

Explained in Brief

State of Alberta’s Agri-Food Industries 2021 – earnings in food and beverage manufacturing

The State of the Industry 2021

Every year, Alberta Agriculture, Forestry and Rural Economic Development analyzes the competitiveness of Alberta’s agricultural industries. Findings do not represent government policy, but are trends based on latest available facts and information. We summarize our presentation in this series “[Explained in Brief](#)”. This issue discusses weekly earnings in the food manufacturing industries.

Industry earnings for Alberta workers (2020)

Availability, qualifications and wages of the labour force critically guide and determine the success of investment in food and beverage (F&B) manufacturing.

In 2020, Alberta had 1.791 million total employees. This represents 11.7 per cent of the Canadian work force (Statistics Canada, Table 14-10-0202-01). 22,138 employees, or 1.24 per cent of all Albertan employees, were employed in food manufacturing. These are 9.3 per cent of all Canadian food-manufacturing workers. 51.7 per cent (about 11,000 people) of Alberta’s food manufacturing employees work in meat processing; in comparison. The Canadian average for employees in meat processing industries is 27.3 per cent. This issue of “Explained in Brief” analyzes weekly earnings in Alberta’s food processing industry, and compares them to the Canadian average (figure below).



Source: Statistics Canada. Average weekly earnings by industry, annual, Table 14-10-0204-01.

In Alberta (in blue), workers (goods and services) earn an average wage of \$1,201 per week. In the manufacturing industries (durable and non-durable goods), weekly earnings are \$1,265 per week, which is five per cent higher than industry average. Comparing weekly earnings in Alberta with the Canadian average, it is notable that Alberta wages were higher than the Canadian average for all categories in 2020. The wage discrepancies, both at industry and manufacturing level, between Alberta and Canada are just under 10 per cent.

Food manufacturing wages in Alberta

Wages in Alberta's food manufacturing sector are in a difficult spot. Food manufacturing workers in Alberta earn \$1,004 per week. This is 16 per cent lower than the average Alberta industry wage (\$1,201 per week), 20 per cent lower than the manufacturing average (\$1,265 per week), and less than half of the weekly earnings in Alberta's (non-manufacturing) oil and gas extraction sector (\$2,289 per week). Food manufacturing workers earn lower-than-average wages in often highly physical work conditions.

However, industrial wages in Alberta are, on average, 2.5 per cent higher than Canadian averages, historically driven by high wages in oil and gas exploitation. In British Columbia, for example, food manufacturing wages are about 15 per cent lower than in Alberta. In essence, Alberta's food sector pays comparatively little (compared to oil and gas) for very hard work, but within Canada, Alberta's wages are comparatively high, providing incentives for food manufacturers to invest elsewhere.

Like in other jurisdictions, Alberta's food processing industry has three labour challenges: labour attraction, retention and skill development. As the data above shows, food processors, especially in rural areas, compete for talent with other industries that offer higher wage rates and often more attractive working conditions.¹ Food manufacturers state that worker retention is their top overall workplace challenge,² and automation and new technologies have created new skill and training needs, and a shift from general labourers to semi-skilled technicians.³

Alberta's big push in investment attraction

Against this backdrop, Alberta's strong push for investment attraction is important and timely. With a target of \$1.4 billion in joint-venture investment, leading to 2,000 jobs, the government-led initiative aims at increasing Alberta's food and beverage manufacturing capacity and expanding export markets. Identified growth areas reach from processing industries, and emerging segments (plant protein, cannabis) to agri-food technologies and innovations. The initiative is well on its way, showing early results with \$886 million in agri-food sector investments across 105 projects, and active leads on \$3.6 billion in investments. Leveraging the sector's growth position (see "Explained in brief – food processing sector") and building a talent pipeline for digital and business skills⁴ in conjunction with Alberta's agricultural colleges and researchers could be the next level of engagement.

Take home messages

- Historically, wages in Alberta have been higher than the Canadian average. The wage discrepancies both at industry as well as at manufacturing levels between Alberta and Canada are about 10 per cent.
- Alberta's food processing industry is in a difficult spot. Within Alberta, the food sector pays less than other employment segments. However, within Canada, Alberta's slightly higher wages may lead food manufacturers to invest elsewhere.
- Against this backdrop, government-led investment initiatives are timely and show early results. Engaging Alberta's agricultural colleges to build a "talent pipeline" may add value to this initiative.



State of the Industry is an annual presentation by the [Intergovernmental and Trade Relations Branch](#) of Alberta Agriculture, Forestry and Rural Economic Development (AFRED). Our findings do not represent government policy. They are a discussion of trends based on latest available facts and information as a snapshot in time.

¹ <https://foodpolicyforcanada.info.yorku.ca/backgrounder/problems/labour-force-maldevelopment/>

² <https://www.foodprocessing.com/articles/2021/where-did-all-of-the-food-and-beverage-workers-go/>

³ <https://foodpolicyforcanada.info.yorku.ca/backgrounder/problems/labour-force-maldevelopment/>

⁴ <https://ipolitics.ca/2021/11/03/canadas-food-production-limited-by-lack-of-labour-and-tech-report/>