BC ALLIANCE FOR MANUFACTURING

BC FOOD AND BEVERAGE MANUFACTURING AND PROCESSING

SECTOR LABOUR MARKET PARTNERSHIP ENGAGEMENT REPORT

AUGUST 2017

Canada
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The views and opinions expressed in this report are those of its author(s) and not the official policy or position of the Government of British Columbia.

ACKNOWLEDGEMENTS

The BC Food and Beverage Manufacturing and Processing Sector Labour Market Partnership is an industry-led initiative to better understand and respond to the skills shortages faced by the industry.

Not only is food and beverage consumption essential to human survival, it has also become a defining characteristic of our culture and a key component of our social interaction and entertainment. The sector is also important economically, even more so, now that is has become the largest sector in British Columbia's diverse manufacturing industry.

This report would not have been possible without the contributions of numerous stakeholders who want to see the success of the industry continue and grow.

First and foremost, the Government of British Columbia has provided strong support.

Second, it is important to recognize the important group of leaders which has emerged from the cluster of BC Alliance for Manufacturing member-associations who represent areas of food and beverage manufacturing and processing such as beer, wine, spirits, meat, seafood, packaged and consumer goods. Their desire for collaboration across a breadth of industries has made this project possible.

The greatest thanks are reserved for the many corporate leaders who shared their insights and passion for change over the last 6 months. More than 100 individuals participated through interviews and working groups. The countless hours they took away from their businesses are critical to this project.

The members of the newly formed Steering Committee have provided focus and guidance for this phase. Their dynamism is reinforced by a collective eagerness to advance future phases of the project so solutions are realized in a timely manner.

Thanks are also extended to the project team who conducted the interviews and working groups and the associated research and report writing.

This report is only the beginning of a project to strengthen one of our province's most important industries.

Sincerely,

Marcus Ewert-Johns
Chair
BC Alliance for Manufacturing

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INTRODUCTION

1. INTRODUCTION

The agri-food sector has been identified by the Government of British Columbia as a priority industry for job creation and further strengthening of the BC economy. The sector has been experiencing significant growth over the last several years, more than 9% in 2015 alone[1]. In addition to servicing the domestic market, BC-based companies also reap the benefits of a global demand for Canadian food and beverage products because of their reputation for being high-quality and safe. In 2016, the food and beverage processing sector became the largest component of the province's manufacturing industry, surpassing value-added wood[2].

Industry stakeholders have expressed significant concern about the immediate labour challenges facing food and beverage production (agri-food) businesses. Employers note that labour supply issues pose some of the greatest risks to the future vibrancy, growth and competitiveness of this sector. There are general concerns surrounding skills shortages, training and development gaps, labour cost competitiveness, and overall worker availability and accessibility. Furthermore, there is an apparent need to refresh the workforce by inviting new entrants and exploring ways to increase the labour supply by attracting young people and other under-represented groups to an industry facing an increase in the number of retirees in the coming years.

While the labour supply problem has been identified in general based on the realities of day to day business operations, unfortunately, at this point, there is a lack of data and a coordinated approach or overall strategy to confirm the veracity of these areas of concern and the specific needs. For example, what are the occupations that are most critical for the industry to move forward? Are the needs technical in nature such as food sciences, research and development to support product innovation or health and safety? What are the production requirements and what are the sources of available labour? What is the role of special-trades or are there additional areas of expertise unique to the industry?

Does the post-secondary institutional support exist to meet current and future labour demands? Are there policy or regulatory issues which inhibit growth? Are there systemic issues which exist such as geographic disadvantages or other regional disparities?

What best practices exist where industry is alleviating their own challenges? What can government do to support industry objectives and assist in alleviating problems?

The answers to these and other questions need to be identified, quantified and addressed.

Phase 1 of the BC Food and Beverage Manufacturing and Processing Sector Labour Market Partnership (SLMP) engaged the industry through surveys, interviews and fora to facilitate an open dialogue on the labour supply challenges faced by industry. Subsequently, industry was organized to begin the steps to build agreement on the most critical and time-sensitive issues so there could be a collaborative approach to building a shared strategy to resolve these issues.

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[1] British Columbia Agrifoods Industry Year in Review 2015
[2] Statistics Canada Manufacturing Sales, by subsector 2017-07

This resulted in formalizing an industry-led Steering Committee to provide overall governance through the multiple phases of the partnership. This group will allow the establishment of a common leadership framework to guide the broader industry through the stages of focused research, development of a workforce strategy, and implementation of future strategic initiatives.

DID YOU KNOW?

2,000 BC food processors

500 BC beverage producers

36,900 workers employed in sector

SOURCE:
BC Agrifoods Industry Year in Review 2015

Statistics Canada, Labour Force Survey prepared by BC Stats, January 2017

2

PROFILE OF BC's FOOD AND BEVERAGE MANUFACTURING INDUSTRY

2. PROFILE OF BC's FOOD AND BEVERAGE MANUFACTURING INDUSTRY

2.1 – Food and Beverage is Essential

Food is essential to human survival. From the earliest history of the province, the first residents harvested agricultural goods and began to invent ways to prepare and preserve. Very quickly people looked for ways to introduce new flavours and food moved from simply being nourishment to a taste experience shared with friends and family. Not only is food essential to human survival, it has become an integral part of our culture and entertainment. Newcomers to Canada have spawned demand for new food products resulting in many new food related business.

Canadians represent about 0.5% of the global population and, as expected, consume about the same percentage of the world's food production. However, Canada produces about 1.5% of the food in the world. Canada's trade success depends on the safety and security of the country's food production[3].

Food is an important component of Canada's national economy. In 2007, $142 billion was spent on food and beverages ($92 billion in stores for household use and an additional $50 billion in restaurants and bars)[4].

While the amount spent on food and beverage consumption is increasing, it is not keeping pace with expenditures on other goods and services. In 1961, Canadians dedicated 28% of their personal expenditures to food, whereas by 2007 this amount had decreased to 17%. By 2015, this number accounted for only 14.3% of their total household spending. This statistic is interesting because the price of food has increased 20% from 2007 to 2012, faster than all other household expenditures[5].

In a 2013 survey, 68% of those surveyed reported they usually spend 15 minutes or less preparing dinner for themselves and their families because they were under time pressure related to work and commuting demands[6]. These time pressures have contributed to the significant growth in ready-to-go meals and packaged food products. "Snack food/beverages" have also become a meal replacement plan for many because of time pressure, as well as the rising cost of fresh and whole foods. These lifestyle changes have resulted in a booming food manufacturing industry which is exacerbating the skills challenges the industry is experiencing.

More than 70% of the food bought in Canadian stores is produced domestically. The United States is the source of more than half (57%) of imported food, and similarly 55% of domestic food exports from Canada are directed to the United States[7].

[3] Statistics Canada, Human Activity and the Environment (2009), Food in Canada
[4] Statistics Canada, Human Activity and the Environment (2009), Food in Canada
[5] Statistics Canada, Survey of Household Spending (2007, 2015)
[6] Statistics Canada, NPD Group, Ipsos Canada, Canadian Index of Well Being
[7] Statistics Canada, Human Activity and the Environment (2009), Food in Canada

2.2 - Importance of Food and Beverage Manufacturing to the BC Economy

Manufacturing is vital to the BC economy. Comprised of almost 13,000[8] manufacturers, it is consistently in the top 5 largest contributors to GDP[9] in the province and accounts for 1/3 of business taxes entering government coffers. Notably, the sector generates more than 171,000 direct jobs[10] and 64% of the province's exports[11]. Within the manufacturing sector, the food and beverage subsector has surpassed the value-added wood subsector to become the number one manufacturing industry in British Columbia[12].

In 2016, food and beverage processing and manufacturing generated $9.8 billion in annual sales[13] and employed upwards of 37,000 people, accounting for 20% of total manufacturing shipments and 4% of the province's Gross Domestic Product (GDP). These are significant numbers[14].

The BC government's 2015 Agrifood and Seafood Strategic Growth Plan has the goal of increasing provincial revenues in the food and beverage subsector to $15 billion by the year 2020. This growth plan centered around the three key priorities of increasing production; driving competitiveness; and building markets.

As part of the above-mentioned Growth Plan, the government has encouraged stakeholder participation in and support of labour market initiatives. Specific actions to increase production include:

1. Promoting the sector's interests and encouraging industry to leverage labour partnerships, labour training, youth employment, seasonal agriculture workers and temporary foreign worker programs; and

2. Identifying and implementing opportunities to support the success of new entrants, youth, and First Nations in the agri-food and seafood industries; and developing succession planning.

Working to ensure a skilled, well trained and stable labour force is fundamental to achieving these priorities. For these objectives to be achieved there needs to be a strategic approach to facilitate industry backed solutions and implementation.

2.3 - BC Food and Beverage Industry by NAICS Hierarchy

The Food and Beverage Manufacturing and Processing Industry is defined within the hierarchy of the North American Industry Classification System (NAICS), a system developed jointly by Statistics Canada and its peer agencies in the United States and Mexico.

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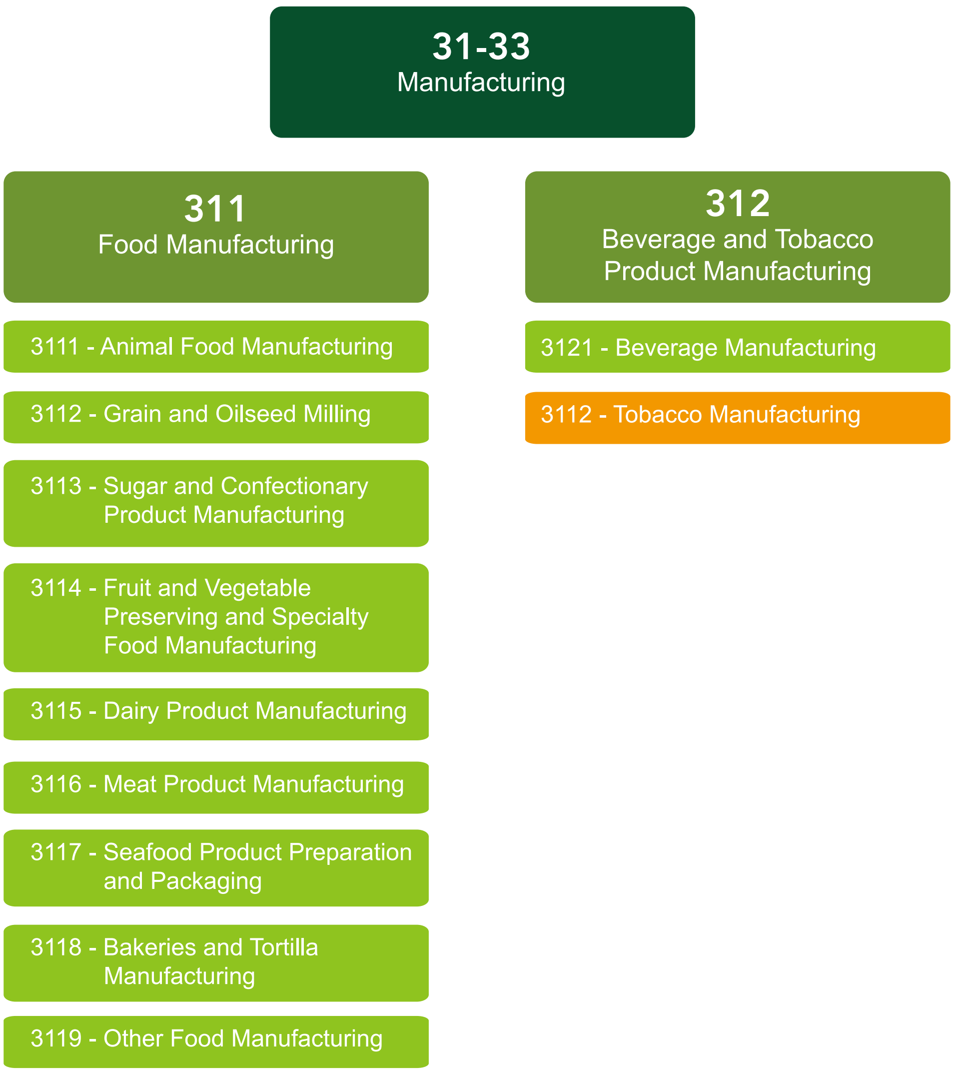
8 BC Stats, Establishment Counts
9 BC GDP by Industry - NAICS Aggregations, 1997-2015
10 Statistics Canada Employment by major industry group 2017-07
11 BC Stats, A Profile of British Columbia's Manufacturing Sector 2015
12 Statistics Canada Manufacturing sales, by subsector 2017-07
13 Statistics Canada Manufacturing sales, by subsector 2017-07
14 Employment by Industry, Statistics Canada, Labour Force Survey prepared by BC Stats, January 2017

Food and beverage manufacturing and processing is included in two different three-digit categories under manufacturing - 311 (Food Manufacturing) and 312 (Beverage and Tobacco Product Manufacturing). For the purposes of this LMP project 3122 (Tobacco Manufacturing) is not being included in the scope.

Value added food products range from confections to health foods and nutraceuticals. Beverage-company product offerings ranging from more recently trending craft beers and wine to non-alcoholic beverages, juices, water and additives.

Figure 1 – BC Food and Beverage Industry by NAICS Hierarchy



(Refer to Appendix A for Statistics Canada definitions of the industry subsectors at the four-digit level)

2.4 - BC Food and Beverage Industry Employment

Employing 36,900 individuals in 2016, food and beverage processing is the largest sector within the province's manufacturing industry accounting for 22% of BC's manufacturing workforce and 1.5% of the total provincial workforce[15].

One goal of this project, through further research, will be to identify the key occupations where workforce shortages of labour or skills are undermining the growth of the industry.

The sector consists mainly of small companies with almost 90 percent employing fewer than 50 staff[16]. It is estimated by employers that more than half of industry workers are in occupations that are not unique to the food and beverage industry. For example, many occupations in management, administration, sales and some common technical trades could be found in any industry. The remaining half are expected to be in occupations unique to food and beverage processing.

In order to look at positions across the industry with some consistency, the National Occupational Classification (NOC) system, utilized by Statistics Canada to collect and report workforce data, will be used.

The NOC system uses a matrix to classify positions by skill level and industry:

0	Management Occupations (with Skill Level A)
A	Occupations usually requiring university education
B	Occupations usually require college education or apprenticeship training
C	Occupations usually require secondary school and/or occupations specific training
D	On the job training is usually provided for occupations

Table 1 – Selected Occupations in Food and Beverage Processing Shared with Other Industries

Classification	Skill Level	Description
0015	O	Senior managers - trade, broadcasting and other services, n.e.c.
0113	O	Purchasing Managers
0411	O	Government managers - health and social policy development and program administration
0621	O	Retail and wholesale trade managers
0911	O	Manufacturing managers
1521	C	Shippers and receivers
1524	C	Purchasing and inventory control workers
2112	A	Chemists
2121	A	Biologists and related scientists

[15] Employment by Industry, Statistics Canada, Labour Force Survey prepared by BC Stats, January 2017
[16] BCFPA Industry Overview and Economic Impact Analysis October 2016

2148	A	Other professional engineers, n.e.c.
2211	B	Chemical technologists and technicians
2221	B	Biological technologists and technicians
2222	B	Agricultural and fish products inspectors
2263	B	Inspectors in public and environmental health and occupational health and safety
3114	A	Veterinarians
3219	B	Other medical technologists and technicians (except dental health)
4163	A	Business development officers and marketing researchers and consultants
4164	A	Social policy researchers, consultants and program officers
6211	B	Retail sales supervisors
6222	B	Retail and wholesale buyers
6321	B	Chefs
6322	B	Cooks
6332	B	Bakers
6411	C	Sales and account representatives - wholesale trade (non-technical)
7237	B	Welders and related machine operators
7316	B	Machine fitters
7241	B	Electricians
7313	B	Heating, refrigeration and air conditioning mechanics
7332	B	Appliance servicers and repairers
7514	C	Delivery and courier service drivers

Source: Government of Canada National Occupational Classification 2016

Table 2 – Selected Occupations Unique to Food and Beverage Processing

Classification	Skill Level	Description
9213	B	Supervisors, food, beverage and associated products processing
9461	C	Process control and machine operators, food, beverage and associated products processing
9462	C	Industrial butchers and meat cutters, poultry preparers and related workers
9463	C	Fish and seafood plant workers
9465	C	Testers and graders, food, beverage and associated products processing
9526	C	Mechanical assemblers and inspectors
9617	D	Labourers in food, beverage and associated products processing
9618	D	Labourers in fish and seafood processing

Source: Government of Canada National Occupational Classification 2016

2.5 – Current Industry Clusters, Sales and Growth Trends

GEOGRAPHIC CLUSTERS OF CONCENTRATION

The Food and Beverage Manufacturing and Processing Industry in British Columbia is one of the most diverse in Canada. It is comprised of approximately 2,000 food processing firms and more than 500 beverage and tobacco companies.

The majority of the food and beverage manufacturing operations in BC are in the Lower Mainland /Southwest region of the province including key agricultural areas such as the South Fraser and Fraser Valley. Other large clusters exist in the Thompson-Okanagan and Vancouver Island and Coast. Smaller clusters in the Kootenays, Cariboo, North Coast and Nechako, and Northeast. Most processors are strategically located near BC's highly integrated transportation system, making it easy to access ingredients and ship finished goods.

Table 3 – BC Food and Beverage Manufacturing and Processing by Region

Region	Percentage of Establishments
Lower Mainland/Southwest	58%
Vancouver Island & Coast	18%
North Coast & Nechako	2%
Cariboo	2%
Kootenays	3%
Northeast	2%
Thompson-Okanagan	16%

Source: BC Food and Beverage Manufacturing Establishment Count (2014), BC Agrifood Industry, 2013 Year in Review

The distribution of the food and beverage manufacturing and processing establishments is indicated in Table 4. The largest portion of the industry is represented by employers with less than 10 employees.

Table 4 – BC Food and Beverage Manufacturing and Processing by Size

Size	Percentage of Establishments
Micro (1 to 4 employees)	31%
Small (5 to 49)	56%
Medium (50 to 199)	11%
Large (200 to 500+)	2%

Source: BC Agrifood Industry, 2013 Year in Review

The percentage of food and beverage manufacturing and processing establishments by subsector is indicated in Table 5. The largest subsector is baked products followed by beverage and other food product manufacturing.

Table 5 – BC Food and Beverage Manufacturing and Processing by Subsector

Subsector	Percentage of Establishments
Meat Products	7%
Beverage Products	23%
Dairy Products	3%
Animal Food Products	5%
Bakery Products	24%
Seafood Products	9%
Fruit and Vegetable Products	5%
Sugar and Confectionary Products	4%
Grain and Oilseed Products	2%
Other Food Products	19%

Source: BC Food and Beverage Manufacturing Establishment Count (2014)

Phase 2 of the SLMP will need to update these tables with more current data.

INDUSTRY SALES AND GROWTH

In 2016, the sector had total sales of $9.8 billion, up over 9 percent compared to 2015 figures and up over 30% compared to 2010's sales of $7.35 billion. In addition, the sector became the largest component of the province's manufacturing industry, surpassing value-added wood at $9.5 billion[17]. This growth curve has been consistently trending upward and, based on historical data, this is expected to continue.

The 2016 figures show that other manufactured food products account for the largest share of shipments totaling $2.4 billion (24 percent), followed by meat and poultry products at $1.7 billion (17 percent), beverages at $1.7 billion (17 percent), dairy products at $1.4 billion (14 percent), and Seafood Products at $1.0 billion (10 percent).

The largest increase in shipments in 2016 occurred in beverages ($235 million), followed by processed seafood ($194 million), dairy ($121 million), other manufactured food products ($118 million), and bakery and tortilla products ($99 million)[18].

[17] Statistics Canada. Table 304-0015 - Manufacturing sales, by North American Industry Classification System (NAICS) and province, annual dollars
[18] Statistics Canada. Table 304-0015 - Manufacturing sales, by North American Industry Classification System (NAICS) and province, annual dollars

Table 6 – Key Subsectors in Food and Beverage Manufacturing and Processing Industry

BC's Food and Beverage Manufacturing and Processing Subsectors		
Sector	**Sales Contribution**	**Percentage of Food and Beverage Production**
Other Manufactured Food Products	$2.4 Billion	24%
Meat and Poultry Products	$1.7 Billion	17%
Brewers, Wineries and Distillers	$1.7 Billion	17%
Dairy Products	$1.4 Billion	14%
Seafood Products	$1.0 Billion	10%
Animal Food Products	$0.8 Billion	8%
Baked Products	$0.8 Billion	8%
Fruit and Vegetable Products	$0.5 Billion	5%

Source: Table 1 (June 2016 | Ministry of Agriculture – Corporate Statistics & Research Unit)

DID YOU KNOW?

2010: 54 Craft Breweries

2017: 135 Craft Breweries

20% Craft beer accounts for 20% of share in BC beer market

2,500 workers employed in sector

$205m Revenue generated in 2014, an 86% increase from 2010

Source: the BC ALE TRAIL

3

APPROACH

3. APPROACH

It is a widely-held view by food and beverage companies interviewed in the initial stage of this project that there is a shortage of individuals who are attracted to the manufacturing sector with food and beverage being no exception. This results in a shortage of both skilled and unskilled workers. Industry stakeholders have expressed significant concern about the immediate labour supply challenges the food and beverage subsector faces and the threat it represents to the viability of their businesses. In short, labour supply issues pose some of the greatest risks to the future vibrancy, growth and competitiveness of this sector.

While the labour problem has been identified in general based on the realities of day to day business operations, there is a lack of sufficient data to identify root causes and to make evidence-based decisions to develop a coordinated approach or a cohesive strategy to address these areas of concern. The sector labour market partnership strives to bring together key industry players from a cross section of the food and beverage industry who, as insiders, understand first-hand the issues they face and who are willing to work cooperatively to address common critical labour market needs.

The BC Food and Beverage Manufacturing and Processing Sector Labour Market Partnership will identify and explore workforce challenges in the sector. Phase 1 of the partnership focuses on building industry engagement and identifying workforce challenges that warrant further study. Its purpose is to solicit input from businesses, define an agreed to terms of reference for the project, develop a workforce strategy, and drive forward project initiatives. In the first phase, the partnership also establishes a governance framework and steering committee to guide the project team and keep the initiative on track through the various phases.

3.1 Stages and Activities

In order to formulate policy and project recommendations to address and resolve workforce challenges in the food and beverage manufacturing sector, more focused information is required that moves beyond generalities and anecdotes.

In February 2017, the industry secured funding from the Government of British Columbia for a Sector Labour Market Partnership, Phase 1 (sector engagement) project to bring together stakeholders, broadly representative of the sector, to define short, medium and longer term labour market issues and priorities, and to establish an advisory committee to lead future labour market research and initiatives designed to address the labour market issues and priorities.

Table 7 - Activities of the Food and Beverage Manufacturing and Processing, Sector Labour Market Partnership (SLMP) - Phase 1

March 31, 2017	Scope	▪ Identify the components of the food and beverage industry in British Columbia using a NAICS approach ▪ Identify key occupations of the province's food and beverage sector using a MOC approach
June 8, 2017	Engagement	▪ Conduct no fewer than 12 one-on-one meetings with representative key influencers from across the province ▪ Host 12 focus groups across the province to determine type and nature of workforce challenges ▪ Analyze results of consultations and prepare reports
August 3, 2017	Governance	▪ Establish a Steering Committee representative of a diverse and dispersed industry ▪ Achieve consensus on and approval of o Phase 1 Final Report o Direction on Phase 2 proposal including terms of reference, timelines and rough budget

3.2 Scope

The industry is defined within the hierarchy of the NAICS framework detailed earlier in this report and will form the basis for relevant subsector divisions for the purposes of this labour market project. It is important to determine if the workforce shortages are impacting the subsectors in different ways.

Through preliminary interviews and subsequent meetings detailed in the next section, it was generally agreed that the definition presented in Section 2.3 above is representative of the industry although many companies were unfamiliar with NAICS classifications.

An additional objective was to identify the key occupations where workforce shortages of labour or skills are undermining the growth of the food and beverage industry. The National Occupational Classification (NOC) system outlined above, is utilized by Statistics Canada to collect and report workforce data. This classification system will be utilized to ensure consistency in identifying and classifying occupation specific challenges.

According to a survey[19] conducted by the BC Food Processors' Association, of their members and other industry stakeholders, the key positions that are experiencing shortages include technical trades (NOC codes 7237, 7241, 7313), supervisors and managers (NOC code 9213), and machine operators (NOC codes 9461, 9467). Further, employers interviewed indicate a high

[19] BC's Food and Beverage Processing Industry Overview and Economic Impact Analysis October 2016

degree of challenge attracting entry-level labourers in food, beverage and associated production processsing (NOC code 9617). These observations reinforced maintaining a broader scope.

The Scoping Report was completed March 31st, 2017 and identified the key components of the sector in terms of sub-industries and key occupations.

It was noted that any Phase 2 survey would need to address the lack of awareness and understanding of NAICS and NOCs by smaller employers. Going forward, industry would prefer to use more common industry job titles and reconcile them with the NOC codes.

Structurally, the “Other Food” category was deemed too broad and some employers suggested adding an additional category for natural, organic and health foods. Those comments indicate that further research is required to delineate the “3119 – Other Food Manufacturing” category into more recognizable and specific clusters before surveys are sent to industry.

4

SECTOR ENGAGEMENT

4. SECTOR ENGAGEMENT

Phase 1 of the BC Food and Beverage Manufacturing and Processing Sector Labour Market Partnership engaged the industry through surveys, interviews and fora to facilitate an open dialogue on the labour supply challenges faced by industry. Preliminary interviews occurred in March with Working Groups hosted in May.

4.1 Stage 1 - Preliminary Interviews

The initial outreach in Phase 1 of the project called for one-on-one interviews with at least 12 key influencers who represented a cross section of the food and beverage processing industry.

Candidates for interviews were identified from membership directories of associations that are affiliated with or close to the BC Alliance for Manufacturing such as BC Food Processors Association, BC Craft Brewers Guild, BC Association of Abattoirs, Small Scale Food Processors Association of BC, Seafood Producers Association of BC and the BC Wine Institute. Additionally, the consultants engaged with economic development authorities in the Okanagan, Victoria and Comox Valley as well as related organizations such as the Kamloops Food Policy Council to identify key stakeholders. During interviews, the consultant also asked interviewees for referrals to other stakeholders within the participant's business networks who also may be experiencing workforce shortages.

From March 6, 2017 through March 26, 2017 the consultant carried out a total of 18 interviews with leaders at 17 different companies - 11 individuals in food processing and 7 at beverage manufacturers. The beverage manufacturers included both wine producers and craft beer brewers. The interviews were based on the questionnaire included in Appendix C and provided the structure for expression of individual concerns and feedback.

The first step in the interview process was to seek consensus on an industry definition included in the Scoping Report.

The second step was to create a preliminary list of sector occupations for the industry facing skills shortages that warrant further investigation as part of the project. An initial list was developed based on the National Occupation Classification (NOC) system, and presented in Tables 1 and 2 above.

The third step was to get an understanding of the workforce issues challenging the sector. Through the interview process it was confirmed that labour supply related challenges are limiting the ability of many businesses to expand in an increasingly high-growth and competitive environment.

Regardless of size or location, companies in meat and poultry, seafood and dairy processing businesses consistently reported labour shortages for a variety of reasons including seasonal demands and a lack of qualified and willing workers. For some of these companies the challenges occur due to their more rural locations where the labour pool is limited and other less demanding job opportunities are often available. As a result, they were eager to participate in discussions. Companies located in Vancouver and the Lower Mainland, regardless of category, almost invariably are experiencing labour supply challenges for similar reasons. Except for very small family run businesses, most companies expressed support for and a willingness to participate in the working groups.

4.1.1 Preliminary Interview Challenges

Through the preliminary stage of Phase 1 there were some difficulties in making contact as most organizations are small to medium size companies with staff that are fully occupied with running the business. Many companies have automated answering services which poses a challenge in identifying and connecting with the right person. Ultimately, the consultant was generally put in contact with either the head of either human resources or operations, positions most often found in relatively larger companies; or in the case of smaller firms the owner or CEO. Almost without exception, multiple calls were needed to reach the most appropriate individual.

Another difficulty faced was some organizations required substantial explanation to the validity of the project. In a few cases, internal approvals within an organization was needed before discussions could occur or information could be shared.

Phone conversations were generally followed with email introductions to explain the project more fully. Subsequent phone calls were required to confirm meeting times and participation by the appropriate stakeholder who had the breadth and depth of information to provide meaningful input. While overall, this was an extremely time-consuming process, the consultant was successful in establishing dialogue with a representative group of individuals who recognize the importance of a coordinated industry approach in identifying solutions to labour market challenges they face. It should be noted that there were many other companies identified as potential participants that, despite multiple attempts, the consultant was unsuccessful in connecting with.

4.2 Stage 2 - Working Groups and Secondary Interviews

The second stage of engagement sought to primarily utilize a working group format to more formally seek input from industry stakeholders. The objective was to achieve a mix of working groups that focused on both geography and subsector.

The consultant was able to amass a list of almost 200 stakeholders from associations and stakeholder suggestions. This provided the basis for invitations to be sent to a diversity of industry representatives for participation in additional rounds of interviews.

Working group meetings and locations were proposed to be held in areas of the province with the highest representation of food and beverage manufacturers where the need is most apparent. Two possible strategies to determine group composition were explored. The first was on a subsector specific base such as meat and poultry, dairy, seafood, beverage, candy and confectionary, health and nutrition to group similar businesses together. Alternately was a geographic based grouping. Ultimately it was decided that geography would lend itself most suitably to our objectives in understanding the challenges across subsectors and notably was the preferred approach by participants overall. There were two exceptions to this, wineries and craft brewers, both of which are alcoholic beverages operating under separate regulatory environments with other unique and distinguishing conditions.

Eight working group meetings were held on Vancouver Island (1), in the Lower Mainland (4) and the Okanagan (3).

Table 8 – Locations of Working Group Meetings

Date	Location
May 11	Campbell River
May 15	Richmond
May 16	Abbotsford
May 17	Delta
May 18	Richmond
May 23	Kelowna
May 23	Summerland
May 24	Salmon Arm

37 companies participated in the working groups.

It should be noted that there were several companies who were interested in participating but, either due to conflict in schedule or last-minute work-related emergencies, were unable to attend. These companies, however, contributed their views and opinions through discussion outside the formal meeting setting and are reflected in the report.

In addition, phone interviews and one-on-one meetings, utilizing the questionnaire included in Appendix C, were conducted with 88 additional stakeholders leading to 125 companies being engaged for the project and who provided input.

Twenty-seven small and medium sized companies expressed some concern related to participation and declined to engage. First, they did not feel it was a high enough priority to take them away from more pressing and important issues associated with their day-to-day business responsibilities as small business owners and operators. Second, they felt their problem was not significant enough for them to make a meaningful contribution to the group as a whole.

Participants are identified in Appendix B.

4.2.1 Working Group Meeting Format

Working group meetings lasted from two to two and a half hours in duration. The structure of each of the meetings was centered around an introductory PowerPoint consisting of:

- an overview of the manufacturing industry;
- the significance of the food and beverage sector within this industry;
- its relative importance to the province's economy;
- the interest of the key players such as government;
- an introduction to the five-phase sector LMP structure;
- the timeline of the various phases;
- the objectives of the BC Food and Beverage Manufacturing and Processing Sector Labour Market Partnership; and
- preliminary themes from the previously conducted one-on-one consultations.

The working groups then moved into a facilitated dialogue with the underlying objective to encourage an open and relatively free flowing discussion among participants with the purpose of:

- validating the scope, definitions and industries;
- agreeing upon a list of critical occupations requiring the most attention to ensure a competitive industry;
- verifying initial interview findings and identifying additional concerns and challenges;
- identifying key workforce challenges across the diverse subsectors of the food and beverage processing and manufacturing industry; and
- recognizing labour-supply sources.

Upon the conclusion of the open discussions, the findings of the initial one-on-one interviews were reviewed and updated. New findings were added for consideration and comment.

Finally, the meetings were used to nominate preliminary candidates for a Sector Labour Market Partnership Steering Committee. This is addressed further below.

DID YOU KNOW?

BC wine industry contributes $2B a year to province's economy

1990: 17 Wineries

2017: 341 Wineries

There are 800,000 winery visitors each year

Source: BC Wine Institute

5

OBSERVATIONS & FINDINGS

5. OBSERVATIONS AND FINDINGS

Observations and feedback were collected through the stages of the project - scoping, preliminary interviews, working groups and secondary interviews. The issues were grouped into clusters of themes, the findings, warranting further exploration in Phase 2.

5.1 Observations on Scope

A key step to identifying common challenges was to ensure that all participants had a shared understanding of occupations, terminology and points of reference. This meant clarifying that they all shared a common definition of what comprised their industry, the food and beverage sector (NAICS based). Agreement was also needed on the key industry jobs (NOC based) that should be included or not included. It would be important to know if firms were experiencing challenges in the same types of occupations or if unique occupations should be included.

Most of the interviewees were unfamiliar with these formal Statistics Canada classifications.

NAICS

Participants were asked to confirm whether they felt the NAICS groupings in Figure 1, and defined in Appendix A, reflected the industry as a whole and their subsector specifically. There was consensus that the definitions were inclusive and representative.

Some working group members observed that the “Other” category seemed to be a convenient catch all and asked that additional categories be added to break down this large group. As a result, certain NAICS 5-digit definitions were added to the definitions included in Appendix A. Irrespective of the actual labels, groups felt no food and beverage subsector should be eliminated from examination because of interconnectedness - one subsector potentially supplies another, similar processing or machinery types, similar occupational skills requirements and even the fact that similar businesses might be categorized in different categories.

NOC

Second, groups were asked to confirm key occupations where participants felt workforce shortages or labour skills are undermining the growth of their industry. The National Occupational Classification (NOC) system utilized by Statistics Canada was used to create a sample list of occupations shared by food and beverage manufacturing with other industries (Table 1) and occupations specific to food and beverage manufacturing (Table 2).

Again, these categories were generally not well known to industry stakeholders. Those that had occasionally referenced them did so only in employment searches but found them largely ineffective in matching positions with suitable candidates.

There was majority agreement that at a higher-level the occupational classifications listed do represent critical, but generic, industry jobs.

However, some participants felt the lists were insufficient and key positions were missing or descriptions lacked definition and clarity. For example, industry views those trained in quality control (QC) and quality assurance (QA) procedures quite differently from Classification "9465 - Testers and graders, food and beverage processing", or "9526 - Mechanical assemblers and inspectors". Tester and graders are a part of the production process but do not necessarily require the same training that a quality control supervisor might. Quality control positions often require a higher level of training and education. Mechanical assembler work may be handled by a trades person or internally trained specialist. These positions can be quite different from an “Inspector” who frequently comes with more formal certification. Additionally, there are special positions that firms identified as being outside the somewhat generic NOC system such as brewers, cheese and wine makers. For example, Brewer is only captured as one of 597 possible job titles for "9641 - Process control and machine operators, food, beverage and associated products processing". This category includes diverse job titles such as carton packer, ice-cream decorator and cigar roller which are likely very different levels of skill from the brewers required by a craft brewery.

Employers also felt that job titles play a significant role in recruitment efforts. They commented that certain titles can make jobs sound less appealing while at the same time recruits actively lobby for fancier or inflated job titles to help with future career prospects.

Firms were also asked to identify job titles for positions they may not have today but might need in the future. While no specific titles were produced, there was a strong opinion that positions may need review due to increasing automation and specialization.

A major challenge identified under the current NOC system related to foreign worker policies. Inherent in the foreign worker application system are quotas. If a company is unable to identify needs until later in the calendar year, the quotas may already be filled. When this occurs to secure labour requirements, applications must be submitted under a different NOC code usually resulting in a higher compensation package than would otherwise be needed. This results in an undue burden and stress on the financial capabilities of these often-small organizations who generally rely heavily on a foreign worker labour force.

The terms of reference for Phase 2 will include an updated list of critical positions.

5.2 Observations from Preliminary Interviews

Companies interviewed identified several workforce related challenges and issues. The reality of the shortage of workers available to the food and beverage industry overall was asserted.

Food and beverage processing remains a human capital intense activity. As a result, many factories have shortages in entry-level and semi-skilled positions which are key to production.

Also noted were technical jobs, including the trades, as well as middle management positions. The possible exception to this is with smaller companies with 10 to 15 or fewer employees, often located in rural or less densely populated areas of the province where job opportunities are less abundant and part time labour adequately meets production needs.

PRODUCTION

Fundamental to the problem of hiring for these positions relates to compensation levels. Companies interviewed reported wages and benefit packages are equivalent to entry level positions in retail companies such as McDonalds and Starbucks, but below levels in other industries such as forestry and mining. These lower wage rates are reportedly driven by lower-profit margins in the BC food and beverage industry due to the competitive environment with products entering the country from around the world. Employers stated that higher compensation levels will result in higher costs and ultimately lower profitability and loss of market share. Under this competitive environment, it is the view of employers that wage and job expectations by those seeking employment are unrealistic, particularly for lower level production line work.

Most companies commented that they rely on a labour force comprised of landed immigrants, permanent residents and new citizens to Canada to fill production line jobs that Canadian-born job seekers appear to be less attracted to. Challenges often associated with this are communication and cultural barriers, which in some cases can affect productivity and quality, and lead to high turnover.

TRADES AND TECHNICAL

Specific to trades are millwrights, electricians and power engineers. This is driven by the fact that equipment is a universal part of commercial manufacturing, regardless of process, all of which requires maintenance and service to keep production lines running efficiently and smoothly. Downtime can become very costly, very quickly. These technical and trade centric occupations will be critical if a move to further, and generally needed, automation is to take place.

While there appears to be an adequate work force trained in food sciences and other related fields to meet current demand, competition within the industry is growing.

SUPERVISORY

Equally significant is the inability of industry to attract sufficient supervisors and line-managers. Ideally, these positions are filled by workers from the shop floor. While in-house training accompanies the added responsibilities associated with these roles, interviewees commented that many of these workers simply do not want extra responsibilities, often due to a fear of failure, and in some cases for cultural reasons.

OUTLOOK

Under the current labour supply shortage scenario, sustainability and growth over the long term is at risk. Those interviewed recognized that for the industry to grow and profitability to increase, costs must come down and production efficiency improved. While there is a desire and recognized need to move towards increased automation and improved processes, uncertainty surrounding return on investment has a delaying effect. Participants feel government has a key supporting role to play in the form of tax policy and other financial initiatives to encourage investment in machinery and process improvement.

Based on these initial findings it was determined that the food and beverage manufacturing sector labour market partnership should proceed with a more in-depth sector engagement process to explore issues identified, verify underlying findings, and seek additional perspectives.

5.3 Observations from Working Groups and Secondary Interviews

Input collected from the participants in the working groups and secondary interviews was done more formally. It sought to expand upon the observations from the preliminary interviews while also introducing new topics of investigation.

While participants' businesses varied in terms of size and industry, there was significant consistency and immediacy of the issues which arose. It was also interesting to observe how quickly groups reached a consensus reinforcing the commonality of the challenges in the industry.

From these discussions, issues collated around many themes, each examined in more detail below. Several themes of discussion raised by the working groups, though interesting from a policy perspective, likely fall outside the scope of a sector labour market partnership.

5.3.1 Labour Shortages at all Skill Levels

Across the agri-food sector there is a very real shortage for both high-skilled and low-skilled labour. Employers believe that many job seekers perceive that production work is physically demanding and repetitive with a less than desirable work environment. Nevertheless, it was demonstrated that even for these positions many employers report a core of long-term employees who are committed and productive. While work environment and conditions are certainly factors there are likely other contributing issues at play. Even companies with a cleaner, more comfortable work environment, reported that similar workforce shortages exist.

The most acute shortages relate directly to the production line. Specific jobs may differ by type of processing but the challenge is the same whether it involves cutting, sorting, packaging, bottling, weighing, or other key processing line functions.

Forklift operators are consistently reported as being in short supply. The reason for this seems to be more a lack of trained and experienced people.

The most mentioned skilled labour shortages relate to maintenance staff, who are critical to ensuring minimal production disruption. Trades such as millwrights, electricians, welders, fabricators and to a lesser degree mechanics are in short supply making it difficult to attract and retain. Compensation is a key factor, as higher pay for similar positions is often available in other industries such as mining, oil and gas and forestry.

Other occupational shortages include food scientists and other technicians, all associated with product quality, health and food safety. These positions become more and more important as shortages increase in other areas.

Employers trying to adopt automation also struggle to find the necessary skills to install, operate and maintain new equipment. As labour shortages increase the importance of more advanced technical skills related to automation will increase.

The shortage also applies to supervisors and managers. These positions are generally filled by production line workers who not only exhibit superior ability but have both language and technical skills necessary to keep both production lines operating and facilitate communication with both workers and management. Individuals qualified to fill these positions are relatively limited.

While middle management roles are important to the operation, small companies often lack the resources necessary to fill these roles which end up being handled by owners or senior production staff.

Because the industry's labour problems are such a large, immediate and ongoing concern many companies report difficulty in hiring human resource related personnel as well. Some say the challenge is felt to be somewhat overwhelming for an HR manager.

There were some additional observations related to location and size. Companies with fewer than a handful of employees, and those in smaller centers where the owners of the company were generally active in production, and/or where job opportunities are more limited for job seekers have less of a challenge. Employers commented that, frequently in these companies needs can be met by scheduling part time employees who seek flexibility in work schedules and commitments.

5.3.2 Difficulty Attracting the Younger Generation

Historically the industry had little challenge hiring Canadian-born workers. Many interviewees, reported having frustrating experiences when attempting to employ youth. Observations included high attrition rates, poor workplace attendance, limited basic employability skills and an apparent lack of engagement. Employers felt that new labour market entrants were often not dependable and could not be relied upon to turn up for work at all.

Employers also reported that young people feel wage rates are not attractive enough to entice workers. Employers, however, believed that rates of pay were commensurate with the job seeker's level of experience, training and job duties.

Those who are capable and motivated often prove hard to keep, for example, they may pursue opportunities for higher wages, transition to jobs in other industries or simply pursue a better work life balance such as travel, knowing there will be a job available to them when they return. Overall, many Canadian-born workers do not appear to be drawn to manufacturing or production related jobs.

Some companies operating in smaller communities also reported difficulty filling positions in part due to a lack of people who are willing to work in production and processing. It was remarked that young people are attracted to larger centers due to social life, educational and training opportunities and other attractions not offered in rural BC where they have grown up.

To add to these concerns is an aging workforce with many companies reporting their core employees being forty-five years of age and older. Retirement for many is just around the corner. They are increasingly concerned about replacement and even succession.

5.3.3 Heavy Dependence on Immigration

As a result of a shortage of Canadian-born workers, participating employers report that 80-90% of their food and beverage production jobs are filled by new Canadians. While not without its challenges, this category of worker is very desirable. They are described as dedicated, reliable and hardworking, and willing to do jobs that many Canadian-born workers may turn away from.

While many production workers are landed immigrants, permanent residents and new citizens, there is also a need for companies to bring workers in from overseas under the temporary foreign worker (TFW) program. This is necessary to fill seasonal positions, or in some cases positions requiring specialized skills. Companies for which this is critical include seafood processing, fresh fruit and vegetable packing, bakeries, cheese makers, and wineries with vineyards. It was repeatedly emphasized that under current conditions continued access to foreign workers is critical to the future survival of these subsectors.

For companies located in the Interior and other less densely populated areas in BC the challenges are reported to be heightened by the fact that newcomers to Canada almost exclusively locate to larger urban centers. Rural manufacturers reported that an immigrant workforce is largely out of reach for them. There was a call by manufacturers for government to provide additional support to incentivize new immigrants to pursue opportunities outside of the major centers.

The sector's dependence on newcomers and temporary workers is significant, but not without challenge. Most notable is English language capability, which in many cases is very low. This can negatively affect both production efficiency and safety in the work place.

Challenges can be significant for both the employee and employer. For employees, many come from countries where they may have little experience with advanced machinery and equipment. As a result, often men and women are afraid of responsibility and accepting any perceived risk associated with it. Promotion from line positions to supervisors or machine operator are sometimes declined even though there are associated pay increases and potential future opportunities. This means companies must again try to hire outside which is compounded by the shortage of qualified people.

Cultural practices, when not anticipated or well understood by the employer can become another area that results in unanticipated challenges. For example, one company reported the need to accommodate time for prayers, an important religious practice in the lives of many new Canadians. In this case, once the need was identified, production schedule adjustments were made to satisfy the needs of both employee and employer.

Cultural traditions can also impact the workforce. One example relates to gender. In some cultures, men dominate in public and at home. This can translate to the workplace with women, due to a deference to males, declining added responsibility even though they are highly capable.

To ensure a stable and satisfied workforce, employers must recognize the importance of cultures new to Canada, and find ways to accommodate differences found in a workforce that is so important to their future.

To this end, employers would welcome additional government support for job related English language training for workers and intercultural training for both workers and supervisors.

Furthermore, some employers commented that governments, both federal and provincial, could play a stronger role in coordinating the various organizations they fund who support immigrants. Some employers expressed frustration with the multiplicity of agencies offering job placement and training services.

5.3.4 Compensation Perceived as Low

As was discovered through the initial interview process, the general view is that wages are lower in food and beverage processing compared to other labour-intensive industries such as forestry, mining, and oil and gas. However not all employers were in full agreement. Regardless, perception is reality for both employers and employees and it exacerbates the labour supply challenges. Individuals starting at or near minimum wage, while they can work their way up over time and through promotion, rarely exceed $18-$22/hour in a processing or production role. From an employee's quality of life perspective, even at these moderately higher rates, it is difficult to maintain a reasonable lifestyle, particularly in Lower Mainland and other major urban centers in BC. Consequently, many workers involved in food and beverage production line work are the second income earners in their household with women often making up much of this group.

While fairly compensated based on standard union wage rate comparisons, working group participants reported that those qualified in the trades and related fields are often lost to higher paying jobs in the natural resource industry where earnings have been reported to be up to two times what may be offered by smaller food and beverage companies.

While compensation is more of a problem in Vancouver and the Lower Mainland, it is nevertheless reported to be an issue in most areas surveyed. The possible exceptions are in rural locations where cost of living is lower and job options are relatively limited. The other exception is for people who choose to live in an area of the province where location and way of life is their priority, even though job opportunities are more restricted. For these individuals, work is more of a means to an end, allowing them to enjoy life where they have chosen to live it, even at a lower income level.

Much of the discussion of why wage-rates haven't increased centered around the view that most food and beverage companies face very thin profit margins. This is particularly true for subsector companies involved in processing of generic commodities, such as primary agricultural goods (vegetables, flour, meat, etc.); while branded secondary processed and packaged goods tend to have a higher margin. Operating costs remain high (land, leases, utilities, etc.) and customers demand that the factories keep the prices of their products low to allow wholesalers and retailers to maintain their profits. Any cost increases will cascade through the system. The highly competitive nature of the food and beverage industry further challenges businesses to keep prices down so orders are not shifted to competitors or off-shore.

5.3.5 Perception of the Industry is Poor

There appears to be a stigma and a poor image associated with the food and beverage industry. Employers shared the view that job seekers perceive that working conditions are difficult with jobs having little reward. Some of this is the result of the fact that facilities can be cold or damp given the need for temperature control. Working with agricultural products can also be seen as having to get one’s hands dirty or experience unpleasant odors. Positions are thought to be filled with lower-skilled repetitive tasks requiring limited intellectual challenge. In other cases, tasks are perceived to be very physically demanding requiring heavy lifting or long-periods of standing. Overall, production jobs are viewed as second class and “industrial”.

Employers reiterated that these perceptions make it a challenge to get new hires "in the door”. However, several companies maintain that their retention rates are reasonable if people will just give the opportunities a chance. Some felt loyalty can be built. One example is the very low turnover rate in the evisceration department of a major poultry processor. This position, which could be viewed as being very undesirable, has relatively high retention. This is reportedly due to implementation of management practices and policies such as regularly held worker and family appreciation events, management/employee interactions, the outlining of career paths including scheduled wage increases and the demonstration of longer term job security.

It was acknowledged that compensation alone will not attract and retain workers, even if it is highly competitive. It is management’s responsibility to create a work environment and culture that is attractive and pleasant. Often management fails to outline a clear career path for employees, which, if done, can serve to provide additional motivation and incentive. As workers come to find pride associated with their work and the industry they are part of, they are more likely to see a potential career and a longer-term future.

It will take effort on the part of industry, supported by government and educational institutions, to help improve the image of the food and beverage manufacturing sector amongst youth and job seekers and the broader public more generally. It is felt that because marketing and promotion of career paths are limited, children and the younger generation likely have no idea of the potential careers available to them. This is the experience of companies who very rarely receive job applications from young people after a recruiting event which reinforces the sense of disinterest or unawareness.

Industry feels that there is a great need for an active educational and public relations program to raise the image of the industry and provide information on career opportunities available. It was pointed out that even though the trades are demanding with sometimes challenging work environments, there has been a very successful promotion around the trades related to construction and many now choose a career in that industry. It is hoped by employers that a similar initiative can emerge for the food and beverage industry. This effort could include a coordinated campaign to better inform students and influencers of these career opportunities. It could include a multi-pronged effort including advertising campaign, career seminars and job fairs, and an apprenticeship type system. Educators, counselors and others who help young people as they consider their futures must be a part of this process.

Several participants in the working group sessions come from European countries where they report that career path selection is a fundamental part of the educational system. While there is certainly an important and clear focus on academics, it is equally recognized that not everyone wants to be a doctor or lawyer. There is high value placed on the trades and other professions like meat cutters and cheese makers. There is a structure in place to support students to both identify and pursue a future that meets both their desires and abilities. These jobs are valued by European society. BC and Canada would benefit greatly by adopting a similar approach.

5.3.6 Training Support Must Go Beyond Technical Skills

While food and beverage sector related training is generally available through universities and other post-secondary institutions, companies made numerous comments on the attitudes of new workers based on hiring experiences. They report that in general, graduates are not prepared for the real-world work environment and lack practical knowledge. They tend to be idealistic in outlook with relatively high wage expectations even though they have little experience. Because they are degreed or certified they are resistant to being assigned to positions which allow them to experience various aspects of production. They fail to recognize the value in a career path that requires practical experience and hands-on application to progressively gain skills over time which provides an understanding of the day to day challenges and realities of manufacturing and processing.

In terms of essential skills, employers reinforced that with respect to practical skills, graduates seem to lack problem solving skills and the ability to think critically. An additional concern repeatedly expressed is that while new university graduates have obtained a degree, they lack important leadership qualities fundamental to the positions they are “educated” to fill.

On the other hand, one vocational college, BCIT, has a Food Service program that seems more suited to industry needs and includes a greater element of practical training for roles in quality assurance, production supervision and management. Even so, there is a need for other formal training programs, similar to those in the trades, that combine hands-on work terms with education, resulting in certification like the Red Seal specific to food and beverage. Industry specific certification for machine operators or food safety and quality control including HACCP training are examples. It was noted that Conestoga College in Ontario trains specifically for a food processing technician certification in a dedicated Institute of Food Processing.

Internships and coop programs could be highly beneficial and key to supporting the future labour requirements for not only food and beverage but other industries as well.

Many skills development pathways can be much shorter than a traditional 4-year apprentice program. Industry, which needs to have skilled workers quickly entering the workforce, should seek shorter training and certification pathways, reflecting the reality that a significant portion of training is done on the job. This is particularly relevant as the industry moves more towards technology adoption and mechanization. Training of existing employees will help to engender a sense of confidence, job satisfaction and career development as they operate in a new environment. These types of certifications would also help showcase possible career paths and could be promoted to youth and other job seekers as faster ways to enter a technical specialist or supervisor-oriented role.

5.3.7 Transportation Infrastructure Impacts Workforce Patterns

The lack of adequate public transportation service is a consistent concern across sectors in all but the rural locations. This directly impacts worker availability, the significance of which cannot be overstated as factories move further and further away from urban centers. Most of the production line workers simply cannot afford an automobile and rely heavily on public transportation to get themselves to and from their workplace. Current public transportation does not provide adequate service to many locations (train and bus routes do not extend to the industrial park areas) where processing plants are located. Nor do the services offered correspond to the early morning and late-night shift work demands of the factories. This further restricts worker availability. Employers state that transit bodies and government agencies have generally been unresponsive to their many requests for bus route adjustments. Concentrating manufacturing in newer industrial areas and improving transportation services beyond traditional hours would greatly improve labour availability.

Participants expressed hope that any sector labour market project work could help influence future transportation strategies.

5.3.8 Agrifood Success Linked to Hospitality and Retail Labour Supply

Some components of the food and beverage processing and manufacturing industry are joined at the hip to the tourism and hospitality sector, and in some cases the retail sector. For example, many craft brewers run restaurants as part of their operations to improve the sale of their products. Wine and craft brewers expressed great concern over an acute and growing labour crisis in tourism and restaurant businesses. For restaurants, there is a definite shortage of staff in all areas including cooks, dishwashers and servers. Internal competition is very strong with more and more restaurants opening with less staff, while others are closing due to staffing issues, although high operating costs, mainly associated with rent are reported to be contributing factors. Significant effort has been put in to various foreign worker programs with similar challenges outlined above. Some brewers commented on the success of Working Holiday Visa programs reinforcing that many workers were from Ireland, Australia and New Zealand. However, these types of programs only provide limited duration of employment. If an employer wants to keep and develop a good employee, current immigration practices often prohibit this. It is nevertheless understood by industry that for lower skilled positions (NOC C or D levels) there are currently fewer pathways available leading to the granting of permanent immigration status.

In tourism, the problem is largely seasonal. It is very difficult to fill all positions ranging from winery tasting rooms to cooks and cleaning staff. Lower wages combined with the high cost of living is a major issue forcing workers to have more than one job and work more than 12 hours a day. Some success is being found in the interior of BC for filling some positions in places like tasting rooms and boutiques by hiring retired or semi-retired people as well as parents with children at home. These individuals can afford to work on a part-time or seasonal basis as they require flexible working hours to meet personal objectives and needs. The upside to this is a more mature labour base with good interpersonal skills.

More needs to be done to explore the interconnectedness between the food and beverage manufacturing sector and the hospitality and retail sectors.

5.3.9 Impact of Labour Shortages

The real issue with labour shortages is how it undermines industrial productivity. As the number of vacant positions increases, and the available workforce diminishes, employers need to be encouraged to embrace automation. Unfortunately, many small and medium sized employers often find it difficult to make the large investments required. Current ROI is deemed low, and there is a substantial risk associated with needed capital investments. There is an expressed need for government support through tax breaks, grants or other incentive programs.

Though some employers are familiar with and are utilizing the Canada BC Job Grants, many made comments suggesting that further training incentives could be instituted to support both internal and third-party programs. With the shortage of available Canadian labour, employers were also interested in accessing some form of employment grant to help subsidize wages or financial support to help offset some of the additional costs of seeking workers from overseas. Employers also desire financial support to encourage productivity improvements as well as increased automation.

Overall, employers are seeking increased support to reduce risk and cost. Grants could be provided based on certain conditions such as milestones met, work completed, minimum hours worked, and verification of training successfully passed. Tax benefits could be provided to individuals or companies for probationary periods completed. Support could be provided for maintenance and process improvements and new technology adoption or scaled growth.

5.3.10 Federal Government Employment Support Programs

Federal programs have been developed to help alleviate the ongoing labour supply shortages. The Temporary Foreign Worker (TFW), Seasonal Agricultural Worker Program (SAWP) and Employment Insurance (EI) programs were most frequently mentioned by employers during the working group sessions and interviews.

With respect to immigrant worker programs, while helpful to those who can secure the needed workers, employers with experience submitting applications under these programs spoke to the many challenges and frustrations frequently experienced. The application process itself is reported to be very time consuming and inconsistent. Approvals for the recruitment of foreign workers are based on proving that resident Canadian workers are unavailable. While this is reasonable, and in fact the preference of those making the application is to hire locally, employers felt that the conditions are extensive, which in turn makes temporary foreign workers somewhat unappealing as a solution. Examples given based on individual company experience included repeated justifications for the same job type year after year, a limit to the number of individuals that can be brought in for a given job classification and a cap on the number of foreign workers in a facility.

Furthermore, employers shared that the total costs of bringing in a single worker under TFW can exceed $10,000 once all the fees for an immigration consultant, the mandatory fees paid to government, and the financial support (such as an airline ticket and settlement support) are included. These costs also put immigration processes out of reach for many small and medium sized business who would be the largest beneficiaries since larger employers have greater compensation flexibility to hire workers and human resource departments with the capacity to navigate an immigration process.

The Seasonal Agricultural Worker Program, a program designed specifically for those workers engaged in “on-farm primary agriculture” activities and not available for other food and beverage processing roles, was raised as a successful program that may be worth exploring how it could be replicated for other job categories in the food and beverage manufacturing and processing industry. Employers stated that this type of program satisfies employer needs during peak-demand, and when demand diminishes the workers return to their home countries.

In addition, the Employment Insurance program, which is in place to provide a safety net to employees when they find themselves with no work or perhaps forced to leave a position for extenuating circumstances, can be beneficial to both employers and employees. It can benefit employers who hire a seasonal workforce as these individuals have a source of income on their offseason periods. These same workers can return to jobs when work resumes. However, many working group participants felt that the Employment Insurance Program can also be a disincentive for many individuals able and available to work, resulting in a major impediment to maintaining productivity in an economy with a rapidly shrinking workforce.

5.4 Industry Expectations

Several individuals involved in the initial one-on-one interviews and working groups expressed frustration with the number of similar past research studies and labour market projects that have had little impact on labour supply and the availability of a skilled workforce. They view these past endeavors largely as a consumption of precious time and resources with very limited or no results. A second group expressed little faith in anything resulting from their past investment and, as a result, declined participation in the current sector labour market partnership project. There were yet others who, despite past experiences, either directly or indirectly feel the labour market challenges are great enough for them to continue to support any effort which may result in alleviation of the problem and benefit to the industry, even if modest.

Those who have previously participated have stated they see value in the process but believe the current labour market partnership process is not designed to move quickly. All companies who have actively participated to date have done so in anticipation of action and results. Invariably, there is also an expectation that solutions are designed and implemented much more quickly than previous endeavors. One topic to put to the Steering Committee is how to establish a strategic plan to act on challenges identified by the end of 2017 or early 2018. All recognized that this will require both industry and government commitment and support.

6

GOVERNANCE

6. Governance

An underlying objective of the Phase 1 engagement work, and the final stage of the Working Group consultations, was to organize industry to perform a leadership function related to the sector labour market partnership project. This is important for two fundamental reasons. First, a governance structure is needed to provide guidance and direction during the various phases of the Food and Beverage Labour Manufacturing and Processing Sector Labour Market Partnership; Phase 2 (Labour Market Information) and Phase 3 (Strategy Development).

Second, a single entity needs to be established so that industry speaks with one coordinated voice, to facilitate communication between sector firms and government to advance the priorities of the industry in relation to the labour market challenges. In addition, a representative voice is needed to balance the sometimes-divergent views of the participants.

A committee comprising approximately 15 members was thought to be sufficiently robust and able to speak on behalf of all components of the food and beverage manufacturing industry.

There were a few individuals who volunteered during the working group meetings, however some expressed concern about being able to free themselves from their day to day work responsibilities, particularly those from smaller companies.

6.1 Steering Committee Members

A core focus of the working group meetings was the establishment of a Steering Committee to guide the further phases of the project. The Steering Committee will facilitate the development of a broad-based partnership, establish consensus and direction, and guide the work of the project team and consultants. This committee will have the mandate to review and validate findings, agree upon a finalized term of reference, approve a project work-plan for subsequent phases, and, as representatives of industry, continue to help with engagement of their peers.

In extending invitations to potential committee members, time commitments and responsibilities were outlined for Phase 1 as well as how the Steering Committee would be utilized in subsequent phases. A few representatives volunteered during the working group sessions with several others offering to participate after the meetings. An additional invitation was sent by email to a cross section of participants in an effort to ensure a balanced subsectoral representation. As a result, several more volunteers were identified, reaching a total of 19 members.

As of June 15, 2017, committee member volunteers include:

	Name	Company	Type of Business	Location	Position
1	Amy Jo Myton	Jonshton's Packers	Meat Packer	Chilliwack	Operations Manager
2	Aleksandra Farrell	Gardein	Plant Based Foods	Richmond	HR Manager
3	Ayman Hannoud	Sandel Foods	Fillings, Sauces, Glazes	Chilliwack	Director Operations
4	Carl Lam	Island City Baking	Bakery	Richmond	Plant Manager
5	Cynthia Lapointe	Kerry	Flavored Beverage Syrups	Delta	Plant Manager
6	Daniel Marcoux	Whistler Water	Bottled Water	Burnaby	Plant Manager
7	Doug Smith	Natural Pastures	Cheese Maker	Courtenay	Operations Manager
8	Gayle Elijah	Sunrise Farms	Poultry Processor	Surrey	HR Manager
9	Gordon Chen	NuEra Nutraceuticals	Neutraceuticals	Richmond	Director
10	Hazel Bell	Farm Crest Foods	Poultry Processor	Salmon Arm	Office Manager
11	Josie Tyabji	Constellation Brands	Winery/Vineyard	Summerland	Senior Director
12	Karen Jones	English Bay Blending	Chocolate/Blending	Delta	Office Manager
13	Laura McFarlan	Associated Brands	Food Processor	Delta	HR Manager
14	Lyn Peterson	Kerry	Flavored Beverage Syrups	Delta	Production Manager
15	Matthew Hollar	Poplar Grove	Winery/Vineyard	Kelowna	Owner/Manage
16	Michelle D'mello	Canfisco	Seafood Processor	Vancouver	Director HR
17	Nigel Pike	Mainstreet Brewing	Craft Brewery	Vancouver	Founder
18	Roy Trifunovic	Asti Holdings	Confectionaries	Vancouver	Plant Manager
19	Sandra Oldfield	Tinhorn Creek	Winery/Vineyard	Oliver	CEO

6.2 First Steering Committee Meeting

The first steering committee meeting was convened Monday, June 26, 2017 at the BC Alliance for Manufacturing office in Richmond. In attendance were 11 members:

Name	Company
Aleksandra Farrell	Gardein
Carl Lam	Island City Baking
Cynthia Lapointe	Kerry
Doug Smith	Natural Pastures
Gordon Chen	NuEra
Laura McFarlan	Associated Brands
Lyn Peterson	Kerry
Matthew Hollar	Poplar Grove
Michelle D'mello	Canfisco
Roy Trifunovic	Asti Holdings
Sandra Oldfield	Tinhorn Creek

A main focus of the meeting was a review of the findings presented in the Interim Report to confirm that issues presented reflect industry realities. The consensus was that the report was thorough and representative. Committee members felt it covered the wide range of challenges and issues faced by food and beverage companies in BC and supported the direction of the project.

In conjunction with the review of the Interim Report an active discussion ensued surrounding a future plan of action including potential strategies to deal with labour challenges identified above. This included actionable considerations directed at workforce development for Canadian-born, new Canadian, as well as temporary and foreign workers, along with possible roles that industry, government and educational institutions might play.

As a structure for the plan was fundamentally agreed upon, the consultant presented a detailed outline of the 5 phases associated with labour market projects and suggested the possibility of a simplified approach to Phase 2, which typically involves a more in-depth market research undertaking. This could be accomplished by applying some of the solutions found through labour market programs in other sectors.

The challenges observed in the food and beverage processing industry do not differ significantly from issues other sector labour market partnership projects available publicly on WorkBC's website have identified, especially other projects in the manufacturing industry. Similar issues include industry image, the disinterest of youth in particular careers, the importance of skills development and the challenges with immigration as a labour solution. While there may be some merit to a shortened time line, the unanimous decision was that further research was first needed, specific to the food and beverage industry, to verify key issues and associated assumptions, most of which reflect an employer perspective.

It is important to point out that there were several recommendations which arose during the steering committee meeting which were not widely discussed in the working group sessions.

APPROVALS

The meeting ended with committee members supporting the edited Interim Report document. The interim report was submitted to the Ministry of Jobs, Tourism and Skills Training on June 12, 2017. The committee agreed to reconvene to approve the final report later in July or early August.

6.3 Second Steering Committee Meeting

A second Steering Committee meeting was held on August 2, 2017.

In attendance were 11 members:

Name	Company
Aleksandra Farrell	Gardein
Ayman Hannoud	Sandel Foods
Daniel Marcoux	Whistler Water
Doug Smith	Natural Pastures
Hazel Bell	Farm Crest Foods
Laura McFarlan	Associated Brands
Lyn Peterson	Kerry Foods
Matthew Hollar	Poplar Grove Estates
Michelle D'mello	Canfisco
Roy Trifunovic	Asti Holdings
Sandra Oldfield	Tinhorn Creek

The purpose of this meeting was to approve the Final Report for Phase 1 and the Proposed Project Plan presented in Section 7 below.

Committee members offered some commentary on minor refinements to the report to reinforce the importance of skills upgrading with respect to automation and to clarify the differences in availability of labour pools between urban and rural communities.

It was also appreciated by the members that the project plan recognized possible ways to complete the subsequent project phases in a timely manner.

APPROVALS

The meeting ended with committee members approving the final report and agreeing to move to Phase 2, the labour market information (LMI) research phase.

The Final Report was submitted to the Government of British Columbia on August 4, 2017.

DID YOU KNOW?

- BC dairy companies processes 700 million litres of milk every year.
- Products made out of milk: Yogurt/Cheese/Ice cream
- The industry contributes $1.7 billion in sales revenue to BC economy
- The industry provides direct employment to 2000 people.

Source: BC Dairy Council

7

PROPOSED PROJECT PLAN FOR PHASE 2

7. PROPOSED PROJECT PLAN FOR PHASE 2

7.1 Labour Supply Challenges Summary

The clear consensus in Phase 1 of this project is that labour shortages exists across all subsectors of the industry and at most levels

The most acute shortages are with production line workers, including line supervisors and managers. New Canadian (immigrants, refugees and permanent residents) workers fill 80-90% of these production related positions.

While less serious than production line workers, skilled labour shortages are a concern, most pronounced in the trades, specifically millwrights, electricians and power engineers. Trades in greatest demand are individuals with Red Seal certification who have dual training as a first-class power engineer and millwright. Food scientists and those with health and safety certification are in continuous demand, however retention is higher than in other areas and recruitment is generally not a major problem. With the need for increased automation and technology adoption the future demand for these skilled positions is anticipated to increase.

Companies report that while there are shortages in various office support and administrative roles, including IT, accounting and finance, these positions are frequently filled by newer Canadians who are highly educated, holding advanced degrees from other countries. In some cases, these individuals end up in careers that are not related to their formal training due to unmanageable financial burdens associated with re-certification under Canadian regulations. They are thus prime candidates to work in the food and beverage industry. A notable exception is in the Human Resource field where there continues to be a shortage of qualified and experienced personnel.

Recruiting and retaining a seasonal workforce is a persistent and increasing challenge common to seafood processors, bakeries, dairies, fruit and vegetable packers and wineries and vineyards, as well as businesses which impact the labour supply, but are not a direct target of this LMP such as retail, tourism and hospitality sectors. For some food and beverage companies, peak production seasons run from early spring through late summer. For others, demands are higher from late fall through early January. Yet others have multiple peaks and valleys throughout the year. While temporary foreign workers are currently a core part of the seasonal labour supply, it was suggested that exploring an initiative to facilitate labour pool sharing could potentially identify and more effectively utilize seasonal workers who are already in the Canadian work stream. Mapping these peaks and valleys could potentially identify opportunities for sharing resources, such as seasonal workers, across businesses peaking at different periods of the year. Not only could this serve to alleviate employer challenges, it could potentially be an effective tool to provide a more stable work environment and possibly year-round job base for existing employees.

The current application process to secure temporary foreign workers can be time consuming and expensive, a challenge particularly for small and medium sized businesses There is an ongoing appeal for simplification of application processes, possible adjustment to existing quotas, and options for financial support to both ease the process and lighten the burden on industry. Research is recommended to both understand and find a solution to this problem.

It was noted that the Food and Beverage Processing Sector has a recruitment stream available to it under the Provincial Nominee Program. However, it was not known how effective this program is nor what is its uptake by employers.

Industry is expressing a desire for closer communication with and support from educational institutions. A common concern is that post-secondary institutional graduates are not prepared for the real world and lack practical training including critical thinking and problem-solving skills. Also, industry would like to see a closer relationship with these institutions to explore the potential for internships, apprenticeship, as well as food and beverage industry specific certification programs. These need further clarification and attention.

To develop a strategy and plan of action which will be effective finding solutions to the labour market challenges, objectivity needs to be assured. Steering Committee members see further independent research on these key issues as essential.

7.2 Scope

A major focus of BC food and beverage manufacturers and processors is how to alleviate the ongoing labour supply shortage which constrains existing operations and inhibits future growth of an industry that is experiencing increasing demand for its products. During Phase 1 interviews and meetings, many participants expressed frustration with their inability to respond to increased product demand simply because they cannot staff production lines.

Steps must be taken to attract and retain the necessary workforce, including both new Canadians and Canadians-born workers. The youth and rising generations as well as First Nations workers need to form a part of the long-term strategy development.

Fair and equitable compensation is fundamental to the satisfaction and well-being of employees. A clear understanding of what this means to individuals and companies is needed if the food and beverage industry is to prosper.

Industry recognizes the necessity of investing for the future. This includes a further move towards automation and technology adoption to both increase efficiencies and alleviate labour supply shortages. For this to occur and be sustained, technical training and a more highly educated workforce will be needed.

Industry, government and institutions each have a critical role to play. Further research and study needs to be undertaken to explore what each may do to meet future demands and alleviate labour market challenges

7.3 Parameters

The next phase of the BC food and beverage manufacturing and processing sector labour market partnership will explore the issues raised above in deeper detail. It will do this through formal research to, first, validate anecdotal commentary, assumptions and perceptions, and second, to create a data set which can be used to define and implement effective solutions to the industry's labour force concerns.

A Phase 2 proposal could be submitted in the autumn of 2017 to undertake the following research:

1. Employee Survey – While assuring anonymity the consultant would be engaged to carry out a survey of current and former employees across the food and beverage manufacturing sector. Questions would center around variables such as demographics, work environment, job conditions, job satisfaction, education and training, career path development, compensation, health and safety, language and cultural barriers, etc. The survey would be structured in consultation with industry to ensure an objective approach while not encouraging worker dissatisfaction.

2. Youth, First Nations and Migrant Surveys – Due to the perceived failure of industry to attract and or retain young people, the broadly held opinion is that there is a lack of interest in, and a negative image associated with the industry. While some subsectors of the food and beverage industry, such as seafood processors and wineries and vineyards have established programs to attract a First Nations labour force, success has met with mixed results. The reasons for this is not entirely clear, nor is it clear how extensive these efforts have been. Given the perception of employers that their workforce is heavily weighted toward immigrants and foreign workers it would also be important to capture their perspectives on why they chose jobs in the industry. To measure the veracity of the assumptions and understand steps taken by the food and beverage industry manufacturers to hire and retain these new entrants, separate surveys for each group are recommended. A major purpose will be to gauge perceptions of the food and beverage business as well as gain insight into expectations surrounding compensation, work environment, community preferences, cultural expectations, career development and training. It is anticipated this will provide insight into further educational and promotional support that may be required as well be an indicator of what industry, institutional and government roles may be.

3. Employer Survey – Validate challenges surrounding recruitment of skilled and unskilled labour force; hiring and retention policies and practices; workforce composition; language and cultural profiles; wage and benefits programs; in-house training; career path development; availability of education and training services; and potential for and barriers to automation and technology adoption. Additional areas to be explored include mapping the peaks and valleys associated with seasonal production.

4. Compensation Survey - Identify average wages and benefits for key positions in the food and beverage industry and comparison of the wages to similar skills profiles in other industries.

5. Inventory of Government Support - A review of available Federal and Provincial government support programs (labour, training, and technology adoption) for the food and beverage businesses with a comparison programs available in a select group of 3 to 4 peer jurisdictions. This would include reviewing program awareness and how these programs are being used.

7.4 Estimated Timeline

Phase 2 will last approximately 9 months. The largest component of the work will be the surveys and data collection. This would be followed by a comprehensive analysis and solicitation of feedback from stakeholders. The goal would also be to produce a set of recommendations in a strategy format that identifies where overlap exists with other sector labour market projects and where quick wins could occur. Respecting the desire of industry to move quickly, this approach could hopefully replace the need to perform a full Phase 3 project in 2018 expediting the path to a Phase 4 (solution implementation).

<table>
<tr><th>STAGE</th><th>BEGIN</th><th>END</th></tr>
<tr><td>Planning and Procurement</td><td>Sept 2017</td><td>Oct 2017</td></tr>
<tr><td>Research</td><td>Nov 2017</td><td>Dec 2017</td></tr>
<tr><td>Surveys</td><td>January 2018</td><td>March 2018</td></tr>
<tr><td>Draft Report (LMI data)</td><td colspan="2">April 2018</td></tr>
<tr><td>Final Report (Strategy)</td><td colspan="2">May 2018</td></tr>
</table>

7.5 Estimated Budget

The budget required for Phase 2 will depend upon the methodological approach adopted. Minimally, it is expected to include the cost of surveys and other primary data gathering. In the interests of time, several research components are expected to run concurrently. This will also impact the project's budget as more than one survey firm would need to be engaged to complete the work. The budget will also be impacted by the availability of existing labour force data, with the budget being lower if existing data sets are identified.

APPENDIX

A

APPENDIX A
DEFINITIONS OF FOOD AND BEVERAGE PROCESSING AND MANUFACTURING SUBSECTORS

B

APPENDIX B
COMPANIES AND ORGANIZATION PARTICIPATING IN THE FOOD AND BEVERAGE SLMP

C

APPENDIX C
INDUSTRY PRELIMINARY INTERVIEW QUESTIONAIRRE

APPENDIX A

DEFINITIONS OF FOOD AND BEVERAGE PROCESSING AND MANUFACTURING SUBSECTORS

The following are the Statistics Canada definitions of the industry subsectors at the four-digit level:

Animal Food Manufacturing [NAICS 3111]. This sub-industry group comprises establishments primarily engaged in manufacturing food and feed for animals, including pets.

Grain and Oilseed Milling [NAICS 3112]. This sub-industry group comprises establishments primarily engaged in milling grains and oilseeds, refining and blending fats and oils, and making breakfast cereal products.

Sugar and Confectionery Product Manufacturing [NAICS 3113]. This sub-industry group comprises establishments primarily engaged in manufacturing sugar and confectionery products.

Fruit and Vegetable Preserving and Specialty Food Manufacturing [NAICS 3114]. This subindustry group comprises establishments primarily engaged in manufacturing frozen fruits and vegetables, frozen entrées and side dishes of several ingredients except seafood, and fruits and vegetables preserved by pickling, canning, dehydrating and similar processes.

Dairy Product Manufacturing [NAICS 3115]. This sub-industry group comprises establishments primarily engaged in manufacturing dairy products. Establishments primarily engaged in manufacturing substitute products are included.

Meat Product Manufacturing [NAICS 3116]. This sub-industry group comprises establishments primarily engaged in manufacturing meat products.

Seafood Product Preparation and Packaging [NAICS 3117]. This sub-industry group comprises establishments primarily engaged in canning seafood, including soup, smoking, salting and drying seafood, preparing fresh fish by removing heads, fins, scales, bones and entrails, shucking and packing fresh shellfish, processing marine fats and oils, and freezing seafood. Establishments known as floating factory ships that are engaged in shipboard processing of seafood are included.

Bakeries and Tortilla Manufacturing [NAICS 3118]. This sub-industry comprises establishments primarily engaged in manufacturing bakery products, except cookies and crackers. Establishments classified in this industry may sell to commercial or retail customers, for consumption outside the premises.

Other Food Manufacturing [NAICS 3119]. This sub-industry group comprises establishments, not classified to any other industry group, primarily engaged in manufacturing food. This includes snack food manufacturing, coffee and tea manufacturing, concentrates, syrups and spice manufacturing; prepared foods; and canned foods.

Snackfood Manufacturing [NAICS 31191]. Establishments primarily engaged in salting, roasting, drying, cooking or canning nuts; processing grains or seeds into snacks; manufacturing peanut butter; or manufacturing potato chips, corn chips, popped popcorn, hard pretzels, pork rinds and similar snacks.

Coffee and Tea Manufacturing [NAICS 31192]. Establishments primarily engaged in roasting coffee; manufacturing coffee and tea extracts and concentrates, including instant and freeze dried; blending tea; or manufacturing herbal tea. Establishments primarily engaged in manufacturing coffee and tea substitutes are included.

Flavouring Syrup and Concentrate Manufacturing [NAICS 31193]. Establishments primarily engaged in manufacturing soft drink concentrates and syrup, and related products for soda fountain use or for making soft drinks.

Seasoning and Dressing Manufacturing [NAICS 31194]. Establishments primarily engaged in manufacturing dressings and seasonings.

Snackfood Manufacturing [NAICS 31199]. Establishments primarily engaged in manufacturing and packaging foods for individual resale. Perishable prepared foods such as salads, fresh pizza, fresh pasta, and peeled or cut vegetables, are included.

Beverage Manufacturing [NAICS 3121]. This industry group comprises establishments primarily engaged in manufacturing beverages, excluding canning fruit and vegetable juices (3114) and milk-based beverages (3115), and syrups and flavourings (3119).

APPENDIX B

COMPANIES AND ORGANIZATION PARTICIPATING IN THE FOOD AND BEVERAGE SLMP

172 companies were contacted to provide input to the Phase 1 activities of the food and beverage processing and manufacturing sector labour market partnership.

125 responded:

- 37 companies participated in the working groups
- 88 participated in one-on-one meetings
- 27 companies contacted reported they had no labour issues

An additional 47 companies were successfully contacted by phone and e-mail but did not provide any valuable input.

Working Group Participants (37)	
1. Andrew Peller	20. Gunther Brothers
2. Apex Food Source	21. Island City Bakery
3. Asti Holding	22. Johnston's Packers
4. BC Hops	23. Kerry Foods
5. BC Frozen Foods	24. Main Street Brewing
6. Canada Bread	25. Marine Harvest
7. Canadian Fishing Company	26. Mission Hill Family Estate
8. Cermaq Canada	27. Natural Pastures
9. Constellation Brands	28. Nuera Nutraceuticals
10. Driftwood Brewery	29. Painted Rock Winery
11. English Bay Blending	30. Poplar Grove Winery
12. Farm Crest Foods	31. Rossdown Natural Foods
13. Fernie Brewing	32. St. Jeans Cannery
14. Fieldstone Organics	33. Sandel Foods
15. Fine Choice Foods Ltd.	34. Steamworks
16. Gardein	35. Sunrise Farms
17. Grand Hale Marine Products	36. Tinhorn Creek Vineyards
18. Gray Monk Estate Winery	37. Whistler Water
19. Grass Root Dairies / Gort's Gouda Cheese Farm	

One on One Meeting Participants (88)	
1. Acres Brewing Company	47. Mark Crest Foods
2. Knots	48. Misty Mountain Mushrooms
3. Aero Fishing	49. Moody Ales
4. Andina Brewing Company	50. Mum's Okanagan Hot Sauce
5. Associated Brands	51. Natural Glacial Waters
6. Averill Creek	52. Newlands Systems
7. BC Frozen Foods	53. Nuez Beverage
8. BC Tree Fruits Cider	54. Off the Rail Brewing
9. Beaufort Vineyard & Estate Winery	55. Olivieri Foods
10. Blue Moon Winery	56. Otimo
11. Bomber Brewing	57. Pacific Blends
12. Bremner Foods	58. Qzina
13. Canada Bread	59. Ravens Brewing
14. Carmoomel	60. Rocana Meats
15. Catalyst Development	61. Russell Breweries
16. Central City Brewing	62. Salish Sea Foods
17. Coastal Black Fruit Winery	63. Salubrious Seeds
18. Dogwood Brewery	64. Sedo Butcher Shop
19. Donald Food's	65. She Devil Delights
20. Eatmore Sprouts	66. Shelter Point Distillery
21. Farafena	67. Shuswap Infusions Tea
22. Fazio Foods International	68. Sofina
23. Fernie Brewing	69. Summerland Sweets and Sleeping Giant Winery
24. Fieldhouse Brewing Abbotsford	70. Sunrise Farms
25. Fieldstone Organics	71. Sunrype
26. Flurer Smokery	72. Taste Culinary Solutions
27. Four Winds Brewing	73. Taste of the Okanagan
28. Fresh Start Foods	74. Tree Island Yogurt
29. Fraser Valley Duck and Goose Specialty Poultry	75. Valley Select Foods
30. Fraser Valley Packers	76. Wayward Distilleries
31. Golden Boy Foods	77. Wise Bites Richmond
32. Grassroot Dairies	78. Wize Monkey
33. Happy Days Dairy	79. Zinetti Foods
34. Hardy Buoys Smoked Fish	80. BC Food Processors Association
35. Hempco	81. BC Craft Brewers Guild
36. Holy Crap Cereal	82. Small Scale Food Processors Association of BC
37. Hot Chocolates	83. Seafood Producers Association of BC
38. Howe Sound Brewing	84. BC Wine Institute
39. The Jammery	85. Comox Valley Economic Development Society
40. JD Sweid	86. Okanagan Development Commission
41. Johnston's Packers	87. Kamloops Food Policy Council
42. Kaslo Sourdough Bakery	88. Salmon Arm Economic Development Society
43. Keltic Seafoods	
44. Left Coast Naturals	
45. Libre Naturals Duncan	
46. Maple Roch	

Companies Reporting No Particular Labour Issues (27)	
1. Knots Winery	15. Maple Roch
2. Andina Brewing Company	16. Mums Okanagan Hot Sauce
3. Averill Creek	17. Nuez Beverage
4. Beaufort Winery	18. Salish Sea Foods
5. Bite Size Foods	19. Salubrious Seeds
6. Blue Moon	20. She Devil Delights
7. Coastal Black Fruit Winery	21. Shelter Point Distillery
8. Eatmore Sprouts	22. Shuswap Infusion Teas
9. Fazio Foods International	23. Sunrype
10. Flurer Smokery	24. Taste of the Okanagan
11. Howe Sound Brewing	25. Tree Island Gourmet Yogurt
12. Keltic Seafoods	26. Wayward Distilleries
13. Left Coast Naturals	27. Wize Monkey
14. Libre Naturals	

APPENDIX C

INDUSTRY PRELIMINARY INTERVIEW QUESTIONAIRRE

Company Name:

Interviewee:

Position:

1. Industry Definition - Do you agree with the definition of the Food and Beverage Manufacturing industry (page 10 and 11 of the October 2016 BC's Food and Beverage Processing Industry - Industry Overview and Economic Impact Analysis)?

2. Which category applies to you?

3. What type of business are you in?

4. How many employees to you have?

5. What are the key positions in your company?

6. What types of roles are you having difficulty filling?

7. What is the reason for the difficulty?

8. Do you believe your industry is currently facing or will soon be facing significant labour shortages which undermine your competitiveness? Why? Why not?

9. Does your industry have a particular image problem that is impairing labour attraction?

10. Do you have needs in food sciences, engineering, chemistry to support product innovation?

11. Does the industry have enough experienced sales, marketing, distribution, international and advertising staff?

12. Do you do in-house training or do people generally arrive with the necessary skills to be "job ready" when they join a worksite?

13. Does your industry have preferred sources of labour – a particular school, subpopulation, etc.?

14. Is there a need for introduction of new technology such as automation and what impact do you see this having on labour requirement?

15. Is there adequate educational or institutional support to meet current and future labour demands?

16. Are there best practices through which industry is alleviating its own challenges?
17. Are there regulatory issues which inhibit growth?
18. What can government do to support industry objectives and assist in alleviating problems?
19. Do you experience geographic disadvantages or other regional disparities?
20. Are there other issues that you feel are relevant?
21. Are there other individuals who could provide critical insights on the skills and labour challenges facing the food and beverage industry in British Columbia?
22. Would you support participation in a working group to further study these issues?

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