



Sectoral Profile

Food, beverage and tobacco products manufacturing NAICS 311, 312

Quebec

2018-2020*



- The industry is influenced by changes in demographic and social trends: tastes of a new generation, aging, and consumption trends
- Quebec manufacturers are also increasingly faced with foreign competition

The food, beverage and tobacco products industry is changing along with demographics, economy and purchasing power of consumers, ethnic diversity, as well as health and environmental concerns. Businesses are constantly developing new products to create the new trend, adapt, or to answer to competition. The industry consists of large processors and numerous small and medium-sized companies that manufacture niche and local products, for which demand is rising rapidly.



* Data is for the Food sub-sector only, presented as indicators where the year 2007 = 100
Sources: Statistics Canada, GDP – CANSIM 379-0030, Employment – LFS, Sales – CANSIM 304-0015.

The food, beverage and tobacco products manufacturing industry is the largest manufacturing employer in Quebec. It is divided into ten production segments, four of which account for 70% of the workforce: meat products (25%), bakeries and tortilla (18%), dairy products (14%), and beverage and tobacco product (12%). In recent years, the dynamics of employment came out as neutral since gains over the past two years have removed the losses of years before. During that period, some businesses invested heavily in production automation and to improve productivity, which may have led to a decrease in labour requirements for a while.

* This document is the result of analyses performed using information available as at April 5, 2018.

However, others find themselves in a difficult situation due to aging installations. Old production units show a lower capacity and output in comparison to more recent units. In such conditions, plants cannot be competitive in the North American market. The industry is also dealing with several mature market segments, mainly with sales that depend mostly on Quebecer's spending.

If nothing else, upgrading is a must to overcome current or future labour recruitment difficulties. Given the large number of SMEs in the industry, one might think that such investments would be too expensive for most establishments. However, optimization does in fact save on costs, even on those that are often believed to be fixed. For example, now more than ever, farm product prices are affected by what is happening worldwide, and with little growth prospects for the domestic market, there should be no hesitation about generating productivity gains required to maintain operations and cope with foreign competition.

You have to be able to follow all the changes in consumer demand, with the rising popularity of prepared foods, healthy eating, consumer desire to eat local, organic, biodynamic, fair-trade, ethical, etc.

It is still premature to comment on the possible impacts of the Comprehensive Economic and Trade Agreement between Canada and the European Union which started in September 2017. While Quebec cheese producers are concerned about a greater opening of the Quebec market to European products, we believe that competitive pressure will be felt mainly in the industrial cheese market over the next few years. Quebec's artisanal cheeses and niche products are more secured by the fact that consumers are specifically looking for them.

Repeated calls from other countries, including the United States, that Canada end the milk, egg and chicken supply management are also a cause of concern to many producers and processors.

Despite this, investment is growing in the food processing division. The same goes for productivity. We will see job gains, but they will be limited by productivity gains

The flavoured drinks and beers market is growing. Employment is growing, more investments are on the way, and time and money are spent on research for that product which will captivate the taste of its diverse clientele.

The legalization of cannabis in the second half of 2018 will bring about investments and jobs for production and marketing of cannabis products.

Overall, the search for new products and outlets, and new consumer trends provide exciting opportunities for the food, beverage and tobacco product manufacturing industry.

Sectoral Dynamics for the Regions

| Québec 2018-2020 | In Economic Regions | AAGR |
|--|----------------------------|------|
| <p>Annual average growth: 0.7%</p> <p>Gain of approx.: 1 775 positions</p> <p>Yearly dynamics: 2018: ↗ 2019: ↗ 2020: ↗</p> | Outaouais | 1.4% |
| | Gaspésie–Les-Îles | 1.0% |
| | Saguenay–Lac-Saint-Jean | 1.0% |
| | Mauricie | 1.0% |
| | Lanaudière | 0.9% |
| | Capitale-Nationale | 0.9% |
| | Bas-Saint-Laurent | 0.7% |
| | Montérégie | 0.7% |
| | QUÉBEC | 0.7% |
| | Estrie | 0.7% |
| | Centre-du-Québec | 0.7% |
| | Chaudière-Appalaches | 0.7% |
| | Laurentides | 0.6% |
| | Côte-Nord / Nord-du-Québec | 0.5% |
| | Montréal CMA | 0.5% |
| Abitibi-Témiscamingue | 0.0% | |

n/a: Does not apply

Source: *Sectoral Outlook 2018–2020* annual exercise.

Labour Market Analysis Directorate, Service Canada – Quebec Region, 5 avril 2018.

The following occupations, in the food, beverage and tobacco products processing industry, are likely to be affected by the dynamics of the employment market (according to the occupation by industry matrix):

- 9617 Labourers in food, beverage and associated products processing
- 9461 Process control and machine operators, food, beverage and associated products processing
- 6332 Bakers
- 9213 Supervisors, food, beverage and associated products processing
- 9462 Industrial butchers and meat cutters, poultry preparers and related workers
- 7452 Material handlers
- 6421 Retail salespersons
- 0911 Manufacturing managers
- 9618 Labourers in fish and seafood processing
- 6411 Sales and account representatives - wholesale trade (non-technical)
- 1521 Shippers and receivers
- 7311 Construction millwrights and industrial mechanics
- 2211 Chemical technologists and technicians
- 7511 Transport truck drivers
- 6711 Food counter attendants, kitchen helpers and related support occupations
- 7333 Electrical mechanics
- 6731 Light duty cleaners
- 0621 Retail and wholesale trade managers
- 0601 Corporate sales managers.

SIZE AND DISTRIBUTION OF AND CHANGES IN EMPLOYMENT IN THE INDUSTRY IN QUEBEC

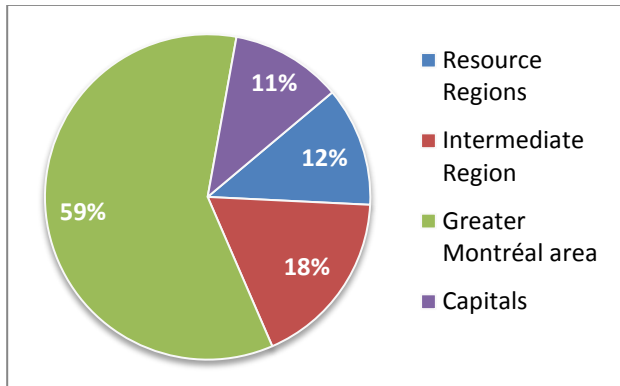
| | Employment 2015–2017 Average | | | 10-year Change in Employment | |
|-------------------------------|---------------------------------|----------------------------|---------------------------------|---------------------------------|-------------|
| | Employment In thousands | Provincial distribution | Regional employment share | In thousands | as a % |
| All of Quebec | 79.1 | 100.0% | 1.9% | 4.8 | 6.5% |
| Resource Regions | | | | | |
| Abitibi-Témiscamingue | x | x | x | x | x |
| Bas-Saint-Laurent | 1.8 | 2.3% | 2.1% | -0.3 | -12.7% |
| Côte-Nord / Nord-du-Québec | x | x | x | x | x |
| Gaspésie-Îles-de-la-Madeleine | x | x | x | x | x |
| Saguenay-Lac-Saint-Jean | 1.5 | 1.9% | 1.2% | -0.2 | -13.2% |
| Intermediate Regions | | | | | |
| Centre-du-Québec | 4.4 | 5.6% | 3.7% | 0.6 | 14.7% |
| Chaudière-Appalaches | 6.5 | 8.3% | 3.0% | -0.1 | -1.5% |
| Estrie | 1.7 | 2.1% | 1.1% | 0.7 | 72.4% |
| Mauricie | 2.0 | 2.5% | 1.7% | 0.2 | 9.3% |
| Greater Montréal area | | | | | |
| Lanaudière | 6.2 | 7.8% | 2.4% | 0.9 | 16.4% |
| Laurentides | 4.0 | 5.1% | 1.3% | -0.2 | -4.0% |
| Laval | 3.8 | 4.8% | 1.8% | 0.4 | 10.7% |
| Montérégie | 23.2 | 29.4% | 3.0% | 2.3 | 11.2% |
| Montréal | 17.1 | 21.6% | 1.7% | 2.2 | 15.0% |
| Capitals | | | | | |
| Capitale-Nationale | 4.4 | 5.5% | 1.1% | -0.9 | -17.1% |
| Outaouais | x | x | x | x | x |

x: confidential data, fewer than 1,500 people employed in this region

Source: Historical estimates based on Statistics Canada's Labour Force Survey

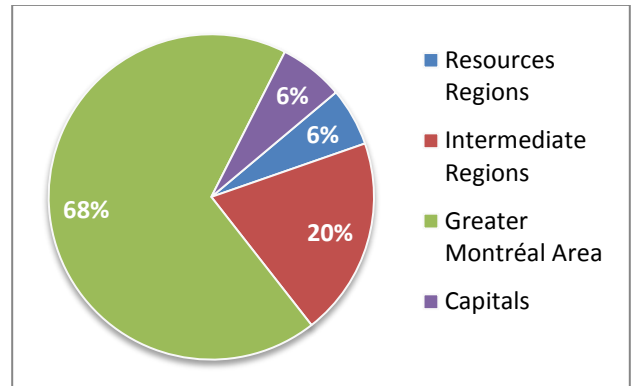
SOME CHARACTERISTICS OF THE INDUSTRY IN QUÉBEC

Establishment distribution by Region



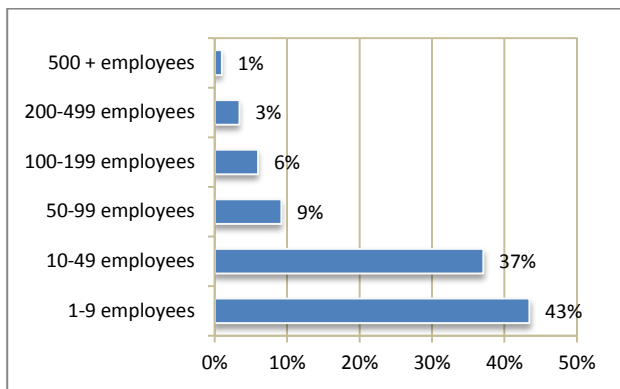
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment distribution by Region



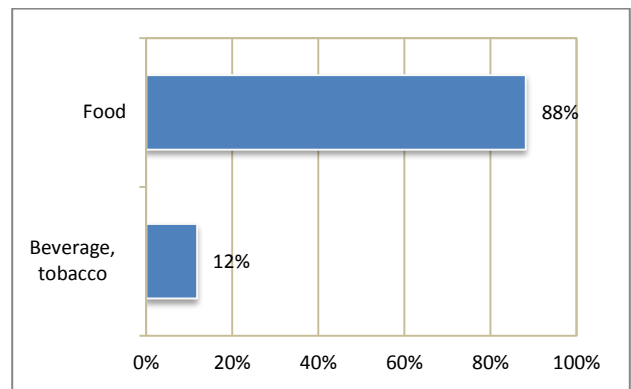
Source: Statistics Canada, Labour Force Survey; based on average employment in 2014-2016

Size of establishment



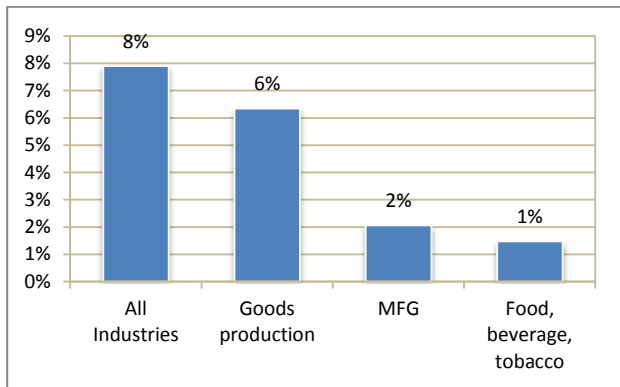
Source: Statistics Canada, Establishment Counts by Economic Region, industry, and Employee Size Ranges, December 2015

Employment by industry subsectors



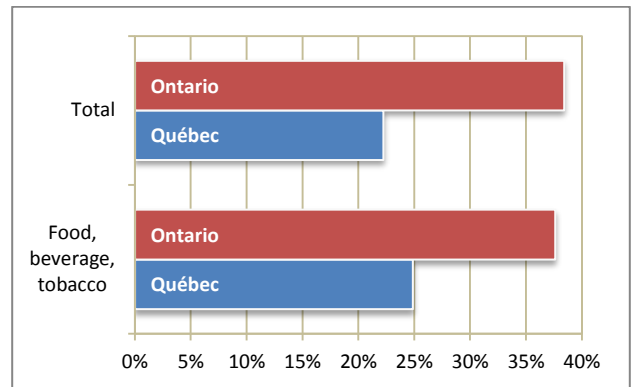
Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Self-employed jobs compared to Total employment



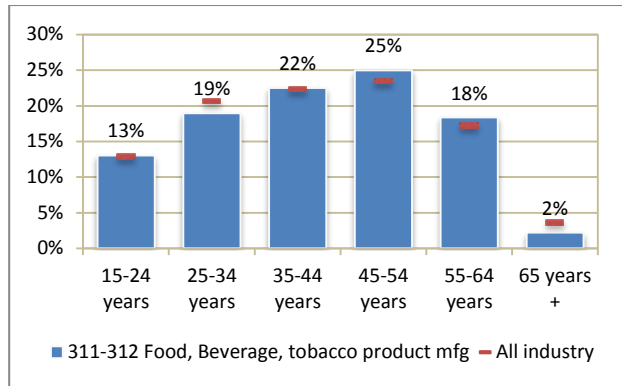
Source: Statistics Canada, CANSIM 383-0031 Labour statistics, based on average employment in 2014-2016

Share of total employment and industry in Canada



Source: Statistics Canada, Survey of Employment, Payrolls and Hours; based on average employment in 2014-2016

Employed Labour Force Aged 15 Years and Over



Source: Statistics Canada, 2016 Census, special tabulation for ESDC

Employment distribution by skill type

| National Occupational Classification | |
|---|-----|
| 0. Management | 8% |
| 1. Business, finance and administration | 11% |
| 2. Natural and applied sciences and related | 4% |
| 3. Health | 0% |
| 4. Education, law and social, community and government services | 1% |
| 5. Art, culture, recreation and sport | 0% |
| 6. Sales and service | 19% |
| 7. Trades, transport and equipment operators | 11% |
| 8. Natural resources, agriculture and related production | 1% |
| 9. Manufacturing and utilities | 45% |

Source: Statistics Canada, 2016 Census, special tabulation for ESDC

FOR MORE INFORMATION

- Job Bank (Canada) – [Job Market Trends and News](#): Information on job, skills and local labour market trends is important for making career decisions. In addition, information on wages, labour supply, labour demand and other factors helps employers recruit, train and retain workers and make business and investment decisions.
- North American Industry Classification System (NAICS) Canada 2012: Food, beverage and tobacco products manufacturing [NAICS 311](#) and [NAICS 312](#)

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

Prepared by: Labour Market Analysis Directorate, Service Canada, Quebec

For further information, please contact the LMI team at:

http://www.esdc.qc.ca/cqi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2018, all rights reserved