

Putting the Ingredients Together: Connecting Employers and Workers in Toronto's Food and Beverage Manufacturing Industry



NOVEMBER 2017

About the Toronto Workforce Innovation Group

Toronto Workforce Innovation Group is Toronto's Workforce Planning Board. We examine data, synthesize research and seek input from policymakers and practitioners to strengthen Toronto's workforce development system. We look at how economic mobility, industry trends and workforce dynamics affect Toronto's economy. Our research is an on-going and continuous process that includes our numerous consultations and focus groups with employment/training service providers and job seekers in addition to the deep data mining that informs our work. Toronto Workforce Innovation Group is one of 26 similar planning groups tasked by the Ministry of Advanced Education and Skills Development to work closely with our local economies.

Acknowledgements

For this report we are grateful for the support of the Ontario Ministry of Advanced Education and Skills Development, the Economic Development and Employment and Social Services Departments of the city of Toronto and PTP, an Employment Ontario service provider. Representatives from these departments and groups formed the advisory committee to this project and provided invaluable insights and understanding in both the needs of the industry and the job seekers trying to find employment in food and beverage manufacturing.

**EMPLOYMENT
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This report provides a community needs analysis related to Toronto's food and beverage manufacturing sector, much of which is clustered in Etobicoke and North York. The report draws upon a previous research project conducted by Toronto Workforce Innovation Group for the Intergovernmental Committee for Economic and Labour Force Development (ICE). That research, completed in September 2017, examined the role food and beverage manufacturing plays in Toronto's labour market. This current research is a deeper look at the human resources challenges faced by many employers and the gap between potential employees and employers.

The project was led by Toronto Workforce Innovation Group (TWIG), which is Toronto's workforce planning board. This initiative, to probe the supply and demand sides of the food and beverage manufacturing sector and develop recommendations to improve the linkages between job seekers and employers is part of our work to identify and address Toronto's workforce development challenges and opportunities.

Toronto's food and beverage processing sector is the third largest in North America with sales of close to \$18 billion annually. This subsector employs between 50,000 - 60,000 people in the Greater Toronto Area and employment has increased in the past decade¹. Food and beverage manufacturing employs more people than the automotive sector, although it has a much lower profile. While this is a large and growing sector, it faces a number of challenges including an aging workforce, employee retention and recruitment, food safety regulations, and the upcoming increase to minimum wage. Concerns about worker safety and the use of temporary workers add to a negative impression of the industry.

Objectives

The objectives of this Sector Planning Partnership Grant include:

- Understanding the composition of local food and beverage manufacturers in Etobicoke and North York, where possible, by 5 digit NAICS and size
- Documenting the recruitment and retention needs of local food and beverage manufacturers by industry and occupation
- Determining the characteristics, skills sets and experience required for in-demand occupations
- Identifying the type of job seekers, either on social assistance or employment insurance, for whom jobs in this sector are a viable goal
- Developing a local workforce development strategic plan between Food and Beverage Manufacturing firms and employment/training service providers.

Labour Market Issues

The labour market issues this project addressed include:

- 1. Difficulty recruiting qualified workers** - Employers in this industry interviewed for a previous TWIG project cited the lack of awareness of their sector as an impediment to recruiting qualified workers. There is a general misunderstanding about the nature of the work and the opportunities for employment. Many in employment/training service provision agencies confuse working in food and beverage manufacturing with working in the hospitality sector. And, while in some instances, there is overlap specifically where there is bundling of skills, in the majority of cases the work is distinct.
- 2. Employer lack of awareness of training and/or educational opportunities** - Employers said they didn't know about sector-specific training and educational opportunities. Many of these programs start at the secondary school level and include co-op placement and Specialist Skills Major. There are also programs in the local colleges that train in the industry and several of the community-based employment/training service providers have programs to connect job seekers to employment in this sector.
- 3. Unpleasant work environment** - The sector poses challenges in terms of work environments. Some firms, such as meat processing, may not be comfortable for all job seekers. In the majority of jobs there are requirements for shift work, repetitive work, heavy lifting and continuous standing. These jobs are very physical and not what many job seekers expect. The conditions might include noise, fluctuation in temperature and unpleasant odours. These working conditions, in combination with low wages, may be a significant factor in whether people chose to work in the food and beverage manufacturing industry. It will be important to address realistic expectations in a sector workforce development plan.
- 4. Disconnect between training programs and job vacancies** - Another disconnect from placing people into jobs in this industry is that the college programs don't always train for where jobs exist. These programs focus on culinary skills, which is suitable for hospitality but not food processing. In addition, employers expect workers to have good employability or soft skills such as punctuality, reliability, flexibility and be willing to learn on the job. Preparatory employment programs such as those offered by Toronto Employment Social Services and Employment Ontario could address both this disconnect and the acquisition of soft skills.

Evidence

There is consistent growth in new food production facilities and existing firms are expanding output². Toronto has over 1,000 firms involved in food and beverage manufacturing³. This indicates an increase of about 20 percent in the number of businesses in food manufacturing, and an increase of approximately 40 percent in beverage manufacturing. In addition, the Job Vacancy and Wage Survey, as well as postings in job boards, show high vacancy rates in both food and beverage manufacturing. Along with the existing vacancy rates, data reveals that the workforce in the industry may be ageing out, posing recruitment and replacement challenges.

This information was gathered through previous work by TWIG that examined labour market considerations for Toronto's food and beverage processing sector. For that report, *Finding the Right*

Ingredients, a literature review and environmental scan were conducted and food processing initiatives in other areas were examined to identify the supports in place for the industry and its current and future workers. The review, data analysis and interviews led to the conclusion that there is a disconnect between supply and demand in this industry.

Background: Food and Beverage Manufacturing

The composition of food and beverage manufacturing in Etobicoke and North York was analyzed using the North American Industry Classification System (NAICS). This standard industry classification system categorizes business establishments based on the similarity in the production processes used to manufacture goods and services. At its highest level, NAICS divides the economy into 20 sectors.

Food manufacturing (NAICS 311) and Beverage manufacturing⁴ (NAICS 312) is a prominent subsector of Manufacturing (NAICS 31-33). Food manufacturing establishments are primarily engaged in producing food for human or animal consumption, while beverage manufacturing is establishments primarily engaged in manufacturing beverages. Both sub sectors consist of the following industry groups:

Food Manufacturing:

- Animal Food Manufacturing
- Grain and oilseed milling
- Sugar and confectionery product manufacturing
- Fruit and vegetable preserving and specialty food manufacturing
- Dairy product manufacturing
- Meat product manufacturing
- Seafood product preparation and packaging
- Bakeries and tortilla manufacturing
- Other food manufacturing

Beverage Manufacturing:

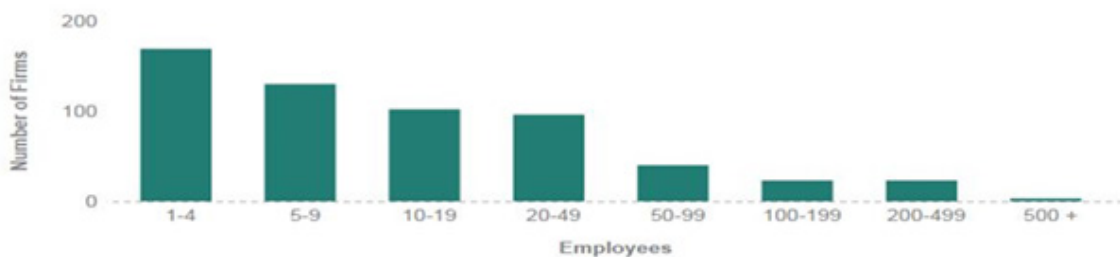
- Beverage Manufacturing
- Tobacco Manufacturing

Appendix B provides a snapshot of food and beverage manufacturing in Toronto, CMA for the year 2016. This includes the industry's workforce demographics by age, gender, educational attainment, wages, and employment by size of establishment.

Composition of Food and Beverage Manufacturing in Toronto

According to Statistics Canada Canadian Business Counts (CBC December 2016) there are 538 firms in the city of Toronto with employees directly involved in food and beverage manufacturing⁵. Although Stats Can discourages using the CBC data for comparisons over time, a number of general conclusions can still be made⁶. First, the number of active businesses involved in food production has increased by approximately 20 percent over the last 10 years. Furthermore, an analysis of the past several years indicates that while there are fewer large food manufacturers in Toronto (100+ employees), there has been a significant increase in the number of small manufacturers (less than 10 employees).

Distribution of Food and Beverage Manufacturing by Firm Size in Toronto CSD

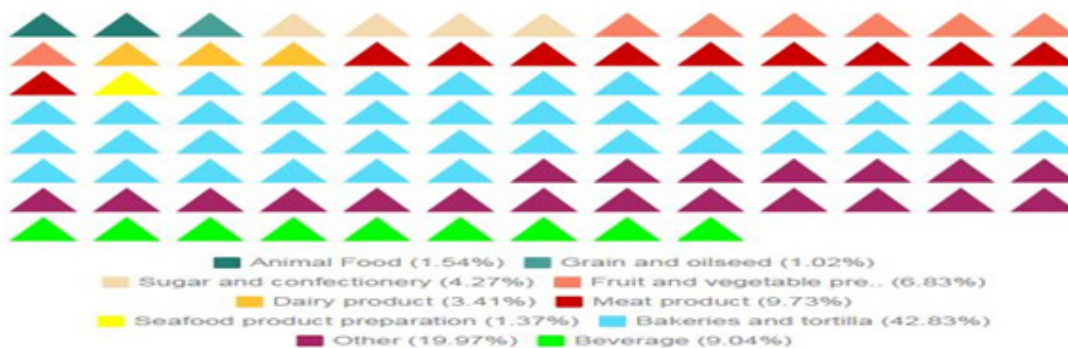


Canada Business Counts, December 2016, Custom Tabulation

The above table on the distribution of food and beverage manufacturing by firm size suggests that this sub-sector in Toronto is characterized by micro, small and medium sized firms. Clearly the industry has been moving from larger firms to smaller establishments over the past decade. This change may reflect changing consumer tastes in locally produced fresh foods and a desire for a broader diversity of cultural and artisan foods.

Appendix C, using CBC data, reports the total number of firms under the ten industry groups in food and beverage manufacturing and breaks them down by firm size. Food and beverage manufacturing in Toronto, CSD (Census Sub Division) is dominated by four industry groups: bakeries and tortillas, beverage, meat product and other food manufacturing. These sub-sectors account for 72 percent of all businesses in Toronto and nearly 50 percent of workers⁷.

Composition of Food and Beverage Subsectors for Toronto CSD



The largest industry group within the food and beverage manufacturing sector in Toronto is bakeries and tortilla manufacturing, made up of retail and commercial bakeries, cookie and cracker manufacturing, and pasta production. In Toronto, over half of all firms in this industry group are either retail bakeries or commercial bakeries and they are primarily small and medium sized firms. Worth noting is that there are still 18 businesses listed with over 100 employees.

The second largest industry group in Toronto falls under “other” food manufacturing. This industry group is comprised of establishments not classified by the other nine categories. In Toronto this represents firms primarily engaged in manufacturing and packaging perishable prepared foods such as salads, fresh pizza, fresh pasta, and peeled or cut vegetables.

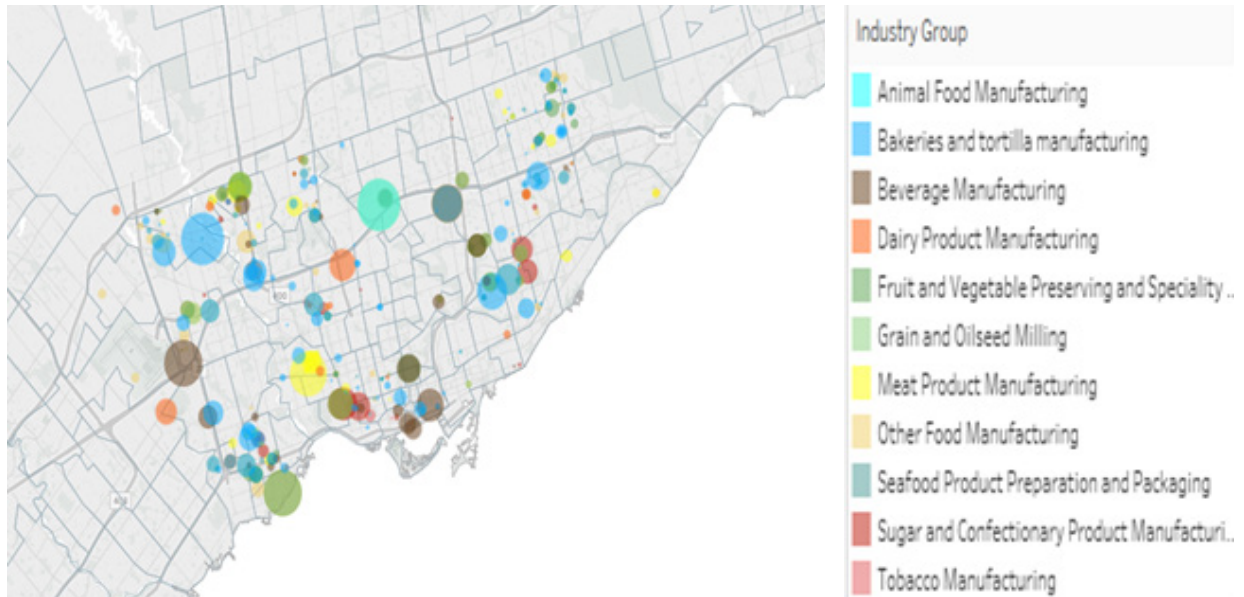
Meat and beverage manufacturing plays an important role in Toronto. Meat product manufacturing as an industry group is comprised of animal slaughtering, meat rendering and poultry processing. Beverage production includes soft drinks, breweries, wineries and distilleries. These two industry groups total nearly ten percent of all food and beverage manufacturing in Toronto.

SCOTT's Directories⁸ offers an additional observation about the changing composition of food and beverage manufacturing. A year-over-year analysis of raw data from SCOTT's Business Directories suggests that the lines between retail, food manufacturing and e-commerce are becoming increasingly blurred – particularly in relation to bakeries, prepared foods and breweries. The number of firms listing multiple NAICS, which includes aspects of retail and manufacturing, has increased by 32 percent over the past decade. Small-batch food producers when faced with the product placement costs of major retailers often move into direct service and retailing opportunities, “bundling” activities and services.

An illustration of this is occurring at a small but growing food producer in Toronto's west-end. What originally began as a small bakery supplying goods to upscale grocery stores, now also operates a catering service, a retail store and a restaurant. Employees are often asked to move seamlessly between various company operations, sometimes during the same shift. This “bundling” of activity has significant implications in the preparation of current and future workers in the food and beverage industry.

Location of Food and Beverage Manufacturing Establishments in Toronto

A geo-mapping of food and beverage firms suggests that this industry is distributed fairly evenly across Toronto outside of the downtown core, although 20 percent is still located in Etobicoke and North York. Understanding the distribution across the city is important for local workforce development. Given the costs and challenges related to transportation and childcare for workers and job seekers the broad distribution of food and beverage manufacturing offers opportunities to provide stable employment for relatively low skilled labour across Toronto.

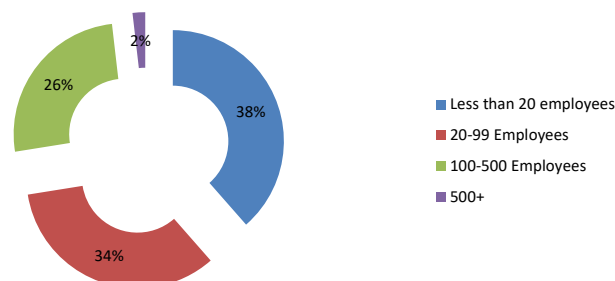


Composition of Food and Beverage Manufacturing in Etobicoke and North York

Firms operating under food and beverage manufacturing in Etobicoke and North York, listed by SCOTT's⁹ directory were used to examine the composition of this sub-sector. The directory lists 118 firms that are directly involved in Food and Beverage Manufacturing. This is 20 percent of the total food and beverage manufacturing units in Toronto CSD.

A breakdown of data shows that the composition of food and beverage manufacturing in Etobicoke and North York is similar to that for all of Toronto, CSD. The sub-sector is dominated by small and medium sized firms, as illustrated by the chart below.

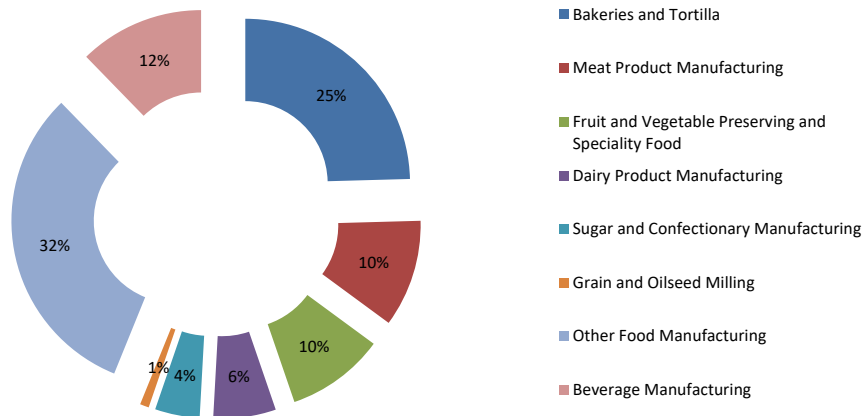
Food and Beverage Manufacturing Firms by Size in Etobicoke and North York



SCOTT's directory 2017 custom tabulation

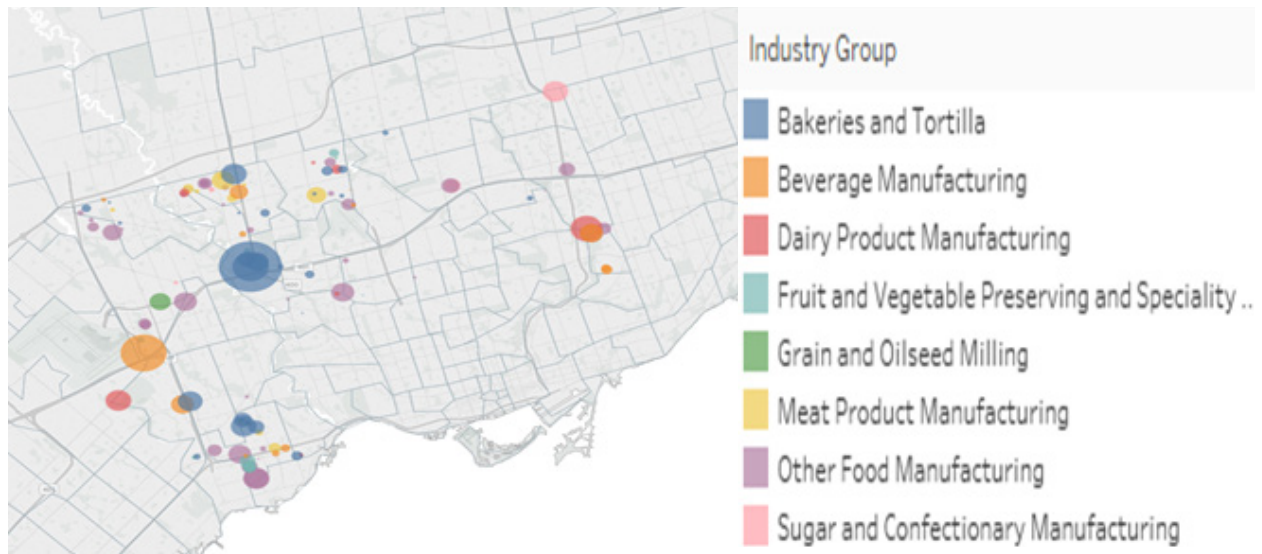
Analysis by industry group indicated that eight of the ten industry groups of food and beverage manufacturing are located in the Etobicoke and North York production areas. The dominant industry groups with the most number of firms in these areas are shown in the chart below.

Food and Beverage Manufacturing Firms by Industry Groups in Etobicoke and North York



SCOTT's directory 2017 custom tabulation

Location of Food and Beverage Manufacturing Establishments in North York and Etobicoke



A geo-mapping of the food and beverage establishments in Etobicoke and North York indicates that 20 percent of Toronto's food and beverage manufacturers are located in this area. This, and other factors, such as the proximity of services with experience in this industry informed our choice of these locations are our prime focus.

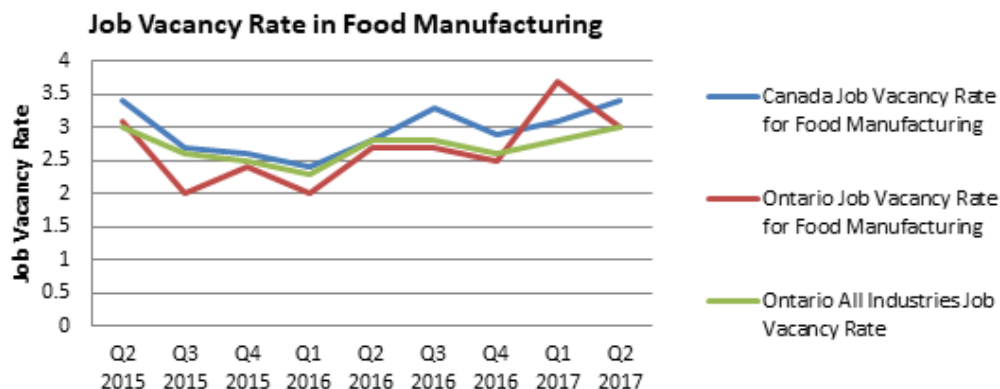
Labour Force Demand and Supply in the Food and Beverage Processing Sector in Toronto

Over the last five years, numerous reports and studies from a broad range of sources indicate that food and beverage manufacturers may be facing significant labour shortages¹⁰. This evidence was confirmed in our interviews and conversations with employers in the sector. The challenges are:

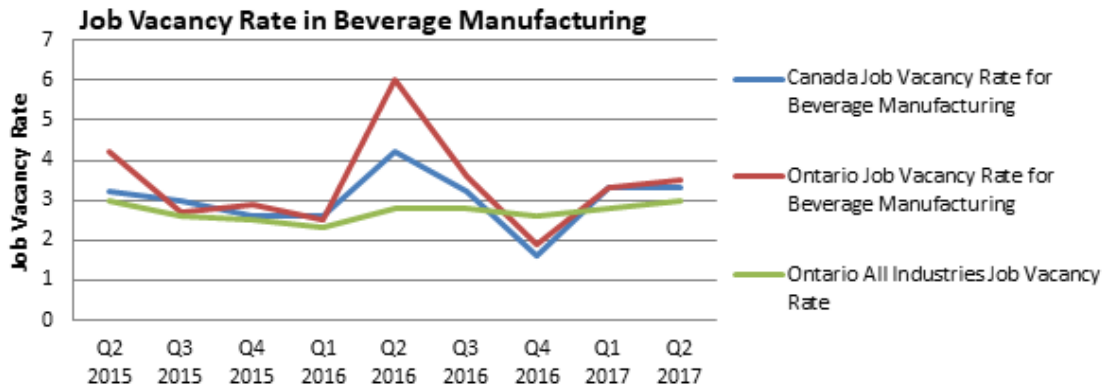
- The replacement of an ageing workforce will pose challenges in the replacement of experience and acquired skills.
- Competition from other 'more attractive' industries will limit employee recruitment as the industry has an image problem
- food and beverage manufacturers have relied on immigrants with low educational attainment to fill vacant positions. Changes to immigration policy and the characteristics of Canadian newcomers will limit this labour supply.
- The industry has difficulty retaining entry level employees leading to significant job-churn and unfilled vacancies.
- Changes in technology and health and safety legislation require new entrants to have a higher level of skills, including stronger communication and math skills¹¹.

Job Vacancy and Wage Survey

The Job Vacancy and Wage Survey (JVWS) collects quarterly data on the number of job vacancies by occupation and economic region. This relatively new survey has information on job vacancies in full-time and part-time positions, the duration of these vacancies, the distribution of vacancies by level of education and experience and the average hourly wage offered for the vacancies. Employers are asked for detailed information about each vacancy to identify potential labour market shortages at the occupation level, and to obtain an overall understanding of the vacancies that exist and the requirements for filling them. The charts below were derived from custom tabulations of the most recent JVWS (Statistics Canada, 2017). Due to confidence issues and data suppression, only Ontario and Canadian data were examined.



Statistics Canada, JVWS 2017

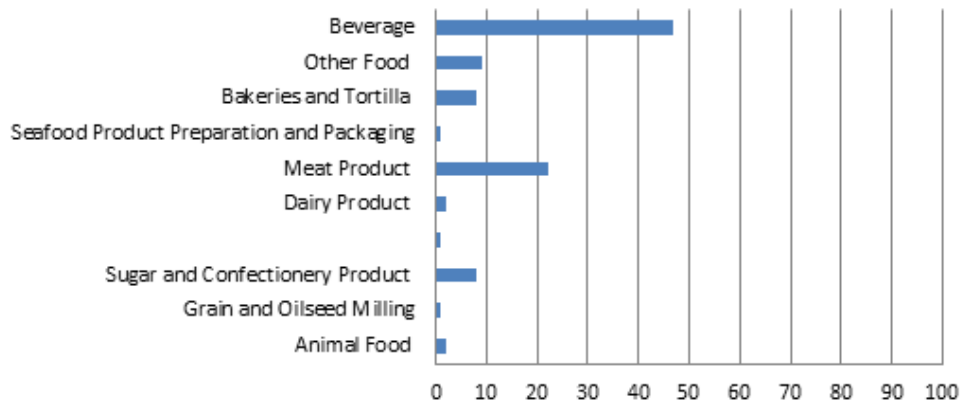


Statistics Canada, JVWS 2017

The limited nature of the data leads to several observations. Food manufacturing in 2015 and 2016 vacancy rates roughly match vacancy rates for all other industries in Ontario. Although the first quarter of 2017 appears to surpass all other industry rates, it fell back to other industry level by the second quarter of 2017. However, for the period covered, Ontario’s job vacancy rate in beverage manufacturing was well above the provincial average for all industries. The higher vacancy rate suggests that beverage manufacturers in Ontario are experiencing challenges related to the recruitment and retention of employees. Data derived from online job postings in Toronto confirms this observation.

Around half of all jobs posted online (e.g. Indeed, Monster, etc.) for food and beverage manufacturing occupations in Toronto were for beverage production. There were over 500 postings for occupations in beverage manufacturing in the period of January to June 2017. The actual job postings indicated hiring across many firms. The data shows that the Greater Toronto Area has more job postings than all other areas of the province combined.

Percentage of Job Postings in Food and Beverage Manufacturing in GTA by Industry Groups



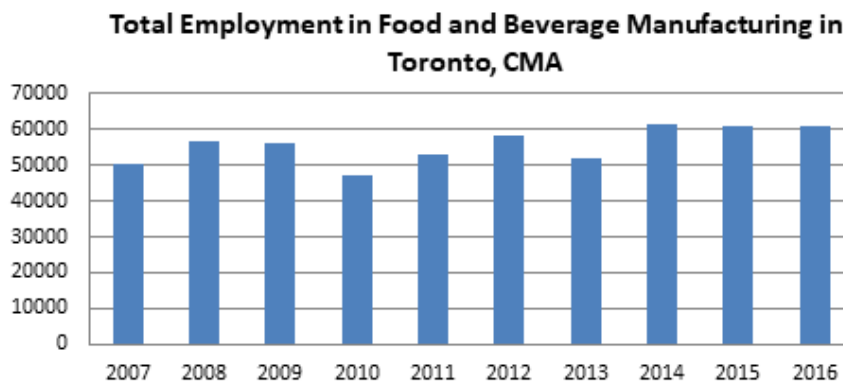
Vicinity Jobs Network, Custom Tabulation 2017

The majority of jobs (87 percent) were for labourers and machine operators. Together the JVWS data and Vicinity Jobs data might show that there has been a tightening of the job market in this industry, higher levels of job churn (retention) or an industry that is expanding locally and provincially.

Workforce Characteristics and Wages in the Food and Beverage Processing Sector in Toronto

Toronto has always been a preferred location for employers in food and beverage manufacturing. It is a large, accessible market, an innovation centre and offers access to a significant population. The figure below shows that food and beverage manufacturing has been a relatively stable source of employment in Toronto over the past ten years. On a year over year analysis, the total number employed was between 50,000 to 60,000.

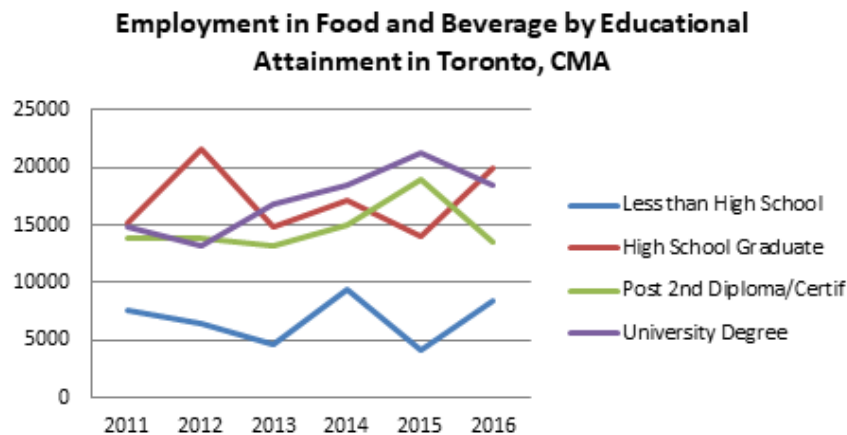
The food processing industry has traditionally attracted new immigrants who often lack sufficient knowledge of the English language to be hired for jobs in their professions or into retail jobs. Additionally, the average educational level of Toronto food workers is less than that for the average of all other industries, although this is changing in some occupations.



Stats Canada LFS 2017

Some of the key occupations in food and beverage manufacturing are:

- Supervisors in food, beverage and tobacco processing (NOC 9213)
- Process controllers and machine operators in food and beverage processing (NOC 9461)
- Industrial butchers and meat cutters, poultry preparers and related workers (NOC 9462)
- Testers and graders in food and beverage processing (NOC 9465)
- Labourers in food, beverage and tobacco processing (NOC 9617)

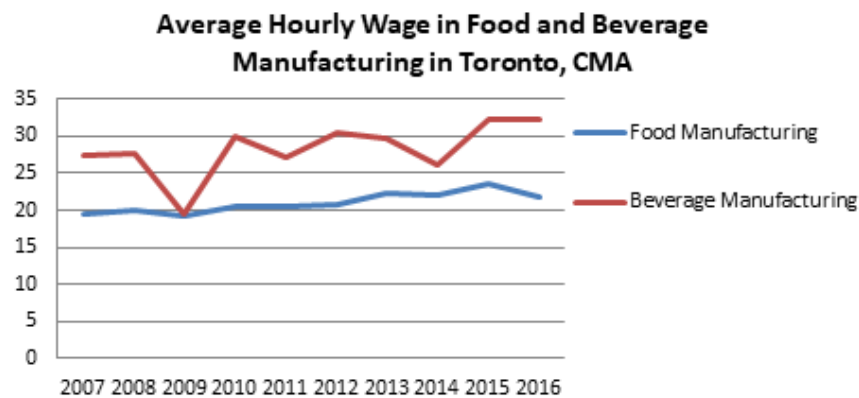


Stats Canada LFS, Custom Tabulation 2017

The above figure suggests that the percentage of workers in this sub-sector with a university or post-secondary degree has been declining since 2015. On the other hand, employers appear to have hired more workers with a high school degree or less during the same period.

The move to advanced manufacturing opens up opportunities for highly educated and highly skilled workers with experience in robotics, computer-controlled equipment and manufacturing software to succeed in this sub-sector. Further, those with post-secondary courses in agriculture, food science and culinary arts may have an advantage. Some jobs require knowledge of safety protocols such as Hazard Analysis Critical Control Point (HACCP)¹², as food safety is a top priority.

The average hourly wage for food manufacturing for the year 2016 was \$22, while that in beverage manufacturing was \$32. Based on past ten years' data, beverage manufacturing offers a higher wage than food manufacturing. However, the current wages provided by food and beverage manufacturers vary significantly.



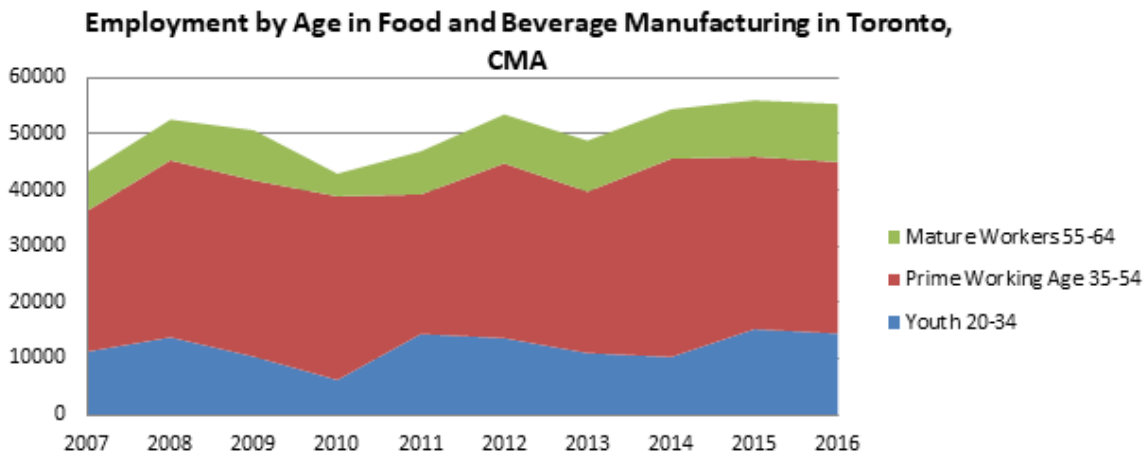
Stats Canada LFS, Custom Tabulation 2017

Unionization, size of the plant, occupations in the sub-sector all influence wages. Supervisors, process control and machine operators, testers and graders are the most highly paid occupations in food and beverage manufacturing, while there are more job openings for the labourer occupation that is mostly minimum wage.



Vicinity Jobs Network, Custom Tabulation 2017

The figure above reports the average hourly wage in food and beverage manufacturing in Toronto, CMA by the industry groups. It is based on the job postings for the different industry groups in food and beverage manufacturing in Greater Toronto Area (GTA) for the period between Jan and June 2017. Sugar and confectionary in this period pays the highest hourly wage, followed by bakeries and tortilla, others, meat, dairy and beverage.



Stats Canada LFS, Custom Tabulation 2017

The food and beverage manufacturing industry is concerned about an ageing workforce heading towards retirement. The above chart indicates that although prime working age (35-54) constituted a huge portion of the workforce in this sub-sector, the number of mature workers (55-64) has been persistently increasing over time. Currently this group accounts for around 17 percent of the industry’s overall labour force.

TWIG interviewed food and beverage manufacturers primarily from North York and Etobicoke in fall 2017. They spoke about the skills and attributes, educational requirements, wages and benefits, working conditions, recruitment methods, and the retention of workers in the sector. Information generated from the interviews provides insight about the challenges faced by the demand side of the food and beverage manufacturers. Their comments are summarized below. The full summary is found in Appendix A.

Summary:

- Size of firm: 25 - 2,000 workers
- Unionized and non-unionized
- Characterized by shift work of varying lengths: 8 - 10 hours
- Wanted workers with:
 - The right fit
 - Committed to work and firm
 - Good English-speaking skills
 - Able to do physical, boring work, manage repetitive, monotonous and mundane tasks
 - Willing to work in places that were wet, smelly, had fluctuating temperature and loud machinery

Salaries ranged from minimum wage for entry-level workers to \$20 for machine operators. Majority use temp agencies to recruit for entry level positions with exception of unionized plant. Would like government help to recruit and screen.

Labour Force Supply

An important source of workers in food and beverage manufacturing may be people on Ontario Works (OW) or social assistance. This population has some of the characteristics employers want for their firms. Many of these individuals have less than a high school education and limited Canadian work experience, but are willing to work and commit to an employer.

The 2016 OW caseload demographics provides an understanding of the potential candidates that could work in the food and beverage manufacturing sub-sector. The two tables below report applicants by age and level of education.

2016 OW Cases by Applicant Age	
Age Range	Percent
<25	13 percent
25 to 34	29 percent
35 to 49	33 percent
50 to 64	23 percent
65+	2 percent
Not Specified	0 percent

2016 OW Cases by Highest Level of Education Completed by the Applicant	
Education Level	Percent
Less than High School	12 percent
Some High School	24 percent
High School	34 percent
Post-Secondary	30 percent
Not Specified	1 percent

For the year 2016, the majority of the OW cases were between 25 to 49 years of age, comprising 62 percent of the total applicants. OW participants appear to be mostly in their prime working age and able to overcome the challenge of an ageing workforce.

OW applicants are pre-dominantly high school graduates. Since the average educational level required in food and beverage manufacturing is less than the average of all other industries, it makes sense to develop strategies to move these potential workers into this industry's workforce.

OW applicants were asked about their preference about job sectors or what sector matches their skills and experience. Respondents were able to identify more than one job stream. The following table reports the five post popular job streams among the OW applicants.

5 Most Popular Job Streams	As percent of all respondents
Customer Service/Retail	20 percent
General Labour	20 percent
Food Services/Hospitality	13 percent
Construction/Trades	10 percent
Administrative/Clerical	8 percent

Findings generated from the Vicinity Job Networks data, showed that between January and June 2017 the majority of jobs (87 percent) were for labourers and machine operators. The table above illustrates that 20 percent of these job seekers indicated a preference for work as a labourer, making them a good fit for food and/or beverage manufacturing. The difficulty lies in developing strong connections between these job seekers, the agencies that work with them and employers in this sector, in other words, developing a logical, sustainable and inclusive workforce development plan.

Partnership and Stakeholder Support

For this project TWIG worked closely with the city of Toronto’s Economic Development and Employment and Social Service Departments as well as PTP, an Employment Ontario Service Provider. The project also had strong support from the city of Toronto’s Economic Development Department’s expert in food and beverage manufacturing. The food sector manager at Toronto Employment and Social Services was part of the working group, while PTP, a local LBS and EO service provider has in-depth knowledge of the industry. Each partner was able to provide contacts to job seekers and/or employers, experience and/or expertise in the industry, insight into and advice about overcoming the challenges faced by employers in food and beverage manufacturing. All the partners agreed on the need for a sectoral workforce development plan.

Activities

The project proposed to align and develop local workforce development training, job search assistance and job development to meet the current and projected demands identified by employers in food and beverage manufacturing. The work consisted of a robust data analysis including caseload data from OW offices; documenting the skills, characteristics and attitudes required by local food and beverage manufacturing firms; conducting focus groups and developing comprehensive profiles of those jobseekers who match the requirements of working in food and beverage manufacturing.

A Workforce Development Approach

Developing a realistic workforce development plan for this industry will require cooperation and coordination among and between all the stakeholders. This would include Toronto’s Employment and Social Services and Employment Ontario service providers. These networks are a logical source of workers for the industry, if the appropriate screening, assessment, support and training were in place. A plan will need to bring together those service providers, such as PTP, among others, who are already working with and knowledgeable about the industry. PTP could serve as the primary workforce

intermediary to provide a centralized approach to assessment and then channel eligible job seekers into the appropriate place or job in the industry or to other services that might provide academic upgrading, skills upgrading, literacy and basic skills training, wrap-around supports. There are currently a number of TESS and EO service delivery agencies working with the food and beverage manufacturing sector. Identifying those agencies, convening them to talk about strategy, and creating a coordinated and collaborative approach would constitute the next steps of a workforce development strategy in this sector.

Two models might be adapted in order to design, develop and implement a workforce development plan for this sector that would bring together employers, workforce development intermediaries and job seekers. The two examples we are considering here are Work Advance and Construction Connections.

1. Work Advance

Work Advance, as noted in TWIG's 2016 report, "Supporting Economic Mobility through Toronto's Employment Training System"¹³ is a model from New York City that is being replicated and tested in several jurisdictions. Work Advance combines both sectoral and post-employment strategies. It was originally called Advance at Work and started in 2009 by the New York Centre for Economic Opportunity. The model demonstrated high rates of placement, good hourly wages and a high number of hours worked weekly. It was designed to improve outcomes for low-income individuals and came out of a belief that "traditional job support programs were not adequately addressing the challenges faced by disconnected low-income workers."¹⁴ The design of Work Advance is based on other successful sector based training approaches with the addition of retention and advancement strategies. This creates a longer lasting effect on employment, earnings and career pathways. The Work Advance model is grounded in the belief that only through a deep understanding of and relationships with the employer(s) in a specific sector or industry are programs able to provide the specialized services necessary for people to succeed in their jobs and meet employer's need for specific skills.

The Work Advance model has different versions and is applicable to a number of industry sectors including IT, Transportation and Logistics and Advanced Manufacturing. Each of the sites currently operating in the US has elements of pre-employment and career readiness services, occupational skills training, job development and job placement, and post-employment retention and support services that are provided in an integrated approach. The model relies on the workforce intermediary's strong connections to employers and thorough knowledge of the sector in order to assess and select appropriate participants.

Work Advance has defined the required elements that in combination provide an effective service. These are:

- a) Intensive screening and assessment;
- b) Sector-focused pre-employment and career readiness preparation;
- c) Sector-specific skills training;
- d) Sector-specific job development and placement;
- e) Post-employment retention and advancement services.

After the first several years an evaluation of Work Advance by MDRC noted that over 80 percent of the participants finished the program, a very high completion rate compared to other interventions for low-skilled job seekers. Providers used various methods to engage industry partners such as advisory groups, individual relationships, asking employers to conduct mock interviews and to host visits for potential employees. The cohort-based training built group cohesion and encouraged relationships that helped

people stay in the program. Curricula were revised continuously to ensure reflection of current labour market trends. The model allows for constant adaptation based on employer input, local labour market data, industry media, industry association meetings, and feedback from the employer advisory groups.

Developing a sector-specific model based on the elements of and lessons learned from Work Advance is feasible in an Ontario context. Many of the components and resources necessary for that model already exist within Employment Ontario. Some modifications to that system would be required in order to successfully implement and support a Work Advance approach. These include:

- A sector-specific focus for a provider or group of providers, both on the clients seeking to work in that industry or sector and on the employers or employer associations in the sector.
- Support for innovation – giving programs the ability to shift funds (and focus), and perhaps provide additional resources.
- Capacity-building to analyze and interpret local labour market conditions and to have deep knowledge of the requirements of a specific industry or industrial sector. This would take time and resources to develop.

A number of service providers were approached through this project to test their willingness to work in this type of framework. There was a high level of receptiveness to “doing things differently”. Many providers saw a need for this type of approach and thought it would lead to better labour market attachment for their clients. The value of this type of model is that it could easily be aligned with or integrated into existing employment services.

2. Construction Connections

A second option is a model similar to the new Construction Connections, a partnership of Ontario, Ministry of Advanced Education and Skills Development and the city of Toronto is Employment and Social Services. Construction Connections is a construction sector workforce development hub for job seekers and employers in Toronto. It is a single-sector based model designed to meet the demand for construction workers on large, publicly funded infrastructure projects, projects funded through the city of Toronto’s social procurement policy and community revitalization projects. One workforce intermediary or agency does the intake and assessment functions for candidates interested in careers in the trades. Referral to the program can come from any employment service provider. After assessment participants are sent on to a number of options including literacy and basic skills training, employment preparation, pre-apprenticeship, trades training/apprenticeship, coaching or directly to work. Job placement and retention supports are also part of the service hub, similar to Work Advance.

This model has not yet been evaluated as it is quite new, but early reports note that, despite some initial bumps, candidates are progressing through the system. Construction Connections was created as one way to ensure that the Community Benefit Framework targets related to the Eglinton Crosstown Light Rail Line are met.

The major difference between a Work Advance approach and Construction Connections is that Work Advance could be integrated into existing programs with changes in funding and allowances for greater flexibility and innovation while Construction Connections is a new program created specifically for publicly-funded infrastructure projects as part of a commitment to community benefits. Either approach might work for the Food and Beverage Manufacturing sector in Toronto. There are existing agencies with the experience and expertise in this sector that could be a basis for a Work Advance approach. The next steps will be to select the appropriate model, provide it with sufficient resources, flexibility and the ability

to innovate, and then evaluate rigorously, using the evaluation to revise and realign the model.

Conclusion

Creating a workforce development plan for the food and beverage manufacturing sector in Toronto that connects qualified job seekers to employment through the mechanism of a workforce intermediary will require significant resources and education/public relations campaign with employers, who, at present, often rely on temporary agencies for their workers. It will also necessitate cooperation and coordination between the different levels of government that provide employment/training services to develop a streamlined and effective approach that will move qualified workers into this industry and fill the job vacancies in one of Toronto's most important industries.

Appendix A

Food and Beverage Processing Sector Labour Market Research Interview Data Summary

	Beverage Manufacturing	Meat Product Manufacturing	Bakeries and Tortilla Manufacturing	Fruit and Vegetable Processor
Number of employees/ Size of plant	Approximately 25 employees: 15 production line employees, three mechanics, two forklift drivers, quality control manager and quality control technician, and four office staff.	Approximately 1,800 employees work in the five plants, around 1,200 to 1,500 of whom are unionized production workers. Production workers include: live receiving, general labourers, sanitation, shipping/receiving, maintenance and machine operators, supervisors and trainers. Machine operators and maintenance workers are not unionized.	Approximately 2,100 employees: 1,500 are production employees (departments includes pre-mix, bread, bagels, dough and puff pastry, packaging, shipping and receiving, sanitation, maintenance); six work in quality assurance department, 10 in research and development, and the rest serve in sales and administrative functions.	Approximately 140 employees: 15 administrative positions, 10 drivers, 10 managers and support staff (including shipping department) and 100 production employees (including approximately eight supervisors).
Employee Characteristics	Ideal employees have an aptitude for the job and the right attitude. They are organized, will follow-up and recognize that everyone has to pitch in. They seek production workers who speak English, follow instructions once trained, care about others and the operation, and are committed.	Ideal applicants have some experience in food processing. Looking for individuals who can manage the physical demands of the job (hand-eye coordination, lifting, etc.). They look for evidence of consistency in work history, and ask about reliability when checking references.	They seek employees who are committed to the work and the company, reliable (arrive on time) and have a 'safety mindset' (recognizing that safety is the responsibility of both the employer and employee).	They seek employees that are reliable, responsible, committed, able to show up when scheduled, and able to read, write and speak English. Consistent attendance is challenging; reliability is preferred over efficiency.

	Beverage Manufacturing	Meat Product Manufacturing	Bakeries and Tortilla Manufacturing	Fruit and Vegetable Processor
Educational Requirements	No formal qualifications required.	No education requirements. Some plants require food handler certification or certification for equipment.	No education or credential requirements for production workers; forklift operators need a license.	There are no minimum educational requirements or certifications needed.
Working Conditions	Operates one shift per day. Shift length varies with the season: eight-hour shift in winter, twelve-hour shift in summer and ten-hour shift in between. The large facility is difficult to heat in winter and cool in summer (temperatures can reach 26-27 degrees). Most production workers stand in one spot all day. Production positions are “mundane and monotonous.” Hearing protection is required as the plant is noisy.	All plants operate two shifts. Harsh working conditions. A number of the jobs require lifting and moving products up to 50 pounds. Some of the jobs require standing in place for two-hour shifts carrying out repetitive motions (e.g., cutting). The processing facilities are kept cold while the live receiving area is open to the outside, so temperatures fluctuate seasonally. Noisy areas include those with heavy equipment, and the receiving area with trucks.	Operates 24 hours per day; production occurs in three shifts. Employment is steady with no layoff periods. The environment is clean and smells good. Potential irritants: oven areas are hot, freezer areas are cold and allergens are present (wheat, seeds).	The plant operates three shifts: morning 7:30-4:30 (processing), afternoon 4:30-12:30 (processing) and night 12:30-7:30 (sanitation). Employees stand in the same spot all day completing repetitive tasks (e.g., peeling onions, sorting potatoes). The floor is usually wet, and the climate in the plant is not well regulated. Onion line workers are exposed to strong odours for long periods. Machinery in the plant is loud.

	Beverage Manufacturing	Meat Product Manufacturing	Bakeries and Tortilla Manufacturing	Fruit and Vegetable Processor
Wages and Benefits	<p>Production employees are paid \$14-16 per hour. Those in more critical or specialized positions make \$17-18 per hour. Forklift operators make \$20 per hour and mechanics make more. Employees receive 100 percent benefits coverage and bonuses when company targets are met.</p>	<p>General labourers start at \$15.14 per hour. They receive an increase of .60 - .95 every six months, and after two years reach the maximum rate of \$18.50 to \$19.20 per hour. Machine operators earn \$20 to \$24 per hour. Health benefits are available after several months with the company.</p>	<p>Production employees start at minimum wage, with performance-based wage increases; however, there are no regular performance reviews for production workers. Once workers pass the three-month probation, they are hired as full-time employees and begin to receive benefits.</p>	<p>Most production employees are paid minimum wage. Wage increases for longer-term employees are possible but minimal. Full-time work is not guaranteed for many of the production employees because fruits and vegetables may not arrive as planned and customers' needs may change on short notice.</p>

	Beverage Manufacturing	Meat Product Manufacturing	Bakeries and Tortilla Manufacturing	Fruit and Vegetable Processor
Recruitment method	Temp agencies are the primary source to fill easy-to-train-on production positions (e.g., packing). This saves on screening and hiring time. Promising individuals hired through temp agencies are moved into permanent production positions. Interviewee reported a recent success using the RBC Career Bridge program to hire an intern to work in the office.	Because of the unionized nature of most production jobs, vacancies must be posted internally first. If they are unable to hire internally, the job is posted externally on Indeed and on the company website. They are in a constant cycle of recruiting and hiring production employees. HR hosts bi-weekly recruitment sessions at a local hotel, scheduling approximately 30 interviews for each session. New hires can start within 1.5 weeks of the interview.	All entry-level production positions are filled using temp agencies. This method works well because: 1) It reduces time finding new employees (considered a great benefit due the high turnover they face); 2) Workers don't have to commit to the job or the employer; and 3) It allows the company to try employees out before investing time in on-boarding practices Recruitment of non-production (salaried) employees includes LinkedIn, job boards (Indeed, Monster), referrals, head hunters and job fairs at universities	Production positions require limited skills and experience. Most shifts are filled through temp agencies as this allows the company to meet targets without committing to providing consistent hours. Only 40 percent of production workers are on payroll. Positions such as drivers, mechanics and cleaners are filled using Humber College's placement services. The college program pays the wages of employees in exchange for 6 to 8 weeks of job training. Positions are also filled using the services offered by indeed.com.

	Beverage Manufacturing	Meat Product Manufacturing	Bakeries and Tortilla Manufacturing	Fruit and Vegetable Processor
Challenges	<p>When an investment group acquired the company, the managers encountered difficulties recruiting for skilled production positions as the wages on offer were lower than industry averages. Increased wages have contributed to improved recruitment outcomes. The interviewee emphasized that the challenge was finding people who fit the “caring” culture the new managers are trying to establish. They have faced the greatest challenges recruiting office staff and quality control staff, as reviewing resumes is time consuming (e.g., for one recent position, 1500 resumes had to be reviewed).</p>	<p>Attracting new hires and retaining employees are significant challenges because of the nature of the work. Working conditions are difficult, and individuals new to the industry often don’t understand what it will be like on the job. Location is not well served by public transportation, and is a 15- minute walk from the closest bus stop. They have recently moved more of the recruiting and application processes online which has resulted in more applications. They are trying to give applicants a more accurate picture of what the work is like using videos and unvarnished descriptions of work activities and conditions during interviews. They have also begun actively recruiting through employee referrals.</p>	<p>Hiring practices have not changed in the last five years. The company has no plans to change hiring practices. While no recruitment-related challenges were identified, the interviewee indicated that it is easier to recruit for salaried positions</p>	<p>Recruitment challenges are associated with the nature of the work and the conditions. The type of work available and the pay (minimum wage) does not appeal to many people. It is particularly difficult to attract younger workers. The company is not always able to secure the number of workers needed through the multiple temp agencies they use. No anticipated changes to recruitment strategies; using the services of temp agencies suits their business model.</p>

	Beverage Manufacturing	Meat Product Manufacturing	Bakeries and Tortilla Manufacturing	Fruit and Vegetable Processor
Retentions	<p>There were not a lot of turnover at the company when they took over. However, a number of employees were retiring. Long-term staffs are very dedicated. New employees are likely to leave if they find a job that pays .25 more per hour. To encourage new employees to stay, they treat them “like family” by buying coffee and dinner when running 12-hour shifts or providing breakfast on the occasional weekend shift. When employees are asked to work late, the company either arranges taxies or rides home.</p>	<p>They lose approximately 20 percent of new hires within the first week. Attrition is higher in some jobs than others, and some areas are more heavily affected by retirement. They have been trying to address high attrition rates through better communication in the hiring process, considering training and other ‘touch points’ with HR for new hires in the first week to help build a sense of common purpose and commitment. Beyond initial health and safety training, there is little training available to production workers, which may be contributing to poor employee retention. They are also trying to improve health benefit access and coverage, recognizing that this can be attractive to potential hires.</p>	<p>Employees can advance if they demonstrate commitment; however, few opportunities exist for production workers (e.g., of the 800 production workers at one plant, there are 16 lead hands and 16 supervisors). High turnover across all production departments, with new employees starting daily. Turnover is not typically tracked; however, between 66 and 82 new employees were requested from temp agencies each week in March 2017. Interviewee considers poor retention an expected phenomenon due to low wages and high living cost. Younger workers may work at the plant in the summer, but not upon graduation as factory work is not seen as a “glamorous job”.</p>	<p>Employees with the skill level required can be promoted into the positions of production leader or production supervisor. Internal employees exclusively fill these positions. Employees leave if they find a job that pays .25 more per hour, dislike the environment o standing all day. It is difficult to find employees who are interested in working long-term at the plant. The interviewee indicated that staffing in such a workplace is difficult as most Canadians find the jobs unappealing.</p>

	Beverage Manufacturing	Meat Product Manufacturing	Bakeries and Tortilla Manufacturing	Fruit and Vegetable Processor
Other	<p>They find it difficult to take advantage of government training programs given administrative demands. They want government to help screen applicants, offer training or placement programs, maintain a repository of resumes, offer more programs like the Career Bridge program, and advertise available services.</p>	<p>They would like to work with a government or community-based partner to assist in recruiting for production positions. This could include having them come on site to learn about the company, and then operating as a recruiter on their behalf. They feel the work is a good fit for some newer immigrants, especially those who are not highly educated or skilled in their country of origin.</p>	<p>They want to see a reduction in taxes and reducing the costs of licenses and associated fees. No suggestions offered related to supports to enhance recruitment or retention</p>	<p>To help support the business, the government can offer subsidies like those provided to the automotive industry. To help with recruitment or retention, the government can offer a wage subsidy program: "if we don't have to pay the employees, that would be great."</p>

Appendix B		
2016 Snapshot of Food and Beverage Manufacturing in Toronto, CMA		
	Food Manufacturing	Beverage Manufacturing
Toronto, CMA residents employed in this sector	52460	8460
Percent employed that live in the city of Toronto	45.5	70.6
Average Annual Employment Growth Rate over 5 years	3.3	-0.2
Average Hourly Wage	\$21.87	\$32.13
Median Hourly Wage	\$17.00	\$29.50
Average Usual Hours Worked per Week	39.1	39.5
Full-time (percent)	91.2	97.9
Unionized (percent)	17.5	22.5
Female (percent)	47.7	41.3
Employed by Age Groups (percent)		
20-24	7.6	N/A
25-34	13.2	41.7
35-44	28.1	21.4
45-54	26.7	N/A
55-64	19.7	N/A
Employment by Size of Establishment		
<20 employees	23.2	N/A
20-99	33.5	38
100-550	33	26.4
> 550	10.3	24
Total Employment by Education		
0-8 yrs	7.1	N/A
Some High School	9.2	N/A
High School Graduate	29.9	17.9
Some Post Secondary	5.3	N/A
Post Secondary Dipl/Cert	21.8	28.7
University Degree	26.7	46.5

Appendix C

Canada Business Counts: Toronto CSD

Food and Beverage Manufacturing Industry Group	Number of Employees								
	Total Firms	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500+
Animal Food Manufacturing	9	7	1	1	0	0	0	0	0
Dog and cat food manufacturing	5	4	1	0	0	0	0	0	0
Other animal food manufacturing	4	3	0	1	0	0	0	0	0
Grain and Oilseed Milling	6	2	1	0	2	0	1	0	0
Flour milling	1	1	0	0	0	0	0	0	0
Rice milling and malt manufacturing	1	1	0	0	0	0	0	0	0
Wet corn milling	0	0	0	0	0	0	0	0	0
Oilseed processing	0	0	0	0	0	0	0	0	0
Fat and oil refining and blending	2	0	0	0	1	0	1	0	0
Breakfast cereal manufacturing	2	0	1	0	1	0	0	0	0
Sugar and Confectionery Manufacturing	25	5	4	3	5	2	2	4	0
Sugar manufacturing	1	0	0	0	0	0	0	1	0
Non-chocolate confectionery manufacturing	8	1	1	1	1	1	2	1	0
Chocolate and chocolate confectionery	5	0	1	1	2	0	0	1	0
Confectionery manufacturing from chocolate	11	4	2	1	2	1	0	1	0
Fruit and Vegetable Preserving and Speciality Food	40	13	7	9	6	4	0	0	1
Frozen food manufacturing	24	7	2	7	5	3	0	0	0
Fruit and vegetable canning, pickling and drying	16	6	5	2	1	1	0	0	1
Dairy Product Manufacturing	20	2	3	4	5	4	1	1	0
Fluid milk manufacturing	6	0	1	0	2	2	0	1	0
Butter, cheese, and dry and condensed dairy product	8	2	1	1	1	2	1	0	0
Ice cream and frozen dessert manufacturing	6	0	1	3	2	0	0	0	0
Meat Product Manufacturing	57	13	17	8	7	5	3	2	2
Animal (except poultry) slaughtering	7	1	4	0	0	1	1	0	0
Rendering and meat processing from carcasses	32	8	8	4	6	2	2	1	1

Food and Beverage Manufacturing Industry Group	Number of Employees								
	Total Firms	1-4	5-9	10-19	20-49	50-99	100-199	200-499	500+
Poultry processing	18	4	5	4	1	2	0	1	1
Seafood Product Preparation and Packaging	8	4	1	1	2	0	0	0	0
Seafood product preparation and packaging	8	4	1	1	2	0	0	0	0
Bakeries and Tortilla Manufacturing	251	64	60	48	44	17	10	8	0
Retail bakeries	140	42	41	29	23	3	2	0	0
Commercial bakeries and frozen bakery product	83	17	15	14	16	10	7	4	0
Cookie and cracker manufacturing	8	4	0	0	0	1	0	3	0
Flour mixes, dough, and pasta manufacturing	19	1	4	5	4	3	1	1	0
Tortilla manufacturing	1	0	0	0	1	0	0	0	0
Other Food Manufacturing	117	37	27	22	18	4	3	6	0
Roasted nut and peanut butter manufacturing	2	0	1	0	0	0	0	1	0
Other snack food manufacturing	10	2	3	2	2	1	0	0	0
Coffee and tea manufacturing	13	3	2	5	1	1	0	1	0
Flavouring syrup and concentrate manufacturing	3	2	0	0	0	1	0	0	0
Seasoning and dressing manufacturing	16	3	3	5	1	0	1	3	0
All other food manufacturing	73	27	18	10	14	1	2	1	0
Beverage Manufacturing	53	22	9	6	7	4	3	2	0
Soft drink and ice manufacturing	12	5	3	0	1	1	1	1	0
Breweries	28	8	4	5	5	3	2	1	0
Wineries	12	9	1	1	1	0	0	0	0
Distilleries	1	0	1	0	0	0	0	0	0
Total Food and Beverage Companies in Toronto	586	169	130	102	96	40	23	23	3

Endnotes

1 Toronto Workforce Innovation Group. (2017). Finding the Right Ingredients: Labour Market Considerations for Toronto's Food and Beverage Processing Sector.

2 Ibid

3 Statistics Canada Canadian Business Counts, December 2016. According to Canadian Business Patterns (Dec. 2016) there are slightly over 1,000 Food and Beverage Manufacturers in Toronto. However, many of these firms are listed as having "no-employees". In many cases these will be owner-operator firms. For the purposes of a workforce development report, we have decided to not to include these firms in any custom tabulation.

4 The NAICS officially list this subsector as 'Beverage and Tobacco Manufacturing'. For simplicity sake, and given the lack of Tobacco Manufacturing in Toronto (there is only one), this report refers to this subsector as 'Beverage Manufacturing'.

5 According to Canadian Business Patterns (Dec. 2016) there are slightly over 1,000 Food and Beverage Manufacturers in Toronto. However, many of these firms are listed as having "no-employees". In many cases these will be owner-operator firms. For the purposes of a workforce development report, we have decided to not to include these firms in any custom tabulation.

6 Changes to the Business Register's methodology or business industrial classification strategies can bring about increases or decreases in the number of active businesses reported in the Canadian business counts. As a result, the data do not necessarily represent precise changes in the business population over time.

7 The limited LFS sample size does not allow for us to speak confidently about the percentages employed in each individual industry group for Toronto CSD or Toronto CMA. The 2016 Census labour force release will occur in December of this allowing for such analysis.

8 SCOTT'S Directories. Visit: <http://www.scottsinfo.com/scottsgoldnew/SearchDesigner.aspx>

9 Ibid

10 Cahill, S. (2015). Innovation in the Canadian Food Processing Industry: Evidence from the Workplace and Employee Survey. *International Food and Agribusiness Management Review*, 18 (2).

11 Rowen, N. (2014). Elevate Canada, Food Processing Position Descriptions. Essential Skills Ontario.

12 Government of Canada. Food, Beverage and Tobacco Processing: Ontario 2015-2017. Retrieved from https://www.jobbank.gc.ca/content_pieces-eng.do?cid=9789

13 Toronto Workforce Innovation Group. (2016). Supporting Economic Mobility through Toronto's Employment and Training System.

14 Ibid