

BC Fruit Growers' Association Presentation to



Hon. Lana Popham, Minister of Agriculture

Presented by Pinder Dhaliwal, President
Glen Lucas, General Manager

October 26, 2021

Introduction

We appreciate meeting with you today to

1. Provide an update on BCFGAs activities/priorities and status of the Tree Fruit sector.
2. Discuss the status of the Tree Fruit Stabilization Plan.

Our Purposes

The BCFGAs represents 350 commercial tree fruit growers in BC. Our vision is

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

Goals from the Minister's mandate letter:

- **improve conditions** (related to COVID-19) **for temporary foreign workers and temporary domestic workers** in farming communities
- **expand the Grow BC, Feed BC and Buy BC programs** to encourage greater food security and local business growth.
- **help B.C. agri-tech companies** that are bringing innovation to agriculture grow, hire more workers and position our province as an agri-tech leader, while protecting farmland in the ALR.
- lead work to **develop a new Regenerative Agricultural Network**.
- support the work of the Minister of Education to **help make sure students are properly fed for learning**, working with school districts to **create more local school meal programs** based on district data and priorities, by integrating Feed BC into this plan so that districts can **include locally grown food**.
- support the work of the Minister of Social Development and Poverty Reduction to increase food security for people in need by **expanding supports to food banks** and developing program partnerships with food producers, grocery stores and not-for-profits to **develop discounted food market, food recovery and food redistribution programs**

How we may achieve these goals in harmony and collaboration

To achieve our visions and mandates, we need to set aside recent past disagreements and conflicts between the BCFGGA and the BC Ministry of Agriculture. BCFGGA has in recent months sought to cool off the 'high temperature' of interaction. Unfortunately, we are occasionally drawn into comments we would prefer not to make - it is imperative that we must speak for our members and our 133 years of experience as an association. We sincerely desire a new direction in our relationship - one that returns to collaboration and turns away from discord. We welcome further open discussion on our relationship and communication channels.

Current State of the Industry

The industry continues to be under high and in some cases extreme financial stress. Apples have been impacted by several years of revenue that is below cost of production - even our best growers are impacted. Apple acreage has been reduced by 15% since 2018, with further reductions taking place in 2022. Cherry acreage is expanding, but three years of reduced crop production due to weather are having a mounting impact on cherry producers.

- For example, as a result of the China-US trade war, US apple growers were paid \$.07 per pound in 2020, equivalent to a \$12.3 million payment in the BC apple sector, and US cherry growers were paid \$.41 per pound over the two years 2018 and 2019, equivalent to \$8.5 million payment in the BC cherry sector.
- The estimated monetary loss of the heat damaged crop is \$17.3 million out of \$103.2 million of potential industry revenue. Agricultural insurance programs will help, but we estimate the assistance will amount to a maximum of \$5 million or 1/3 of the loss. This represents a further net loss of \$12.3 million in revenue, with no expected reduction in expenses due to added thinning and handling to cull the heat damaged crop.
- Retail consolidation impact has been dramatic in the period after 2015. Had the average retail/grower price ratio for the period 2004-2015 been maintained for the period 2015-2019, then an additional \$9.6 million per year for the period 2015 - 2019 would have been earned, for a total transfer to consolidated retailers of \$48.0 million over 5 years.

The Tree Fruit Stabilization Initiative / Plan

The BCFGGA has reviewed the draft Tree Fruit Stabilization Plan. Detailed comments have been provided to BCMAFF staff, summarized as follows:

- The document provides a good summary of the issues in the tree fruit sector and will be an important guide to industry and government action to stabilize the sector.
- The BCFGGA Board supports issuing the document a working draft by October 29, 2021, followed by a short, intense consultation with growers over the space of three weeks, with the final report reflecting this input. This consultation will help build broad-based support for the report by including or emphasizing items of importance to growers.

We appreciate the effort of the province and the committee members to develop the Tree Fruit Stabilization Plan. The Plan is on target, and a next step will be to engage growers in a short, intense consultation prior to finalizing the plan.

Conclusion

Thank you for meeting with us today.

The tree fruit sector is at a crossroads, where structural changes are happening now, due to the extreme stress in the apple industry and the introduction of new stresses in the cherry sector.

We look forward to re-establishing a harmonious, collaborative relationship and communications with you and your political staff that will contribute to our mutual goals and help to save the BC tree fruit sector and build BC's food security.