

Food and  
Beverage  
Canada



Aliments  
et boissons  
Canada

**A report on:**

**Food and Beverage Canada-  
Aliments et boissons Canada's  
Labour Planning Session**

February 5, 2020

Ottawa

## Introduction

Food and Beverage Canada – Aliments et boissons Canada (FBC-ABC) convened a Labour Planning Session on February 5, 2020 as part of a program of work targeted at identifying and addressing the food and beverage manufacturing sector's labour challenges.

This work supports FBC-ABC's 2019 – 2021 Strategic Plan, which calls on the association to develop strategies and initiatives to support labour access in the food and beverage manufacturing sector.

The purpose of the Labour Planning Session was to examine the range of initiatives required to address industry's labour and skill shortages, and to identify priority initiatives that will ensure the sector has a strong workforce able to contribute to sector growth. The Labour Planning Session brought together twenty-five leaders from FBC-ABC member companies, primary agriculture, training and educational institutions, other associations, and the federal government, each with experience and expertise in various aspects of FBC-ABC's labour model; including workforce attraction/retention, skills development, and shifting industry labour and skill requirements.

This report describes the output from the February 5 Labour Planning Session. It sets out the context for and approach taken in the Labour Planning Session, summarizes the output of discussions, and identifies agreed-to priorities and next steps.

## The Context

Food and beverage is the largest manufacturing sector in Canada, collectively employing 290,000 people. Labour is, however, the number one issue facing Canada's food and beverage manufacturing sector today. The problem – a shortage of workers and changing needs related to skills development - is expected to increase in the coming years, with Food Processing Skills Canada projecting a shortfall of 65,000 full time employees by 2025.

As the food and beverage manufacturing sector struggles to address its current labour shortfall, the federal Agri-food Economic Strategy Table's 2018 Report has called on industry to increase domestic sales to \$140 billion and exports to \$85 billion by 2025 - a roughly 30 percent increase over 2017 levels. Achieving the Economic Strategy Table's goals puts even greater pressure on the food and beverage manufacturing sector to ensure it has a strong labour force with the right skills.

## The Approach

Labour is a complex topic for food and beverage manufacturers: the problems and the solutions are multi-faceted, labour shortages are often local, and the adoption of technology is shifting the skills required in the sector.

To ensure better understanding of the structural issues impacting workforce planning, in 2019 FBC-ABC created a model and narrative to describe the current labour environment for food and beverage manufacturers. Its creation borrowed heavily on the analysis of numerous reports that have been produced in recent years, including the 2013 report of the federal Agriculture and Food Labour Task Force.

FBC-ABC's *People, Careers & Workforce Planning* model is not prescriptive. It simply supports discussion and analysis by illustrating the interdependency of the six key elements impacting the development and retention of a strong workforce.

During the February 5 Labour Planning Session, participants reviewed and discussed each of these six elements to ensure a common understanding of the current labour situation, to identify the most pressing issues facing the sector under each theme, and to agree upon priority projects for industry to undertake on an immediate basis to advance resolution of these issues.



## Talent Attraction – What We Heard

### Element 1 - Awareness of Industry and Career Options



*Increase the positive perceptions of employment in the sector and raise awareness of the variety of occupations suited to various skill sets, the diverse communities in which sector careers are available, and the paths to career advancement.*

#### Current Situation

Participants acknowledged that there is a need to improve knowledge and understanding of the employment and career options in the food and beverage manufacturing sector. Research continues to show that perception of this industry as a potential employer is not strong.

Challenges were identified on a number of fronts: job and career awareness programs within the elementary and secondary education system do not sufficiently highlight the food and beverage manufacturing sector, resulting in weak understanding of the sector and the employment opportunities it offers; technical skills, which are highly valued by the sector, are no longer encouraged in high-school programs; and college and university students are not sufficiently aware of the range of opportunities for engineers, scientists and managers in the sector.

#### Opportunities

Increasing the awareness of food and beverage manufacturing and positioning it as a sector that offers a broad range of employment and career opportunities will require a significant and coordinated industry-wide investment over the long-term.

Youth will be a critical in addressing industry's labour challenges. Industry should work with elementary and secondary education systems to ensure food and beverage manufacturing is included in career programming. Critical components of a youth-focused program could include career counselling, high school work programs, and co-operative placements in the sector. Also required is a renewed focus on the importance and demand for skilled trades, and a focus on those students who, choosing not to pursue a postsecondary education, still have potential to become valuable employees within our industry.

Colleges and universities can play a stronger role in promoting the sector to students through, among other things, their recruitment activities. There may be opportunities to learn from those colleges and universities that are creating clear pathways into this sector. Again, co-op opportunities can be fruitful, particularly if they offer candidates an employment commitment at the end of their schooling.

#### Key Thought

There is opportunity for the sector to create its own awareness programming that highlights the many employment and career opportunities in the sector. This would be a significant and costly undertaking, requiring broad industry coordination.

## Element 2 - Progressive HR Practices and Cultures



*Provide information and support to small and medium sized enterprises to help them develop HR capacity and foster the workplace environments and employee culture important to today's job seekers.*

### Current Situation

Participants believe that employee recruitment and retention are significant challenges facing the food and beverage manufacturing sector. The problem is multi-faceted and impacted by a tight labour market, weak industry image, tight profit margins impacting industry wages, the reliance on temp agencies, and inconsistent adoption of advanced Human Resource (HR) practices.

The inability to find and retain workers leads to many issues in a manufacturing plant. A shortage of workers can prevent production lines from operating and, in meat plants, can lead to perceived animal welfare issues. Labour shortages can also create tremendous pressure on existing workers, with the increased stress potentially leading to illness or risking worker safety.

Critical to attracting and retaining new employees is workplace culture and HR practices. Participants acknowledged that HR practices can be inconsistent across the sector and that many companies are not equipped to respond to the shifting drivers of employee satisfaction, particularly with younger workers, or the tension that can be created by multi-generational workforces.

### Opportunities

Food and beverage manufacturers need to modernize HR practices, developing value propositions that appeal to the broad workforce, from foundational workers through to corporate executives. This extends beyond a competitive wage to include corporate culture, comprehensive benefit packages, and career opportunities. Key to this is ensuring HR is driven by values and culture; and that companies better articulate the intangible benefits of the workplace.

The sector offers a broad range of jobs that draw on an array of skills. Companies need to better articulate the opportunity for workers to develop new skills and advance within the sector. Companies can also create cross training and cross experiences for workers, allowing employees to build career pathways.

### Key Thought

The sector could benefit from an HR toolkit, that incorporates existing resources and creates new tools to support the broader adoption of best HR learning and practices across the sector.

## Workforce Development – What We Heard

### Element 3 - Skills Training



*Ensure a strong match between the skills and competency requirements of the sector and the skills and competencies of employees and job entrants, by coordinating education/training through a partnership involving the sector, educators and training organizations.*

#### Current Situation

Industry participants agreed that the shortage of skilled labour is threatening the viability of their businesses. Along with a shortage of drivers, particular concern was raised regarding shortages within the skilled trades, including maintenance electricians, millwrights, automation technicians, and electromechanical technicians.

Participants noted that in addition to the current shortage of skilled trades, skills requirements are shifting and evolving with the increased adoption of automation and robotics. The length of training/certification programs is limiting the availability of workers needed today. Without strong industry engagement, educational institutions struggle to anticipate future skills requirements and, as such, training programs can lag behind industry's skills needs. As well, the multi-jurisdictional nature of education and training - where authority resides at the provincial level, adds additional complexity to ensuring coordinated approaches for the sector.

#### Opportunities

Industry and training/certification bodies need to work more closely to ensure alignment around current and future training needs.

All parties need to explore more flexible and practical approaches to skill development: focusing on specific skill sets to accelerate our employee's capacity to be productive, piloting new approaches to accreditation for relevant and job ready skills, and recognizing internal training provided by businesses in the accreditation process.

As companies adopt greater automation and robotics, there are opportunities to partner with academic and accreditation bodies to ensure training programs remain current with innovation.

#### Key Thought

There is need for industry, governments, training partners, and other organizations to collaborate to support domestic skilled trades development – the creation of alternative models for skills training and accreditation that will lead to the more timely availability of a range of required skilled trades in the food and beverage manufacturing sector.

## Element 4 - Qualified Foreign Workers



*Create new mechanisms for bringing qualified workers from other nations into Canada to work in the sector, either as immigrants or temporary foreign workers, to allow the sector to address labour shortages effectively and on a timely basis.*

### Current Situation

The food and beverage manufacturing sector requires workers – without them food production cannot be maintained at current levels, let alone grow to meet federal production and export targets. Without workers, plants cannot operate at full capacity. In the context of Canada’s labour shortages – and absent significant new investment in automation and robotics – industry will need to rely on foreign workers to meet their labour shortfall. Even with increased automation, during short seasonal production peaks, domestic labour will almost always need to be supplemented.

Industry participants expressed frustration that, given this reality, government officials and policy makers appear resistant to ensuring foreign workers are available to address Canada’s domestic labour gap. Participants noted that the application for foreign workers is overly complex and can itself be a significant impediment to accessing workers. In the case of permanent foreign workers, the process is complicated by the number of different entry programs, many of which devalue the skills required in the food and beverage manufacturing sector. In the case of Temporary Foreign Workers (TFWs), approval times are lengthy and do not align with the cycle of agriculture and food production; limits are imposed on the number of workers; and, in the case of returning workers, the process is highly repetitive.

### Opportunities

Participants acknowledged the need for industry and the federal government to develop a consistent understanding of Canada’s domestic labour shortage and the role foreign labour can play in supporting the federal government’s food production and export targets.

Foreign labour programs should be developed to support, not impede, the shared understanding of Canada’s labour markets and vision for the food industry.

### Key Thought

Industry needs to develop and implement a foreign worker advocacy strategy to address, on an urgent basis, the need to pilot ‘future relevant’ solutions that will meet the employment needs of the industry on a timely and cost-effective basis.

## Element 5 - Underrepresented Groups



*Identify and address barriers to recruiting employees from demographic groups in the Canadian labour market that are under-represented in the sector; new Canadians, Indigenous people and youth.*

### Current Situation

In every community, there are groups of Canadians who are marginalized and face barriers in accessing the workforce. Underrepresented groups include women, Canadians with disabilities, new Canadians, First Nations, and those who have faced social and economic insecurity.

While the food and beverage manufacturing sector offers a range of entry-level jobs requiring only foundational skills, it can be difficult to reach potential workers from underrepresented groups. Engagement strategies often need focus at the local level and require partnering with local settlement or support agencies. These workers may also require unique societal supports to allow them to start or continue working. Front-line workers may not have access to private transportation, making access to public transportation or reliance on car-pooling critical; single parent workers may need supports such as extended-hour child-care during shift-work; and new Canadians may need settlement services or language supports.

### Opportunities

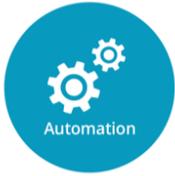
The food and beverage manufacturing sector is one of the largest employers in the country, with a strong focus on front-line jobs. These front-line jobs require only foundational skills, making them an important source of employment for workers with no formal education and little to no previous experience. While jobs often start at minimum wage, they can provide solid employment opportunities for workers from underrepresented groups or those trying to re/enter the labour force.

Critical to attracting employees to the sector will be ensuring the necessary supports and infrastructure exist, helping people relocate to areas where opportunities exist and then supporting them in holding a job. This is particularly true for immigrants, underrepresented groups, and those who relocate from other areas of the country. There is opportunity for industry to partner with provincial and local governments to build these supports. For industry, there is also value in creating, as part of the sector HR toolkit, inclusive workforce strategies and tools, designed to increase the participation of underrepresented groups.

### Key Thought

Industry should seek out opportunities to partner with provincial and municipal governments to identify critical social and infrastructure supports (e.g. transportation, child-care services, etc.) to support front-line workers in overcoming obstacles to employment.

## Element 6 – Automation/Innovation



*Support adoption of automation and innovation to increase productivity and ensure employees have the necessary skills to work with new technologies.*

### Current Situation

Participants noted that Canada’s food and beverage manufacturing sector lags behind most western countries in adopting innovation. In addition to its other benefits, increased automation and robotics could in fact help mitigate the impact of industry’s labour shortage by reducing the reliance on labour, while at the same time up-skilling other jobs .

Overcoming the industry’s innovation deficit is a challenge. Broad company demographics and geographic distribution, industry fragmentation, and a lack of coordination among innovation stakeholders are just some of the challenges impeding the sector’s innovation aspirations. In addition, many government programs designed to support increased automation are predicated on job creation – a requirement that, on its surface, seems entirely counterintuitive given the industry’s labour situation.

Automation may reduce the industry’s overall labour needs, but it will also create new training needs and could contribute to the sector’s skilled labour issues.

### Opportunities

Industry needs to increase its adoption of innovation. Automation/innovation can reduce labour shortage challenges, create upscale employment opportunities, improve worker health and safety, and enhance productivity. However, to do so, industry requires financial support from government; which in turn requires investment programs, not tied to job creation, that better recognize industry needs.

Canada has many fundamental elements required to become a global leader in this area – a large sector concentrated around a few regional hubs, strong and recognized industry leadership, and strong post-secondary and research institutions. Success will however require that these stakeholders come together to develop, support, and move forward on a plan to create an innovation hub.

### Key Thought

There is an opportunity for the federal government to create a food and beverage processing funding stream: to support company efforts to improve productivity, address labour shortages, and meet seasonal production requirements, without financial penalties as a consequence of reduced employment attributable to automation.

## Conclusion

The food and beverage manufacturing sector is Canada's largest manufacturing employer. A shortage of appropriate skilled workers is, however, threatening the viability of the sector, and undermining its ability to grow and meet federal production and export targets.

FBC-ABC believes that solutions to industry problems should be industry driven. For this reason, FBC-ABC took the lead in 2019 to develop its *People, Careers & Workforce Planning* framework and organizing the February 5, 2020 Labour Planning Session.

The Labour Planning Session was successful in bringing together a group of industry, academic, and government experts to discuss the factors impacting the food and beverage manufacturing sector's labour shortages and to examine opportunities to move forward.

Recognizing that industry will need to prioritize, participants were aligned in identifying three initiatives that could have a significant impact on the sector and where they believe progress may be possible:

1. **Domestic Skilled Trades Development** – Creating alternative training/accreditation models that will increase the availability of relevant and required skilled trades.
2. **Automation/Innovation** – Developing government funding and support programs that are not tied to “job creation”, to support the introduction of automation/innovation that will improve productivity and address labour shortages.
3. **Qualified Foreign Workers** – Addressing, on an urgent basis, the need for immigration and Temporary Foreign Worker programs that support timely access to foreign labour in order to address industry's immediate labour shortages, without unnecessary administrative burden.