



Securing Canada's FISH + SEAFOOD Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Charlotte Region New Brunswick





FPSC FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA



SECURING CANADA'S FISH + SEAFOOD WORKFORCE

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TABLE OF CONTENTS

	TABLE OF CONTENTS	03
	SUMMARY	04
1.0	INTRODUCTION	06
2.0	OVERVIEW OF THE CHARLOTTE REGION	07
2.1	GEOGRAPHIC LOCATION	07
2.2	POPULATION CHARACTERISTICS	08
3.0	OUTLOOK OF NEW BRUNSWICK FISH & SEAFOOD PROCESSING	10
3.1	OVERALL PROVINCIAL ECONOMIC OUTLOOK	10
3.2	NEW BRUNSWICK SEAFOOD PRODUCT OUTLOOKS	10
3.3	SEAFOOD PROCESSING EMPLOYMENT OUTLOOK FOR NB	11
4.0	CHARLOTTE REGION FISH & SEAFOOD PROCESSORS	12
4.1	EMPLOYERS	12
4.2	WORKERS	
	4.2.1 WORKFORCE SIZE AND OCCUPATIONS	12
	4.2.2 WAGES	14
5.0	REGION'S LABOUR FORCE	15
5.1	OVERVIEW OF LOCAL LABOUR FORCE	15
	5.1.1 SIZE OF LABOUR FORCE, MAIN SECTORS, WORK PATTERNS	15
	5.1.2 UNEMPLOYMENT	16
5.2	OVERVIEW OF IMMIGRANT SOURCES OF LABOUR	17
5.3	OVERVIEW OF INDIGENOUS SOURCES OF LABOUR	17
6.0	CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY	18
6.1	LABOUR MARKET TIGHTNESS	18
6.2	NUMBER OF WORKERS REQUIRED	23
7.0	OVERVIEW OF HR ISSUES ENCOUNTERED	27



SUMMARY

REGIONAL OVERVIEW

The Charlotte Region borders the Bay of Fundy at the south-western tip of New Brunswick. It is made up of small towns, villages, and local service districts with a single larger centre in St. Stephen (pop. 1,400).¹

LABOUR MARKET OVERVIEW

Currently, median hourly wages for shellfish/fish labourers and plant workers are above the provincial average, and higher than most other lower-skill level occupations (C and D level) available in the region. The region's population is expected to remain stable at 20,000 over the forecast period, with average annual growth of just 0.1%. Minimal population growth over the next decade can be attributed to low in-migration of 700 individuals and natural population decline (more deaths than births). Aging demographics are expected to cause the region's unemployment rate to fall from 11.3% in 2017 to below 7.0% by 2030, reducing labour availability for all employers in the region.

Seafood processing employment in the Charlotte, New Brunswick region is expected to remain stable around 900 workers during the forecast period. Local processors will likely need to hire nearly 450 additional workers between 2017 and 2030, predominantly due to the need to replace workforce retirements and deaths. This figure does not include turnovers which can add significantly to total annual recruitment demands.

Regional labour market analysis suggests that after accounting for labour requirements in other sectors, regional labour supply is not projected to meet average or peak seafood processing employment demand in any forecast year. Supply constraints are similarly acute among lower-skill workers, potentially due to wage differentials with competing sectors. This analysis suggests significant numbers of workers are required from outside the region to meet labour requirements. The nearby city of Saint John, with a population of nearly 70,000, is likely a major source of additional labour for employers in the region.



POPULATION
19,869



LABOUR FORCE
10,660

¹ New Brunswick Regional Profile (2012). Southwest Profile. Retrieved from <https://www2.gnb.ca/content/dam/gnb/Departments/petl-epft/PDF/Publications/SouthwestProfile.pdf>

LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in the Charlotte Region 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 = 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



10²

SEAFOOD PROCESSING EMPLOYMENT



892³

2 The number of establishments is based on 2016 data from Statistics Canada's Business Register.

3 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. Charlotte Region in New Brunswick was selected as one of these regions for detailed focus.

The initial sections of this report provide overviews of the Charlotte Region, fish and seafood processing overall in the province of New Brunswick, and specifically processing in the Charlotte 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 report section outlines the HR challenges identified in the region.

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 Charlotte Region, the study team collected information from one local large plant (over 200 employees) with different types of product and processing.

**REAL
CHALLENGES,
PRACTICAL
SOLUTIONS
AND FRESH
PERSPECTIVES**

2.0 OVERVIEW OF THE CHARLOTTE REGION

2.1 GEOGRAPHIC LOCATION

The Charlotte Region borders the Bay of Fundy at the south-western tip of New Brunswick. It is made up of small towns, villages, and local service districts with a single larger centre in St. Stephen (pop. 1,400).



2.2 POPULATION CHARACTERISTICS

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

The overall population for the region in 2017 was 19,869. According to Census 2016 profiles, the proportions of immigrants (6.3%) and non-Canadian citizens (3.4%) are higher than those overall for New Brunswick. Proportions for visible minorities were lower than those overall for the province (1.8% vs. 3.4%) and the proportion of the population who identify as Aboriginal was also lower than the provincial profile (2.2% vs. 4.0%) (see Table 1).

TABLE 1: CHARLOTTE REGION POPULATION CHARACTERISTICS

CHARACTERISTIC	CHARLOTTE REGION	NEW BRUNSWICK
FEMALE	9,845	381,745
SHARE OF POPULATION	50.3%	51.1%
IMMIGRANTS	1,220	33,810
SHARE OF POPULATION	6.3%	4.6%
NOT CANADIAN CITIZENS	665	19,930
SHARE OF POPULATION	3.4%	2.7%
VISIBLE MINORITIES	350	24,535
SHARE OF POPULATION	1.8%	3.4%
ABORIGINAL IDENTITY	425	29,380
SHARE OF POPULATION	2.2%	4.0%

Source: Census 2016

According to projections, the population levels are expected to remain relatively stable over the upcoming 13 years (19,869 in 2017 and then 20,155 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 20.5% in 2017 to approximately 28.1% by 2030 (see Figure 1). While population growth will be negatively impacted by the continued ageing 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 700 individuals by 2030 (see Figure 2).



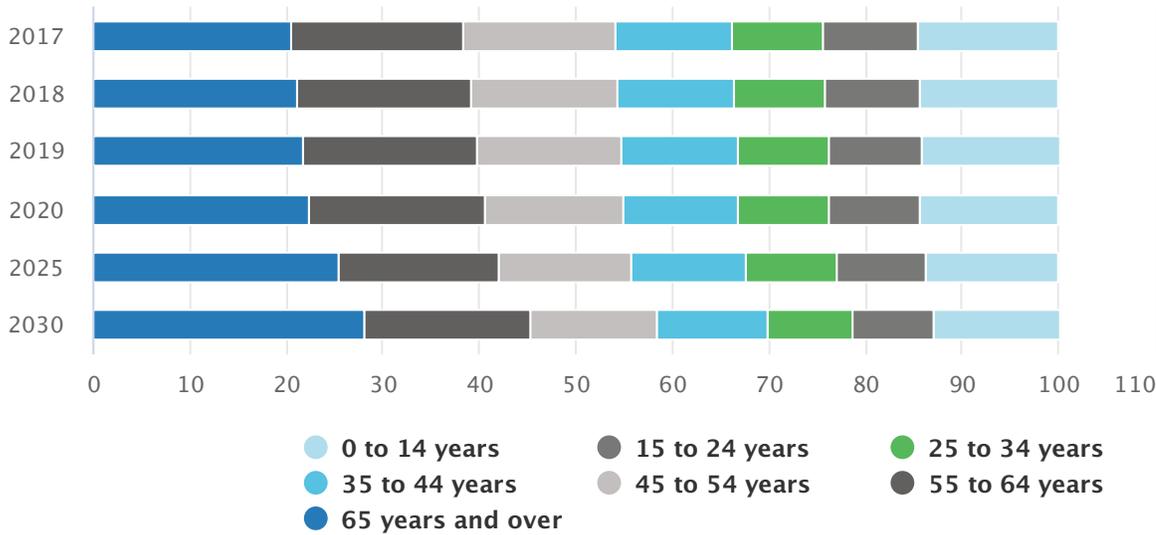


FIGURE 1: POPULATION BY AGE GROUP (%) (2017 TO 2030)

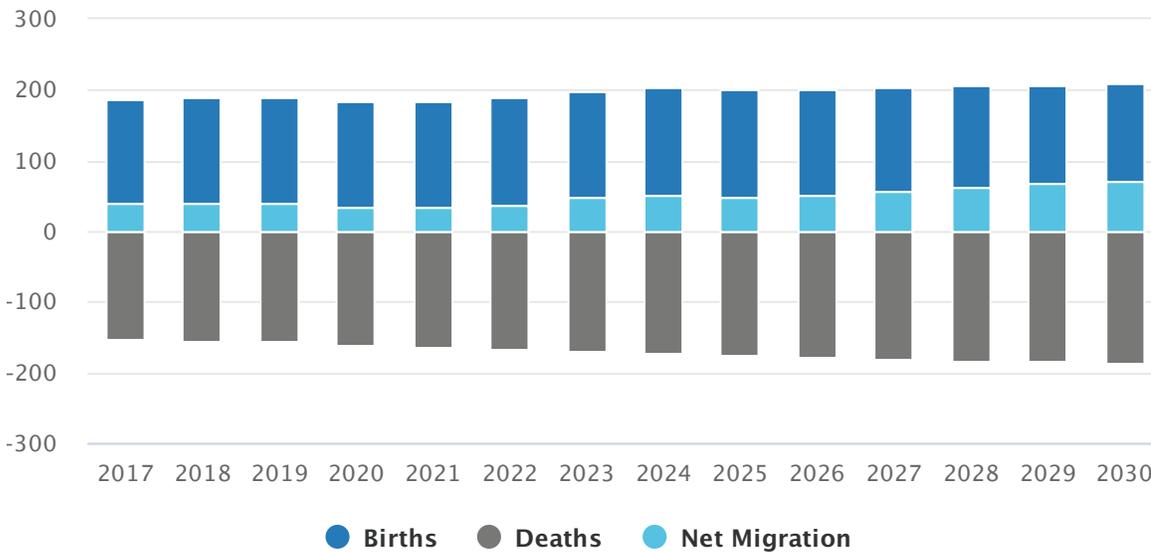


FIGURE 2: COMPONENTS OF POPULATION CHANGE (2017 TO 2030)

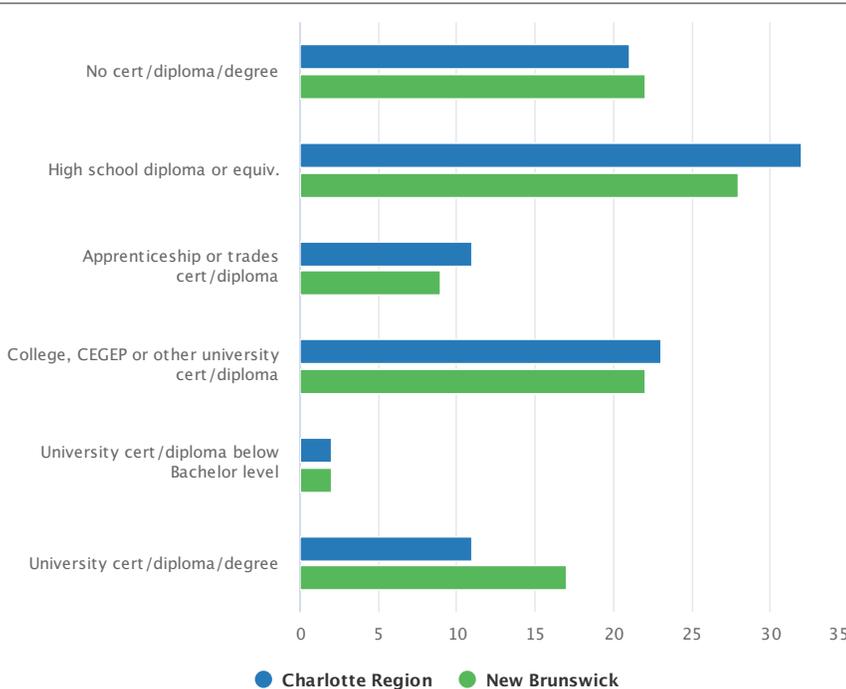
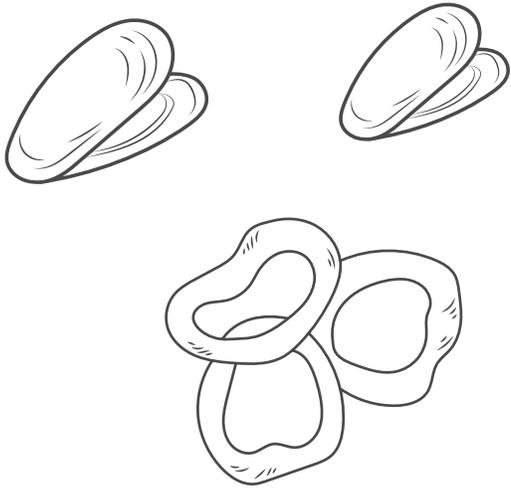


FIGURE 3: EDUCATIONAL ATTAINMENT - CHARLOTTE REGION AND NEW BRUNSWICK

The overall education level of the region's residents is similar when compared with New Brunswick overall (see Figure 3). Twenty-one percent (21%) do not have a high school diploma (vs. 22% for the province), 32% have a high school diploma (vs. 28% for the province), and 11% (vs. 17% for the province) have a university certificate, diploma or degree.

3.0 OUTLOOK OF NEW BRUNSWICK FISH & SEAFOOD PROCESSING



3.2 NEW BRUNSWICK SEAFOOD PRODUCT OUTLOOKS

The growth of real gross output for prepared fish products (or total end market demand) is forecast to expand by 0.2% on average over the 2018-21 period, then the pace of growth is expected to quicken to 1.1% on average over 2022-26 and 2027-30. Overall consumption growth is expected see a reversal from an outright decline over 2013-17 to increasingly positive albeit slow growth as consumer demand for prepared fish products improves. International exports are expected to rise slowly over the forecast period as export market growth is modest, but on the positive side of the ledger, trade agreements will 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 as a result of increased provincial food production.



3.1 OVERALL PROVINCIAL ECONOMIC OUTLOOK

GDP in New Brunswick grew by 1.9% in 2017, boosted by strong government capital investment and current spending. As government investment enters its downward phase in the next few years, growth in business investment helps to offset its effect on GDP. The result is average overall growth of 0.8% during 2017-21. In the long term, the tightening labour market drives up wages and personal income growth, which in turn stimulates consumer expenditures. Business investment also drives growth in the long term, as investment related to the Mactaquac hydro dam replacement ramps up. GDP growth averages 1.1% per year over 2022-26 and 1.0% over 2027-30.

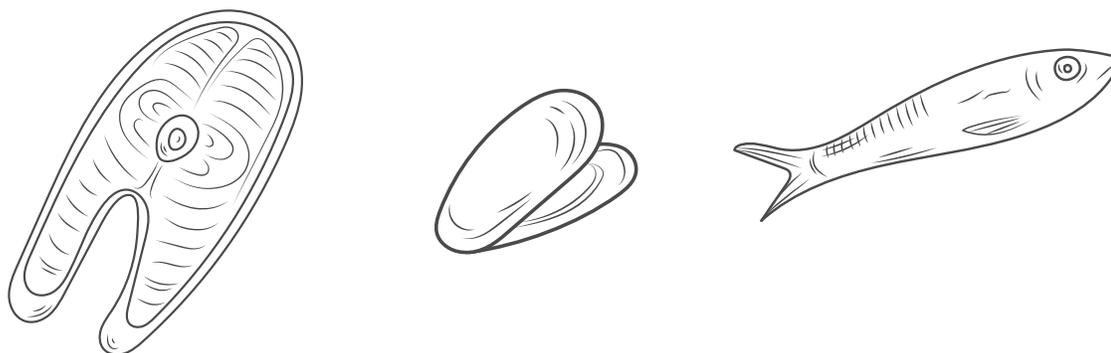
TABLE 2: NB PREPARED SEAFOOD END MARKET GROWTH (ANNUAL AVERAGE % CHANGE)

END MARKET	2013-2017	2018-2021	2022-2026	2027-2030
Consumption	-0.7	0.1	0.4	0.6
International Exports	0.3	0.1	1.1	1.1
Interprovincial Exports	-0.2	0.5	0.6	0.8
Interindustry Demand	2.8	1.0	0.7	0.5
Imports	-0.7	0.1	0.4	0.6
Total End Market Demand	0.6	0.2	1.1	1.1

3.3 SEAFOOD PROCESSING EMPLOYMENT OUTLOOK FOR NEW BRUNSWICK

Seafood processing employment is expected to rise from current levels of 5,200 workers to 5,400 jobs by 2030 assuming the industry can sustain assumed productivity gains. Production labour (processing and plant workers) constitute nearly 6-in-10 (62%) jobs. Seafood processing real GDP is forecast to expand by 0.2% on average over the 2018-21 period, then the pace of growth is expected to quicken to 1.1% on average over 2022-26 and 2027-30. Labour productivity (GDP per hour worked) is forecast to average 0.2% over the projection period. Coupled with seafood processing real GDP growth, this means that total hours of work is forecast to rise by 0.0% on average over 2018-21, and then increase by 0.8% over 2022-26 and 2027-30. Average hours worked per employee is forecast to rise by 0.3% on average over the projection period, which leads to the total number of jobs falling by 0.3% over 2018-21, and then rising by 0.5% over 2022-26 and 2027-30.

Replacement demands (deaths and retirements) are expected to total 2,245 between 2017 and 2030. Taking account of both replacement and expansion demands, the industry will likely need to need to hire just over 2,550 new workers, or (46%) 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 CHARLOTTE REGION FISH AND SEAFOOD PROCESSORS

4.1 EMPLOYERS

The region hosts 10 processors ranging in size, species processed, and types of processing.

Overall, there are 10 fish and seafood processing establishments in the Charlotte Region⁴. Species processed include a range such as pelagic and ground fish. As noted on the map in Section 1, most of these establishments are relatively small (under 50 employees) with a few notable larger facilities. Most of the plants operate on a seasonal basis.

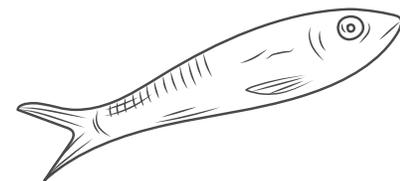


THE CURRENT INDUSTRY WORKFORCE IS OVER 1,500 WORKERS AT PEAK SEASON WITH APPROXIMATELY OVER TWO-THIRDS BEING LABOURERS AND PLANT WORKERS.

4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the Charlotte Region in 2017 was 892 on average and rising to 1,511 at peak season⁵ (see Table 3). About two-thirds of all employed at the peak season (66%) 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.



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

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.



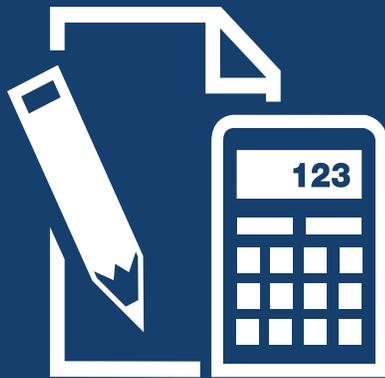
TABLE 3: PROFILE OF WORKERS BY OCCUPATIONS FOR CHARLOTTE REGION - 2017 (AVERAGE & PEAK)

	AVG 2017 (#)	AVG 2017 (%)	PEAK 2017 (#)	PEAK 2017 (%)	EXTRA NEEDED FOR PEAK
Total Employment	892	100%	1,511	100%	619
FOUNDATIONAL (NOC 9618)					
Shellfish Processing Labourer	184	21%	376	25%	192
Fish Processing Labourer	154	17%	315	21%	161
INTERMEDIATE (NOC 9463)					
Shellfish Plant Worker	80	9%	165	11%	85
Fish Plant Worker	71	8%	146	10%	75
SUPERVISORY (NOC 9213)					
Supervisors	44	5%	44	3%	0
MANAGEMENT (NOC 0911; 0016)					
Management	18	2%	18	1%	0
OTHER CATEGORIES					
Maintenance	41	5%	54	4%	13
Skilled Trades	48	5%	62	4%	14
Quality Control Technician	6	1%	8	1%	2
Office Staff	54	6%	54	4%	0
Other Occupations *	191	21%	267	18%	76

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



1,500 AVERAGE NUMBER OF WORKERS EMPLOYED IN THE SEAFOOD PROCESSING INDUSTRY IN 2017



4.2.2 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.



The median hourly wage for shellfish/fish labourers (NOC 9618) in the Saint John-St. Stephen Region⁶ of New Brunswick in 2017 was \$14.70/hour (see Table 4). The median wage for shellfish/fish plant workers (NOC 9463) was slightly higher at \$14.86/hour. These wage rates are both slightly higher than the provincial median rates (\$13.47/hour and \$13.00/hour respectively) for these occupations, and somewhat higher than another two main processing regions in the province (Moncton-Richibucto). To provide some context, the minimum wage in New Brunswick in 2017 was \$11.25/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 \$3.00/hour.

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)			
Saint John- St. Stephen Region (NB)	12.00	14.70	20.00
All New Brunswick	12.00	13.47	15.50
Moncton- Richibucto Region (NB)	12.00	13.40	17.00
Shellfish/Fish Plant Worker (NOC 9463)			
Saint John- St. Stephen Region (NB)	12.39	14.86	17.00
All New Brunswick	11.55	13.00	16.00
Moncton- Richibucto Region (NB)	11.25	12.50	16.00
Other C&D Level Occupations (PE)			
Farm Worker (NOC 8431)	N/A	N/A	N/A
Deckhand, Fishing (NOC 8441)	N/A	N/A	N/A
Retail Sales (NOC 6421)	11.25	11.60	17.44
Food Services (NOC 6711)	11.25	11.25	17.00
Cashier (NOC 6611)	11.25	11.25	14.50

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

6 The Saint John-St. Stephen Region of New Brunswick includes the Charlotte Region as well as some additional areas. Reliable wage data was only available for this slightly larger region.

5.0

REGION'S LABOUR FORCE

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



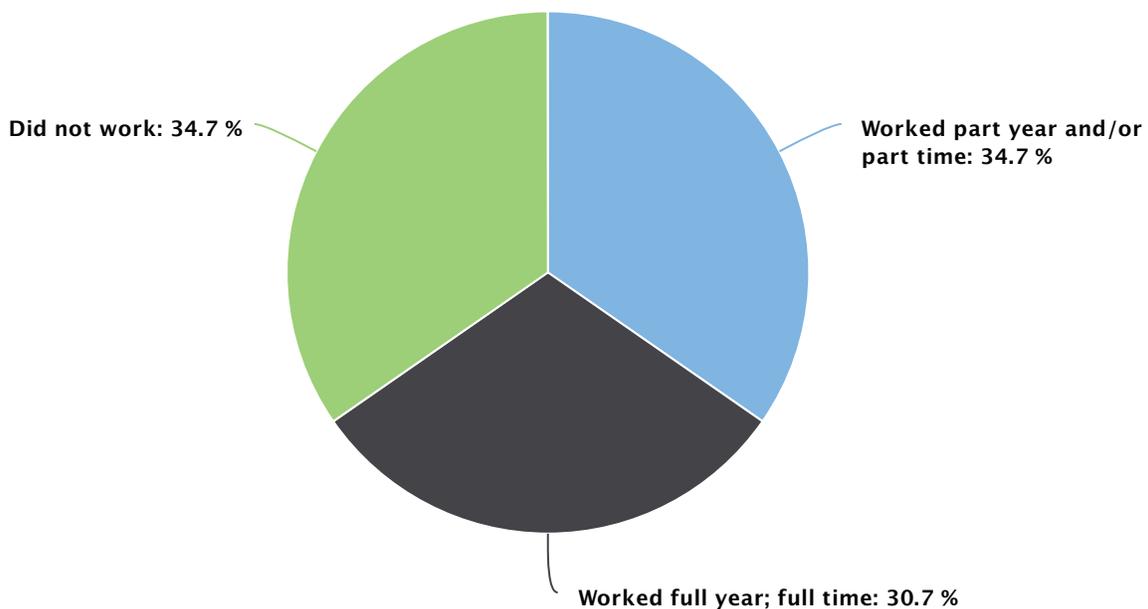
5.1 OVERVIEW OF LOCAL LABOUR FORCE

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 10,660 (out of a total population of 19,869). The largest proportions of the labour force for the Charlotte County in New Brunswick work in manufacturing (17% of the labour force - includes fish and seafood processing), agriculture, forestry, fishing and hunting (13% of labour force), health and social services (12%) and retail trade (10%) (Census, 2016).

According to Census 2016 data, approximately one third (31%) 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 (35%), while the same proportion (35%) 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, food manufacturing, 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 OR OLDER) – CHARLOTTE REGION



Source: Census 2016





TABLE 5: AVERAGE MONTHLY EI CLAIMANTS FOR CHARLOTTE REGION – 2014 TO 2016⁷

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total (All Occupations)	1,517	1,477	1,540	1,463	1,063	790	927	863	773	887	1,103	1,303
Skill Level C & D*	963	920	970	940	650	497	563	527	470	517	640	783
Food Processing**	10	0	10	20	0	0	0	0	0	0	0	10

*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 (6,332); retail salespersons (6,421); material handlers (7,452); food and beverage processing supervisors (9,213); industrial butchers and meat cutters (9,462); fish and seafood plant workers (9,463); food and beverage processing labourers (9,617)

Source: Employment and Social Development Canada 2017

⁷ Monthly EI beneficiaries as reported in the table represent the average number of beneficiaries in the month between 2014 and 2016.

5.1.2 UNEMPLOYMENT

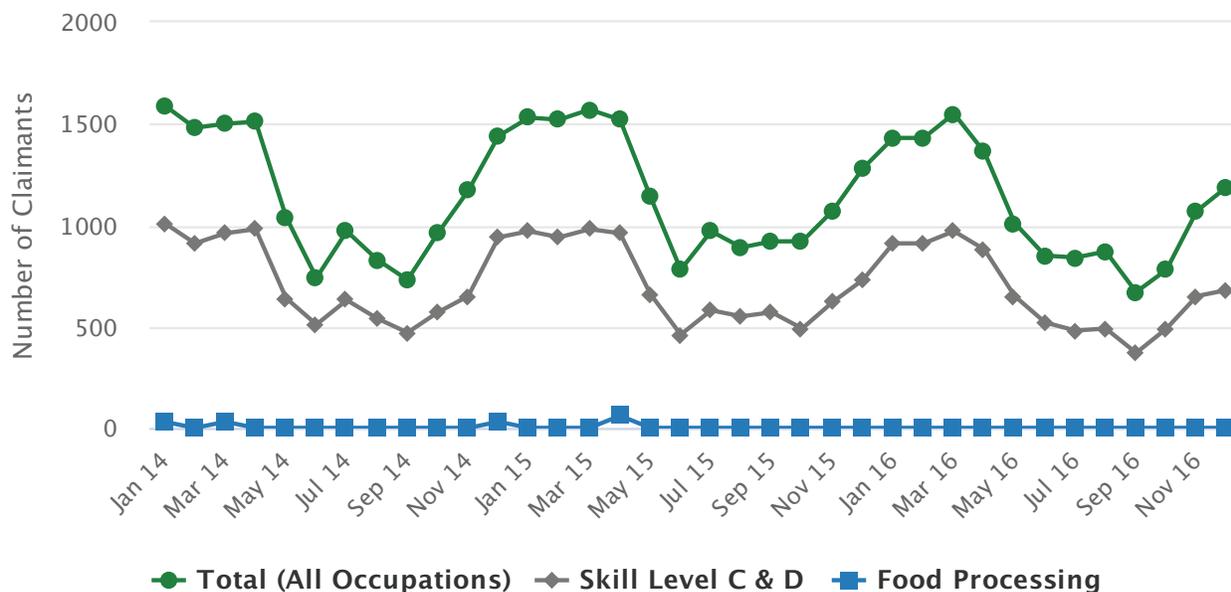
The unemployment rate for the region in 2017 was 11.3% on average, but monthly the rate experiences considerable fluctuations from limited unemployment in some months to a high of 26.6%. According to Census data, approximately one-sixth (17.5%) of the population 15 years or older who had income received regular Employment Insurance (EI) payments at some point in 2015.

According to EI data provided by ESDC for the region, there is a small number of EI claimants in food processing sectors in this 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 no claimants for virtually most of the year to a high of 20 claimants in the month of April (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 a reduction in the numbers of claimants occurring each of the three years (-3.3% change for overall claims on an annual average for this period; -50% for food processing).



THE AVERAGE UNEMPLOYMENT RATE FOR THE REGION IN 2017 WAS 11.3%, WITH CONSIDERABLE MONTHLY FLUCTUATIONS GIVEN THE SEASONALITY OF MANY OF THE INDUSTRIES.

FIGURE 5: MONTHLY EI CLAIMANTS FOR CHARLOTTE REGION – 2014 TO 2016



“ FROM THE INTERVIEWS WITH THE LARGE LOCAL PLANT, THERE IS LIMITED OUTREACH TO LOCAL INDIGENOUS COMMUNITIES AS A POTENTIAL LABOUR SOURCE. ”

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

The proportion of immigrants in the Charlotte Region is slightly higher when compared with New Brunswick overall (6.3% vs. 4.6%). In 2017, the TFWP was not a significant source of labour for the region’s plants. There are major challenges in the area with housing, so it is challenging to attract and retain new immigrants to the region.

5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

The Charlotte Region includes two Indigenous communities (Kingsclear First Nation; St. Mary’s First Nation) with a total population living on-reserve of approximately 1,609. There is a small proportion of the population (2.2% in Census 2016; 425 individuals) in the Charlotte 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.

“ CURRENTLY, RECENT IMMIGRANTS AND TEMPORARY FOREIGN WORKERS PLAY A LIMITED ROLE IN ADDRESSING LABOUR SUPPLY ISSUES IN THE FISH AND SEAFOOD PROCESSING INDUSTRY IN CHARLOTTE REGION. ”

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 TO 2030, INCREASING TOWARDS THE SECOND HALF OF THIS PERIOD. FOR THE FISH AND SHELLFISH PROCESSORS, THIS SHORTAGE IS MOST SEVERE DURING THE PROCESSING PEAK SEASON WHICH UNFORTUNATELY TENDS TO COINCIDE WITH MANY OTHER COMPETING SECTORS' PEAK SEASONS.

TABLE 6: POPULATION AND LABOUR FORCE OUTLOOK SUMMARY – CHARLOTTE REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	19,869	19,903	19,935	19,958	20,033	20,155
<i>Avg. Annual Change (%)</i>		0.2%	0.2%	0.1%	0.1%	0.1%
Total Labour Force	10,660	10,671	10,632	10,546	10,414	10,323
<i>Avg. Annual Change (%)</i>		0.1%	-0.4%	-0.8%	-0.4%	0.1%
Total Employment	9,455	9,465	9,459	9,452	9,494	9,581
<i>Avg. Annual Change (%)</i>		0.1%	-0.1%	-0.1%	0.1%	0.4%
Unemployment Rate	11.3%	11.3%	11.0%	10.4%	8.8%	7.2%

The model projections indicate that taking into account the trends in out-migration, and ageing population, the Charlotte 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 10,000 between 2017 and 2030. As a result, unemployment rates are expected to decline from an average of 11.3% to 7.2% based on increased opportunities, coupled with a slight decline 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 of 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 of 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 towards the second half of this period.

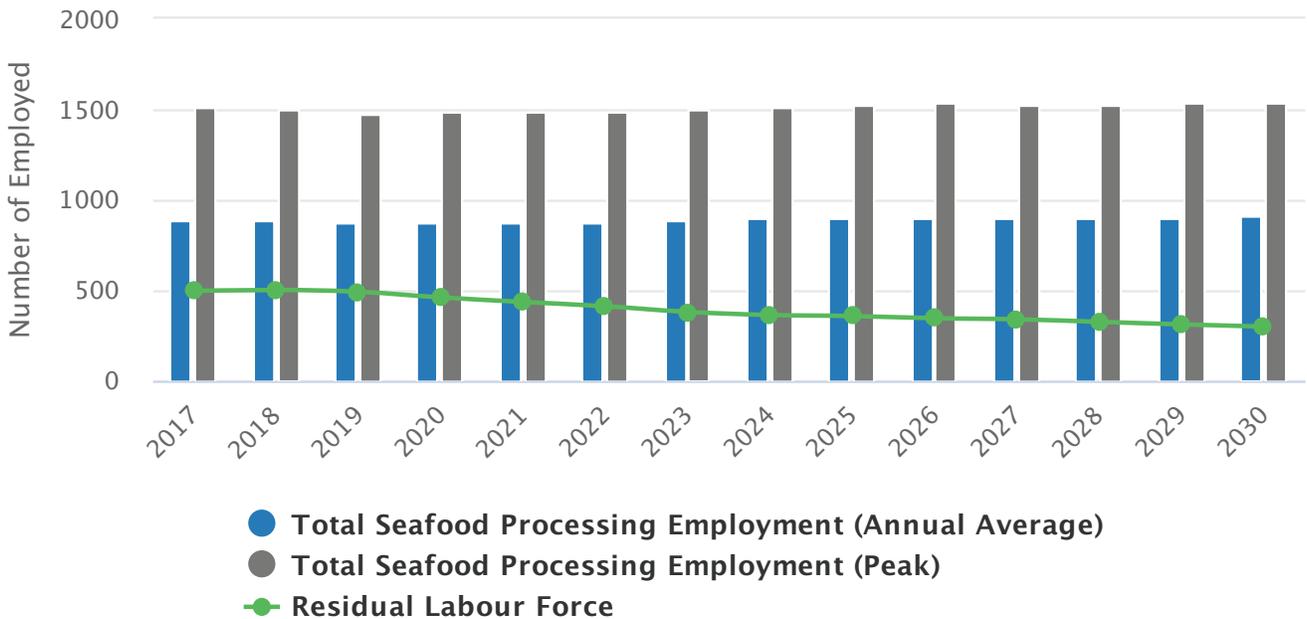
The analysis outlined in Table 7 and Figure 6 describes the labour market context within which the fish and seafood processors are operating with respect to finding sufficient numbers of workers from the local labour supply. Within this very tight, competitive labour market, the industry employers have had some success recruiting. For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 1,511 within a labour market that had a residual total labour force of only 496. 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 – CHARLOTTE REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force ⁸	10,660	10,671	10,632	10,546	10,414	10,323
Total Non-Seafood Processing Labour Requirement ⁹	10,164	10,170	10,141	10,086	10,025	10,019
Residual Total Labour Force¹⁰	496	501	491	460	389	324
Total Seafood Processing Employment (Annual Average)	892	889	874	878	888	905
Total Seafood Processing Employment (Peak)	1,511	1,505	1,481	1,486	1,505	1,533

FIGURE 6: TOTAL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE CHARLOTTE REGION – 2017-2030



- 8 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.
- 9 Non-seafood processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.
- 10 The residual labour force is the difference between the labour force and the non-seafood processing labour requirement.

As noted in the description of the occupations, over two-thirds 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 analysed 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 1,026 workers within a labour market that had a residual total labour force of only 228. 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.



TABLE 8: LOWER-SKILL LABOUR MARKET TIGHTNESS – CHARLOTTE REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force ¹¹	4,951	4,956	4,938	4,898	4837	10,318
Lower-Skill Non-Seafood Processing Labour Requirement	4,723	4,719	4,696	4,665	4,623	9,943
Residual Lower-Skill Labour Force	228	237	242	233	214	591
Lower-Skill Seafood Processing Employment (Annual Average)	606	604	594	596	603	501
Lower-Skill Seafood Processing Employment (Peak)	1,026	1,023	1,006	1,010	1,022	763

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

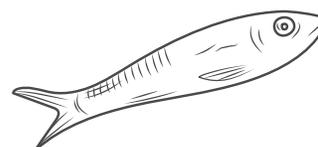
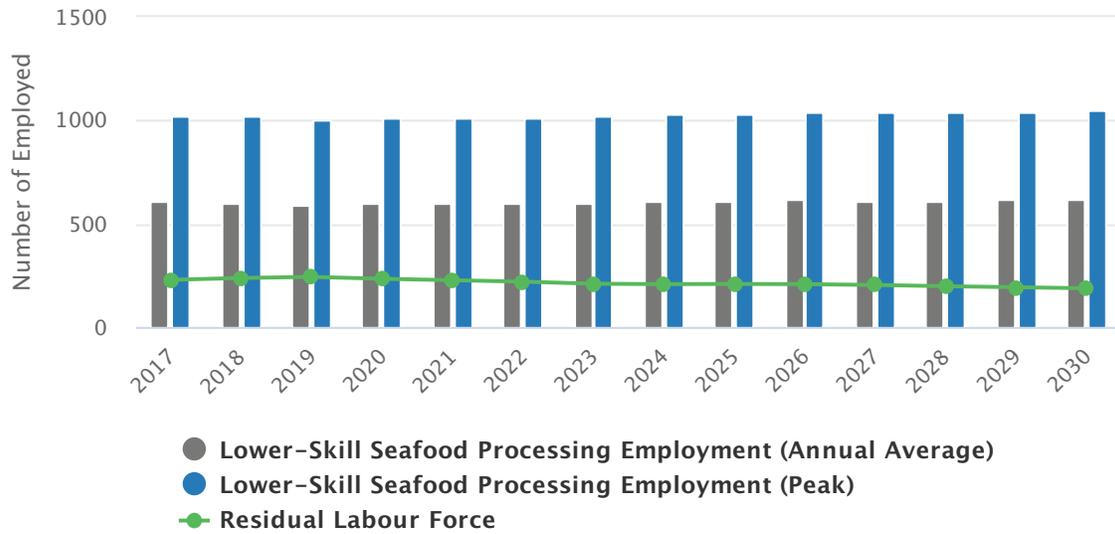


FIGURE 7: LOWER-SKILL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE
CHARLOTTE REGION – 2017-2030



The overall summary of the labour market tightness as modeled for the Charlotte 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 – CHARLOTTE 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 = 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 Charlotte Region employers will need to attract approximately 396 new workers to the fish and seafood processing industry by 2030. This is equivalent to approximately 44% of their current annual average workforce. This requirement is due to 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 turnover rate of 40% for Atlantic Canada in seafood processing industry). All of these factors contribute to the substantial challenges facing Charlotte Region 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 while there will be some shedding of jobs in the short term (2017-2018) due to negative industry growth, but as of 2019, there will be a need for increased numbers of new hires, due to the need for replacements due to anticipated retirements and deaths among the workforce (see Table 10). Overall, this results in the need to attract 396 new workers to the industry between 2018 and 2030. This equates to replacing approximately 44% of the 2017 average seafood processing workforce in the region.



TABLE 10: HIRING REQUIREMENT OUTLOOK – CHARLOTTE REGION – 2017-2030

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement¹²	41	26	15	32	167	156
Industry Growth	11	-3	-14	3	23	9
Retirements and Mortality	29	29	29	29	145	146

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

TABLE 11: EMPLOYMENT OUTLOOK (ANNUAL AVERAGE) – CHARLOTTE REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	892	889	874	878	888	905
Shellfish Processing Labourer	184	183	180	181	183	186
Fish Processing Labourer	154	153	151	151	153	156
Shellfish Plant Worker	80	80	79	79	80	82
Fish Plant Worker	71	71	70	70	71	72
Supervisors	44	44	43	44	44	45
Maintenance	41	41	41	41	41	42
Skilled Trades	48	48	47	47	48	48
Quality Control Technician	6	6	6	6	6	6
Management	18	18	18	18	18	19
Office Staff	54	54	53	53	54	55
Other Occupations	191	190	187	188	190	193

12 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 Atlantic seafood processors is 40%.

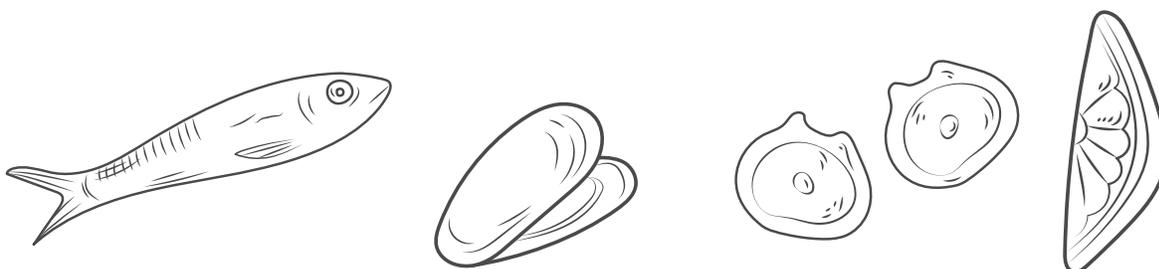


TABLE 12: EMPLOYMENT OUTLOOK (PEAK) – CHARLOTTE REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	1,511	1,505	1,481	1,486	1,505	1,533
Shellfish Processing Labourer	376	375	369	370	375	382
Fish Processing Labourer	315	314	309	310	314	320
Shellfish Plant Worker	165	164	162	162	164	167
Fish Plant Worker	146	145	143	143	145	148
Supervisors	44	44	43	44	44	45
Maintenance	54	54	53	53	54	55
Skilled Trades	62	62	61	61	62	63
Quality Control Technician	8	8	8	8	8	8
Management	18	18	18	18	18	19
Office Staff	54	54	53	53	54	55
Other Occupations	267	266	262	263	266	271





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. 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

The main challenge with retention outlined in interviews is the current EI system. The managers note that many people do not want to work the hours available given the impact that it will have on their EI claims (e.g., they noted that workers can make as much staying home at least one day per week as they can working full-time after a certain number of full-time weeks).

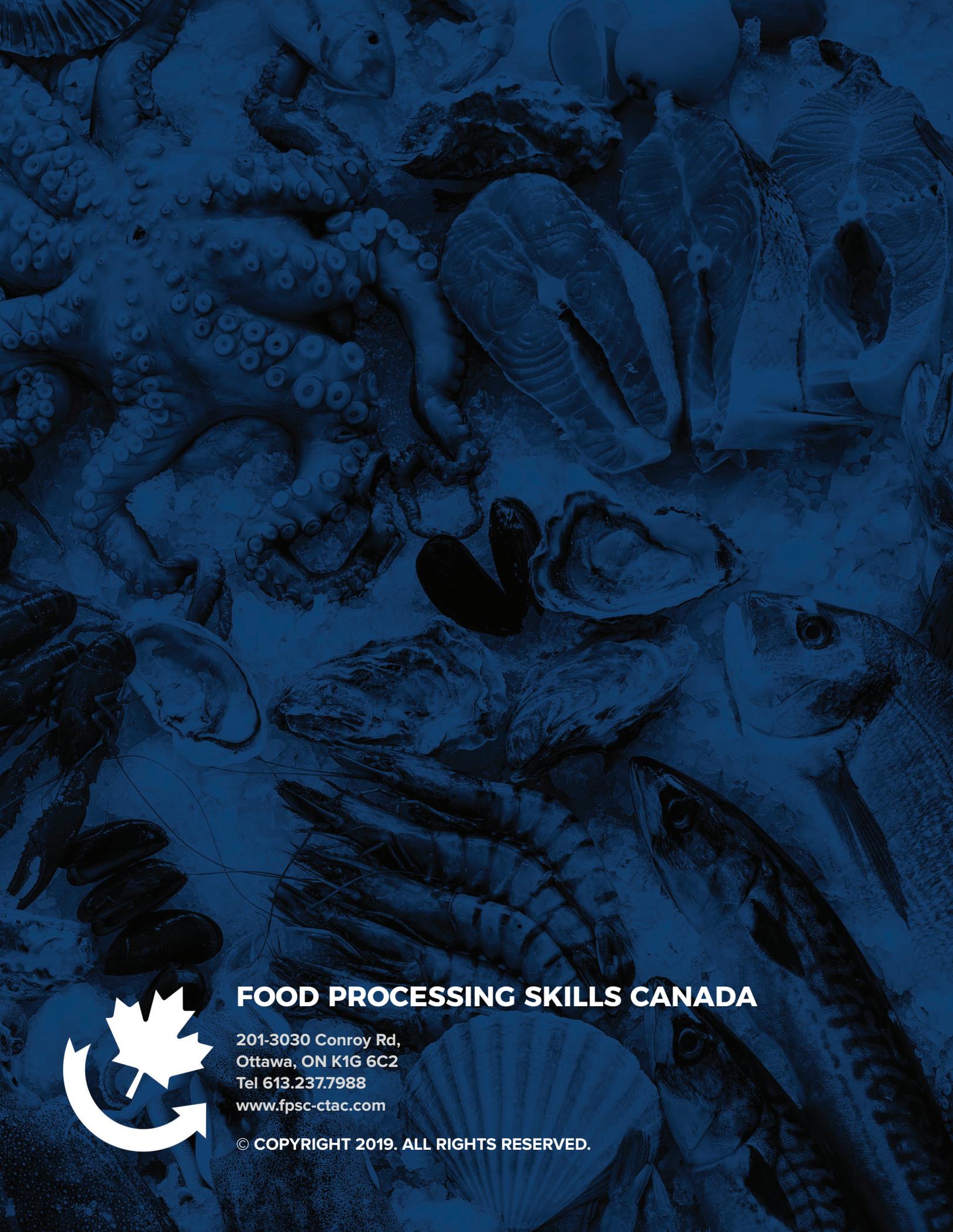
» Competition for seasonal lower-skill labour

Plant managers noted that the competition for seasonal lower-skill labour is increasing. Main competitors noted were other fish plants in the area, and other food processing in the region.

» 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 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.





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