



The British Columbia Fruit Growers' Association

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June 14, 2021

Hon. Marie-Claude Bibeau
Minister of Agriculture
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister Bibeau,

On behalf of the BC Fruit Growers Association (BCFGA), thank you for the work your government is doing every day to protect and support Canadians through the COVID 19 pandemic. The Mandatory Isolation Support for Temporary Foreign Workers (MISTFWP) has been critical to reducing, but not eliminating, the very significant costs of COVID-19.

A proposed reduction in MISTFWP from \$1,500 per TFW to \$750 per TFW is planned for any workers arriving after June 15. The \$1,500 MISTFWP does not cover all of the costs and financial risks for the producer.

COVID-19 costs are as follows:

- Quarantine wage for 2021:
 - \$15.20/hr base wage, plus 4% vacation pay, plus employer portion of CPP 5.25% and EI 2.21% = \$16.98/hr.
 - 60 hours x \$16.98 = **\$1,019.**
- Charter airfare difference: \$1,100 - \$420 = **\$680.**
- Estimated incremental COVID-19 preparations for arrival: **\$200.**
- Total **\$1,900.**

of time, which represents a further cost of \$400 per worker.

Additional risks not quantified:

- Risk of not having a full contingent arrive:
 - On average only 90 - 95% of workers in an LMIA arrive, this will reduce output and increase overhead cost per pound of produce sold,
 - Non-refundable airfare cost \$1,100.
 - Potential added cost per worker for a farm with 6 workers who have one worker not show due to COVID-19 disruption is **\$220** for each remaining worker that does arrive.
- Other costs include: additional time for preparation of COVID-19 safety plan, COVID-19 inspection of housing, preparation of worker housing and added COVID-19 sanitary requirements. A farm with 5 arriving workers could expend 40 hours of time, at an average cost per worker of **\$400.**

When these indirect costs are included, the total cost of COVID-19 in the two week isolation period is \$2,520. A \$1,500 MISTFWP is 60%, while a \$750 MISTFWP is 30% of COVID-19 isolation costs.

It is important to note that reducing the MISTFWP in the middle of the year is unfair. For those types of producers whose workers arrived prior to June 21, the full (and reasonable) \$1,500 per TFW MISTFWP is available. These producers are typically greenhouse, vegetable and asparagus growers, for example. For any farms whose workers arrive after June 21, the MISTFWP is reduced to \$750 per TFW. These farms are typically bringing in workers for fall harvest, such as tree fruits. It is unfair that one type of producer would receive 50% less MISTFWP than another type of grower, when both are facing the same increased costs. The timing of any change to the MISTFWP should not be during the cropping season in order to preserve fairness between the types of producers accessing the MISTFWP.

Apart from compensating for the added costs of the 14 day Mandatory Isolation during the COVID-19 pandemic, the MISTFWP program has preserved the nation's food security. At a time when production of fresh fruits and vegetables in California is being reduced due to drought, it would be unwise to introduce any risk of reduced production of fruit and vegetables from Canadian farms.

This is the International Year of Fruits and Vegetables. We look forward to discussing the opportunities and challenges of fruit production with you, and to working together on solutions. A good start will be the fair, equitable treatment of employers accessing the MISTFWP. Please feel free to contact Glen Lucas 250-762-5226 (ext. 2) or glucas@bcfga.com if you have any questions.

Sincerely,



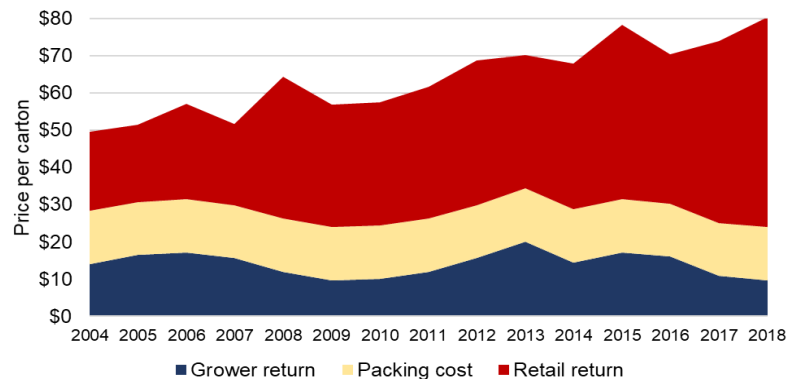
Pinder Dhaliwal
President, BC Fruit Growers Association

cc: Ms. Alison Porter, Chief of Staff, Agriculture Minister's Office
Canadian Horticultural Council
Canadian Federation of Agriculture
BC Agricultural Council

Appendix: Precarious Agricultural Finances and Food Security

A reduction in the MISTFWP will strain employer finances further and many tree fruit growers are currently at the breaking point.

- In the past three years, BC apple acreage has decreased from 8,400 acres to 7,800 acres.
- The cost to produce apples is currently \$.39 per pound. Producer revenue (farmgate) for 2019 apple production was \$.12 per pound, and \$.21 per pound in 2020.
- Some of this is due to the trade war and additional tariffs placed on American cherries and apples sold to China. Our American counterparts received US\$.16 per pound USDA Cash Grant for all cherry production in 2019 and US\$.05 per pound for all apple production in 2020. Housing for foreign workers is subsidized in Washington State.
- The US trade war is not the only negative impact on farmgate revenues - retailer consolidation is having impacts on apple prices in Western Canada.



The financial situation for apple and cherry growers is fragile, the COVID-19 Mandatory Isolation direct and indirect costs exceed the MISTFWP amount of \$1,500, and a reduction will create further economic hardship. At a time of reduced apple acreage in BC and drought conditions in much of the Western US, a reduction of MISTFWP would be counterproductive, unfair between growers (those commodities with arrivals prior to June 15 and those with arrivals after June 15), and increase risk to food security.