Securing Canada's FISH + SEAFOOD Work Force

REGI●NAL SPOTLIGHT

A detailed look at the labour supply and demand in

South West Region
Nova Scotia

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SUMMARY

REGIONAL OVERVIEW

The South West Region is located on the Bay of Fundy at the south-western tip of the Nova Scotia peninsula. Key fishing and seafood processing towns include Yarmouth (pop. 6,518), Digby (pop. 2,060), and Shelburne (pop. 1,743), along with smaller communities also heavily involved in fish and seafood processing. Currently, median hourly wages for shellfish/fish labourers and plant workers are slightly above the provincial average and higher than most other lower-skill level occupations (C and D level) available in the region.

LABOUR MARKET OVERVIEW

Regional labour market analysis suggests local seafood processing employment demand already exceeds available supply requiring workers from outside the region. This is not expected to change over the forecast period. Seasonal peaks in seafood processing employment in Nova Scotia raise demands by close to one-third (32%) above annual average employment. Vacancy rate data suggests there is also strong competition from the agriculture, forestry, fishing and hunting industries, which is likely experiencing similar recruitment challenges.

While the population in the region is expected to remain near current levels, aging demographics and out-migration are expected to cause a decrease in the size of the overall labour force, resulting in a decline in the regional unemployment rate from 11% to under 8% by 2030.

Seafood processing in the South West Region is expected to decrease from an estimated 1,860 workers to 1,760 workers between 2017 and 2030, a decrease of 100 workers (-5%). Accounting for replacement demand (retirements or death) local processors will likely need to hire more than 600 new workers over the same period. This figure does not include turnovers, which can add significantly to total annual recruitment demands.

POPULATION
46,246

LABOUR FORCE
22,925

LABOUR MARKET TIGHTNESS

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

	2017	2018	2019	2020	Avg. 2021-2025	Avg. 2026-2030
TOTAL	3 (-567)	3 (-355)	3 (-374)	3 (-485)	3 (-508)	3 (-863)
PEAK	3 (-1158)	3 (-893)	3 (-899)	3 (-1036)	3 (-1022)	3 (-1422)

1 - Regional labour force meets seafood processing employment demand at annual average and peak employment levels
2 - Regional labour force meets seafood processing employment demand at annual average levels only
3 - Regional labour force does not meet seafood processing employment at annual average or peak levels

3

SEAFOOD PROCESSING ESTABLISHMENTS

38[1]

SEAFOOD PROCESSING EMPLOYMENT

1,864[2]

HR CHALLENGES

As seafood processors struggle to remain competitive and increase productivity, common challenges experienced by plants throughout the region include ongoing recruitment and retention issues, high turnover, an aging workforce and high absenteeism based on long hours during peak periods. Plants also experience challenges hiring full-time employees in lower-skill level positions.

PROMISING PRACTICES AND INNOVATIONS

Collectively, employers in the seafood processing industry in the region are trying various strategies to address labour shortages: providing transport to and from work, offering compensation based on performance and tapping into the student workforce during peak season.

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.

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. This region on the south-western tip of Nova Scotia was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the South West Nova Scotia Region and fish and seafood processing overall in the province of Nova Scotia. 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 South West Region, the study team collected information from four plants ranging from small (two 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 SOUTH WEST REGION

2.1 GEOGRAPHIC LOCATION

The South West Region is located on the Bay of Fundy at the south-western tip of the Nova Scotia peninsula. Key fishing and seafood processing towns located in the region include Yarmouth (pop. 6,518), Digby (pop. 2,060), and Shelburne (pop. 1,743), along with additional smaller communities also heavily involved in fish and seafood processing. Yarmouth, located approximately 300 kilometres south-west of the province's capital city, Halifax, is the regional centre, although fish and seafood processing plants are located throughout the region within the coastal communities.

2.2 POPULATION CHARACTERISTICS

The population of South West Region is aging, and not expected to grow substantially over the next decade. Compared to the province overall, the population has proportionally lower levels of immigrants, visible minorities and non-Canadian citizens, but higher proportions of people identifying as Aboriginal (according to Census definitions).

The overall population for the region in 2017 was 46,246. According to Census 2016 profiles, the proportions of immigrants (4.1%), visible minorities (2.6%) and non-Canadian citizens (1.6%) are lower than those overall for Nova Scotia, but there is a substantially higher proportion of the population that identify as Aboriginal according to Census definitions (13.3%) (see Table 1).

TABLE 1: SOUTH WEST REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	CLARE REGION	NOVA SCOTIA
FEMALE	22,765	476,715
Share of Population	50.8%	51.6%
IMMIGRANTS	1,805	55,680
Share of Population	4.1%	6.1%
NOT CANADIAN CITIZENS	720	29,925
Share of Population	1.6%	3.3%
VISIBLE MINORITIES	1,130	58,650
Share of Population	2.6%	6.5%
ABORIGINAL IDENTITY	5,905	51,490
Share of Population	13.3%	5.7%

According to projections, the population levels are expected to remain relatively stable over the upcoming 13 years (46,246 in 2017 and then 46,603 by 2030). Although the total population will remain stable, it will be an ageing population with the proportion of the age cohort 65 years or older rising from 26% in 2017 to approximately 35% 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 some extent by a predicted continuation of a pattern of net in-migration of approximately 2,700 people by 2030. Overall, the period under study will be impacted by the predicted larger numbers of deaths than births in the region, which, combined with positive net migration patterns will result in a small rise in population (see Figure 2).

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

Year	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
2017	12.4%	9.4%	8.2%	10.4%	15.4%	18.3%	25.8%
2018	12.6%	8.9%	8.2%	10.3%	14.7%	18.4%	26.8%
2019	12.4%	8.7%	8.4%	10.4%	14.4%	18.4%	27.3%
2020	12.4%	8.5%	8.4%	10.4%	14.0%	18.4%	27.9%
2025	12.4%	7.5%	8.0%	10.7%	13.0%	16.4%	31.9%
2030	11.4%	7.4%	7.4%	10.2%	12.0%	16.9%	34.6%
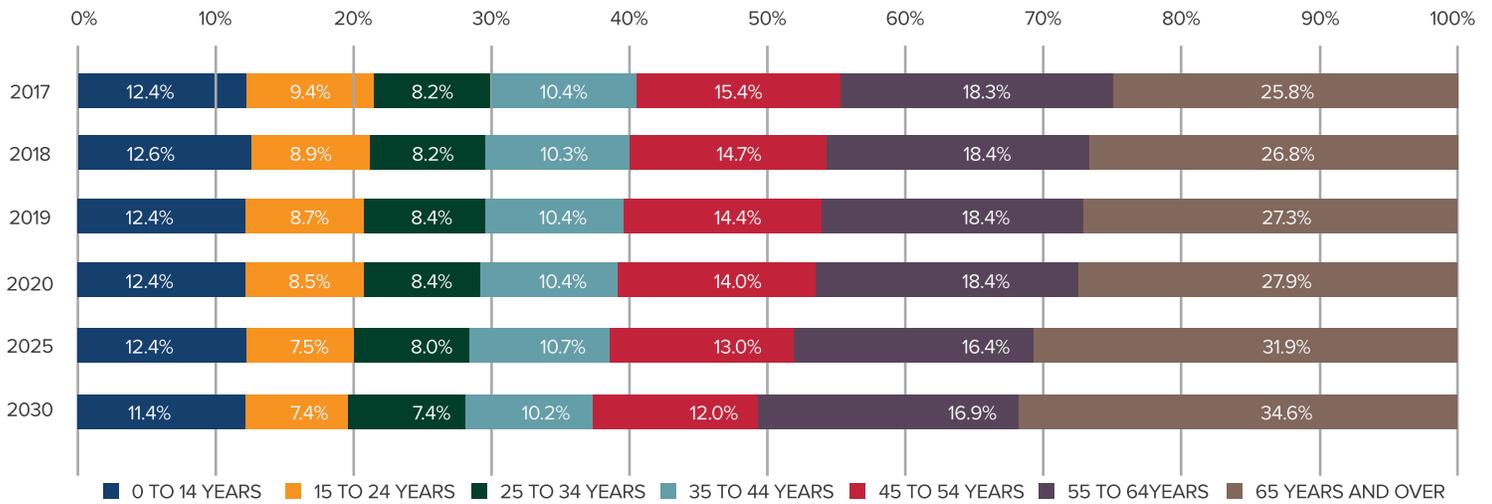
FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

Legend: BIRTHS, DEATHS, NET MIGRATION, TOTAL CHANGE
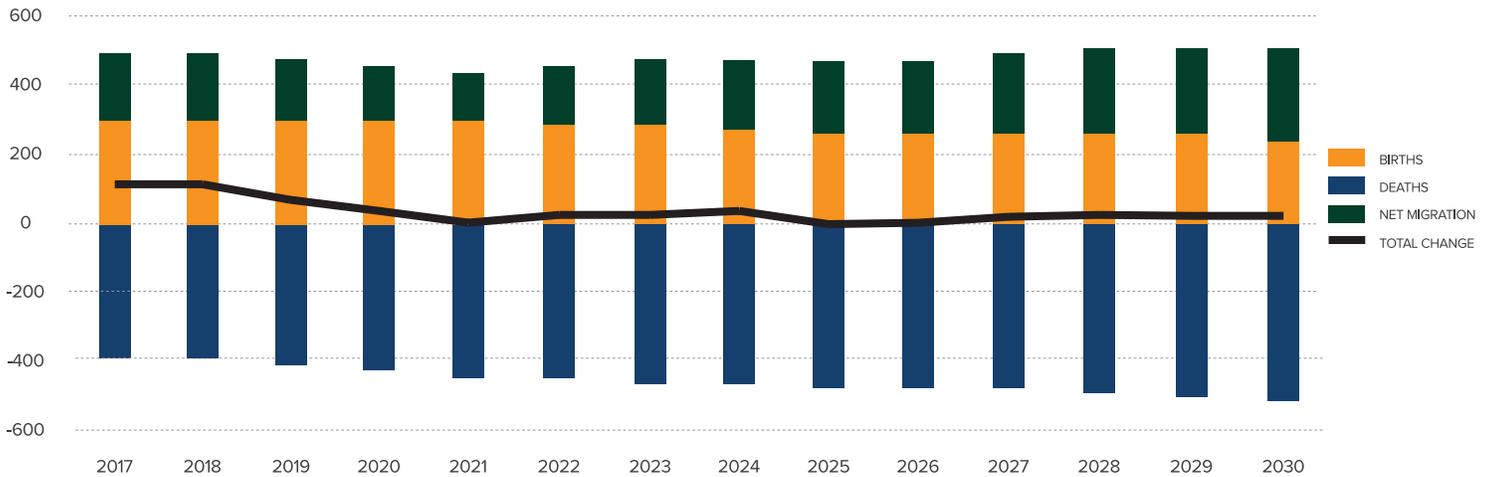
FIGURE 3: EDUCATIONAL ATTAINMENT SOUTH WEST REGION AND NOVA SCOTIA

| Category	South West Region	Nova Scotia
No cert/dip/degree	30%	20%
High School Dip	21%	25%
Apprenticeship	12%	10%
College Dip	23%	22%
University Cert	3%	2%
University Degree	12%	21%

SOUTH WEST REGION   NOVA SCOTIA
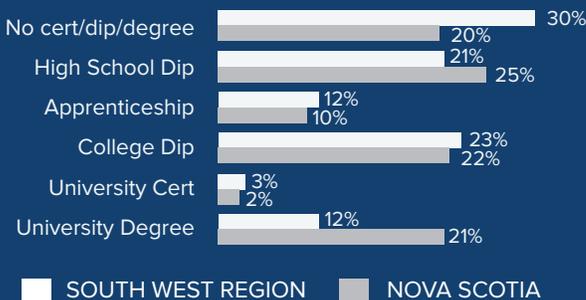
The education level of the region's residents is somewhat lower when compared with Nova Scotia overall (see Figure 3). Thirty per cent (30%) do not have a high school diploma (vs. 20% for the province), and 12% (vs. 21% for the province) have a degree. From interviews, it was determined that part of this may be attributable to the ongoing out-migration from the region into more urban centres by younger people who often have higher levels of education than older cohorts. This corresponds also to the aging demographics for the region.

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3.0 OUTLOOK OF NOVA SCOTIA FISH AND SEAFOOD PROCESSING
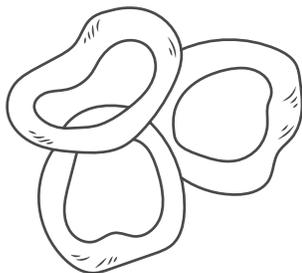
3.2 NOVA SCOTIA SEAFOOD PRODUCT OUTLOOKS

The growth of real gross output for prepared fish products is expected to accelerate over the forecast period from 1.4% on average over 2018-2021, to 2.1% over 2022-2026 and 2.2% over the 2027-2030 (see Table 2). There are many reasons for the improvement in overall real output. There is expected to be slight gains in overall consumption from 0.1% in 2018-2021, to 0.3% in 2022-2026 to 0.5% over 2027-2030 as consumer demand for prepared fish products improves. International exports are expected to rise slowly over the forecast period as trading partner market growth is modest and as trade agreements 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 because of increased provincial food production.

3.1 OVERALL PROVINCIAL ECONOMIC OUTLOOK

The Nova Scotia economy expanded by 1.2% in 2017, led by accelerating growth in private services and continued strength in manufacturing. Over the whole 2017-2021 period, real GDP growth is forecast to average 1.1%. Manufacturing is forecast to average more than 4% growth in the medium term, with growth more than 8% in 2021, as shipbuilding for the Department of National Defence is scheduled to begin. Private services are expected to be an important driving force in the provincial economy. GDP growth is expected to average 1.1% during the 2021-2026 period then slow to 1.0% on average over the 2027-30 period, as stagnant population and labour force limit potential growth.

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

END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
CONSUMPTION	-0.6	0.1	0.3	0.5
INTERNATIONAL EXPORTS	36.5	1.1	2.0	2.1
INTERPROVINCIAL EXPORTS	-0.3	0.3	0.6	0.8
INTERINDUSTRY DEMAND	0.5	2.6	1.6	1.6
IMPORTS	-0.6	0.1	0.3	0.5
TOTAL END MARKET DEMAND	36.3	1.4	2.1	2.2

3.3 SEAFOOD PROCESSING EMPLOYMENT OUTLOOK FOR NOVA SCOTIA

Average annual seafood processing employment in Nova Scotia is expected rise steadily from 6,400 in 2017 to 6,700 by 2030. Production labour (processing and plant workers) constitute nearly 5-in-10 (46%) jobs. Labour productivity (GDP per hour worked) is forecast to average 1.1% over the projection period. Average hours worked per employee is forecast to rise by 0.4% on average over the projection period, which leads to the total number of jobs falling by 0.1% over 2018-2021, and then rising by 0.7% over 2022-2026 and 0.7% over 2027-2030.

Replacement demands (deaths and retirements) are expected to total 3,000 between 2017 and 2030. Taking account of both replacement and expansion demands, the industry will likely need to need to hire slightly more than 3,400 new workers, or (53%) 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 SOUTH WEST REGION FISH AND SEAFOOD PROCESSORS

4.1 EMPLOYERS

The region hosts 38 processors ranging in size, species processed, and types of processing.

Overall, there are 38 fish and seafood processing establishments in the South West Region[3] . Species processed include a range such as pelagic and ground fish, lobster and scallops. As noted on the map in Section 1, most of these establishments are relatively small (under 50 employees) with a few notable larger facilities. For example, in Yarmouth two of the six largest private sector employers in the municipality are fish processors (the remaining are retailers and one electronics manufacturer)[4]. Most of the plants operate on a seasonal basis with a few exceptions (e.g., canning plants using frozen raw product).

THE CURRENT INDUSTRY WORKFORCE IS MORE THAN 3,000 WORKERS AT PEAK SEASON WITH APPROXIMATELY ONE-HALF BEING LABOURERS AND PLANT WORKERS.

4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the South West Region in 2017 was 2,389 on average and rising to 3,147 at peak season[5] (see Table 3). Over one-half of all employed at the peak season (53%) 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.
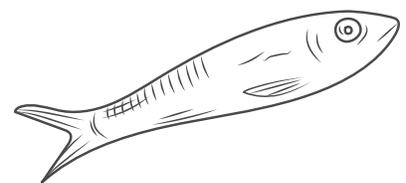
3 Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.
4 Town of Yarmouth (2017) Yarmouth Community Economic Profile.
5 Average employment refers to average monthly employment over the calendar year, while peak employment is the average number employed during the month with the highest employment during the year.

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

	Average 2017 (#of workers)	Average 2017 (%of workers)	Peak 2017 (#of workers)	Peak 2017 (%of workers)	Extra Need for Peak
TOTAL EMPLOYMENT	1,864	100%	2,455	100%	591
FOUNDATIONAL (NOC 9618)					
Shellfish Processing Labourer	262	14%	392	10%	130
Fish Processing Labourer	274	15%	411	10%	137
INTERMEDIATE (NOC 9463)					
Shellfish Plant Worker	162	9%	243	10%	81
Fish Plant Worker	171	9%	256	10%	85
SUPERVISORY (NOC 9213)					
Supervisors	64	3%	64	3%	0
MANAGEMENT (NOC 0911;0016)					
Management	75	4%	75	3%	0
OTHER CATEGORIES					
Maintenance	59	3%	68	3%	9
Skilled Trades	137	7%	165	7%	28
Quality Control Technician	32	2%	35	1%	3
Office Staff	137	7%	137	6%	0
Other Occupations *	492	26%	610	25%	118

25%

AN ESTIMATED 25% OF WORKERS ARE UNIONIZED IN THE REGION.

4.2.2 UNIONIZATION

Workers at four of the larger plants in the area (out of a total of 38 establishments) are unionized (UFCW) with approximately 400 members across the four establishments. Assuming most of the members are within the labourer and plant worker groups (NOC 9618; NOC 9463), this would represent an approximate 25% unionization rate among workers for the region during peak season (i.e., 400/1,600 = 25%).
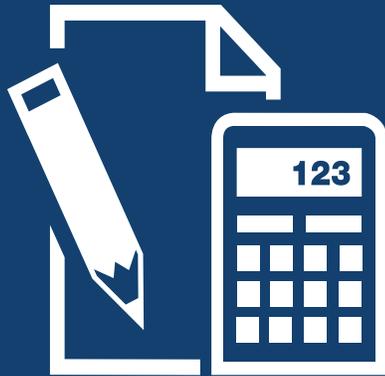
4.2.3 WAGES

Median hourly wages for shellfish/fish labourers and plant workers are slightly above the provincial average, and higher 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)			
Southern Region (NS)	12.50	14.00	22.40
All Nova Scotia	11.00	13.65	19.00
North Shore Region (NS)	11.00	12.90	18.80
Cape Breton Region (NS)	11.25	12.25	15.00
SHELLFISH/FISH PLANT WORKER (NOC 9463)			
Southern Region (NS)	11.75	13.50	16.50
All Nova Scotia	11.22	13.20	19.00
North Shore Region (NS)	11.00	11.12	13.00
Cape Breton Region (NS)	11.00	12.00	13.62
OTHER C&D LEVEL OCCUPATIONS - SOUTHERN REGION (NS)			
Farm Worker (NOC 8431)	11.00	12.00	19.76
Deckhand, Fishing (NOC 8441)	11.00	17.00	33.33
Retail Sales (NOC 6421)	11.00	11.40	20.00
Food Services (NOC 6711)	11.00	11.80	16.61
Cashier (NOC 6611)	11.00	11.00	12.50

The median hourly wage for shellfish/fish labourers (NOC 9618) in the Southern Region of Nova Scotia in 2017 was $14/hour (see Table 4). The median wage for shellfish/fish plant workers (NOC 9463) was slightly lower at $13.50/hour. These wage rates are both slightly higher than the provincial median rates ($13.65/hour and $13.20/hour respectively) for these occupations, and somewhat higher than the other two main processing regions in the province. To provide some context, the minimum wage in Nova Scotia in 2017 was $10.85/hour.

When compared with other C&D Level Occupations in the same region, the median wages for shellfish/fish labourers and plant workers were generally higher by approximately $2/hour. The one exception was for a fishing deckhand, which provided a higher median hourly wage ($17/hour).

One issue that was raised during interviews regarding compensation that may not be captured in hourly wage data is that many of the plants also provide performance or "piecework" bonuses. This can be delivered according to individual or team/group performance. According to interviews with plant managers, these bonuses can be substantial with top employees earning an equivalent of $30/hour.

5.0

REGION'S LABOUR FORCE

THE REGION'S LABOUR FORCE NUMBERS ARE APPROXIMATELY 23,000. APPROXIMATELY ONE-QUARTER OF THE ADULT POPULATION WORKED IN A FULL-YEAR, FULL-TIME POSITION IN 2015.

5.1 OVERVIEW OF LOCAL LABOUR FORCE

5.1.1 SIZE OF LABOUR FORCE, MAIN SECTORS AND WORK PATTERNS

The overall size of the labour force for the region in 2017 was estimated at 22,925 (out of a total population of 46,246). The largest proportions of the labour force for the Western Region of Nova Scotia work in agriculture, forestry, fishing and hunting (17% of labour force), retail trade (13%), health and social services (12%) and manufacturing (11% - includes fish and seafood processing).

According to Census 2016 data, only one-quarter (26%) of the population 15 years or older worked full time for the full-year (see Figure 4). A larger proportion worked part of the year and/or part time (37%), while the same proportion (37%) reported not working in 2015. This is consistent with the information collected from interviews that indicated that much of the private sector-based employment in the region is seasonal (e.g., tourism, retail, fish harvesting, agriculture), so 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).

FIGURE 4: WORK PATTERNS (15 YEARS AND OLDER) - SOUTH WEST REGIION

Did not work **37%**

Worked full year, full time **26%**

Worked party and/or part time **37%**
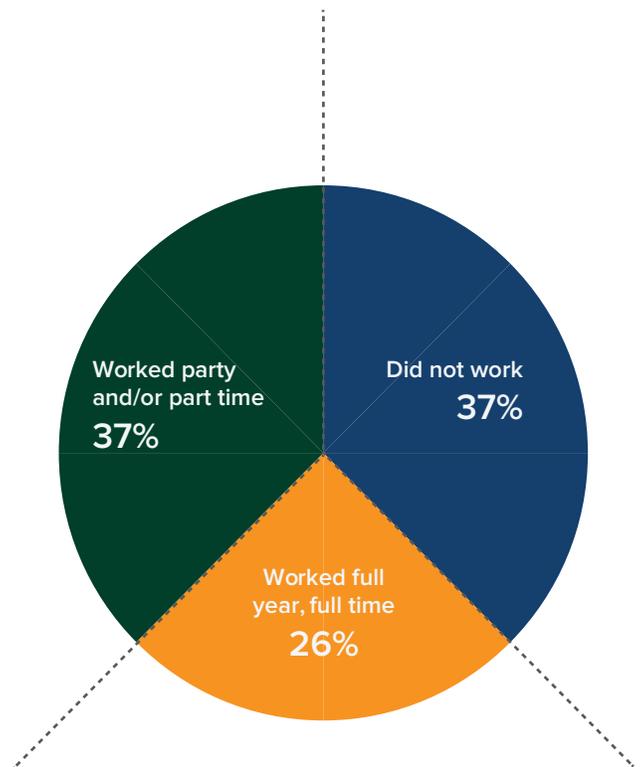
TABLE 5: AVERAGE MONTHLY EI CLAIMANTS FOR CLARE REGION – 2014 TO 2016 [8]

	Jan	Feb	Mar	Apr	Jun	Jul	Aug	Sept	Oct	Nov	Dec
TOTAL (ALL OCCUPATIONS)	3,363	3,400	3,473	3,140	2,767	2,927	2,810	2,930	2,930	3,230	2,907
SKILL LEVEL C&D *	2,073	2,067	2,167	2,040	1,540	1,603	1,577	1,507	1,557	1,777	1,887
FOOD PROCESSING **	407	387	413	400	317	257	253	247	280	360	347

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

**includes the following occupations: manufacturing managers (NOC 0911); bakers (6332); retail salespersons (6421); material handlers (7452); food and beverage processing supervisors (9213); industrial butchers and meat cutters (9462); fish and seafood plant workers (9463); food and beverage processing labourers (9617)

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

Source: Employment and Social Development Canada 2017

5.1.2 UNEMPLOYMENT

The unemployment rate for the region in 2017 was 10.8% on average, but monthly the rate experiences considerable fluctuations from a low of 4.2% to a high of 24.5%. According to Census data, approximately one-fifth (19%) 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 247 in the months of July and September to more than 400 in January (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 similar numbers of claimants occurring each of the three years (+0.2% change for overall claims on an annual average for this period; 0% for food processing).

The average unemployment rate for the region in 2017 was 10.8%, with considerable monthly fluctuations given the seasonality of many of the industries.

FIGURE 5: MONTHLY EI CLAIMANTS FOR SOUTH WEST REGION - 2014 TO 2016
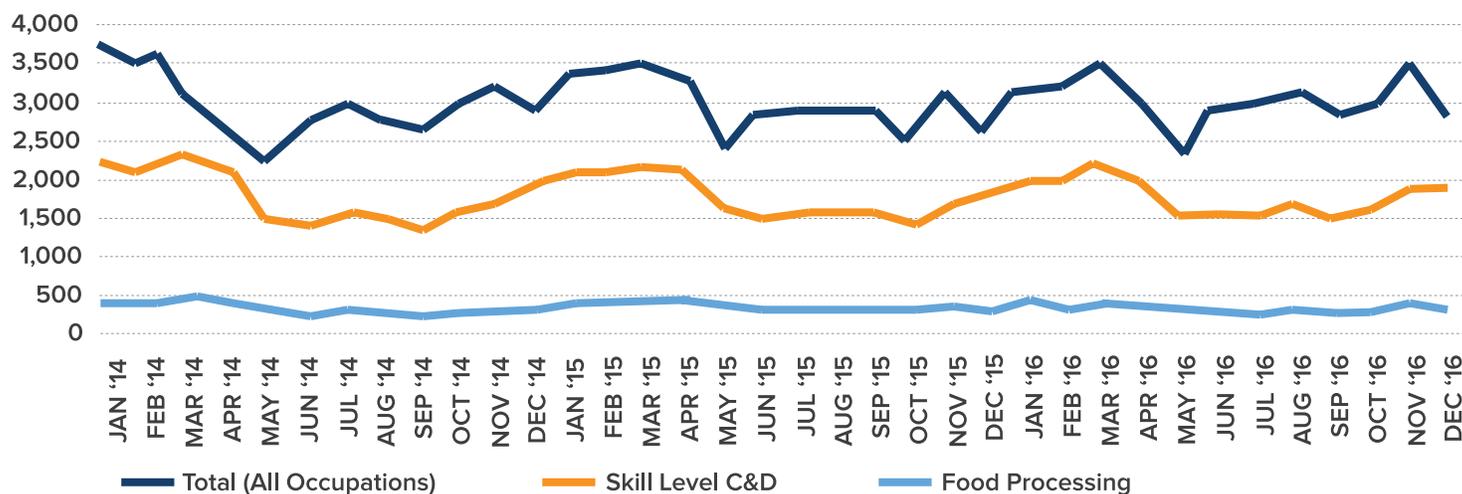
5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

The proportion of immigrants in the South West Region is slightly lower when compared with Nova Scotia overall (4.1% vs. 6.1%). In 2017, while there were a few plants using the Temporary Foreign Workers Program (TFWP), the TFWP is not a significant source of labour for the region's plants. Plant managers interviewed indicated that the regular permanent immigration pathways were not suitable for their needs as they were not able to guarantee full-time, year-round employment. The small number of recent immigrants who were working in the plants consulted during the site visits often were brought in to Canada by another employer in a different sector, and after requirements had been filled, had applied and were hired by the fish processing plants.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

The South West Region includes two Indigenous communities (Bear River First Nation near Digby; Acadia First Nation near Yarmouth) with a total population living on-reserve of approximately 350. In addition, there is a large proportion of the population (13% in Census 2016; 5,905 individuals) in the South West Region who identify as Aboriginal according to Census definitions. In interviews with plants in the region, there were no specific outreach activities or partnership development with local Indigenous communities. The main reason given for this lack of activity was that the communities were of a relatively small size, and many of the local First Nations were becoming increasingly involved in the harvesting aspects of the fishery and did not seem as interested in processing.

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

" Indigenous communities in the region are becoming more involved with seafood and fish harvesting, but less so with processing.

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6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

THERE IS CURRENTLY AN INSUFFICIENT LOCAL LABOUR FORCE TO MEET THE REGION'S LABOUR REQUIREMENTS (FOR ALL INDUSTRIES) LEAVING AN OVERALL POTENTIAL GAP, WHICH INCREASES DURING PEAK PERIODS. THIS TREND CONTINUES THROUGH 2030, INCREASING TOWARD THE SECOND HALF OF THIS PERIOD. FOR THE FISH AND SHELLFISH PROCESSORS, THIS SHORTAGE IS MOST SEVERE DURING THE PROCESSING PEAK SEASON, WHICH UNFORTUNATELYCOINCIDES WITH MANY OTHER COMPETING SECTORS' PEAK SEASON.

	2017	2018	2019	2020	Avg 2021-2025	Avg 2026-2030
TOTAL POPULATION	46,246	46,343	46,396	46,420	46,476	46,603
AVERAGE ANNUAL CHANGE (%)		0.2%	0.1%	0.1%	0.0%	0.1%
TOTAL LABOUR FORCE	22,925	23,056	23,020	22,888	22,523	22,616
AVERAGE ANNUAL CHANGE (%)		0.6%	-0.2%	-0.6%	-0.6%	0.5%
TOTAL EMPLOYMENT	20,459	20,545	20,638	20,551	20,456	20,897
AVERAGE ANNUAL CHANGE (%)		0.4%	0.5%	-0.4%	-0.2%	0.8%
UNEMPLOYMENT RATE	**10.8%**	**10.9%**	**10.3%**	**10.2%**	**9.2%**	**7.6%**

TABLE 6: POPULATION AND LABOUR FORCE OUTLOOK SUMMARY - SOUTH WEST REGION (2017-2030)

The model projections indicate that considering the trends in out-migration and the aging population, the South West Region will have little population growth within the period under study (2017 to 2030) (see Table 6). These factors will also contribute to a relatively constant sized labour force of approximately 22,000 between 2017 and 2030. As a result, unemployment rates are expected to decline from an average of 10.8% to 7.8% based on increased opportunities, but limited 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 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 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 higher than the Residual Total Labour Force. This suggests that there is currently (2017) an insufficient local labour force to meet all the region's labour requirements (for all industries) leaving an overall potential gap, which increases during peak periods. This trend continues all the way through to 2030, increasing toward the second half of this period.

The analysis outlined in Table 7 and Figure 6 describes the labour market context within which the fish and seafood processors are operating with respect to finding enough 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 peak season in 2017, the seafood processing industry was able to recruit and employ 2,455 within a labour market that had a residual total labour force of only 1,298. This means that the seafood processing industry was likely recruiting workers from other industries, and potentially recruiting workers 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 7: TOTAL LABOUR MARKET TIGHTNESS - SOUTH WEST REGION (2017-2030)

	2017	2018	2019	2020	Avg 2021-2025	Avg 2026-2030
TOTAL LABOUR FORCE 9	22,925	23,056	23,020	22,888	22,523	22,616
TOTAL NON-SEAFOOD PROCESSING LABOUR REQUIREMENT 10	21,628	21,714	21,740	21,635	21,411	21,715
RESIDUAL TOTAL LABOUR FORCE 11	1,297	1,342	1,280	1,253	1,112	901
TOTAL SEAFOOD PROCESSING EMPLOYMENT (ANNUAL AVERAGE)	1,864	1,697	1,654	1,738	1,620	1,764
TOTAL SEAFOOD PROCESSING EMPLOYMENT (PEAK)	2,455	2,235	2,179	2,289	2,134	2,323

FIGURE 6: TOTAL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE - SOUTH WEST REGION (2017-2030)
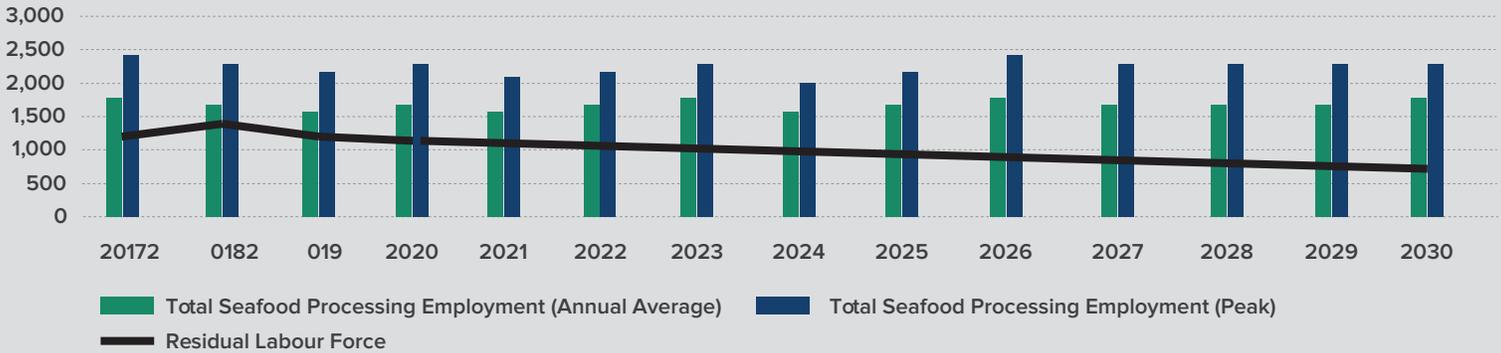
9   The labour force includes all individuals who are either employed or unemployed and actively seeking work. The unemployed would include those on regular EI claims along with those receiving other sources of income (e.g., social assistance) who are actively looking for employment.

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.
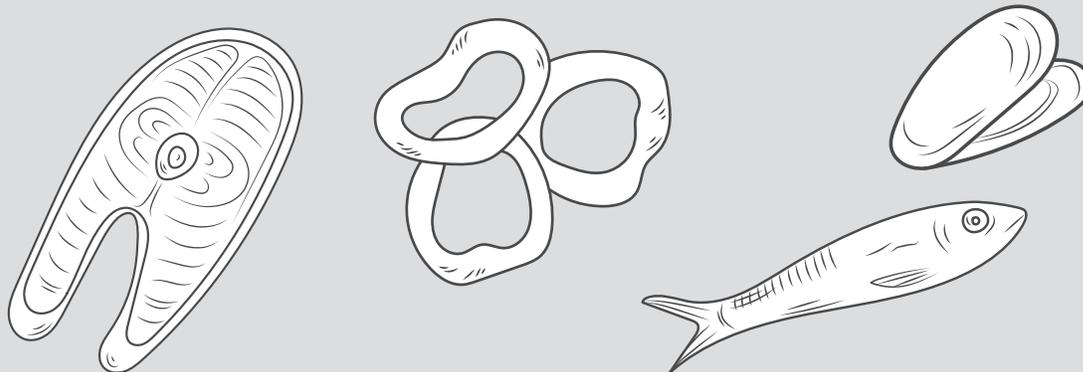
	2017	2018	2019	2020	Avg 2021-2025	Avg 2026-2030
Lower Skill Labour Force [12]	9,423	9,477	9,462	9,408	9,258	9,296
Lower Skill Non-Seafood Processing Labour Requirement	8,895	8,902	8,901	8,850	8,737	8,917
Residual Lower-Skill Labour Force	528	575	561	558	521	455
Lower Skill Seafood Process Employment (Annual Average)	1,133	1,031	1,005	1,055	984	1,072
Lower-Skill Seafood Processing Employment (Peak)	1,493	1,358	1,324	1,390	1,295	1,413

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, over one-half 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 level labour force, the study also analyzed the "tightness" of the lower-skill level labour market (see Table 8 and Figure 7). The tightness of lower-skill level labour market is also high. For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 1,493 workers within a labour market that had a residual total labour force of only 528. This means that the seafood processing industry was likely recruiting workers from other industries, and potentially recruiting workers from outside the local region. This level of tightness suggests that many of the industries that rely on a lower-skill level labour market are also experiencing labour shortages in this region.

FIGURE 7: LOWER-SKILL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE - SOUTH WEST REGION (2017-2030)

Legend:
- **Lower-Skill Seafood Processing Employment (Annual Average)**
- **Lower-Skill Seafood Processing Employment (Peak)**
- **Residual Labour Force**
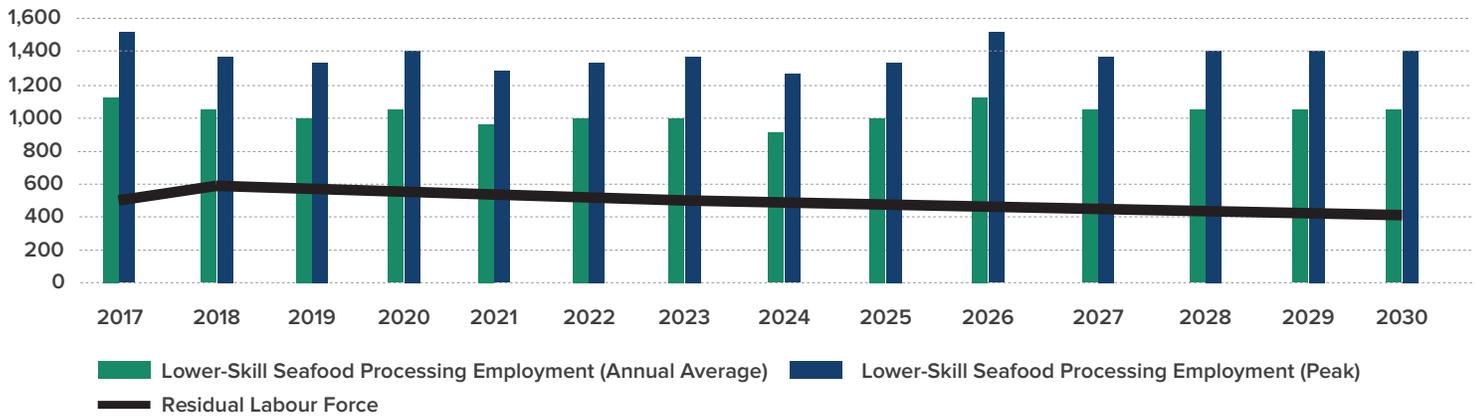
The overall summary of the labour market tightness as modelled for the South West Region (Table 9) demonstrates that the local labour force is unable to meet the employment requirements of employers in the area at average or peak levels. This tightness is demonstrated for the overall labour market as well as the lower-level skill workers. This trend is anticipated to continue throughout the period of study (2017 to 2030). These results assume similar industry employment demand (e.g., no new major employers arriving or leaving the area), and no major changes in net migration patterns.

3

TABLE 9: SUMMARY OF LABOUR MARKET TIGHTNESS - SOUTH WEST REGION (2017-2030)

	2017	2018	2019	2020	Avg. 2021-2025	Avg. 2026-2030
TOTAL	3 (-567)	3 (-355)	3 (-374)	3 (-485)	3 (-508)	3 (-863)
PEAK	3 (-1158)	3 (-893)	3 (-899)	3 (-1036)	3 (-1022)	3 (-1422)

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

Within a very tight labour market, projections indicate that the South West Region employers will need to attract approximately 600 new workers to the fish and seafood processing industry by 2030. This is equivalent to approximately 32% of their current annual average workforce. This requirement is due to the replacement of anticipated retirements over this period, while considering projected industry growth and labour productivity gains. Unfortunately, this recruitment will be occurring within the context of a very tight regional labour market that is currently experiencing severe labour shortages, which are predicted to continue during this period. This tightness in the labour market is contributing to the high number of current vacancies experienced by employers in seafood processing (estimated at 12% in Atlantic Canada), and to some degree the higher turnover rates in the industry as workers have more employment opportunities from which to choose, particularly in the lower-skill level occupations (estimated imputed turnover rate of 40% for Atlantic Canada in seafood processing industry). All of these factors contribute to the substantial challenges facing South West Region's seafood processors in their attempts to recruit enough workers to replace retirements, fill ongoing vacancies, work to address turnover rates, while also trying to grow, remain competitive and increase productivity.

....

Overall, it is anticipated that there will be some shedding of jobs in the short term (2017-2018) due to negative industry growth. As of 2019, however, there will be a need for increased numbers of new hires, due to the need for replacements with anticipated retirements and deaths among the workforce (see Table 10). Overall, this results in the need to attract 567 new workers to the industry between 2017 and 2030. This equates to replacing approximately 32% of the current average seafood processing workforce in the region.

TABLE 10: HIRING REQUIREMENT OUTLOOK - SOUTH WEST REGION (2017-2030)

	2017	2018	2019	2020	Sum 2021-2025	Sum 2026-2030
NET HIRING REQUIREMENT 13	-58	-109	14	143	206	371
INDUSTRY GROWTH	-121	-167	-43	84	-62	87
RETIREMENTS AND MORTALITY	64	58	57	59	268	283

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

TABLE 11: EMPLOYMENT OUTLOOK (ANNUAL AVERAGE) - SOUTH WEST REGION (2017-2030)

	2017	2018	2019	2020	Avg 2021-2025	Avg 2026-2030
TOTAL EMPLOYMENT	1,864	1,697	1,654	1,738	1,620	1,764
SHELLFISH PROCESSING LABOURER	262	238	232	244	227	248
FISH PROCESSING LABOURER	274	249	242	255	238	259
SHELFISH PLANT WORKER	162	147	144	151	141	153
FISH PLANT WORKER	171	155	151	159	148	161
SUPERVISORS	64	58	57	60	56	61
MAINTENANCE	59	54	52	55	51	56
SKILLED TRADES	137	125	122	128	119	130
QUALITY CONTROL TECHNICIAN	32	29	28	30	28	30
MANAGEMENT	75	68	66	70	65	71
OFFICE STAFF	137	125	122	128	119	130
OTHER OCCUPATIONS	492	448	436	458	427	465

13 Net hiring requirement does not include hiring required because 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 hired as a share of the total number of workers) for Atlantic seafood processors is 40%.
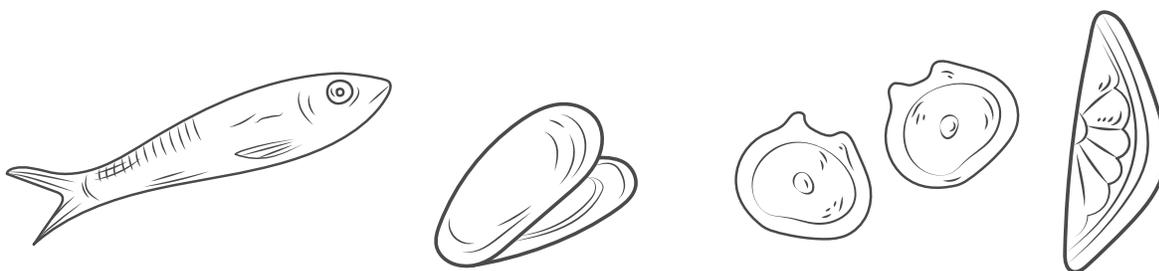
TABLE 11: EMPLOYMENT OUTLOOK (PEAK) - SOUTH WEST REGION (2017-2030)

	2017	2018	2019	2020	Avg 2021-2025	Avg 2026-2030
TOTAL EMPLOYMENT	2,455	2,235	2,179	2,289	2,134	2,323
SHELLFISH PROCESSING LABOURER	392	357	348	366	341	371
FISH PROCESSING LABOURER	411	374	365	383	357	389
SHELFISH PLANT WORKER	243	221	216	227	211	230
FISH PLANT WORKER	256	233	227	239	222	242
SUPERVISORS	64	58	57	60	56	61
MAINTENANCE	68	62	60	63	59	64
SKILLED TRADES	165	150	146	153	143	156
QUALITY CONTROL TECHNICIAN	35	32	31	33	31	33
MANAGEMENT	75	68	66	70	65	71
OFFICE STAFF	137	125	122	128	119	130
OTHER OCCUPATIONS	610	555	541	568	530	577

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. The 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 placed on radios, newspapers and online job boards. Many of the referrals are by word of mouth from within the community.

⟫ Retention issues

Among the plants interviewed, there appears to be a core group of employees who have been with the plants for more than 10 years (some in the 30- to 40-year range). This group is older (55+) and make up anywhere from 30% to more than 50% of the workforce. Retention is obviously not an issue with this group, however, over the past decade, very few of the more recent hires are moving into longer tenure with the plant. Instead, the new entrants are staying for short periods of time (often less than a full season) and are not necessarily returning for a second season. In some cases, this is to be expected where they are post-secondary students working during the summer and then off to careers related to their training. In other cases, the lower-skill workforce tends to be much less "adhered" to one seasonal employer and instead will work for different employers over the course of a summer or across seasons. One employer estimated that they prepare approximately 400 records of employment (ROE) for approximately 125 positions each year. Out of the 125 positions, approximately 75 are filled with a core group of workers, so the remaining 300+ ROEs are to fill approximately 50 positions across a season. Another plant that operates year-round indicated that they hire 10 people for every one that stays longer term.

⟫ Preference for seasonal work among lower-skill level occupations

Among those interviewed, it was noted that labourer and plant worker full-time positions are challenging to fill and retain employees. This was explained by two plant managers as many of the communities having an abundance of seasonal employment opportunities available, and people in the communities tending to prefer longer hours and days of seasonal work, and to then collect EI benefits, rather than commit to full-time employment at lower-skill levels.

⟫ Impact of labour shortages and vacancies

In one plant, the processing tables can hold up to 80 workers each and on an average day they have 35-40 in place. One main impact of shortage of workers is that the staff present are required to work very long hours (aim for a 12-hour day, but often go up to 16 hours), and do not have days off during peak season (although they try to take Sundays off — not always successful). Another impact is the loss of value of the product. The raw product brought in must be processed the same day or it is sent for processing as fish meal. On average over a season, approximately 10-15% of raw product cannot be processed in time, largely due to a shortage of workers.

⟫

7.0 OVERVIEW OF HR ISSUES ENCOUNTERED CONT'D

Absenteeism

Part of the challenges of shortages is also attributed to absenteeism, which according to interviews is increasing over the past 5-10 years. This is attributed to the long hours that are required with limited days off (given the shortages), the physical nature of the work, 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.

Industry image

Some pointed to the challenges with the processing industry's image. This included the "hire anybody" approach that some plants are resorting to in order to fill positions, which in turn does not help with trying to market the industry as an attractive sector with many opportunities.

Competition for seasonal lower-skill labour

Plant managers noted that the competition for seasonal lower-skill labour is increasing. Main competitors noted were other fish plants in the area, call centres and retail stores. Another area noted as challenging was fish harvesting (particularly the lobster fishing industry) where many of the young men can make considerably more money working in the harvesting sector compared with the processing sector. This presents some challenges for filling positions in processing that require heavier lifting and strong physical capacity.

Technology and automation

Investments in technology and automation seem to vary considerably from plant to plant. While some of the larger plants are investing heavily in automation, which in turn is increasing their productivity levels with the same number of staff, others are using the technology that was purchased more than 25 years ago. It appears this is somewhat dependent on the species being processed, as well as the type of processing.

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:

IMMIGRATION CLUSTERS

One plant that already hires Temporary Foreign Workers has proposed a pilot project to the provincial government to settle a "cluster" or 20 immigrant families permanently in the region to work at their processing plant.

PROVIDING TRANSPORTATION

Company-owned buses will transport workers to and from the plant, which is found to be particularly appealing in rural settings where there are limited options for public transportation.

PERFORMANCE BASED COMPENSATION

Plants compensate based on piecework or through 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.

RECRUITING STUDENTS SEASONALLY

Plants are recognizing the student workforce as a largely untapped resource to help them meet their peak season needs.
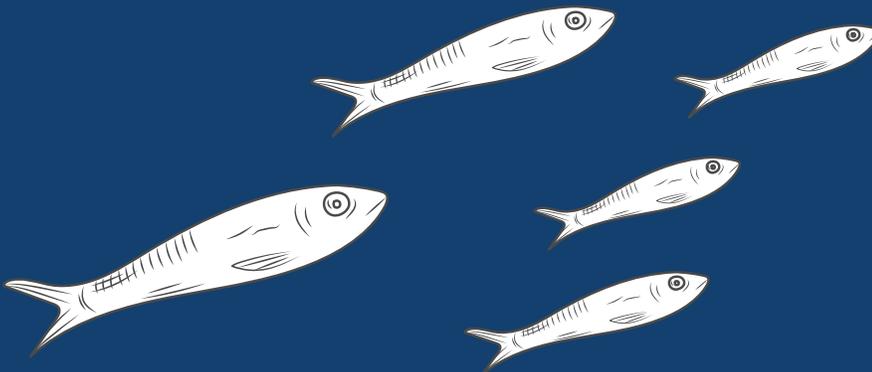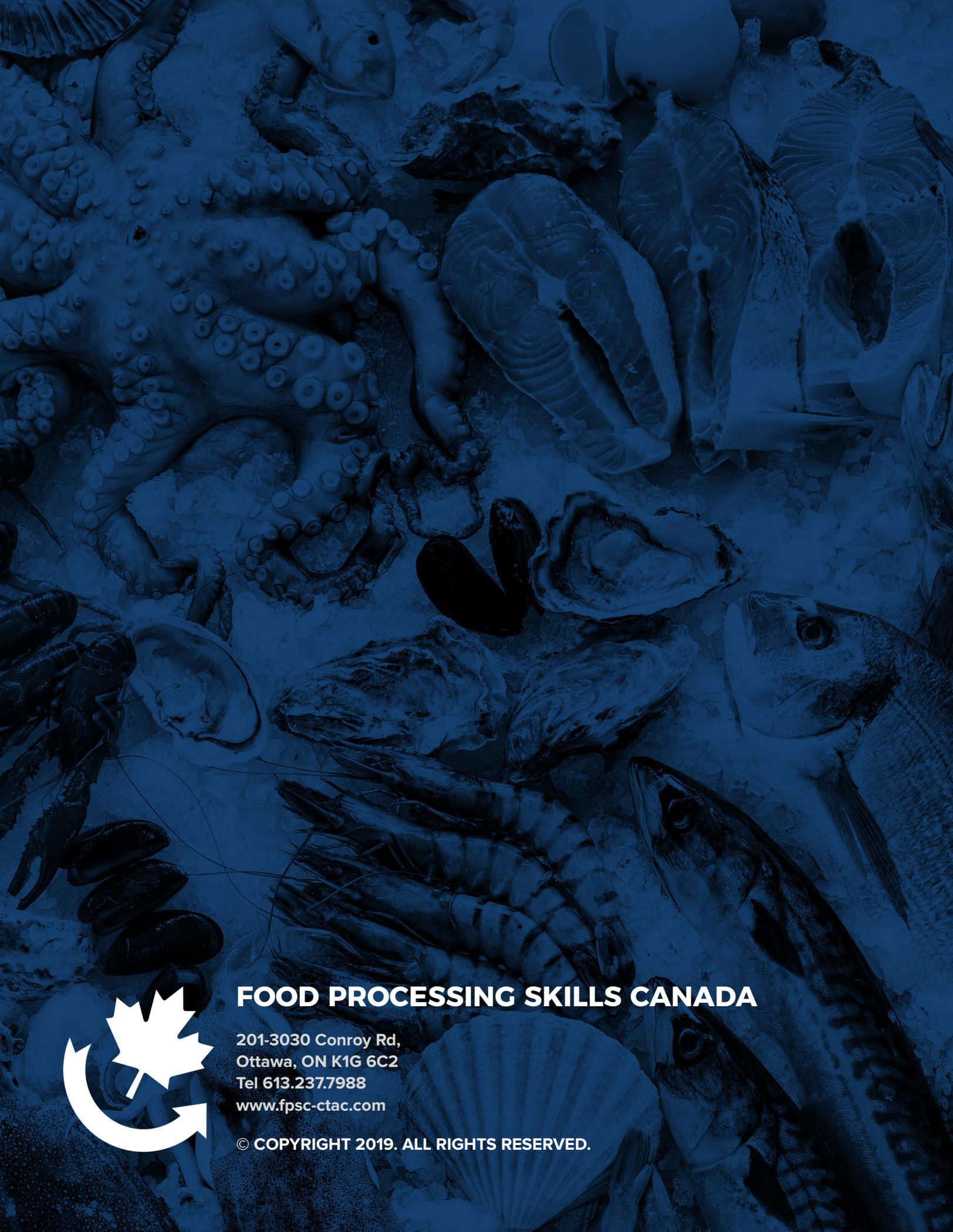
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