

Securing Canada's FISH + SEAFOOD Work Force

REGIONAL SPOTLIGHT

A detailed look at the labour supply and demand in

Lunenburg Region Nova Scotia



FOOD PROCESSING SKILLS CANADA COMPÉTENCES TRANSFORMATION ALIMENTAIRE CANADA



SECURING CANADA'S
FISH + SEAFOOD
WORKFORCE

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SUMMARY

REGIONAL OVERVIEW

The Lunenburg Region is located in the South Shore of Nova Scotia, surrounding Mahone Bay. It is located one hour southwest of Halifax, Nova Scotia.

LABOUR MARKET OVERVIEW

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 except 2018. 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.

Currently, median hourly wages for shellfish/fish 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.

The region's population is expected to remain stable at 36,000 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 1,900 individuals and natural population decline (more deaths than births). Aging demographics are expected to cause the region's unemployment rate to fall from 10.2% in 2017 to below 7.0% by 2030, reducing labour availability for all employers in the region.

Seafood processing employment in the Lunenburg, Nova Scotia region is expected to decline slightly from 550 workers in the near-term before increasing to nearly 650 workers by 2030. Local processors will likely need to hire 350 additional workers between 2017 and 2030, primarily 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.



POPULATION
36,343



LABOUR FORCE
18,787

LABOUR MARKET TIGHTNESS

The labour market tightness, a measure calculated by estimating labour requirements in other sectors in Lunenburg 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	2	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

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, as well as the physical aspects of the job.

SEAFOOD PROCESSING ESTABLISHMENTS



2¹

SEAFOOD PROCESSING EMPLOYMENT



549²

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 overall study aims 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 the proportion of labour force working in the industry. Lunenburg Region in Nova Scotia was selected as one of these regions for detailed focus.

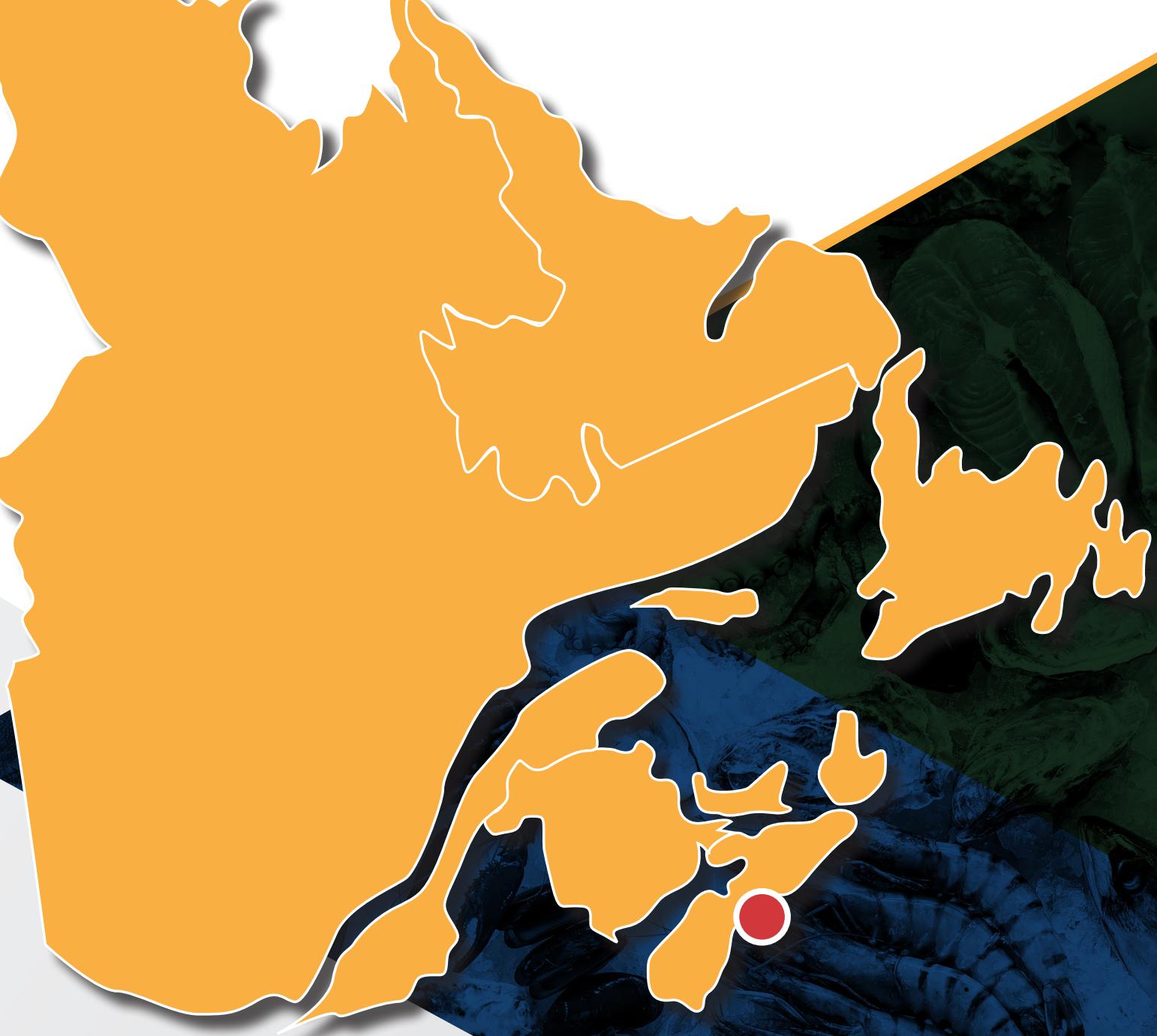
The initial sections of this report provide overviews of the Lunenburg Region, fish and seafood processing overall in the province of Nova Scotia, and specifically in the Lunenburg region. This is followed by sections that provide an overview of the region's labour force, and the specific findings for the labour supply and demand, current and future. The final 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 Lunenburg Region, the study team collected information from one large fish processing plant (over 250 employees).

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

2.0 OVERVIEW OF THE LUNENBURG REGION



2.1 GEOGRAPHIC LOCATION

The Lunenburg Region is located in the South Shore of Nova Scotia, surrounding Mahone Bay. It is located one hour southwest of Halifax, Nova Scotia.

2.2 POPULATION CHARACTERISTICS

The population of Lunenburg 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, non-Canadian citizens and people identifying as Aboriginal (according to Census definitions).

The overall population for the region in 2017 was 36,343. According to Census 2016 profiles, the proportions of immigrants (5.0%), visible minorities (1.0%) and non-Canadian citizens (1.8%), and the proportion of the population that identify as Aboriginal (3.3%) are lower than those overall for Nova Scotia (see Table 1).

TABLE 1: LUNENBURG POPULATION CHARACTERISTICS

CHARACTERISTIC	LUNENBURG REGION	NOVA SCOTIA
FEMALE	17,600	476,715
SHARE OF POPULATION	50.0%	51.6%
IMMIGRANTS	1,750	55,680
SHARE OF POPULATION	5.0%	6.1%
NOT CANADIAN CITIZENS	625	29,925
SHARE OF POPULATION	1.8%	3.3%
VISIBLE MINORITIES	350	58,650
SHARE OF POPULATION	1.0%	6.5%
ABORIGINAL IDENTITY	1,135	51,490
SHARE OF POPULATION	3.3%	5.7%

Source: Census 2016

According to projections, the population levels are expected to remain relatively stable over the upcoming 13 years (36,343 in 2017 and then 36,623 by 2030). Although the total population will remain stable, it will be an aging population with the proportion of the age cohort 65 years or older rising from 25.5% in 2017 to approximately 34.1% by 2030 (see Figure 1). While the continued aging of the population and increased number of deaths will negatively impact population growth, this will be countered to some extent by a predicted continuation of a pattern of net in-migration of over 1,900 individuals by 2030. This will contribute to the stable population numbers (see Figure 2).



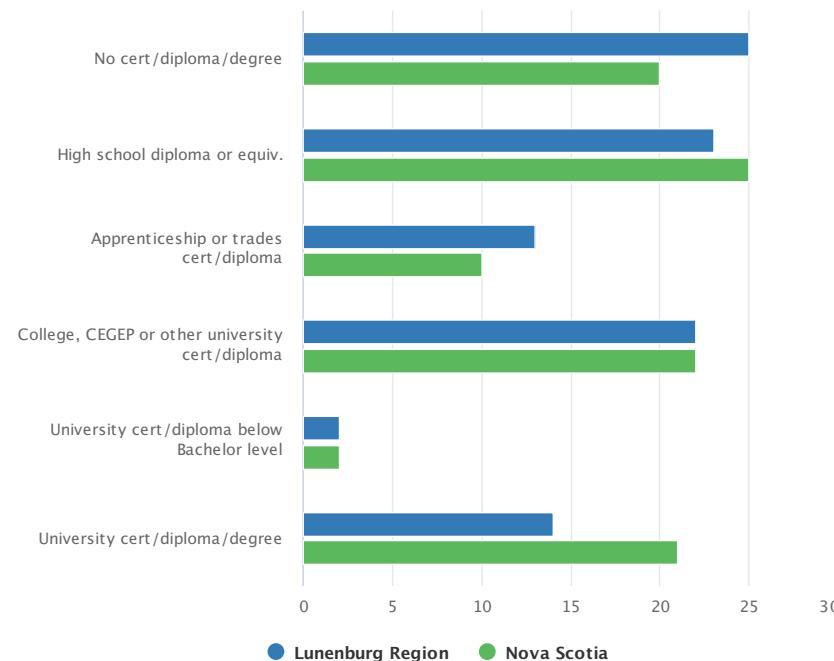
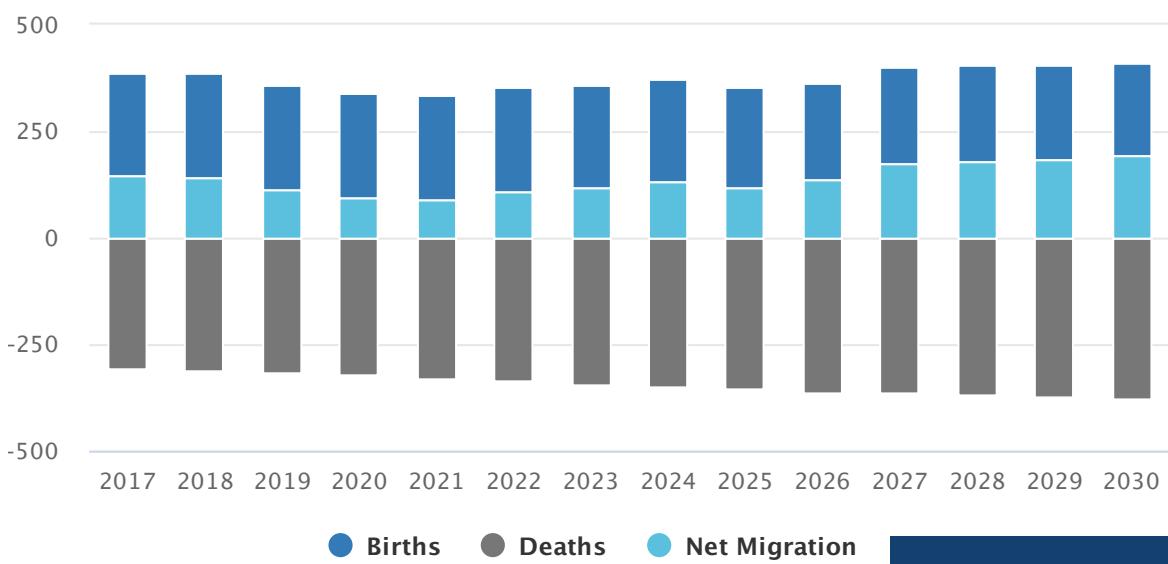
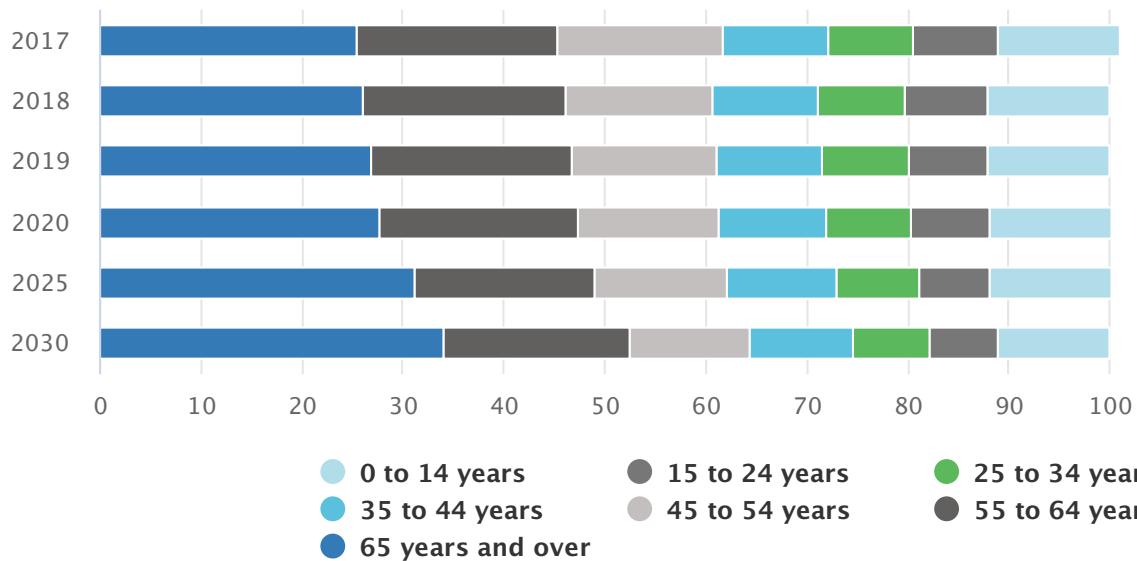
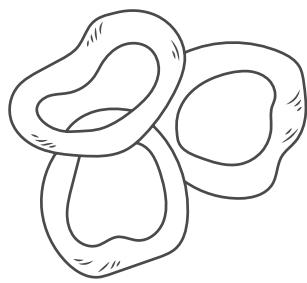


FIGURE 3: EDUCATIONAL ATTAINMENT - LUNENBURG AND NOVA SCOTIA

The overall education level of the region's residents is somewhat lower when compared with Nova Scotia overall (see Figure 3). Twenty-five percent (25%) do not have a high school diploma (vs. 20% for the province), and 14% (vs. 21% for the province) have a university certificate, diploma or degree. However, there is a higher proportion of working age population with an apprenticeship or trades certification in the region (13%) than in the province overall (10%). From interviews, it was determined that part of this overall lower education level might be attributable to the ongoing out-migration from the region into often more urban centres by younger people who often have higher levels of education than older cohorts. This also corresponds to the aging demographics for the region.

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 2018-21, to 2.1% over 2022-26 and 2.2% over the 2027-30 (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 2018-21, to 0.3% in 2022-26 to 0.5% over 2027-30 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 the members of the TPP trade pact. Interprovincial exports are expected to improve modestly as consumer demand in other provinces gains 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

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 2017-21 period, real GDP growth is forecast to average 1.1%. Manufacturing is forecast to average over 4% growth in the medium term, with growth over 8% in 2021, as shipbuilding for the Department of National Defense 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 2021-26 period then slow to 1.0% on average over the 2027-30 period, as stagnant population and labour force limit potential growth.



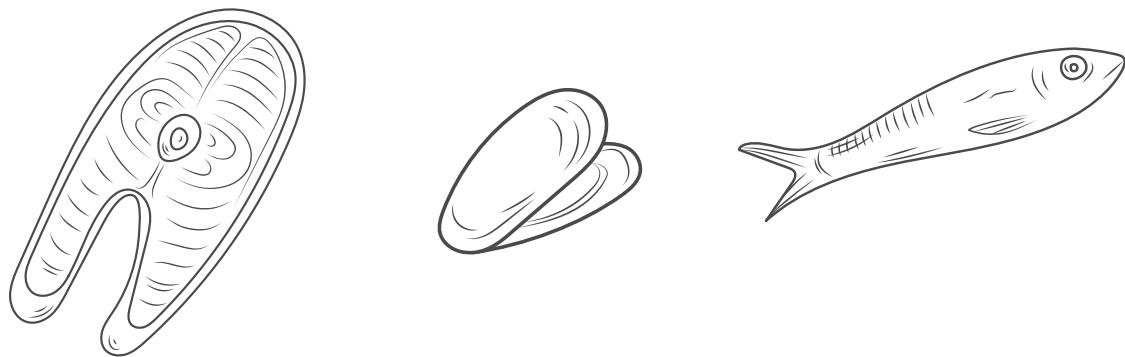
TABLE 2: NS PREPARED SEAFOOD END MARKET GROWTH (ANNUAL AVERAGE % CHANGE)

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 to 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 2018-21, and then rising by 0.7% over 2022-26 and 0.7% over 2027-30.

Replacement demands (deaths and retirements) are expected to total 3000 between 2017 and 2030. Taking account of both replacement and expansion demands, the industry will likely need to hire just over 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 LUNENBURG REGION FISH AND SEAFOOD PROCESSORS

4.1 EMPLOYERS

The region hosts two processors with the largest one focusing on fish processing frozen product into various retail and wholesale products.

Overall, there are two fish and seafood processing establishments in the Lunenburg Region³.

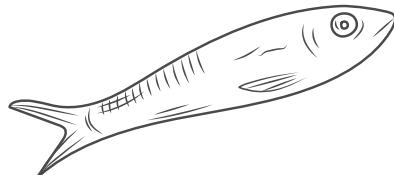
THE CURRENT INDUSTRY WORKFORCE IS OVER 700 WORKERS AT PEAK SEASON WITH APPROXIMATELY ONE-HALF BEING LABOURERS AND PLANT WORKERS.



4.2 WORKERS

4.2.1 WORKFORCE SIZE & OCCUPATIONS

The estimated total number of individuals employed by the sector in the Lunenburg Region in 2017 was 549 on average and rising to 722 at peak season⁴ (see Table 3). Over one-half of all employed at the peak season (53%) were labourers (NOC 9618) or plant workers (NOC 9463).



³ Number of establishments is based on the 2016 data from Statistic Canada's Business Registrar.

⁴ 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 LUNENBURG REGION - 2017 (AVERAGE & PEAK)

	AVG 2017 (#)	AVG 2017 (%)	PEAK 2017 (#)	PEAK 2017 (%)	EXTRA NEEDED FOR PEAK
Total Employment	549	100%	722	100%	591
FOUNDATIONAL (NOC 9618)					
Shellfish Processing Labourer	108	20%	163	23%	55
Fish Processing Labourer	49	9%	74	10%	25
INTERMEDIATE (NOC 9463)					
Shellfish Plant Worker	67	12%	101	14%	34
Fish Plant Worker	31	6%	46	6%	15
SUPERVISORY (NOC 9213)					
Supervisors	19	3%	19	3%	0
MANAGEMENT (NOC 0911; 0016)					
Management	22	4%	22	3%	0
OTHER CATEGORIES					
Maintenance	17	3%	20	3%	3
Skilled Trades	40	7%	48	7%	8
Quality Control Technician	9	2%	10	1%	1
Office Staff	40	7%	40	6%	0
Other Occupations	145	26%	179	25%	34



AVERAGE NUMBER OF WORKERS EMPLOYED IN
THE SEAFOOD PROCESSING INDUSTRY IN 2017



4.2.2 WAGES

Median hourly wages for shellfish/fish plant workers are above the provincial average, and higher than a number of C and D level occupations available in the region. One exception is fishing deckhand that has a much higher median hourly wage.



The median hourly wage for shellfish/fish labourers (NOC 9618) in the Southern Region⁵ of Nova Scotia is unavailable for this occupation. The provincial median wage for this occupation is \$14.50/hour. (see Table 4). The median wage for shellfish/fish plant workers (NOC 9463) for the Southern Region is \$13.90/hour, slightly higher than the provincial median wage of \$13.50/hour. 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 plant workers were generally higher by approximately \$2.00 to \$3.00/hour. One exception is fishing deckhand for which the median hourly wage is higher at \$20/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)			
Southern Region (NS)	--	--	--
All Nova Scotia	12.00	14.50	20.00
North Shore Region (NS)	11.00	13.32	19.45
Shellfish/Fish Plant Worker (NOC 9463)			
Southern Region (NS)	12.50	13.90	21.00
All Nova Scotia	11.40	13.50	21.00
North Shore Region (NS)	11.00	11.28	12.50
Other C&D Level Occupations (NS)			
Farm Worker (NOC 8431)	--	--	--
Deckhand, Fishing (NOC 8441)	13.00	20.00	100.00
Retail Sales (NOC 6421)	11.00	12.00	19.93
Food Services (NOC 6711)	11.00	11.25	15.57
Cashier (NOC 6611)	11.00	11.00	13.00

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

⁵ The Southern Region of Nova Scotia includes the Lunenburg 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 NUMBERS ARE APPROXIMATELY 29,000. APPROXIMATELY ONE-QUARTER OF THE ADULT POPULATION WORKED IN A FULL-YEAR, FULL-TIME POSITION IN 2015.



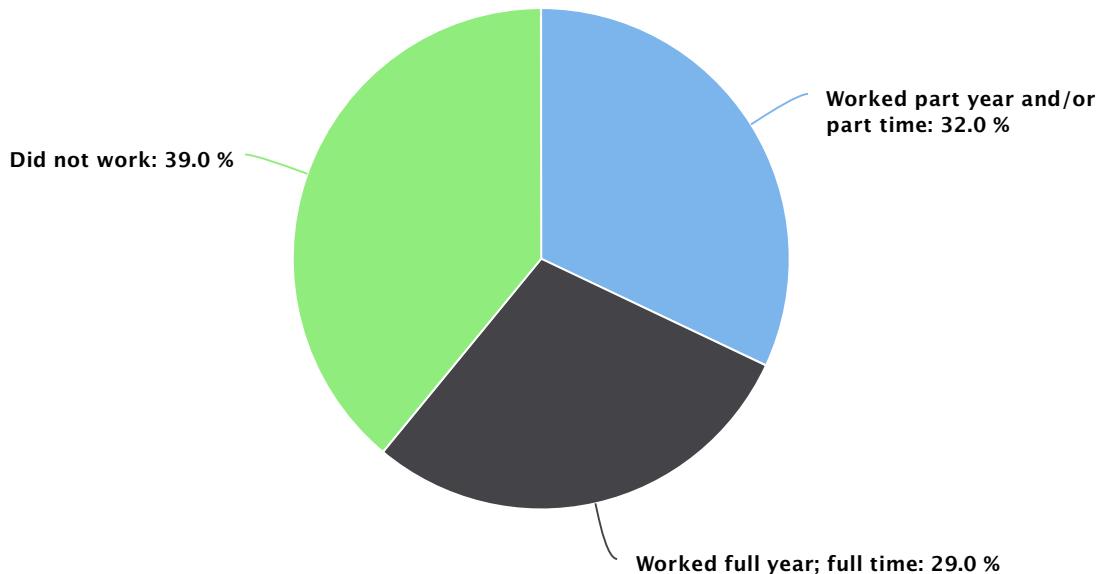
5.1 OVERVIEW OF LOCAL LABOUR FORCE

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 18,787 (out of a total population of 36,343). The largest proportions of the labour force for the Lunenburg County (CD) work in manufacturing (14% - includes fish and seafood processing), health and social services (14%) and retail trade (13%) (Census, 2016).

According to Census 2016 data, only one-quarter (29%) 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 (32%), while a higher proportion (39%) 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) - LUNENBURG REGION



Source: Census 2016





TABLE 5: AVERAGE MONTHLY EI CLAIMANTS FOR LUNENBURG REGION – 2014 TO 2016⁶

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Total (All Occupations)	1,540	1,483	1,570	1,420	1,027	823	883	813	730	797	1,023	1,470
Skill Level C & D*	893	860	907	913	593	443	483	443	397	427	560	870
Food Processing**	73	73	70	53	43	33	30	23	13	37	43	53

*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

6 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

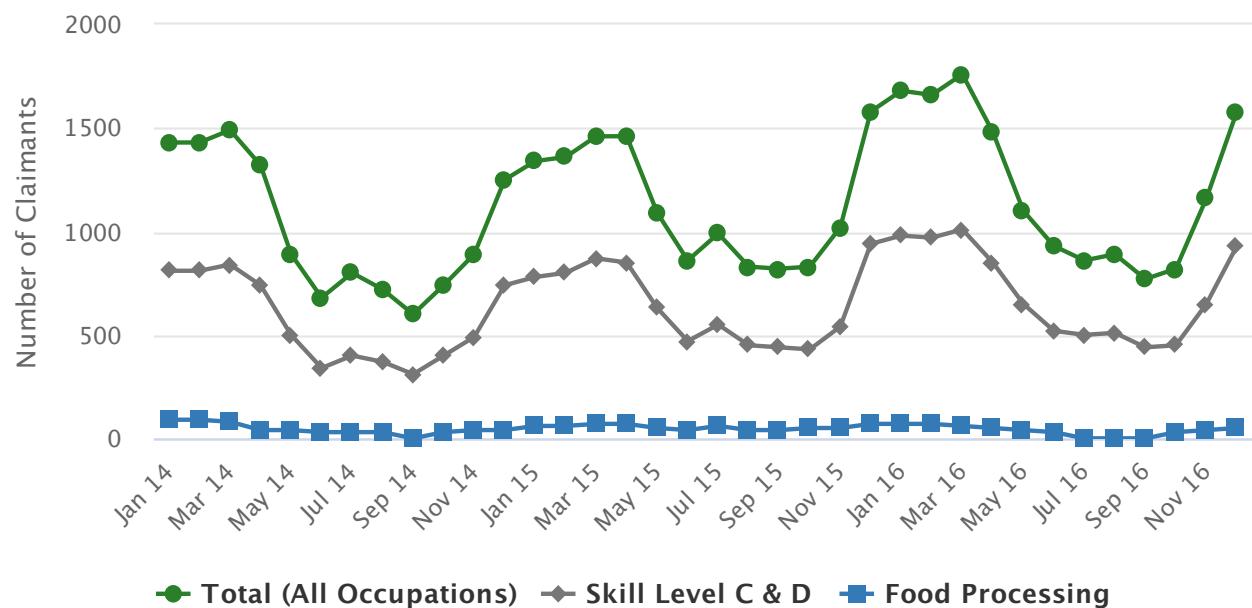
The unemployment rate for the region in 2017 was 10.2% on average, but monthly the rate experiences considerable fluctuations from a low of 3.9% to a high of 23.2%. According to Census data, 10.2% of the population 15 years or older who had income received regular Employment Insurance (EI) payments at 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 13 in the month of September to over 70 in the months of January and February (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 an increasing numbers of claimants occurring each of the three years for overall claims (+8.8% change for overall claims on an annual average for this period) and a decreasing number of claimants for food processing (-9.3% change).

THE AVERAGE UNEMPLOYMENT RATE FOR THE REGION IN 2017 WAS 10.2%, WITH CONSIDERABLE MONTHLY FLUCTUATIONS GIVEN THE SEASONALITY OF MANY OF THE INDUSTRIES.



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



“**INDIGENOUS COMMUNITIES WERE NOT CITED AS A SOURCE OF LABOUR FOR THE FISH AND SEAFOOD PROCESSING WORKFORCE IN LUNENBURG REGION.**”

5.2 OVERVIEW OF IMMIGRANT SOURCES OF LABOUR

The proportion of immigrants in the Lunenburg Region is slightly lower when compared with Nova Scotia overall (5.0% vs. 6.1%). The plant interviewed did not use the temporary foreign worker’s program, and did not have a large proportion of recent immigrants in their labour force.



5.3 OVERVIEW OF INDIGENOUS SOURCES OF LABOUR

The Lunenburg Region is in proximity to two Indigenous communities (Acadia First Nation near Yarmouth; Sipekne’katik First Nation) with a total population living on-reserve of approximately 1,526. The proportion of the population in the Lunenburg Region who identify as Aboriginal is 3.3% (1,135 individuals) 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 Lunenburg Region.**”

6.0 CURRENT AND FUTURE LABOUR DEMAND VS. SUPPLY

6.1 LABOUR MARKET TIGHTNESS

ACCORDING TO THE ANALYSES OF THE LOCAL WORKFORCE, 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. 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: LUNENBURG REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Population	36,343	36,419	36,461	36,480	36,523	36,623
Avg. Annual Change (%)		0.2%	0.1%	0.1%	0.0%	0.1%
Total Labour Force	18,787	18,843	18,814	18,766	18,381	18,323
Avg. Annual Change (%)		0.3%	-0.2%	-0.3%	-0.6%	0.2%
Total Employment	16,873	16,900	16,970	16,952	16,783	17,004
Avg. Annual Change (%)		0.2%	0.4%	-0.1%	-0.2%	0.5%
Unemployment Rate	10.2%	10.3%	9.8%	9.7%	8.7%	7.2%

The model projections indicate that considering the trends in out-migration and aging population, the Lunenburg 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 19,000 between 2017 and 2030. As a result, unemployment rates are expected to decline from an average of 10.2% to 7.2% based on increased opportunities, and a declining 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.

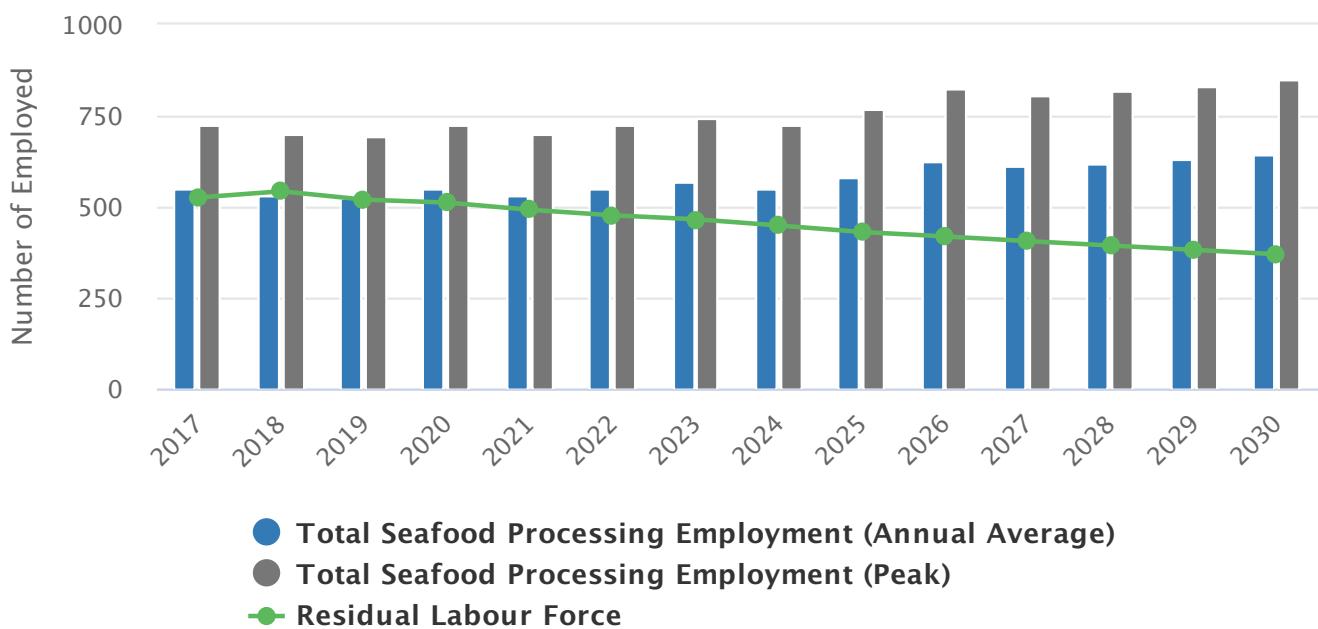
The analysis outlined in Table 7 and Figure 6 describes the labour market context within which the fish and seafood processors are operating with respect to finding sufficient numbers of workers from the local labour supply. Within this very tight, competitive labour market, the industry employers have had some success recruiting. For example, in peak season in 2017, the seafood processing industry was able to recruit and employ 722 within a labour market that had a residual total labour force of only 525. 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 – LUNENBURG REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Labour Force ⁷	18,787	18,843	18,814	18,766	18,381	18,323
Total Non-Seafood Processing Labour Requirement ⁸	18,261	18,301	18,294	18,255	17,919	17,950
Residual Total Labour Force ⁹	525	542	519	511	462	393
Total Seafood Processing Employment (Annual Average)	549	531	528	550	556	627
Total Seafood Processing Employment (Peak)	722	699	695	724	733	826

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



⁷ 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.

⁸ Non-seafood processing labour requirement consists of employment demand from other sectors with an allowance for typical levels of sector-specific unemployment.

⁹ 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 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. 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 436 workers within a labour market that had a residual total labour force of only 165. 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: LUNENBURG REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Lower-Skill Labour Force¹⁰	7,254	7,276	7,265	7,247	7,098	7,075
Lower-Skill Non-Seafood Processing Labour Requirement	7,089	7,091	7,083	7,064	6,922	6,954
Residual Lower-Skill Labour Force	165	185	182	183	176	169
Lower-Skill Seafood Processing Employment (Annual Average)	331	321	319	332	336	379
Lower-Skill Seafood Processing Employment (Peak)	436	422	420	437	442	499

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

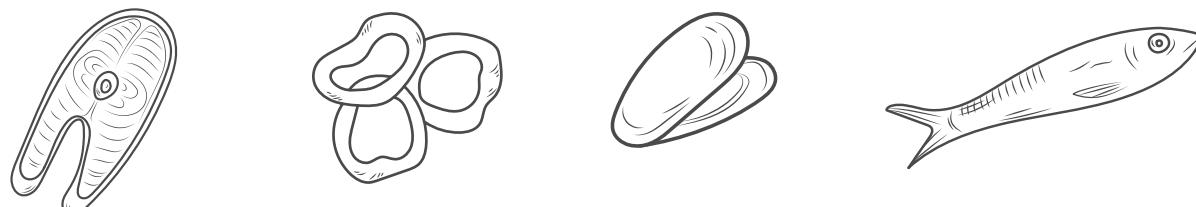
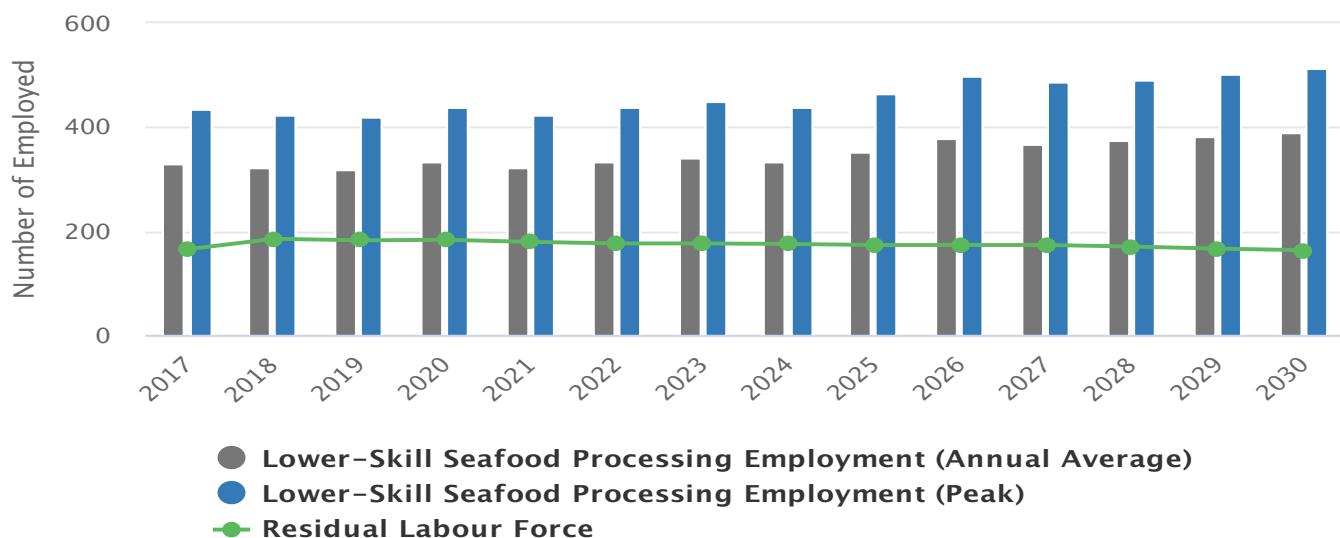


FIGURE 7: LOWER-SKILL SEAFOOD PROCESSING EMPLOYMENT AND RESIDUAL LABOUR FORCE – LUNENBURG REGION – 2017-2030



The overall summary of the labour market tightness as modelled for the Lunenburg 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.



TABLE 9: SUMMARY OF LABOUR MARKET TIGHTNESS: LUNENBURG REGION – 2017-2030

	2017	2018	2019	2020	AVERAGE 2021 TO 2025	AVERAGE 2026 TO 2030
TOTAL	3	2	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 Lunenburg Region employers will need to attract approximately 347 new workers to the fish and seafood processing industry by 2030. This is equivalent to approximately 63% 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 turnover rate of 40% for Atlantic Canada in seafood processing industry). All of these factors contribute to the substantial challenges facing Lunenburg 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 347 new workers to the industry between 2018 and 2030. This equates to replacing approximately 63% of the 2017 average seafood processing workforce in the region.



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

	2017	2018	2019	2020	SUM 2021-2025	SUM 2026-2030
Net Hiring Requirement¹¹	7	1	15	41	127	163
Industry Growth	-11	-18	-3	22	34	62
Retirements and Mortality	19	18	18	19	92	101

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

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

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	549	531	528	550	556	627
Shellfish Processing Labourer	108	105	104	109	110	124
Fish Processing Labourer	49	48	47	49	50	56
Shellfish Plant Worker	67	65	65	67	68	77
Fish Plant Worker	31	30	29	31	31	35
Supervisors	19	18	18	19	19	22
Maintenance	17	17	17	17	18	20
Skilled Trades	40	39	39	40	41	46
Quality Control Technician	9	9	9	9	10	11
Management	22	21	21	22	22	25
Office Staff	40	39	39	40	41	46
Other Occupations	145	140	139	145	147	165

¹¹ 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%.

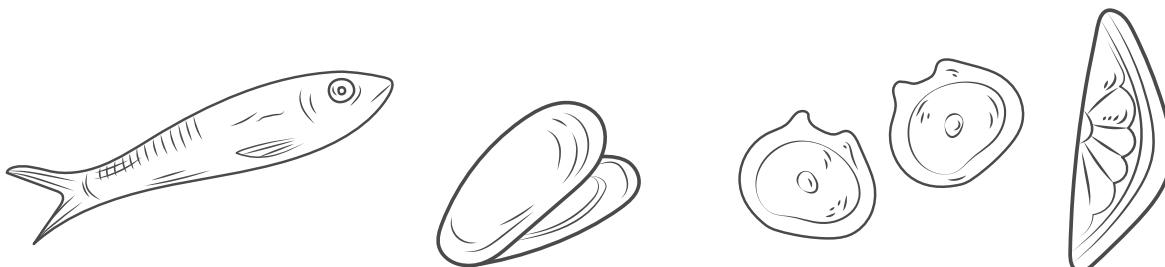


TABLE 12: EMPLOYMENT OUTLOOK (PEAK): LUNENBURG REGION – 2017-2030

	2017	2018	2019	2020	AVG 2021-2025	AVG 2026-2030
Total Employment	722	699	695	724	733	826
Shellfish Processing Labourer	163	158	157	163	165	186
Fish Processing Labourer	74	71	71	74	75	84
Shellfish Plant Worker	101	98	97	101	102	115
Fish Plant Worker	46	44	44	46	47	53
Supervisors	19	18	18	19	19	22
Maintenance	20	19	19	20	20	23
Skilled Trades	48	47	47	49	49	55
Quality Control Technician	10	10	10	10	11	12
Management	22	21	21	22	22	25
Office Staff	40	39	39	40	41	46
Other Occupations	179	174	173	180	182	205





7.0 OVERVIEW OF HR ISSUES ENCOUNTERED

Interviews with plant managers in the region outlined various HR issues that they have experienced in an 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**

The large plant interviewed indicated that recruitment was not a significant challenge for them in large part because they offered full-time, unionized positions. Given the challenges with seasonal employment in the region, the jobs at their plant are sought after as some of the only full-time employment opportunities in the area. Depending on the time of year when recruiting is taking place, there can be some delay in filling positions – for example, in the summer when most people are fully employed, there may not be as much uptake as in the shoulder seasons when many people are looking for full-time work.

» **Retention issues**

The plant interviewed indicated that there is very little turnover at the plant (less than 1% per year), and the average tenure at the plant is over 20 years. This is attributed to their offering of full-time, unionized positions with benefits within an employment environment that is seasonal and part-time.

» **Physical aspects of the job**

One challenge noted by an HR manager interviewed was the physical nature of many of the jobs in the plant. This can be challenging for some employees with the repetitive requirement to lift 50 pounds, and the ability to work long hours at times.





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:

USE OF TEMPORARY PLACEMENT AGENCY

The plant interviewed indicated that to fill vacation placements and fluctuations in various positions, they use a temporary placement agency. This allows them the flexibility they need to focus on full-time staffing and HR requirements.

COMPENSATION AND BENEFITS

The plant managers interviewed noted that their starting wage is relatively high for labour positions in comparison to other opportunities in the area, and after a period of tenure, there is a benefits package that is also quite competitive for the area.

SUPPORTING PHYSICAL REQUIREMENTS

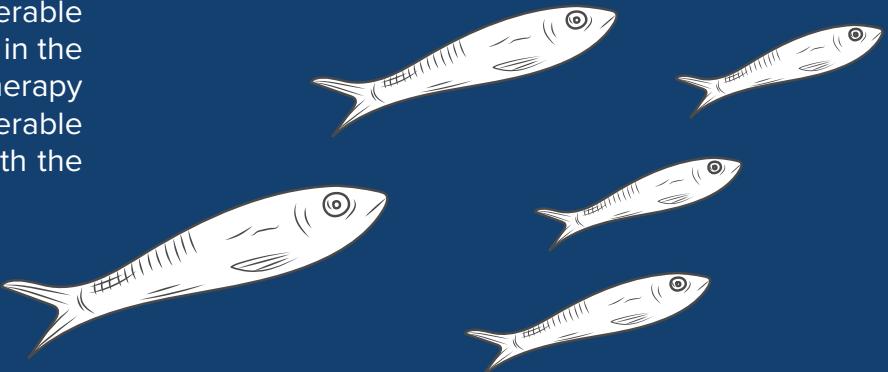
Interviews with plant managers indicated that many of the position have repetitive lifting requirements and there are considerable physical components for many of the jobs in the plant. They noted that there are physiotherapy supports provided to staff, and considerable attention is paid to supporting workers with the physical aspects of their job.

PROVIDING FULL-TIME EMPLOYMENT WITHIN A SEASONAL EMPLOYMENT ENVIRONMENT

The type of processing undertaken by the plant interviewed allows them to offer steady, full-time employment throughout the year to their workforce. They noted that this is particularly attractive to potential workers given most of the other employment opportunities in the area are seasonal, often for lower pay, and may require additional training.

AUTOMATION AND TECHNOLOGY

The plant interviewed has been investing in technology and automation as an ongoing aspect. Given the physical aspect of many of the jobs, automation and technology are often considered when trying to lessen the physical requirements on various parts of lines.





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