2014 or an annual average decrease of 35%. There are also challenges recruiting production workers, and the number of EI beneficiaries has decreased by 7% annually between 2014 and 2016. Although there are large numbers of individuals collecting EI benefits in occupations of interest to the food and processing industry, the economic region of the Lower Saint Lawrence is significantly larger than the Rivière-du-Loup region.[5] Furthermore, in interviews with local government representatives, it was noted that although the regional unemployment rate is higher, the actual unemployment rate in the Rivière-du-Loup community is generally three percentage points lower, which is characteristic of a tight labour market.

5 In addition to Rivière-du-Loup and Kamouraska, it includes the Census Divisions of Charlevoix, Charlevoix-Est, Lac-Saint-Jean-Est, La Haute-Côte-Nord, Le Domaine-du-Roy, Le Fjord-du-Saguenay, Maria-Chapdelaine, Manicouagan, Sept-Rivières-Caniapiscau, La Mitis, Les Basques, Les Etchemins, L'Islet, Montmagny, Rimouski-Neigette, and Témiscouata.

TABLE 6: EI BENEFICIARIES BY OCCUPATION – BAS-SAINT-LAURENT REGION

Occupation	2014	2015	2016	Avg. Annual % Chg.
Manufacturing managers	347	296	253	-14.0%
Material handlers	2,295	2,041	2,096	-4.0%
Supervisors, food and beverage processing	115	106	111	-2.0%
Process control and machine operators, food and beverage processing	188	211	167	-6.0%
Industrial butchers and meat cutters, poultry preparers and related workers	337	132	99	-35.0%
Labourers in food and beverage processing	1,212	1,061	1,050	-7.0%

Source: Employment and Social Development Canada 2017

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

Currently, temporary foreign workers play a significant role in addressing labour supply issues in the meat processing industry in the Rivière-du-Loup Region.

While the proportion of immigrants in the Riviere-du-Loup Region is significantly lower when compared with Quebec overall (1.3% vs. 13.7%), the meat processing industry has become increasingly reliant on temporary workers. In 2017 there were 35 positions approved through the Temporary Foreign Workers Program (TFWP) in the region for labourers in food processing (NOC 9618) and 24 positions for industrial butchers and meat cutters (NOC 9462). Plant managers interviewed indicated that the TFWP is a key source of non-specialized labour, although those TFW hired all have some experience in the meat cutting industry or as butchers. As they obtain more experience, they are offered positions as industrial butchers. One challenge highlighted in the interviews with plant managers is that TFW faces difficulties in obtaining the permanent residency due to language requirement in Quebec, or that they may move to more urban areas after a few years working in the region.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

There is no major Indigenous community in the area.

The Malecite First Nations is located in the region. However, there are no individuals registered in the community, and it is described by regional key informants interviewed as a “dispersed community”. In addition, there is a small proportion of the population (1.3% in Census 2016; 635 individuals) in the Rivière-du-Loup Region who identify as Aboriginal according to Census definitions. In interviews with plant managers in the Region, no activities were identified to involve this community. A key informant indicates that this First Nations community is mostly involved with the fishing industry.

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

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

TABLE 7: POPULATION AND LABOUR FORCE OUTLOOK SUMMARY – RIVIÈRE-DU-LOUP REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	52,302	52,686	53,059	53,414	54,410	55,991
Avg. Annual Change (%)		0.7%	0.7%	0.7%	0.6%	0.6%
Total Labour Force	26,549	26,720	26,796	26,784	26,761	27,214
Avg. Annual Change (%)		0.6%	0.3%	0.0%	0.0%	0.0%
Total Employment	24,427	24,550	24,655	24,644	24,594	25,152
Avg. Annual Change (%)		0.5%	0.4%	0.0%	0.0%	0.7%
Unemployment Rate	8.0%	8.1%	8.0%	8.0%	8.1%	7.6%

The model projections indicate that taking into account the trends in migration and aging, the Rivière-du-Loup Region will experience some population growth within the period under study (2017 to 2030) (see Table 7). These factors will also contribute to a growing labour force for the region, albeit at a slower rate than population growth given the aging population and anticipated retirements. As a result, unemployment rates are expected to decline from an average of 8.0% to 7.6% based on increased opportunities, but slower growth in the overall labour force.

LABOUR MARKET TIGHTNESS EXPLAINED

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

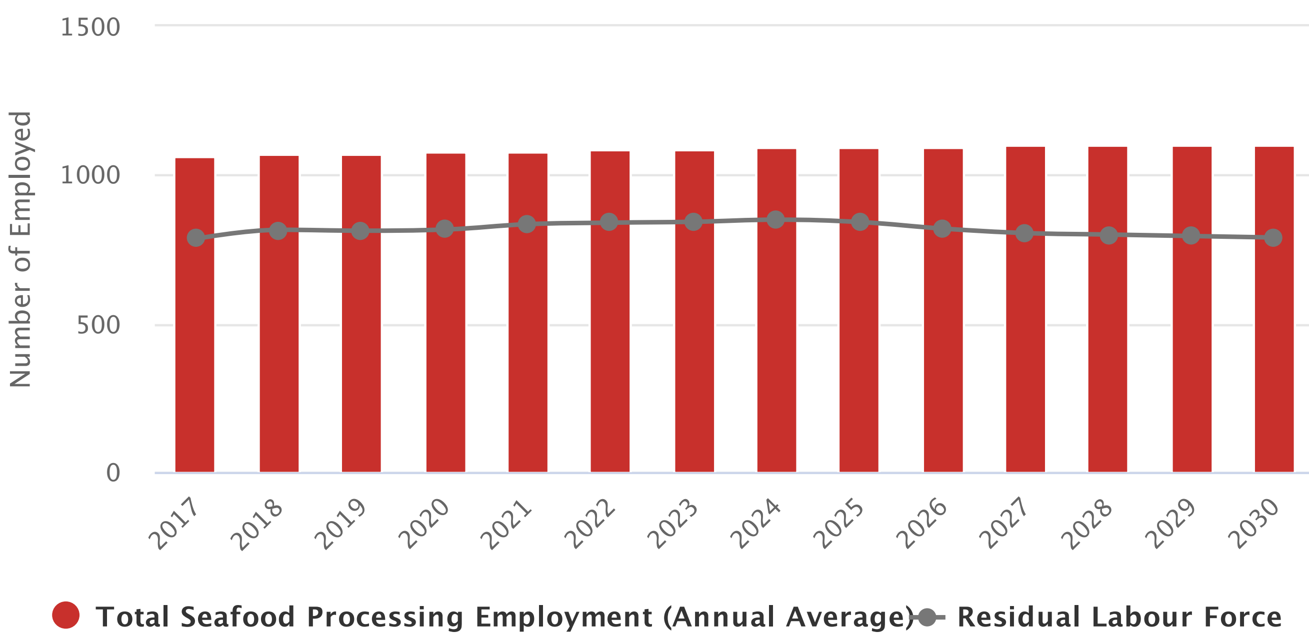
As illustrated in Table 8 and Figure 5, the Total Meat Processing Employment (Annual Average) is higher than the Residual Total Labour Force. This suggests that there is currently (2017) an insufficient local labour force to meet all of the region’s labour requirements (for all industries) leaving an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

The analysis outlined in Table 8 and Figure 6 describes the labour market context within which the meat processors in the Rivière-du-Loup Region are operating with respect to finding sufficient numbers of workers from the local labour supply. Within this very tight, competitive labour market, the industry employers have had some success recruiting. For example, in 2017, the meat processing industry was able to recruit and employ 1,064 within a labour market that had a residual total labour force of only 785. This means that the meat processing industry was likely recruiting workers from other industries and from outside the local region. While the industry did experience vacancies, these would likely have been substantially higher had it not been successful in recruiting labour external to the region, and/or competing with other industries in recruiting workers.

TABLE 8: TOTAL LABOUR MARKET TIGHTNESS – RIVIÈRE-DU-LOUP REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force [6]	26,549	26,720	26,796	26,784	26,761	27,214
Total Non-Meat Processing Labour Requirement [7]	25,764	25,905	25,984	25,968	25,920	26,445
Residual Total Labour Force[8]	785	815	812	816	841	801
Total Meat Processing Employment (Annual Average)	1,064	1,068	1,073	1,078	1,088	1,100

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



6 The labour force includes all individuals who are either employed or unemployed and actively seeking work. The unemployed would include those on regular EI claims along with those receiving other sources of income (e.g., social assistance) who are actively looking for employment.

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

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

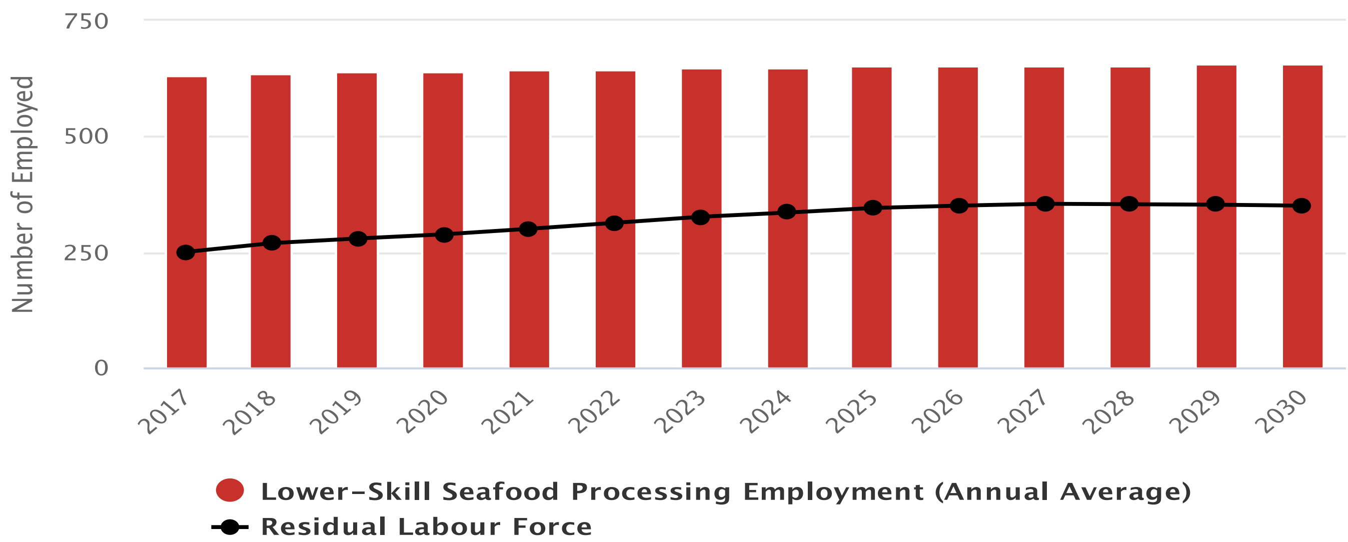
As noted in the description of the occupations, approximately 64% of the occupations in the industry in this region are in the “C” and “D” levels which are often referred to as “lower-skill level” occupations, not requiring post-secondary education. Given much of the focus is on the lower-skill level labour force, the study also analyzed the “tightness” of the lower-skill level labour market (see Table 7 and Figure 7). The tightness of lower-skill level labour market is also high. For example, in 2017, the meat processing industry was able to recruit and employ 634 workers within a labour market that had a residual total labour force of only 250. This means that the meat processing industry was likely recruiting workers from other industries, and from outside the local region. This level of tightness suggests that many of the industries that rely on a lower-skill level labour market are also experiencing labour shortages in this region.

TABLE 9: LOWER-SKILL LEVEL LABOUR MARKET TIGHTNESS – RIVIÈRE-DU-LOUP REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force [9]	9,122	9,181	9,207	9,203	9,195	9,351
Lower-Skill Non-Meat Processing Labour Requirement	8,872	8,913	8,928	8,915	8,871	9,111
Residual Lower-Skill Labour Force	250	269	279	288	324	352
Lower-Skill Meat Processing Employment (Annual Average)	634	637	640	642	648	655

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

FIGURE 6: LOWER-SKILL LEVEL MEAT PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE RIVIÈRE-DU-LOUP REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Rivière-du-Loup Region (Table 10) demonstrates that the local labour force is unable to meet the employment requirements of employers in the area at average levels. This tightness is demonstrated for the overall labour market as well as the lower-level skill workers. This trend is anticipated to continue throughout the period of study (2017 to 2030). These results assume similar industry employment demand (e.g., no new major employers arriving or leaving the area), and no major changes in net migration patterns.

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TABLE 10: SUMMARY OF LABOUR MARKET TIGHTNESS – RIVIÈRE-DU-LOUP REGION – 2017-2030

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

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

6.2 NUMBER OF WORKERS REQUIRED

Within a very tight labour market, projections indicate that the Rivière-du-Loup Region employers will need to attract approximately 450 new workers to the meat processing industry by 2030. This is equivalent to approximately 42% of their current annual average workforce. This requirement is due to both anticipated industry growth and replacement of anticipated retirements over this period. Unfortunately, this recruitment will be occurring within the context of a very tight regional labour market that is currently experiencing labour shortages which are predicted to continue during this period. This tightness in the labour market is contributing to the high number of current vacancies experienced by employers in meat processing (estimated at 19% in Quebec), and to some degree the higher turnover rates in the industry as workers have more employment opportunities from which to choose, particularly in the lower-skill level occupations (estimated imputed turnover rate of 56% in the Quebec in meat processing industry). All of these factors contribute to the substantial challenges facing the Rivière-du-Loup Region meat processors in their attempts to recruit enough workers to replace retirements, fill ongoing vacancies, work to address turnover rates, while also trying to grow, remain competitive and increase productivity.

Overall, it is anticipated that as of 2017, there will be a need for increased numbers of new hires, due to both industry growth and the need for replacements due to anticipated retirements and deaths among the workforce (see Table 11). Overall, this results in the need to attract 452 new workers to the industry between 2018 and 2030. This equates to replacing approximately 42% of the current average meat processing workforce in the region.

TABLE 11: HIRING REQUIREMENT OUTLOOK – RIVIÈRE-DU-LOUP REGION – 2017-2030

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement[10]	30	36	37	36	176	167
Industry Growth	-1	4	5	5	17	7
Retirements and Mortality	30	31	31	31	155	155

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

10 Net hiring requirement does not include hiring required as a result of turnover (i.e. hiring workers to replace individuals who quit or are fired from their positions). The imputed turnover rate (total number of people workers hired as a share of the total number of workers) for Quebec meat processors is estimated at 56%.

TABLE 12: EMPLOYMENT OUTLOOK (ANNUAL AVERAGE) – RIVIÈRE-DU-LOUP REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	1,064	1,068	1,073	1,078	1,088	1,100
FOUNDATIONAL (NOC 9617)						
Production Labourer (including Processor, Packer, Barn Worker)	341	342	343	345	348	352
Poultry Production Labourer (including Plant Production Worker, Poultry Worker, General Labourer)	0	0	0	0	0	0
INTERMEDIATE (NOC 9462; 9461)						
General Meat Cutter or Knife Person/Poultry Cutter	168	169	169	170	172	173
Machine Operator (including Saw Operator)	49	49	49	50	50	51
Slaughter person	62	63	63	63	64	64
HIGH (NOC 9213)						
Master Butcher, expertise in multiple cuts (includes Butcher or Lead Hand of a shift)	20	20	20	20	20	20
Specialized Cutter, expertise in one cut (including Pull tenderloin, Drop (seam) Inside Round, Lead Hand, Specialized Meat Cutter)	41	41	41	41	42	42
SUPERVISORY (NOC 9213)						
Supervisors (including Kill Floor Supervisor, Abattoir Supervisor, Production Supervisor, Raw Room Supervisor)	51	51	51	51	52	52
MANAGEMENT (NOC 0911)						
Management (including Plant Manager, Director of Operations, Sales, Kill Floor Manager, Food Safety Managers)	52	52	52	52	53	54
OTHER CATEGORIES	27	27	26	26	26	27
Maintenance (including Janitors, Sanitation Workers, Cleaners)	58	58	59	59	60	60
Skilled Trades (including Millwright, Industrial Electrician, Truck Driver)	90	91	91	91	92	93
Quality Control	12	12	12	12	12	12
Office Staff (including Administrator or HR Manager)	93	94	94	95	95	96
Other Occupations*	28	28	28	29	29	29

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

7.0 OVERVIEW OF HR ISSUES ENCOUNTERED

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

Recruitment Retention issues

according to plant managers interviewed, turnover rates are estimated at 30% for plant workers. This translates into having to recruit approximately 100 people per year and having a vacancy rate of approximately 30% throughout the year, even when considerable efforts are made to retain workers at all levels (see Section 8). High turnover rates have an impact on training requirements, which become basically constant having to redirect efforts from production to ensuring new employees are able to do their work. One of the plants interviewed has four full-time employees dedicated to recruitment throughout the year. Challenges are also being faced with attracting, in addition to plant workers, administrative staff who is bilingual, truck drivers, as well as industrial mechanical electricians. On the other hand, it is noted that retention rates for employees who have worked for more than five years in the industry are not problematic.

Challenges with immigration pathways

While the TFWP is based on the concept of “temporary” workers, the plant managers interviewed indicated that they hire TFWs with the intention that they will be able with some support to become permanent residents and long-term employees of the company. One particular challenge for TFW in Quebec is that complexity of the immigration process and that obtaining permanent residency is challenging due to language requirements. In order to help these workers obtain permanent residency status, they are offered a validate job offer as industrial butchers after three years of work, which provides them with an additional 10 points in their permanent residency application. Another challenge that was highlighted during the interviews is the limits to the share of employees that can be contracted as TFW – it is suggested that a 20% cap would be more appropriate.

Challenges with industry image

The image of meat processing is viewed by plant managers as a major challenge in recruiting. The industry is not well understood and in particular the diversity of jobs and opportunities available for potential workers including well-paying, permanent jobs with significant opportunities for advancement and training.

Impact of labour shortages and vacancies

The main challenges noted with the labour shortages were:

- lost opportunities for further processing and specialty, value-added products, as well as being able to meet their growth targets. One main hog plant in the region is currently processing 500 hogs/hour, but they would require a larger number of employees to meet their target of processing 650 hogs/hour.
- Insufficient labour force also translates into a barrier to diversifying export markets, as the diversity in the product required by foreign clients has an impact on the number of workers needed in the plant to adjust to the different specifications.
- One of the main plants interviewed indicated that they have had losses in raw inputs for the past two to three years (estimated at 4,000 Kg per day). In order to minimize losses, some processing is sent to other companies, which is a loss of value added.
- Labour shortages also impact the production chain. Personnel expresses frustration as having to work longer shifts to compensate or when team leaders have to join the production line to replace missing workers. Several of the employees interviewed described situations where the work originally done by four people is currently accomplished by three or four individuals. This has a negative impact on retention.
- Although efforts are being made to innovate and bring in new technology, it is estimated that changes in technology will only help offset labour requirements by 50%, and only in those activities where automatization is possible (e.g., packaging).

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:

COMPANY PRIORITIES AND CULTURE

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

- Training is a main priority, and one main hog company is certified by Emploi Québec as a training provider.
- One priority is also to support a healthy workplace; for this purpose, in one of the plants in the area, there are no bonuses provided for processing speed with a view to reducing the risk of injury. In another one of the plants, there are chiropractor services offered onsite and funding available to support sports and physical activities by employees.
- In recent years, one main hog processing plant has established discussion groups with employees with a view to identifying required changes to improve the quality of work and retention (e.g., painting facilities where employees rest and relax, providing access to a coffee machine).
- Benefits are provided to employees (such as pension plan, health and dental plans) as well as access to a day-care centre and a full cafeteria onsite. There are also social activities to employees and family members that are organized (e.g., Sugar Shack Day, bowling, Christmas party for children). One employer also provides scholarships to employee's children.

WORKING WITH COMMUNITY AGENCIES AND ORGANIZATIONS

Interviews with managers and employees noted that there is ongoing, day-to-day work with community agencies and organizations on the part of the employer. There are limited services offered in some areas to welcome immigrants into the region. As a result, employers have become quite involved in ensuring an adequate transition. This includes things like having lodging ready for new families when they arrive or offering French lessons paid by the employer.

IDENTIFYING LEADERS AND PROMOTING FROM WITHIN

The employer makes a concerted effort to develop staff and be aware of their skills and capacities in various areas (going beyond their current role) to recognize the richness and potential that their diverse, international workforce provides for the company. Virtually all of management (12 team leaders and four supervisors in one main hog plant) come from other roles within the company. One particular case of interest is that of the Director of Production in one of the plants in the region, who started as a plant worker as a teenager, and after 10-12 years of experience, was identified as a talented individual with management potential. With training and support from the employer, he was able to build a career from labourer, to supervisor, to manager over the course of 20+ years.

FOOD PROCESSING SKILLS CANADA

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