

BC Fruit Growers' Association

Presentation to
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MP Kelowna - Lake Country



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July 25, 2012

Introduction

The BCFGGA appreciates the opportunity to present some current issues for your consideration.

Financial Condition of the Apple Industry

Federal funding for AgriFlex was announced in January 2011, and there has been some research funding for climate change. However, we need your support to obtain resources that will move our industry forward. Competitively, Washington State growers receive substantial support from the US government

- Specialty crop funding includes
 - o Export market enhancement funding.
 - o Food stamp (domestic) program.

Significant funding from Washington State is provided for worker housing (\$100 million over the past 11 years). As well, the Washington State and US Army Corp of Engineers devotes considerable resources in the development of irrigation water supply for Washington State agriculture.

We appreciate your support and input to attain the needed federal resources to keep our industry competitive.

The province recently announced a Replant Program, which will start in 2013. Our request for a federal companion program for replant or removal has been denied. An offer to consider an application to the Innovative Agriculture Program (IAP) was not acted upon, as the program was complex and faced barriers, compared to other available alternatives. However, we are making progress on one of the ideas that was generated by the IAP effort – a food processing facility that would generate improved returns for growers. We will be applying to a federal-provincial fund that is managed provincially. We appreciate your future support for this effort.

Genetically Modified Apple

The Arctic Apple, with rights owned by Okanagan Specialty Fruits, is being considered by the Canadian Food Inspection Agency. We are not opposed to the GM apple based on the scientific analysis, although there are significant concerns with the process. Rather the BCFGGA concern is the market reaction to the GM food. There is a possibility that the product will be approved for release in Canada but not in the US. This will increase the risk of adverse impact on Canadian apple growers.

In absolute terms, the cost of any negative market impact from the introduction of this technology impacts primarily on growers. On the other side, the benefit is not clearly apparent for growers, though the proponent is optimistic in this regard.

The BCFGAs and the Quebec Apple Producers' Association engaged Leger Marketing to conduct a web-based survey of 1,500 Canadians in the past month regarding the public opinion on genetically modified foods.

The government of Canada has not provided adequate information on Genetically Modified foods to the public – 76% of respondents said that the government has not provided adequate information about genetically modified food.

Canadian consumers think that healthy fruits and vegetables should not be genetically modified – 71% of respondents feel that there should be a special category of food (e.g. fruit and vegetables, milk) that is free of genetically engineered ingredients.

Canadian consumers do not want the Arctic Apple – 69% were not in favour of approval of the approval of the Arctic Apple by the Canadian Food Inspection Agency.

The provincial apple organizations meet together as the Apple Working Group, part of the Canadian Horticulture Council. Discussion has centred on BC and Quebec's opposition to biotechnology and Ontario's reluctance to impact the already-introduced biotechnology in grains and oilseeds. The national discussion has, however, indicated a more favourable view of biotechnology if the traits introduced through Genetic Modification either reduce the use of pesticides (e.g. conferring resistance to diseases such as scab or insect pests) or improve healthfulness (e.g. increase increase vitamin and flavinoid content).

The national Apple Working Group voted on July 24 to place a moratorium on the review of the Arctic Apple, until the risk of market reaction can be assessed and minimized.

The BCFGAs will be writing to the federal Minister of Agriculture and federal Minister of Health to request a moratorium on the Canadian Food Inspection Agency's review of the Arctic Apple. **We appreciate your support for a moratorium on the review of the Arctic Apple.**

Current Issues

1. Labour

The Seasonal Agriculture Worker Program (SAWP) has been very important to the agriculture sector. The urbanization and demographic trends in Canada make the SAWP program increasingly important to being able to harvest our entire crop, as the productive workforce available to farms continues to diminish.

Service Canada processing continues to be slow, in the range of 2 – 3 months on average, compared to 2 -3 weeks in prior years. **We ask that you investigate to ensure that the slow-down in Service Canada processing of SAWP applications is resolved next year**, and we appreciate any information you can provide to us for the reasons of this year's delays.

There is widespread concern about the new direction on Employment Insurance for season workers. The concern is that agriculture will be impacted negatively when workers who are not capable or interested are forced into farm work. Seasonal farm work is physically demanding and requires stamina and dexterity. Growers need reliable workers. A second concern is that workers in seasonal industry's will be encouraged to take year-round positions to the detriment of seasonal industries, such as agriculture and tourism. Both workers and employers pay into the EI system, and the system is in surplus. **We request that you support the seasonal industries, important in the Okanagan, with regard to proposed EI changes.**

2. Cherry Exports to China

The mainland China market represents a good market opportunity for BC cherries, but access has not been granted yet due to "phytosanitary" regulations. The Canadian Food Inspection Agency has been diligent in finalizing the technical aspects of gaining market access.

Canada has failed to gain direct access for cherries to China for this year, as the proposed export protocol includes the post harvest refrigeration requirement of 15 days. Since BC supplies premium markets, the cherries exported from BC are transported by air freight. A 15 day hold on the cherries shortens shelf life and impacts product quality. Additionally, this requirement is not in place for the protocol on US cherries exported to China.

We ask that you engage in dialogue with export access offices in the Ministry of Agriculture and AgriFood Canada to ensure that access to the Cherry export market in China is in place for 2013.

3. Business Risk Management Programs

The Agriculture Ministers are negotiating the successor to “Growing Forward”, a five year federal-provincial agreement on agriculture programs. The most important group of programs falls under the category of Business Risk Management. The federal Minister has placed two options on the table – both option reduce the AgriStability Program and result in reduced agriculture support by \$300 million over 3 years. The provincial Minister of Agriculture for BC, the Hon. Don McRae, has received the reluctant agreement of the federal Minister to assess a third option, but the reduction in agriculture budget appears to be firm. Canada is already among the least supportive of its agriculture sectors. This has resulted in greater imports of apples as a share of consumption in Canada. **We ask for your support in communicating to the Minister of Agriculture the importance of remaining competitive, through the measurement of national objectives for the agriculture sector** such as increased supply of domestic consumption, increased productivity, and decreased debt levels (which are at extremely high levels in Canada compared to the US, where agriculture supports by government are significant).

4. Productivity

Federal budgets for research are being cut. Reduced support for research will result in reduced productivity, compared to other competing countries. Canadian apples yields are already lower than competitors, and a national focus to resolve this competitive hurdle is needed. **We appreciate your support for a renewed federal commitment to productivity and research.**

Summary

The BC tree fruit industry has competitive challenges and hurdles to overcome. The federal government plays a central role in assisting the Canadian apple industry strategy to reverse its decline and return to growth.

We are asking that the federal government:

1. Attain the needed federal resources to keep our industry competitive.
2. Put in place a moratorium on the Canadian Food Inspection Agency's review of the Arctic Apple.
3. Ensure that the slow-down in Service Canada processing of SAWP applications is resolved next year.
4. Support the seasonal industries, important in the Okanagan, with regard to proposed EI changes.
5. Ensure that access to the Cherry export market in China is in place for 2013
6. Recognise the importance of remaining competitive, through the measurement of national objectives for the agriculture sector

The BCFGGA appreciates your support for these industry initiatives to achieve sustained competitiveness in the tree fruit industry.