

**RESEARCH OPPORTUNITY
LABOUR MARKET CONSIDERATIONS
FOR TORONTO'S FOOD & BEVERAGE PROCESSING SECTOR
NOVEMBER 17, 2016**

Submission Deadline: Thursday December 8, 2016, 5:00 PM

Introduction:

The Intergovernmental Committee for Economic and Labour Force Development (ICE) is seeking applications from qualified individuals, organizations and firms to explore the workforce characteristics, issues and needs of Toronto's food and beverage processing sector. Best practices in workforce development strategies also are to be identified.

The ICE Committee's purpose in commissioning the research is to inform the need for further action to better meet the needs of the sector's employers and workers – for example, to address labour market shortages and/or skills gaps, assist in the transition to new technologies, strengthen career ladders, reduce employee turnover, etc.

Research Objectives:

The Committee's interest in the food and beverage sector integrates the supply and demand side of labour force development:

1. Toronto's food and beverage sector has been growing, and shows promise as a future generator of prosperity and employment. We want to explore the ability of the labour market to meet the current and anticipated future needs of employers and sector expansion, and identify strategies that government, the education system and employers could use to address any weaknesses or issues and better leverage labour market strengths and opportunities.
2. Toronto's food and beverage sector is a major employer, with a workforce exceeding 50,000 people. Past research has shown that newcomers form a significant component of the sector's workforce and that issues such as high employee turnover, poorly developed career ladders and skills obsolescence may be experienced. We also understand that the sector may be experiencing difficulty in attracting younger workers with the specialized skills needed for technological advances. We want to explore the extent to which such issues are being experienced and identify win-win strategies to address them.

It is anticipated that the research will probe such questions as:

Workforce Characteristics, Trends and Retention

1. Broad characteristics of sector workforce, broken down by sub-sector where relevant.
2. Employee retention; high and low turnover jobs.
3. Newcomers in work force; approximate number of employees who've been in Canada for 5 years or less.
4. Technological innovation; have significant changes to processing technologies been made or are planned? Impact on employees.
5. Anticipated future sector trends and growth prospects and implications for the workforce.

Talent Attraction

6. How employers fill job vacancies; success and satisfaction with recruitment techniques.
7. Types of jobs / categories of skills that are difficult to fill; strategies used to increase success.
8. Employers' use of labour market information; LMI needs that aren't being served by current products.

Workforce Development Strategies

9. Work force development programs and initiatives in use or under development; to what extent do Toronto companies address the workforce development needs of their employees: for example, to accommodate newcomers, provide retention incentives, provide training resources to employees, facilitate career progression, form relationships with universities/colleges to address specific skills gaps, etc. Examples of "best practice" companies.
10. Suggestions for how the wider adoption of workforce development initiatives can be encouraged and facilitated.

International Food & Beverage clusters

11. International best practices in workforce development strategies, policies and/or programs with relevance to the Toronto context

Background:

The food and beverage processing sector is Canada's second largest manufacturing industry, with \$105.5 billion in sales in 2014. (www.agr.gc.ca). Unlike many other types of manufacturing, the food and beverage

sector has maintained growth throughout the last decade at the national level, as well as in Ontario and Toronto.

Toronto has the largest cluster of food & beverage manufacturers in Canada and is among the largest in North America (along with Chicago, New York and Los Angeles). It accounts for about half of Ontario's industry and about one sixth of Canada's. In addition to its manufacturing strength, Toronto is a major decision-making centre for the food industry in Canada, with half of Canada's top ranked food and beverage manufacturers being headquartered in the city.

In the Toronto Census Metropolitan Area (CMA), there are 1,149 food and beverage manufacturing establishments employing over 51,000 people (Sources: Canadian Business Patterns, Dec. 2013; and Labour Force Survey, 2013). The total annual sales in the Toronto CMA were estimated to be \$16.9 billion in 2011.

The sector in Toronto is extremely diversified. Bakeries are the largest single type of food processing plant. Meat processing is the next largest sub-sector, followed by beverages. Specialty food processors have grown about twice as fast as the average for the sector. This is a reflection of Toronto's vibrant multi-ethnic community and its export connections abroad. About 25% of all food processing plants within Toronto are considered to be making specialty products.

Two-thirds of the total food processing companies in Toronto have annual sales of less than \$5 million. These smaller firms are nearly all owner-operated businesses producing 'fresh product' or serving specialty markets within the city. Slightly more than a quarter of the food processing companies are in the \$5 million to \$50 million range. The small and medium-sized food establishments are experiencing the fastest growth and highest export potential of all companies in this cluster. The largest operations, with annual sales in excess of \$50 million, are mainly multi-national subsidiaries, serving the markets well beyond the boundaries of Toronto and often outside the province. (WCM - Food Industry Outlook - A Study of Food Industry Growth Trends in Toronto, August 2002). These companies include Campbell Soup Company Ltd., Cargill Ltd., Fiera Foods, George Weston Ltd., Kraft Canada Inc., Maple Leaf Foods, Nestle Canada, Unilever Canada Ltd. and Wrigley Canada.

The Toronto sector's labour force characteristics and issues were last comprehensively explored in 2004. (See http://www1.toronto.ca/static_files/economic_development_and_culture/docs/Sectors_Reports/labour_force_food_screen.pdf). That report as well as current anecdotal information suggests that:

- Newcomers form a significant segment of the sector’s labour force. The working conditions and access to career ladders in the sector therefore may have broader ramifications for newcomers’ successful integration into the Canadian labour force;
- Older workers nearing retirement or not up-to-date with technological advances are a potential work force development issue;
- There may be challenges in attracting and retaining “millennials”
- Some companies experience a high rate of employee turn over, especially among production workers;
- There may be a shortage of appropriately trained scientists and technicians.

Definitions

- Food and Beverage Sector: The intended research focus is on manufacturers/processors (NAICS codes in the 311 and 312 (excl. tobacco products) categories); restaurants and bars are excluded, as are linked industries such as packaging, advertising, off-site head offices, etc.
- Firm Size: It is anticipated that the research will need to differentiate between small (sales less than \$5 million), medium (sales \$5-\$50 million) and large (sales greater than \$50 million) companies
- Geographic Scope: It is intended that the research be focused on the City of Toronto. However, it is recognized that most statistics are published only at the CMA level, and that the needs and characteristics of the sector extend across municipal boundaries. The research may include some companies and stakeholder organizations located in adjacent municipalities where their inclusion adds to the knowledge gained about the Toronto industry and labour market and workforce development needs and opportunities.

Major Research Tasks:

1. Literature and Internet scan about:
 - a. Food and Beverage Sector trends and labour force characteristics and issues in Toronto (in Ontario and Canadian context).
 - b. International food and beverage industry clusters with an emphasis on labour market issues and workforce development strategies, policies and programs potentially relevant to Toronto.
 - c. Best practices in work force development (including specialized skills training).

The prime purpose of this review is to inform and provide a context for the primary research phase and to suggest possible new directions/ideas that could be recommended for Toronto. It is recognized that the project budget is insufficient to accommodate a comprehensive and detailed analysis of sector trends.
2. Key stakeholder interviews with Toronto industry leaders and experts and representatives knowledgeable about the sector’s workforce characteristics and issues.

3. Focus group discussions (potentially three) to probe the research objectives. ICE Committee members and the Toronto Economic Development and Culture Division will work with the Researcher to facilitate participant identification and focus group logistics.
4. Analysis of at least two case studies of Toronto area companies using innovative workforce development approaches.
5. Analysis of findings with an emphasis on addressing the research objectives described above.
6. Development of recommendations directed at addressing any labour market issues and workforce development weaknesses uncovered by the research.

A member of the ICE Committee will be identified as the Researcher's prime contact.

An ICE sub-committee (three to six members) will provide direction to the Researcher throughout the project. It is expected that the work program will include regular check-ins and discussions with this group. They will review and approve proposed list of stakeholder interviews, case study identification, focus group participant list, format and questions, etc.

Major Deliverables:

1. Phase I Report summarizing literature and internet review and drawing implications for the primary research phase. A bibliography of reference sources is to be included.
2. Phase II report including description and summary of primary research, analysis of findings and draft recommendations
3. Final report incorporating feedback from the ICE Committee. Report will integrate the Phase I and Phase II reports to create a stand alone publishable document.
4. Two Presentations of Study results to ICE Committee members (Phase I report and Phase II report).
5. Presentation of final report to broader audience at a "Research Report Launch" event.

Budget:

The maximum budget is \$15,000.00 inclusive of all expenses and HST (if applicable).

Timeline:

January 16, 2017 – anticipated project start date

March 1, 2017 – deadline for submission of Phase I report

March 8, 2017 – anticipated date for Presentation of Phase I report to ICE Committee

June 30, 2017 – deadline for submission of Phase II report

July 19, 2017 – anticipated date for Presentation of Phase II report to ICE Committee

August 15, 2017 – deadline for submission of Final report

Date tbd – Research Report Launch; probable timeframe is September – December 2017

Application Process:

To apply, email a **MAXIMUM FIVE PAGE** submission to info@icecommittee.org with the subject line “Research Proposal: Labour Market Considerations for Toronto’s Food and Beverage Processing Sector”

Your submission should

- Outline how you propose to undertake the necessary work to address the project’s research objectives and produce the deliverables within the indicated timeframe. Include a brief description of the approach you will take to completing the research tasks.
- Demonstrate your requisite experience and qualifications to carry out the project (maximum 2 pages).

We will accept joint applications from groups of individuals or organizations as well as from consulting firms. We encourage applications from current graduate students and graduates with relevant degrees. Credentials and professional experience earned either in Canada or internationally will be recognized. For additional information, please contact info@icecommittee.org.

Application deadline: **Thursday December 8, 2016, 5:00 p.m.**

Selection schedule:

- All applicants will be notified of receipt of their submission within 24 hours. This email will provide more information about selection process and timeframe.

About the ICE Committee:

The Intergovernmental Committee for Economic and Labour Force Development in Toronto (the ICE Committee) was established in 1997 by officials in the Government of Canada, the Province of Ontario, and the City of Toronto. The purpose of the committee is to coordinate the economic and labour force development activities of the three governments (and the various departments and ministries within each government) in Toronto. The ultimate goal of the ICE Committee is to achieve the effective delivery of economic and labour force development programs in Toronto. ICE has played a key role in bringing together critical players to share information on their respective programs and projects. For more information about ICE, please visit www.icecommittee.org.