

## Report to the 2021 BCFGGA Convention

From the

### **Board of Directors**

On behalf of the entire Board of the BC Fruit Growers Association I welcome you to the 132<sup>nd</sup> BCFGGA Annual General Meeting.

We all remember the first days of the COVID-19 crisis. The long lines in front of stores. The photos of empty supermarket shelves on social media. And people in the evening news, saying they were afraid that food supply would be disrupted in the pandemic. Thanks to our farmers, our farm working community and the entire food supply chain, there were no serious food shortages, a concern that was very real. It reminds me of a bumper sticker that was on an old car of mine that read 'have you hugged a farmer lately'.

The pandemic is far from over, we have COVID-19 rates variable but high throughout the country, some parts of our country are in lockdown and new variants of COVID-19 have been discovered. But beyond COVID-19, another crisis deepens, the financial situation of our apple growers.

A lot is at stake for tree fruit farmers. This financial situation affects many apple farmers directly. The accelerating transition that is occurring will impact the cherry farmers, vineyards. The apple financial crisis will impact the current balance of labour needs and infrastructure investments throughout the valley. Food security is impacted as the Balance of trade deficit in apples has grown from \$50 million to \$100 million in the past 5 years.

The ability to work the land and provide healthy food is increasingly threatened, not just by market forces and trade, but also by the effects of climate, the environmental events that impact our fruits such as frost, winter freeze, wet spring conditions or the smoke from forest fires. The risks associated with climate change, economic volatility, globalization, and political decisions have become more pronounced and severe in the last few years and have dramatic effects on our farming industry. The business of farmers depends on a harmonized relationship with many factors, some that are out of our control and some that can be manageable.

Within this context, and as I mentioned last year, we operate in the global marketplace and it's not a level playing field.

The BC government needs to recognize and take action to address the challenges.

- Washington state supported its apple farmers with a 7 cent per pound payment to offset the financial impact to their growers caused by the weather, trade and COVID-19. Washington State apple producers expect to receive another 7 - 14 cents per pound in 2021.
- The Columbia River Treaty (CRT) has expanded Washington State fruit production and provided subsidized irrigation and electricity for pumping water to reservoirs for many years.
- In the US, their equivalent 'CEBA' program provided total forgiveness within their parameters of support.
- The level of government support, by dollar per capita expenditure is by far the lowest in BC compared to other fruit growing regions such as Washington, Ontario, and Quebec.
- We will have the highest minimum wage in North America. Increases in wage structure adds to the challenge of remaining economically viable in the quest to continue producing the highest quality fruit. Every minimum wage increase causes each category of wages to grow incrementally higher and further increase the cost of all inputs.

Given this competitive context, we need to examine the extent to which support programs are working. BCFGAs has made clear that AgriStability and crop Insurance programs are not supporting farms in financial crises and furthermore not working in a timely manner. In [a letter to Agriculture Minister Marie-Claude Bibeau](#), Pat Finnigan, who chairs the ag committee and serves as MP for the riding of Miramichi—Grand Lake in New Brunswick, calls agriculture “a cornerstone of the Canadian economy,” noting it contributed over \$143 billion to Canada’s GDP and employed one in eight workers in 2018. MP Finnigan goes on to highlight weakness in the programs and states the need to “...consider new concept BRM programs that will address the complex diversity of agriculture and any new program that will assist in creating local, stable and secure food production for all Canadians”. BCFGAs represents 350 tree fruit growers. Family farms that make an important contribution to British Columbia’s economy by ensuring a safe and reliable food supply, improving food security and supporting job growth and economic development. Based on the 2016 agriculture census the family owned tree fruit farms in BC generate income of \$118.6 million per year, with a packed value of \$218.8 million. The annual economic activity generated is \$776.6 million dollars.

Over the past 5 years, the Minister notes that the BC government has invested \$35 million into the tree fruit sector. This investment in Production Insurance, AgriStability, Replant, Competitiveness Fund and other programs is appreciated. However, it is important to note that during the same period of time, the industry's economic activity is \$3.9 billion. The government support is only 0.9% of industry economic contribution, and that support has been eroding for many years now.

We have been recommending the same concerns on the support programs and ask that the Provincial government take a strong role in improving these at the provincial level. The government in its own words has said we have protected the land (ALR) but forgot about the farmer.

These are national concerns, these are our membership concerns, these are the voices of the tree fruit sector.

Replant application intake for the 2021 planting has come to a close. This has been a seven year, \$8 million program package that is in its final year. Over this seven year period, the grower investment has been \$30 million direct first year planting investment. This program has been around for 25 years. We have recommended Tree Fruit Replant Renewal for another seven years and have presented it to the Select Standing Committee on Finance and Government Services Budget 2018 and 2019. Both times it has been recommended as a budget item. At the board level we have discussed that we need to modernize the replant program. Costs have gone up considerably, be it labour/wages, wire, poles, trees, and the fact it takes three years of inputs to bring it to production stage. It no longer cost 15,000/20000 per acre.....we are close to \$35000/40000 per acre planting cost. In the last 15 years inflation has eroded the government's share of replant costs and that needs to be addressed. Currently there is no renewal of replant for the 2022 season.

Apart from the financial challenges, labour supply during COVID-19 is a huge challenge. On March 16, 2020 the Prime Minister announced that only Canadian and US citizens would be allowed to cross the border into Canada (there are three exceptions: flight crew, diplomats, and immediate family of Canadian citizens). This announcement had implications for the Seasonal Agricultural Worker Program and other Agricultural streams. BCFGA, CHC, CFA, BCAC immediately worked to clarify the status of workers approved and those in-transit, as well as workers arriving in future. The federal and provincial governments were notified of the impact on Canadian Agriculture and impact on food security in Canada.

There were three emergency conference calls that very day - one with the CHC Labour Committee Executive, one with WALI staff, and one with the BCAC Labour Committee. BCFGA was active from the beginning and throughout the year to make sure that communication with all governments, all ministers and all government staff highlighted the importance of timely arrival of labour. BCFGA continues to work aggressively on the labour

file. Our partnership with provincial and national organizations such as BCAC, WALI, CFA, CHC, FERME, FARMS, makes our concerns heard. Our involvement and engagement further strengthen the labour programs needed by our growers. We are working on the 2021 season currently and understand the needs of labour for our sector and things we have limited control over. Such as country total lockdowns, airport shutdowns, reduction in flights, PCR covid testing requirements, office closures, health protocols locally and internationally, health and safety concerns and so forth. Without farmers and labour there is no food!!

The National Tree Fruit Planting Program proposal continues to be presented and updated with the federal government. All tree fruit growing provinces are working in collaboration to get funding under the federal program that wants to see 2 billion trees planted over a 10 year period. As farmers we could achieve the end goal of government and contribute to

- Climate change, CO mitigation
- Improve food security
- Create More Jobs, investment and innovation by growers

The federal government continues to study our national proposal, and the tree fruit community is ready to assist in this federal climate change project.

The province provided our sector with a five million Tree fruit Competitiveness fund to go towards research, marketing and Infrastructure projects. Many projects are underway under this program such as

- Ambrosia new market development
- Honeycrisp best practices and
- Reflective material program to improve colour/quality

There are many issues that impact the tree fruit industry which are all important in securing a strong tree fruit industry. We continue to develop / enhance and participate in discussion related to Crop Insurance, Columbia River Treaty, Camp Regulation– tenting, Environment Regulation pressures – such as burning/chipping removed trees and soil testing, and water security Issues. The BCFG board remains committed to addressing these concerns through engagement with committees.

I would like to thank the Crop Protection Committee, Labour Committee, Member Services and all members who provided time and faithful service on various committees this past year. Your dedication and input is sincerely appreciated and has served as the voice of advocacy for the Fruit Growers of British Columbia. I extend my thanks to all members, our Executive and staff. Your time and dedication to the effectiveness of our Association is greatly appreciated.

Thank you all for your daily contributions to BCFGAs and the tree fruit sector.

Respectfully submitted

Pinder Singh Dhaliwal  
President