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Executive Summary

Filling the Talent Gap in Ontario's Food and Beverage Manufacturing Sector

A report commissioned by
Food and Beverage Ontario



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Food and beverage (F&B) manufacturing is a major driver of Ontario's economy. With 65 percent of product from Ontario farms flowing through one of the 4,000 businesses that make up this sector, it is critical to our food supply chain. As of 2020, F&B manufacturing directly employed more Ontarians and contributed more to the province's GDP than any other type of manufacturing.

However, the sector faces a labour shortage that is expected to persist. The challenge spans hiring and retention. In Ontario, an estimated 25,000 positions will go unfilled by 2025.

This report, commissioned by Food & Beverage Ontario in partnership with the City of Brampton, explores: (i) issues hindering employers' ability to attract and retain talent in the sector and (ii) what can be done to fill the existing and projected talent gap. It examines the F&B manufacturing industry in Brampton as a case study to generate provincially relevant insights.

Interviews captured the perspectives of employers, post-secondary institutions, and job seekers. Five key themes emerged:

1. **Transit and transportation** – Many employees and job seekers rely on public transportation to get to and from work. However, the locations and shift hours of F&B manufacturers are not well served by existing transit options.
2. **Immigration and language skills** – Decreased levels of immigration due to COVID-19 stifled a key source of talent for the sector. Permanent residency scoring systems can be unfavourable to many F&B manufacturing roles. The requirement for English fluency in F&B manufacturing environments means language skills are a barrier for some would-be applicants.
3. **Housing, childcare, and the cost of living** – The increasing cost of living in Ontario raises compensation requirements for job seekers. Many small and medium-sized F&B manufacturers lack the financial flexibility to keep up. A shortage of affordable and proximal childcare options means caretaking responsibilities reduce the pool of candidates seeking positions. High housing costs can force candidates further from transit routes and F&B manufacturing locations while exacerbating upward pressure on wage requirements.

4. **Perceptions of the sector and the nature of work** – Job seekers do not look favourably upon roles in the sector where the work is physically demanding, repetitive, and/or entails shiftwork. Positions in the sector where these conditions are not experienced suffer by association. Job seekers and employees are often unaware of growth opportunities. The inability to work from home can be a detractor for those concerned with health and safety or seeking flexibility. Despite the essential nature of the work, many feel that F&B manufacturing does not receive the same public recognition and promotion as other critical and economically significant industries.
5. **The changing labour market** – Competition for talent has increased. The supply-demand balance in the labour market means that many job seekers receive financially attractive offers very quickly. Companies without rapid hiring processes or competitive compensation packages are at a disadvantage. F&B manufacturers say that competition with other employers, including in the logistics industry and global F&B firms with a regional footprint, exacerbate these effects. Employers express that many of the financial incentives and perks they put in place have now become table stakes. Additionally, employees are seeking more part-time and flexible work arrangements over the full-time positions many F&B manufacturers have traditionally offered. Retention is challenged when work shortages, attributed to both COVID-19 and hiring difficulties, increase the stress on existing employees and drive up the rate of attrition.

For each of these themes, interviewees ideated potential solutions. The report captures those ideas and identifies which stakeholders – policymakers, employers, post-secondary institutions, and/or organizations that support job seekers and newcomers – are best positioned to further prioritize, investigate, and execute against them.

In addition, automation has the potential to reduce the requirement for labour and lead to the creation of higher-skilled and less physically demanding roles. Further, automation can generate productivity and savings, which can be used to fund other initiatives. However, this is not a silver bullet – F&B manufacturers affirm, and secondary research supports, intervention is needed to accelerate automation among Ontario businesses, highlighting support for initial capital outlays and employee training.

While F&B manufacturing faces uncertainty due to the identified challenges, one thing is certain: this sector is critical to Ontario. Filling the talent gap in the F&B manufacturing sector is essential so that Canadians can fill their plates across the country.

About the OCC's Commissioned Work

The OCC now offers member organizations the opportunity to commission reports authored by our Policy team. These reports use objective data and analysis to investigate and contextualize issues or opportunities faced by individual organizations and industries and provide independent, third-party analysis on a variety of topics. For more information, please contact our Vice President of Policy, Daniel Safayeni (danielsafayeni@occ.ca).

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