

Food sector struggling against temporary foreign worker reforms

By Eric Atkins

July 29, 2015 – *The Globe and Mail*

The help-wanted ads that Newmarket Meat Packers ran online and in local papers attracted 22 applicants. Fourteen people were hired at \$17.40 an hour by the sheep slaughterhouse north of Toronto, which was trying to meet new demand for specialty cuts of meat from the region's culturally diverse population.

Within three weeks, all had quit.

“Our labour shortage has been a problem for a long time,” said Maggie Pearce, a co-ordinator at the family-owned company. “It’s one of those jobs. It’s hot in the summer, cold in the winter. It can be a very messy job.”

The labour shortage faced by the meat-processing industry has been worsened by changes to the federal government’s temporary foreign worker program, according to the Canadian Agricultural Human Resources Council, an industry group that says the entire agri-food sector is facing a labour crisis.

The new rules, enacted after highly publicized abuses by the fast-food industry, include a ban on temporary foreign workers in regions where the jobless rate tops 6 per cent, and phased-in caps on the number of foreign temps (20 per cent of the staff by July, 2015, and 10 per cent a year later).

The industry group is seeking changes that include extensions of the timelines, in addition to making it easier to bring in meat cutters and butchers, positions that Ottawa classifies as lower-skilled and ineligible for express entry into Canada.

The meat industry says more livestock is being shipped to U.S. plants for slaughter and processing because there is not enough capacity at Canadian plants, depriving the country of

jobs, value-added work and export sales to overseas markets.

Michael McCain, Maple Leaf Foods Inc.’s chief executive officer, has called Ottawa’s foreign worker reforms “overreaching” and a hindrance to hiring in the tight job market in Manitoba, where the company’s hog and pork operations are centred.

“Because of the government’s decisions, and despite a 10-year record of exceptional success in recruiting highly productive foreign workers and transitioning them to permanent residency, we currently have 56 job vacancies at our Brandon plant, even with our current hog production number, which is below capacity. If we could bring the pig supply into balance, we would need to take on another 350 people at our plant in Brandon,” Mr. McCain said at an April industry event in Winnipeg.

“So while the government negotiates important new trade deals that are critical for our industry, its move on temporary foreign workers severely impacts our ability to take advantage of this new international market access.”

Employment and Social Development Canada and federal Labour Minister Pierre Poilievre did not respond to e-mailed questions.

To attract and retain workers, the wages paid by the agricultural sector, including meat processing, have risen by 3.4 per cent this year, outpacing the increases in the broader economy, according to Farm Credit Canada, a Crown corporation. Profit margins are thin in meatpacking, and with beef and pork selling for near-record prices, consumers are not expected to stomach more increases in their grocery bills. At the same time, Canadian meat plant wages

are already 10 to 20 per cent higher than in the United States.

There are 1,000 job vacancies at Canadian packing plants, the meat industry says. About half of these are at two beef plants in Alberta, where employers must compete with the high-paying energy industry for workers.

“When you’re competing with the oil patch, it’s next to impossible,” said Mark Chambers of Sunterra Farms, which raises pigs in Acme, Alta., and produces pork in Trochu, Alta. Both locations are rural, and have job openings that the company is unable to fill without extensions to the temporary foreign worker program.

“We can’t get enough staff within Canada. We’ve got a number of Canadians working for us. That’s obviously our first choice because it’s a lot easier,” Mr. Chambers said.

Sunterra pays \$15 to \$20 an hour, less than the oil patch but more than the \$10.20 minimum wage.

“These aren’t minimum-wage jobs,” Mr. Chambers said. “It’s full-time with benefits, year-round. It’s not easy work. It’s not like pouring a coffee at a fast-food joint. But then again we don’t pay minimum wage.”