



The British Columbia Fruit Growers' Association

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Select Standing Committee on Finance and Government Services Budget 2018 Consultation

Presented by

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Glen Lucas, General Manager

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Introduction

Thank you for the opportunity to comment on the 2018 provincial budget. My name is Pinder Dhaliwal – I am Vice-President of the BC Fruit Growers' Association. With me today is Glen Lucas, our General Manager. We welcome the committee to the beautiful Okanagan Valley. Our apple harvest is well underway - my farm is in Oliver, so we are already finished harvesting. Now we will wait more than a year to find out what we earned, as the final pool payment for apples is finalized in August, the year after harvest.

Today, we want to express our support for the items in the Minister of Agriculture's mandate letter, specifically the Grow BC, Buy BC and Eat BC initiatives. We also wish to extend our thoughts to the ranchers that were impacted by the summer forest fires and we support the work of the province to bring federal AgriRecovery funds to those ranchers in need.

Our association represents 470 commercial tree fruit growers in the Okanagan, Similkameen, Shuswap and Creston Valleys. 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.

The Replant Program funded by the Province is revitalizing the tree fruit sector. In fact, the program is so popular that the province previously decided to increase funding from \$8.5 million to \$9.5 million over 7 years, until 2021.

Why should government support a replant program? Going back in time 27 years, a 1990 Royal Commission of Inquiry pointed out that Okanagan tree fruit growers needed to change over to higher value varieties and plant more modern, higher density orchards. But Commissioner Peter Lusztig recognized that growers did not have the resources to do this on their own. As a result of the Lusztig report, the replant program was established. About every 5-10 years, the government has reviewed the replant program and the same conclusions are reached - in order to renew orchards, growers need a replant program that provides approximately 25% of the required investment. This incentive to renew has kept our valley green - both with orchards and with the economic boost it gives to the valley.

1. Our first request of the finance committee is to honor the promise of an additional \$5 million towards the tree fruit replant program until 2021.
2. As a second request, we feel strongly that when industry administered the replant program from cradle to grave, independently but with oversight of the provincial government, we were much more efficient and effective than the current split of administration between government and association.
3. Third, and related to replant administration, we support moving all agriculture programs to administration by associations, as the tendering process for agricultural programs is broken and winds up awarding contracts to companies with no direct experience and poor program delivery is a result. We are confident that the new Minister and Deputy Minister are receptive to this change in direction, and will be further encouraged by your words of support.

On the environmental side, the BC tree fruit sector uses advanced irrigation technology to make efficient use of water, and we employ Integrated Pest Management practices. The Sterile Insect Release or “SIR” Program, is unique in the world. SIR a collaboration of regional governments and growers, enabled through provincial legislation. This program has reared hundreds of millions of sterile codling moth over the past 20 years, which are released into orchards and prevent the successful mating of wild moths. The damage caused to apples has dropped from 5% to less than 0.2% as a result of the SIR program. Less pesticide is used now.

We need to get more value out of the incredible SIR program. The Provincial Government and growers can make this program more valuable by working to increase the scope of the program, so that more insect pests are covered. Specifically, the SIR program could be a foundation for implementing our part of the National Plant Health Strategy, with your recommendation that government services be aligned to make this change in scope possible.

Now we would like to switch gears and address the questions in the budget consultation paper.

Budget 2018 Consultation Questions

1. *What are your top priorities to help make life more affordable in British Columbia?*

We continue to support the School Fruit and Vegetable Nutritional Program funded primarily by the Ministry of Health. Creating healthy eating habits through this important healthy diet program will save diagnostic and chronic health care dollars in the long run, making life more affordable.

2. *What service improvements should be given priority?*

For agriculture, delivery of programs will be improved when administered by associations and with funding residing in BC Investment Agriculture Foundation.

3. *What are your ideas, approaches, and/ or priorities for creating good jobs and to build a sustainable economy in every corner of our province?*

For the tree fruit sector, and agriculture in general, we need to be competitive to generate jobs for agricultural suppliers, growers and skilled employees, and in the fruit packing and processing sectors. It sounds counter-intuitive, but our top priority in creating good high-wage jobs is to have adequate harvest labour. Without the base of harvest workers, there are no high-skilled jobs. BC is short of on-the-ground farm workers.

We need to secure an adequate number of harvest jobs. As part of ensuring good treatment of temporary foreign workers, the Minister of Labour was mandated to maintain a database of workers in BC on the Temporary Foreign Worker Program. We agree with this.

However, the Seasonal Agricultural Worker Program already has a database, because it is overseen by foreign governments, Service Canada and agricultural associations. The province should save the money of duplicating this part of the database and put that savings into increasing the quality of Seasonal Agricultural Worker housing and educating growers on human resource management. Securing the Seasonal Agricultural Worker Program will generate supplier jobs, farm management jobs and value-added processing jobs.

4. *Are there any additional comments or suggestions you would like to share with the Select Standing Committee regarding Budget 2018?*

The Columbia River Treaty has had and continues to have a huge impact by supplying water for expansion of the Washington State fruit production area.

Currently, the treaty terms only recognizes hydro power and flood control. However, both BC and the US recognize that the stored and subsequently timed release of the CRT water has a

benefit beyond flood control. One of the benefits of regulating the flow is the enhanced late-summer (July-August-September) water flows.

The Columbia River Treaty is being reviewed in both BC and the US, though there has not been much activity in the past year on either side. While things are somewhat chaotic in the US, we need to continue to prepare for this review.

We are meeting with the Minister responsible for the Columbia River Treaty review, and hope that you will support Minister Conroy in the ongoing preparations for the review of the Columbia River Treaty.

Summary

In conclusion, thank you for listening. We appreciate your efforts in making the budget effective and note the difficult choices in budgeting - as farmers we make difficult choices every day in order to succeed. In doing so, we create value and jobs. We need government to support our role in the economy, specifically through allocation of the promised replant funding and support for an expanded Sterile Insect Release Program role. Together, we can grow the sector and its contribution to government revenues.