



## **Critical Shortage of Labour in Canada's Largest Food Processing Industry**

Providing 64,570 jobs across Canada, the meat industry is the largest component of this country's food processing sector.

Recording revenue of \$23.6 billion and exports of \$4.5 billion, meat packing, processing and rendering constitute an integral and vital component of the Canadian livestock and meat sector value chain. Although situated previously either within or in close proximity to major urban centres, meat packers and processors have been migrating progressively to less densely populated rural environments.

Meat plants require workers with a broad range of qualifications and abilities, including food safety professionals, electricians, plumbers, information technology specialists, marketing and sales representatives, and human resource experts. Currently, a rapidly deteriorating nation-wide shortage of butchers, meat cutters and labourers is threatening the interests of Canadian livestock producers, meat packers and processors, workers, consumers, exporters and rural communities.

### **Skilled and Knowledgeable Workers**

Most jobs on the production line in a meat plant require good cognitive and interpersonal abilities as well as specialized skills (e.g., safe and precision use of manual knives, power grinders, band saws, slicing machines) and knowledge (e.g., animal welfare, food safety, muscle characteristics, carcass anatomy) that are developed through a combination of classroom learning and closely coached and supervised on-the-job training. Moreover, production line workers must possess strong physical dexterity and endurance, good hand-eye coordination, attention to detail, sound judgement, ability to stand for long periods, and willingness to work in warm, humid and cold, refrigerated environments.

At one time, there were two distinct categories of butchers and meat cutters depending upon where they were employed. "Industrial" butchers and meat cutters prepared either primal cuts for further processing or specific cuts for industrial, commercial or wholesale buyers. "Wholesale" or "retail" butchers and meat cutters prepared cuts of meat for sale in retail or wholesale food establishments.

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This distinction no longer represents the reality of the industry. Today, meat processors are being asked increasingly to prepare cuts of meat according to the particular “case-ready” specifications of individual clients not only in Canada, but also in export markets around the world. Upon arrival at a retail outlet, cuts that are prepared to individual client specifications are placed on refrigerated shelves without intervention by an in-house butcher or meat cutter. Accordingly, knowledge and skill are replacing location as the prime determinant of the type of butcher or meat cutter that is required for a particular position.

Traditionally, meat plant workers either originated from nearby cities and towns or were new arrivals in Canada. In recent years the industry has witnessed a marked decline in the proportion of Canadians willing to work in the industry as well as a decision by the federal government to select “higher-skilled” immigrants. This policy decision has severely restricted access not only to candidates for starting positions as labourers, but also to new immigrants who possess high demand special skills such as those of butchers and meat-cutters. Exacerbated by an aging domestic workforce, the consequence of these developments has been a precipitous decrease in the availability of both Canadians and new immigrants who are able and willing to work in the industry.

### **Aggressive and Exhaustive Worker Recruitment**

Consistent with an unequivocal “Canadians first” hiring policy, the meat industry recruits aggressively, intensively and continuously across Canada from among the unemployed, new immigrants, refugees, aboriginals and youth. In addition to uninterrupted advertising in print and on government and private sector websites, company recruiters organize and participate in job fairs, collaborate closely with immigrant and refugee settlement organizations, and visit schools and aboriginal communities.

The industry in Canada is highly unionized. Rates of pay have been increasing faster than inflation and are not only well above minimum wage levels, but exceed those offered by competitors operating in the United States. Other employer sponsored employee benefits typically include medical, dental, disability, life insurance and pension plans. Relocation incentives are frequently available to assist new recruits who are willing to work in a meat plant.

The industry has requested that the federal government facilitate awareness of work opportunities by individuals in government databases as well as direct communication with those who are actively seeking employment. If accepted and implemented, this proposal would reinforce industry initiatives that endeavour to ensure those who may be in search of work are informed of the hundreds of jobs in the meat industry that are available immediately.

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### **Severe and Chronic Shortage of Canadian Butchers and Meat Cutters**

Consistently, the “Job Bank” index on the Employment and Social Development Canada website lists several pages of meat packing and processing, wholesale, and retail businesses seeking butchers, meat cutters and labourers.

The meat industry alone is advertising for 1,000 workers who are required urgently to staff currently vacant work stations. A single employer identified on this list may offer as many as 250 positions. Given the magnitude of the unsatisfied demand from wholesalers and retailers, including for stores located in major urban centres, it is not surprising that there exists an industry threatening scarcity of Canadian butchers, meat cutters and labourers who are willing to accept job offers for vacancies that are situated often in smaller, more distant and rural locations.

The shortage of butchers, meat cutters and labourers in Canada is major; it is curtailing the future prospects of the livestock and meat sector; and, it is restricting the economies of rural municipalities.

### **Indispensable Contribution of Temporary Foreign Workers**

Jobs in the meat industry are not temporary; they are permanent. However, in the context of a manifestly insufficient number of Canadians, and the lack of recognition of the requirement for high demand special or semi-skilled immigrants with butcher and meat cutter knowledge and skills, the only option remaining for meat processors during the past decade was to supplement their domestic recruitment initiatives with workers accessed through the Temporary Foreign Worker Program (TFWP). Temporary foreign workers not only allowed the industry to maintain existing levels of production, but also permitted increases in plant capacity, number of shifts, and value-added production to take advantage of new and expanded market opportunities.

Particularly in western Canada, major expansions of capacity or of value-added production have been directly dependant upon access to foreign origin workers. Typically, the percentage of temporary foreign workers in an establishment would increase during an expansion phase and then decrease over time as, during the three or four years following their arrival in Canada, the majority would be selected by provincial immigrant nominee programs for transition to permanent residents.

Contrary to the circumstances experienced by many new arrivals in Canada, these new permanent residents not only possessed specialized knowledge and skills, they had fulltime jobs and local language capability as well as already being integrated into local communities. Similarly in eastern

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Canada, the absence of access to sufficient workers to allow a plant to function at capacity results in the loss of value-added and export opportunities, diminished competitiveness in the domestic and export markets, and reduced sales volumes and prices for Canadian farmers.

### **Impact of the Worker Shortage**

The impact of restrictions on access to labour will increasingly and cumulatively affect meat processing establishments in the following ways: inability to staff work stations that are currently empty; inability to back-fill positions that become vacant as work permits for temporary foreign workers expire; inability to recruit sufficient workers to fill vacancies that arise as the result of natural worker turnover; and, inability to envisage additional shifts, new value-added products, or enhanced export opportunities.

As a result of the ongoing inability to acquire sufficient workers to operate their plants at normal capacity, Canadian meat packers and processors are: reducing or curtailing the production of value-added items; diverting specialty meats to lower value rendering rather than harvesting them for export; forfeiting existing and new export opportunities; decreasing profitability, competitiveness and business sustainability; and, increasing the number of Canadian jobs that are being placed at risk. As a consequence, livestock producers sell fewer animals at lower prices to Canadian meat packers and become more dependent upon export sales to U.S. meat processors.

During the first 11 months of 2014, some 1.1 million live cattle and 4.4 million live pigs were shipped out of this country to the United States. By exporting livestock rather than processing them in this country, Canada is effectively exporting jobs and economic opportunity and jeopardizing the competitiveness of the Canadian livestock and meat sector. Meat processed in the U.S. is permitted to enter or return to Canada in direct competition with domestic suppliers. In one way or another, Canadian farmers, processors, workers, consumers, municipalities and the economy are all losing as a result.

Since the meat industry is being challenged to maintain even current levels of production, it will not be possible for Canadian livestock producers, meat processors or workers to take advantage of new market opportunities that will result from pending new trade agreements such as the Canada-Korea Free Trade Agreement, the Canada-Europe Comprehensive Economic and Trade Agreement, the Trans-Pacific Partnership negotiations or the Canada-Japan Economic Partnership negotiations.

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## Help Wanted

The unqualified first choice of the Canadian meat industry is to recruit workers from among the unemployed, youth, first nations, new immigrants and refugees. At present, there is an estimated minimum of 1,000 openings that are chronically vacant for which the industry is seeking workers urgently. Both classroom instruction and on-the-job coaching is offered for entry level jobs as well as for subsequent career advancement into higher skilled positions. Accordingly, any Canadians, permanent residents, new immigrants or refugees who are potentially interested in a fulltime job with associated pay and employee benefits as a butcher, meat cutter or related function are encouraged to apply for these positions by consulting the “Job Bank” database on the Employment and Social Development Canada website at <http://www.jobbank.gc.ca> or <http://guichetemplois.gc.ca>.

Although meat processors are genuinely committed to sustaining their intensive and aggressive efforts to recruit Canadians, new immigrants and refugees, history and experience have both demonstrated clearly that there are insufficient domestic candidates to satisfy the urgent requirement for the high demand skills required by the industry. Accordingly, the meat industry continues to require access to foreign origin workers to fill those positions that cannot be staffed by continuous aggressive recruitment initiatives in Canada.

Unfortunately for Canadian livestock farmers, meat processors, workers, consumers, and rural municipalities alike, this country’s immigration program fails to address the proven requirement for special or semi-skilled workers in high demand occupations in which opportunity and need far exceed availability. Canada requires an immigration program that permits access to foreign workers who possess specialized knowledge and skills when there is a clear and chronic shortage of Canadians with the requisite knowledge and skills. Accordingly, the meat industry has requested that butchers and meat cutters be eligible immediately for inclusion in Canada’s new “Express Entry” program.

## A Shared Perspective

Meat packers and processors do not stand alone in the call for recognition of the serious and chronic shortage of Canadian butchers and meat cutters and the industry’s requirement for access to foreign origin workers to supplement the deficit of Canadian workers. The tangible and substantial risks for livestock producers, meat processors, Canadian workers, consumers and rural economies that are associated with the lack of access to sufficient workers are recognized also by farmers, the United

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Food and Commercial Workers union, mayors of rural communities, and provincial governments.

In the absence of sufficient access to foreign origin workers to address the serious gap between the supply and demand of Canadian butchers and meat cutters, the future sustainability of Canada's livestock and meat sector will be jeopardized. Conversely, should the industry be permitted to access foreign origin workers when Canadians are demonstrably not available, the entire supply chain, including farmers, food processors, workers, consumers, rural municipalities, provinces and the local and national economies, would all benefit.

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