



BRIEF

Parliamentary Committee

House of Commons Standing Committee on Citizenship and Immigration

“Study of the Labour Market Impact Assessment Under the Temporary Foreign Workers Program”

Presented by
Olymel L.P.

April 19, 2021



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Olymel L.P. wishes to thank the Standing Committee on Citizenship and Immigration of the House of Commons of Canada for its invitation to appear in connection with its study of the labour market impact assessment under the Temporary Foreign Worker Program. Olymel feels privileged to be able to share its concerns with the Committee in the context of the current labour shortage and to contribute to the government's thinking.

OLYMEL: DRIVING REGIONAL ECONOMIC DEVELOPMENT IN THE AGRI-FOOD SECTOR

Olymel is Canada's leader in the production, processing and distribution of pork and poultry meats. We are the leading pork producer and meat processor in the country. Olymel employs 15,000 people in Canada, in five provinces. We are a true driver of regional economic development with operations in Québec, Ontario, New Brunswick, Alberta and Saskatchewan. We are strong supporters of regional economic development and play a key role in the vitality and prosperity of our regions.

Olymel is a pillar of the Canadian food processing sector. Our annual sales reach \$4.5 billion and our products, marketed mainly under the Olymel, Lafleur, Flamingo, Pinty's and Tour Eiffel brands, are now sold in over 65 countries. Olymel is a global agri-food giant. We take pride in "feeding the world" with passion every day.

ROBUST AND INNOVATIVE RECRUITMENT MECHANISMS THAT HAVE REACHED THEIR LIMITS

The impact of the labour shortage is being felt in our operations across Canada, but mainly in the provinces of Québec and New Brunswick. Despite all our local and international efforts, we are not able to complete our workforce, or sustain our operations and regional growth.

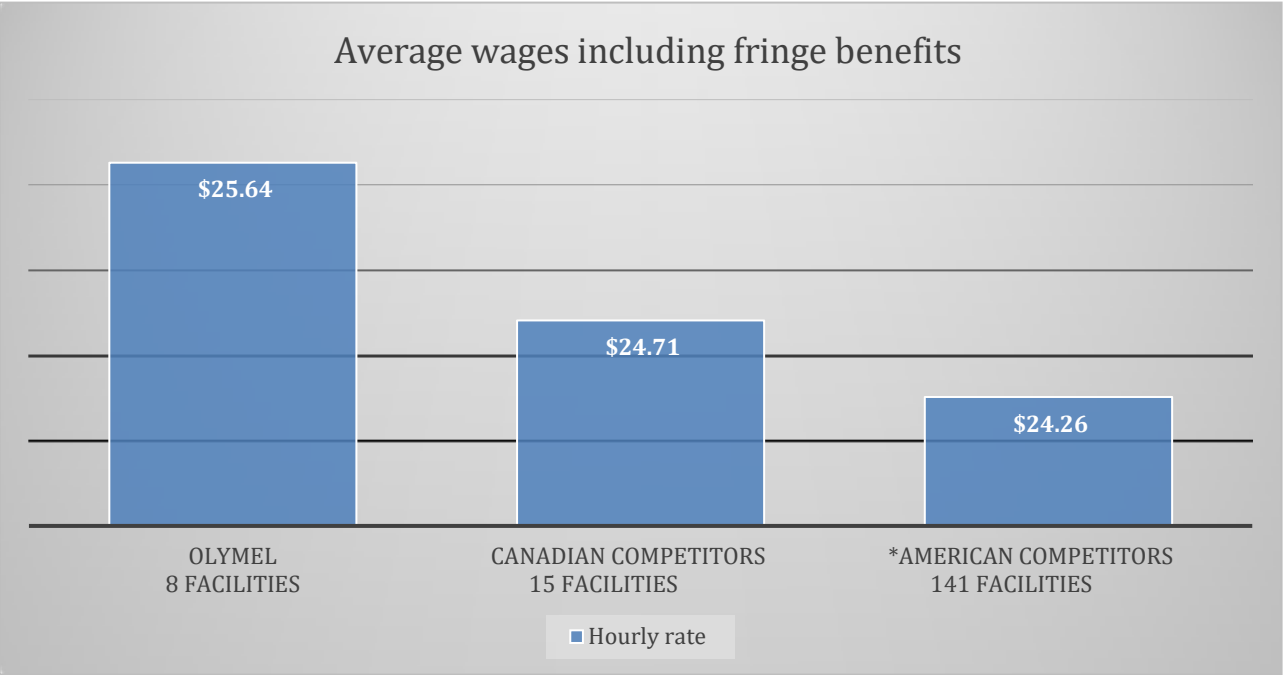
Over the years, Olymel has continued to improve the actions it takes to optimize each of these recruitment channels, and that has enabled us to fill over 1,800 positions in nearly three years.

Here are some of these actions:

- ✓ Internal referral program (\$1,000/candidate) in place since 2016 that allowed us to hire 800 people;
- ✓ Strong partnerships with over 20 newcomer settlement and regionalization agencies that allowed us to hire over 1,000 employees since 2016, 400 of whom settled in the regions in partnership with the regionalization agencies;
- ✓ Rigorous labour market analyses and modern recruitment platforms on social media, the Internet, etc., as well as more traditional ones, such as radio, CLEs (Local Employment Centres) and CJE's (Youth Employment Centres);
- ✓ Bus/shuttle service offered to an average of over 685 workers per week;
- ✓ Indispensable use of the Temporary Foreign Worker Program (TFWP) for facilities where there is a significant need and a shortage of labour;
- ✓ Various types of support to facilitate newcomers' integration and retention, such as support in obtaining permanent residency or assistance in learning the various aspects of successful integration (social, community, professional).

A COMPETITIVE GLOBAL REMUNERATION PACKAGE

SLAUGHTER SECTOR



MAJOR LABOUR NEEDS, COMBINED WITH DRAMATIC SCARCITY

The current situation has reached an unprecedented critical level and is a major concern for our company. We are currently looking to fill over 3,000 positions that are still vacant and, according to our projections, this trend will continue for the next few years.

Ultimately, Olymel needs to hire 3,700 people according to these three areas:

- ✓ An average of 1,400 new hires per year to avoid the decline due to:
 - Turnover;
 - Retirements;
 - Low regional demographics;
- ✓ One thousand hires to bring our plants up to capacity and optimize past investments, representing \$50 million in wages and \$125 million in EBITDA;
- ✓ One thousand hires to meet future opportunities and projects, representing \$50 million in wages and \$75 million in EBITDA.

Overview of labour needs in slaughter and processing plants			
Provinces	Number of employees currently employed	Additional positions required and not filled (annual turnover rate, optimize past investments and identified projects)	% vacancies
Québec	6854	3114	31%
Ontario	1495	272	15%
Alberta	1715	334	16%
New Brunswick	151	25	14%
Olymel Total	10,215	3,745	27%

Major particularities of our sector

- ✓ Linked directly to animal production (production cycle, climate, environment, live inputs and grain cultivation, feed mills), leaving little leeway in the continuity of slaughter operations;
- ✓ Slaughter facilities located in regions near supply sources;
- ✓ The nature of the tasks requires a significant amount of labour;
- ✓ Our facilities' mechanization and automation levels are optimal, but do not allow us to significantly substitute the need for labour;
- ✓ We are affected by the low regional demographics and by labour scarcity;
- ✓ Job training is provided in full upon hiring;
- ✓ The stability of our workforce: 38% of our slaughterhouse workforce has more than 10 years of service, 9.3% of whom have over 25 years of service;

- ✓ An ageing workforce: 33% of our slaughterhouse staff are aged 50 and over, 10.2% of whom are over 60.

Olymel must be able to count on the necessary staff to support its activities and growth. The labour shortage in the regions is significantly slowing our regional economic growth. Some of our development and expansion plans are in jeopardy. Regional socio-economic prosperity is at risk.

ECONOMIC IMMIGRATION IS A VITAL SOLUTION FOR THE REGION

Olymel believes that economic immigration (permanent and temporary) is one of the essential solutions for meeting our labour needs, especially for our “unskilled” labour needs in the regions (a term used in the sense of federal legislation and regulations; at Olymel, the term “semi-skilled workers” would be more appropriate). Immigration plays a key role in our society and is an essential tool for ensuring our regional economic vitality.

We currently have over 600 immigrant newcomers (mainly asylum seekers) among our employees.

We also have nearly 610 temporary employees from the TFWP and expect another 600 in the coming year. As part of this process, we have had to file 110 Labour Market Impact Assessment (LMIA) applications and 1,558 Québec Acceptance Certificates (QAC). The overall exercise represented a tremendous workload for Olymel; in fact, we had to expand our team to manage the files. It also represented significant investments for our company.

TEMPORARY FOREIGN WORKERS PROGRAM

Olymel believes that the TFWP does not adequately meet its current labour needs in the regions. It does not allow us to close our short-term staffing gap, although it is essentially the last means at our disposal.

INSUFFICIENT TEMPORARY FOREIGN WORKER HIRING CAP PER EMPLOYMENT LOCATION

The cap on the hiring of temporary foreign workers (“TFWs”) per employment location, arbitrarily set at 10% under the TFWP, is an important issue, if not a major problem for Olymel. This pan-Canadian cap does not allow us to meet our increased and immediate labour needs, especially in Québec where we have more than 83% of our positions to fill.

Under the current circumstances, the 10% TFW hiring rate is clearly inadequate and significantly jeopardizes Olymel’s planned development.

Olymel is convinced that the following solution would better suit our industry:

Recommendation 1:

Include in the “exemption to the cap for on-farm primary agricultural positions” the NOCs (National Occupational Classification codes) for Labourers in Food Processing (9617) and Industrial Butchers (9462) since slaughter operations are a logical extension of primary agriculture.

In the event that this solution is not selected, we request that the TFWP be amended to address the following cap issues:

- ✓ Increase the cap on low-paid positions from 10% to 30% for NOCs related to essential services;
- ✓ Handle the cap calculation differently (30% for the whole company and not per employment location).

PERMANENT SELECTION OF TEMPORARY FOREIGN WORKERS

The agri-food sector has permanent labour needs. Olymel has permanent labour needs. The TFWP is only a means to meet our short-term needs and is essentially the gateway for many unskilled workers who wish to immigrate to Canada. The transition to permanent immigration status is a mechanism that attracts newcomers to regions and is appealing for those who wish to settle in Canada.

Olymel is very active and involved in all aspects of newcomer integration, from job interviews to training sessions to applications for permanent residence. We have developed close relationships with many community organizations and implemented programs specifically tailored to the needs of our immigrant workers. At Olymel, an unskilled TFW can easily become a skilled worker, and we greatly encourage such professional development. We are looking for and want permanent employees.

We support our TFWs in their efforts to obtain permanent residence. We estimate that 80-90% of them will apply once they become eligible. The transition from temporary to permanent status is key to the vitality of our business and the regions in which we operate. It reduces uncertainty and job insecurity, and creates stability both for us and our employees. Our work and investments are aimed at ensuring the stability of our workforce. We have a long-term vision.

Olymel applauds the government's efforts in connection with the Agri-Food Pilot, and the announcements made on April 14, 2021, that provide an additional way for our TFWs—who are doing essential work—to apply for permanent residency.

However, because of the Canada-Québec Accord, almost all of our TFWs are currently excluded from both programs. Québec recently implemented its pilot program for workers in food processing, which makes it possible for TFWs working in our sector to obtain a Certificat de sélection du Québec (Québec selection certificate, “CSQ”), but the pilot program’s requirements, such as having 24 months of experience rather than 12 before being eligible, as well as other criteria, place us at a disadvantage compared to other Canadian provinces. The new Québec program criteria will:

- ✓ Decrease the number of TFWs that we can recruit from abroad compared to the number that companies located in other provinces can recruit and compared to the number we recruited in the last few years, as those who have obtained permanent residency are no longer included in the limit’s calculation.
- ✓ Encourage TFWs working in Québec to seek employment in another province (e.g. New Brunswick) where it is quicker to obtain permanent residency, making family reunification open to them.

Recommendation 2:

That the federal government continue to recognize our sector as an essential service by pursuing its initiatives to provide access to permanent residency for low-skilled positions in our industry, and that it continue discussions with the Québec government such that the latter can implement programs equivalent to those that the federal government has announced in recent years.

RENEWAL OF WORK PERMITS FOR TEMPORARY FOREIGN WORKERS

The work experience required to apply for a CSQ in Québec coincides with our TFWs’ work permit expiry dates. In order to keep our TFWs in our employ, we will be required to reapply, for each of our TFWs, for an LMIA, temporary selection in Québec and a work permit renewal.

In the current regulatory context, with the difficulties that TFWs have in obtaining certain documents, the funds needed for such applications and the annual limit of CSQ applications under the Québec pilot program for food processing workers (550 per year), we will be forced to undertake the renewal procedures after 18 months of work.

Consequently, it would be invaluable for our company if, instead of having to go through the LMIA process again, a new LMIA exemption were created, or an existing one modified, which would allow a TFW with some Canadian work experience in our sector to obtain an employer-specific work permit with a job offer (on the Employer Portal).

Recommendation 3:

That the federal government implement a new LMIA exemption or modify an existing exemption to allow TFWs in our sector to obtain an employer-specific work permit with a job offer (on the Employer Portal) after 18 months of work experience.

TEMPORARY FAMILY REUNIFICATION

In our sector, TFWs are primarily food processing labourers (NOC 9617) or industrial butchers (NOC 9462). According to the National Occupational Classification (“NOC”), these positions have a skill level of D or C respectively. Under the current LMIA exemptions, unlike the spouses of occupational category O or skill level A or B workers, our TFWs’ spouses are not eligible for an open work permit as accompanying persons, and their children, if any, have difficulty obtaining a visa or study permit.

Allowing spouses and children to accompany TFWs on a temporary residency would greatly help us recruit and retain TFWs. It would also reduce some of the constraints that Québec has imposed on obtaining the Québec selection certificate and, by extension, permanent residence for workers in Québec.

Recommendation 4:

That the federal government allow the spouses of TFWs who have obtained a work permit in connection with an LMIA and a QAC and who work in certain NOCs, in particular NOC 9617 and NOC 9462, to obtain an open work permit, and their children to obtain a visa or study permit, as the case may be, and thus facilitate temporary family reunification.

PROCESSING TIMES, LMIA VALIDITY AND PROCESSING COSTS

As the labour shortage is more prevalent than ever, we have immense human resources needs for permanent positions, and, given the urgency of the situation in our sector, we recommend:

Processing times

Recommendation 5:

That the government continue to prioritize the processing of LMIA and work permits for key occupations related to the agriculture and agri-food sectors.

LMIA validity

Recommendation 6:

That the government, further to its three-year pilot project, maintain the validity of work permits at a minimum of two years for low-wage workers, while aligning work permit validity periods with provincial requirements on the transition from temporary immigration to permanent status.

Processing costs

Olymel believes that the analysis time required for a multiple-worker or single-worker LMIA is substantially the same, and that the cost of an LMIA study should not be multiplied by the number of workers involved in a study.

Recommendation 7:

That the government adjust program fees based on the number of LMIAs filed and not on the number of workers.

SUMMARY OF RECOMMENDATIONS

Recommendation 1:

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