



Friday, December 17, 2021

The Honourable Marie-Claude Bibeau
Minister of Agriculture and Agri-Food

Dear Minister,

We are writing on behalf of Canada's leading food and beverage manufacturing associations to request an emergency meeting with you to discuss solutions to address the debilitating workforce crisis being faced by food and beverage manufacturers across the country.

Food and beverage is Canada's largest manufacturing sector employing almost 300,000 workers. The industry is currently facing a debilitating workforce crisis, with companies reporting vacancy rates of over 20%. The inability to secure a strong and stable workforce is impacting food security and economic recovery and is undermining our ability to support a domestic agriculture and food system.

Food and beverage manufacturing's labour crisis is driven by issues such as an aging and retiring workforce; demand for workers exceeding Canada's current labour market availability; and significant workforce changes driven by COVID-19 which have led to workers leaving the sector as they reassess their work-life balance or simply burn out.

Although food and beverage processing is only one of several sectors undergoing labour shortages, the inability to meet current labour needs will have an impact on domestic food security and food affordability, and the ability of Canadians to readily access the food they want. An increase in food costs will be an added challenge around inflation costs that have already increased the cost of living.

On behalf of our members, we are urging the Government to implement an Emergency Foreign Worker Program by January 31, 2022, at the latest, to ensure measures are in place to support the 2022 growing and processing year. These measures should remain in place for 18 months, through to summer 2023, during which time more permanent and long-term solutions to industry's labour issues should be identified and phased in.

The Emergency Foreign Worker Program should include the following temporary changes to the TFW Program:

1. **CAP:** Immediately resetting the TFW CAP at 30% to allow more food and beverage manufacturing workers to be employed under the TFW program, ensuring Canada's food supply isn't interrupted by supply chain shortages caused by our critical labour shortage.¹ At one time, the TFW CAP was 30% for processors, but was reduced in 2014 to 10% or 20% (based on individual company usage at that time). Primary agriculture does not have any CAP on TFWs.
2. **Processing Times/Capacity:** Measures should be immediately implemented to increase TFW application processing capacity and reduce processing times. These include:
 - Providing immediate emergency funding to Employment and Social Development Canada (ESDC) and Service Canada to increase processing capacity. Companies often experience delays in application processing, with processing times of up to 8 months even for returning workers.

¹ Quebec has announced a pilot to increase the TFW CAP to 20%. While work on this pilot should continue, during the duration of the Emergency Foreign Worker Program, Quebec should increase its program CAP to 30%.

- Allowing companies to file one Labour Market Impact Assessment (LMIA) per site, for the term of the Emergency Foreign Worker Program, drastically reducing the number of duplicate LMIA's requiring processing. Requiring an LMIA for each individual worker results in multiple, essentially identical, applications for employers. The resulting costs and administrative work creates barriers to companies, especially small and mid-sized companies, in accessing the program and adds unnecessary administrative and processing work for ESDC and Service Canada.
- ESDC immediately implementing a schedule of prevailing wage rates for seasonal workers, distinct from those applicable to permanent jobs. The current prevailing wage rates apply to both permanent and seasonal jobs, despite these jobs having very different wage rates in the domestic market. This often leads to seasonal employers having to appeal wage rates, resulting in processing and approval delays.
- Centralizing processing of TFW applications from the food and beverage manufacturing sector in one Service Canada office to allow for the development of expertise and understanding of industry structure and needs.
- Immediately reviewing and easing those requirements (e.g., original documentation to support education, language, experience criteria) that have become difficult, and at times impossible for workers to fulfill given global disruptions related to COVID-19.

While we are appreciative of the government's proposal to provide \$85M in 2022-23 to assist with processing of permanent resident and temporary resident applications, we would urge this money to go out as expeditiously as possible.

3. Supports for Smaller Businesses:

- Recognizing that the complicated and costly TFW application process limits participation of small and mid-sized companies, immediately piloting an expedited application process for small and mid-sized businesses or implementing centralized processing of TFW applications for a selection of NOC codes applicable to the sector.

Permanent Workers

The Emergency Foreign Worker Program would include the following measures to address the need for permanent workers in the sector.

4. Pathways to Permanent Residency:

- Introducing immediate pathways to permanent residency for TFWs through a new Pathways to Permanence Program for Food and Beverage Manufacturing Workers. This program would ease those requirements (e.g., original documentation to support education, language, and experience criteria) that have become difficult and at times impossible for workers to fulfill given global disruptions related to COVID-19 and be supported by a strong family reunification program.

5. Direct Refugees to the sector:

- Implementing a pilot program with industry that directs refugees to the food and beverage manufacturing sector facing labour shortages.

Our associations would welcome the opportunity to meet to discuss the impact of labour shortages on the communities in which our companies operate, and we would be happy to include affected companies from across the country. The government's commitment in the Economic and Fiscal update to come forward with a further strategy to address labour shortages was welcome, and we are readily available to provide input. Without immediate solutions, it is our concern that the sector's ability to support a domestic agriculture and food system will be undermined.

Sincerely,

Kathleen Sullivan, Chief Executive Officer
Food and Beverage Canada

Sylvie Cloutier, President and CEO
Le Conseil de la transformation alimentaire du Québec (CTAQ)

Jean-Michel Laurin, President and CEO

Canadian Poultry and Egg Processors Council

Chris Conway, Chief Executive Officer
Food and Beverage Ontario

Chris White, President and CEO
Canadian Meat Council

James Donaldson, CEO
BC Food & Beverage

Rob Lemaire, President
Canadian Produce Marketing Association

Martin Barnett, Executive Director
Baking Association of Canada

Michael Mikulak, Ph.D., Executive Director
Food & Beverage Manitoba

Tammy Brideau, Executive Director
Food & Beverage Atlantic