



The British Columbia Fruit Growers' Association

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Position Paper Supporting BC Farmers and the ALR in the Tree Fruit Sector

The BCFGa represents 420 commercial tree fruit growers. Our mission is:

***A Prosperous, Sustainable, Innovative Tree Fruit Sector in BC
that grows products that improve health.***

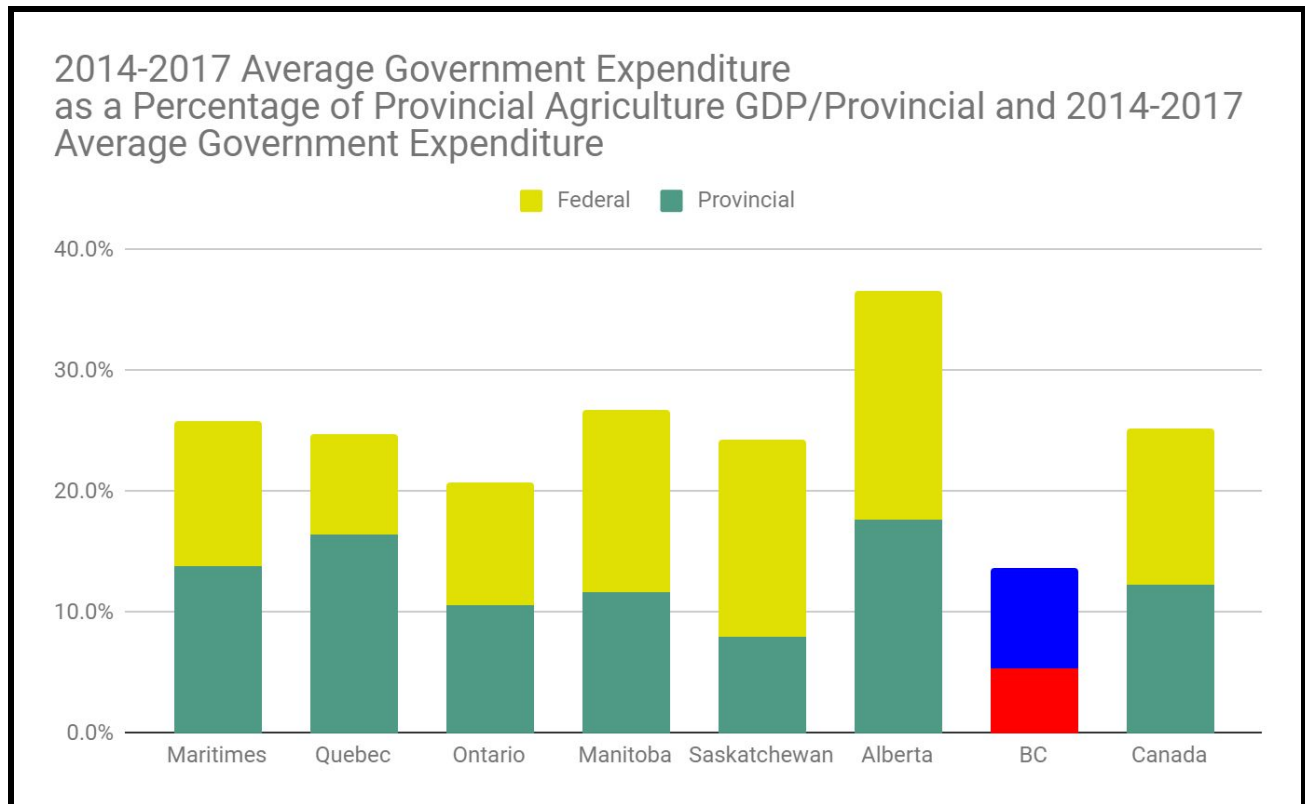
Based on the most recent Agriculture Census in 2016, the family-owned tree fruit farms in BC generate income of \$ 118.6 million per year, with a packed value of \$218.8 million, and \$776.6 million of economic activity annually, with apples accounting for about 32% and cherries for 26% of the total. Several other types of tree fruits make up the remainder of the production, with peaches accounting for 5% and pears making up 2.5% of total on-farm income.

The landbase for tree fruit production is primarily located in the Okanagan-Similkameen-Creston Valleys. These areas have the following competitive advantages:

- One of the best tree fruit growing climates in the world.
- An abundance of water.
- Land that is capable of producing the best quality tree fruit in the world.
- Access to labour through the Seasonal Agricultural Worker Program.

In respect to the consultation on the Agricultural Land Reserve, the focus is on land and regulation. Growers and the BCFGa have supported the ALR as a way of making land available to commercial farming. However, the industry is currently challenged to provide strong support for the ALR due to emerging trends:

1. An increase in government regulation which interferes with agricultural operations. Often, these regulations are introduced purportedly to protect farmland. However, the regulations may protect the conversion of agricultural land to other purposes, but in fact have reduced the opportunities for farmers to pack, process and otherwise add value to their agricultural products. At the extreme, farmers will abandon the land.
2. Lack of agricultural programming support. The resources devoted by the BC government to agriculture are not only lower than other competing jurisdiction, but also do not adequately provide the additional support promised to farmers when the ALR was introduced. This lack of support is also weighing heavily on growers and the BCFGA.



The family-owned farms in BC produce about 220 million pounds of apples per year and 33 million pounds of cherries. The area of tree fruit farmed in 2016 is 14,700 acres, up from 13,800 acres in 2011 - primarily due to the easing of labour pressures in the sector with the 2008 introduction of SAWP in BC.

The tree fruit sector is in the midst of dynamic change. Emerging opportunities include

- New technologies, such as new packing and storage technology.
- New Asian markets are opening due the CPTPP agreement, China continues to be a strong market for cherries and a priority for export access for our apples. The Canada-Korea Free Trade Agreement is also an opportunity.
- New European markets are opening up due to CETA.

- New control methods are being developed for insect pests, building on the successful Sterile Insect Release Program. The adoption of the new FPT Plant and Animal Health Strategy is an important building block in protecting our agricultural assets.
- The ability of industry can better match the market power of consolidated retailers through the controlled marketing of new varieties, enabled by Plant Breeders Rights and trademarking.
- Availability of premium, high-quality local markets demand BC-grown products: Grow, Feed, Buy BC.
- Better securing the agricultural water supply in our arid environment in the Okanagan.
- Labour availability and maintenance of labour standards through the Seasonal Agricultural Worker Program (SAWP).
- The protection the ALR provides to the agricultural land resource.

There are challenges too:

- Invasive pests: ten years ago, Apple Clearwing Moth, Brown Marmorated Stinkbug, Spotted Wing Drosophila and Apple Maggot were unheard of in BC, and now are the focus of our pest management concerns.
- Competition from Washington State, whose apple sector has experienced enormous growth enabled by subsidized irrigation water from the Columbia River Treaty reservoirs release of irrigation flows in late summer.
- Impact of climate change: drought and intense heat affect product quality and tree health.
- Obsolete packing infrastructure for BC Tree Fruit Cooperative (BCTFC), and the need to add to packing infrastructure for the expanding cherry sector.
- The timespan to introduce new varieties (though there are current efforts to shorten the entire time period from 25 years to 15 years).
- Additional regulatory burden (well registry, TFW registry, Open Burning Smoke Control regulations, Waste Management Code of Practice regulations) as well as the minimum wage increases are having a cumulative impact on conducting business in the tree fruit sector.

Addressing these challenges rapidly, and in a way that outperforms our competitors will lead the sector to success. Challenges can become opportunities.

The province has supported new opportunities through the provincial Replant Program and the Competitiveness Fund. These funds are fundamental in seizing on opportunities for the sector. Through the Competitiveness Fund, a first round of project approvals include:

1. Improving the marketing and sales model for new apple varieties (Sunrise and Salish).
2. Mapping of a BC Tree Fruit Industry Information Architecture and Assessing Tree Fruit Industry Technology Readiness, and other projects.
3. Promotion of Ambrosia Apple in new markets and re-engineering of marketing programs.

The Competitiveness Fund projects help address many of the important challenges and opportunities in the tree fruit sector. The Competitiveness Fund will play a central role in stabilizing and making tree fruit production a profitable venture.

During this transformative period for the sector, some growers are vulnerable:

- Those who have not yet capitalized on the Replant Program.
- Those who are new entrants with high levels of debt.
- Apple growers who do not have access to efficient packing and are suffering revenue declines and for whom the business risk management safety net is failing.
- Diversified agricultural producers, where the main farm revenues are from two commodities whose prices are not correlated, will have difficulty triggering fair program support. Growers who are not diversified will trigger support. This is seen as inherently unfair - the program favours growers who have not taken on recommended diversification or who have worked around program rules to allocate revenues to different business enterprises to isolate risks. This is a long-standing problem which needs to be acknowledged.
- Tree fruit growers who have taken on replant will have reduced historical revenues, which provide a lower level of coverage than the ‘ramping up’ of production would indicate. Though AgriStability adjusts for this structural change, the adjustment is widely seen to be as no reflective of actual changes and potential productivity of the replanted orchard.

These vulnerabilities are compounded when regulations impede business decisions in favour of added bureaucracy rather than genuine assistance and protection of commercial farming opportunities.

Case Studies

Several cases have come to the attention of the BCFGA which relate the ways in which the current ALR regulation is harming producers and achieving counter-productive results.

Case #1 - Filling in a small gulley

A farmer approached the BCFGA to ask how to comply with rules on moving of fill into an unusable portion of the property. The new use of the levelled area (about .25 hectares) is to plant fruit trees on one-half of the area and to locate a needed landing area, where bins can be stored and loaded.

The farmer has excellent horticultural practices. The farmer indicated a wish to fully comply with rules. The BCFGA advised the grower to approach the local municipality and the ALC to gain needed approvals.

The municipal requirements, which will vary between each of the 16 regional governments within the Okanagan-Similkameen, were to pay \$1,000 and obtain a geotechnical review (at a cost of \$1,500). Turnaround time was approximately one week.

The ALC requirements were to pay \$1,000. Turnaround time was approximately one month.

After experiencing the obvious need for the project to enhance the agricultural operation and the delays, paperwork, and expense of complying with regulations, the grower has now changed his approach. Rather than being above-board in his dealings with local government and ALC as was the case before the gulley-filling, the grower will now have a higher propensity to complete work without the required approvals, and suffer the risk of fines for non-compliance.

Conclusion: In the current “catch all” design of ALC regulations, bonfide farmers are facing added costs, delays and bureaucratic processes for projects that are obviously for the improvement of farming. The ALR regulations should

- a. Recognize bonafide farm status and exempt growers from regulations designed to catch non-farmers,
- b. Make by-law regulations on ALR lands into a single, generic by-law (requiring the cooperation and coordination of local government), and
- c. Eliminate dual processes and make a single-window process for growers to get project approval, if

Case #2 - Where does a grower send their product for value-added?

A grower is considering constructing a packing facility that will incorporate a cidery to make use of cull products (products not sold for fresh consumption). The facility will make use of 80% of the grower's own production, supplemented by 20% of production from other farms within BC.

The grower must obtain a building permit from the municipality, an extensive process that will also require a public notice and hearing process. The neighbours are already complaining about fictional issues with the facility.

The grower must obtain permission of the ALC to construct the facility, which includes a small agritourism component. With the new ALC regulation, the grower will need to expend extra effort and expense to bring the project forward to the ALC. The ALC states that even though the tourism project will not take additional land (it is on the second story of the facility), it is not agricultural use of the land and is denied.

The timeline for the cidery is important in being ready for the first harvest and gaining access to the end of the tourism season. The building application to the city takes 4 months, the city liquor licensing takes an additional two months, construction must be completed (4 months) and an occupancy permit obtained before the liquor license is processed (another 3 month process), and the production of cider cannot start until all of these processes are complete, causing another 2 month delay in the start up of this value-added business. A total elapsed time for the process increases from 4 months to 15 months due to sequential regulatory processes.

Conclusion: the ability to construct cideries (and wineries) in the future is severely restricted, with excessive delays and costs effectively blocking many projects.

The ALR regulations should

- a. parallel any city regulatory requirements
- b. require liquor regulations to parallel other regulatory requirements
- c. set a performance standard of 2 months to final approval for bonafide, onfarm, value-added projects.
- d. recognize that packing and processing of products mainly produced by the operation and entirely within BC is a legitimate use of farm land that increases the utilization and productivity of farm land.

Case #3 - construct needed worker housing

A grower is bringing in Atco work camp trailers to house his SAWP workers. The farm is a cherry farm with 10 acres owned and 15 acres leased, requiring 50 workers at peak times.

The farmer is contacted by the municipality of Kelowna about compliance with the By-law, which arbitrarily sets the maximum number of 40 'beds' on a site of greater than 10 hectares. Any greater number of beds will require public notification, public hearing and the consequent expense, time delay and risk that residential neighbors will block a needed project as making their neighbourhood

too busy. Although this has not proven to be the case in any instance, it remains a method to stop full utilization of ALR lands for the purpose of growing food.. Without the work camp project, the farm is not viable.

The farmer is informed by the municipality that there is a separate regulatory process operated by the ALC that he must complete. The farmer looks into the process and is advised that a second residence requires approval of the ALC, though the original meaning of second residence excluded temporary worker housing, it is now included in the new regulation. The application is made and the process takes a hearing of the ALC at which there is a further risk that the residential neighbours will intervene, not to protect and make farmland viable, but to ensure farmland is made idle and therefore more serene. Only after the process is well underway is it determined that the farmer is eligible for an 'expedited' consideration of his/her application by the CEO of the ALC. This expedited process is to recognize that expedient decisions are required for temporary farm worker housing, which must be completed prior to initiating the application for the SAWP program. The expedited turnaround time is in excess of two weeks, and unanticipated delay in the application for and arrival of SAWP workers will delay and reduce pruning effort on the farm, which will reduce fruit size, quality and revenue.

The farmer is told by ALC staff that he should consider building worker housing or renting worker housing within city residential areas. This is a statement that belies the lack of experience and recognition of the needs of farming, the extreme low vacancy rate, the high cost of renting in residential areas during the season when tourism rental demand is at a peak, and other issues such as gaining neighbourhood acceptance of seasonal occupancy of buildings in a residential neighbourhood.

Temporary Farm Worker housing is occupied seasonally (and the BCFGGA agrees it could be subject to regulation in this regard) and must be removable (the BCFGGA agrees that a regulatory process be put in place to require relocation of the structure if no longer utilized as TFW housing.

Conclusion: Without worker housing, there is no access to SAWP. Without SAWP, farms will decrease in size due to a shortage of workers. When farms decrease in size, agricultural land will become underutilized and the need for the ALR to preserve land will diminish. The ALR regulations should

- e. Immediately clarify that temporary worker housing is not considered development of farmland for residential purposes. In other words, TFW housing is a legitimate use of farmland.
- f. Remove municipal restrictions on temporary worker housing.
- g. Put in place safeguards so that Temporary Worker Housing is not occupied year-round and TFW housing structures must be portable and be removed if no longer utilized as TFW housing.

Summary

The BCFGGA wishes to engage in future meetings (after November 15, 2019) with government and other agricultural associations on the issues raised in this brief.

Bonfide agricultural producers are facing increased regulatory processes, higher costs, and delays in getting needed projects completed - projects that are needed to improve their land productivity, add

value to their product and house the seasonal labour. These impediments are reducing the capacity of bonafide farmers to operate viable operations.

Parallel to these needs, the province has not delivered on promised support for agriculture from the time the ALR. These supports would be in excess of a typical provincial average support level. In fact, the province has lagged, for many years and administrations, behind other provinces. These twin factors of increasing burden and lack of promised support for farming are making individual grower support for the ALR more tenuous.

The BCFGGA wishes to work with other agricultural organizations and the province to strengthen agricultural producer support for the ALR by:

1. Protecting the ALR from development by non-bonafide farmers.
2. Allowing bonafide farmers to increase the value of their crops with value-added packing and processing, and through extension of their operations on their property. This should include an allowance for Co-operatives to place production and packing facilities on ALR property.
3. Eliminating regulatory duplication, expense and delays for bonafide farmers.
4. Raising agricultural program support above the level of non-ALR provincial jurisdictions.

These broad objectives will help to secure the future of bonafide farmers and their support for the ALR.