



The British Columbia Fruit Growers' Association

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Hon. Lana Popham **Minister of Agriculture**

Presented by

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Introduction

The BCFGa appreciates the support of the government for the agriculture sector. Recently, the BCFGa made a presentation to the Select Standing Committee on Finance and Government Services. Our purpose is to update you on our presentation and requests to the SSC Finance, as well as some other items of current interest, and ask for your support of agriculture and the tree fruit sector.

General Information on the Tree Fruit Sector

Our association represents 485 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.

Our industry is relatively small compared to the juggernaut in Washington State. However, because of our cohesive, innovative approach in BC, we have:

- a higher proportion of tree fruit acreage planted to new varieties than the US (though the gap is narrowing as the US catches up), supported by
 - The world renowned apple and cherry breeding program at Agriculture Canada's Summerland Research Station.
 - The wholly-owned BCFGAs subsidiary Summerland Varieties Corporation.
- a unique Sterile Insect Release, which creates the opportunity to expand organic production and reduce pesticide use in conventional orchards.
- a renewed industry strategy.

Together with government, the industry is working to ensure success, even as economic times are challenging for many growers.

AgriStability

One aspect of adapting to tough economic times is the AgriStability Program. We appreciate the enhancements made to the 2017 Program - these changes will help those who qualify to be better prepared for the future. However, two well-known aspects of AgriStability cause growers concern and eliminate some growers from the program, namely the 'whole farm' approach, which mixes the results of different parts of the farm operation and hides adversity in one commodity when another is not suffering the same decline, and a second aspect is structural change, which can eliminate an applicant from qualifying. **We need more clarity and a way to resolve growers issues with the design of AgriStability.**

Tree Fruit Competitiveness Fund - update

The Province has provided our sector with a \$5 million Tree Fruit Competitiveness Fund - an initial meeting of the project steering committee is set for November 15 and first project applications will be considered on November 30. The Competitiveness Fund will encourage industry to take bold steps and plan for infrastructure investments, research new pest management practices that are area-wide with integrated pest management, and develop a strategic marketing plan that leads to a bright future. This investment will lead to growth and stability in our sector, both preserving and creating jobs, and ensure that we continue to produce fresh, healthy, BC-grown tree fruit. The Competitiveness Program is a companion to the Tree Fruit Replant Program. **We thank you and your Ministry for providing this important Competitiveness Program to the tree fruit sector.**

Proposal to Extend the Replant Program

Going back in time to a 1990 Royal Commission of Inquiry, Commissioner Peter Lusztig pointed out that Okanagan tree fruit growers needed to change over to higher value varieties and plant more modern, higher density orchards. But economic analysis showed 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 to provide the incentive so that growers would make a long-term investment in the tree fruit sector. About every 5-10 years, the government has revived the replant program and the same conclusions are reached - in order to renew orchards, growers need a replant program that provides approximately 20% of the required investment. This incentive to renew has kept our fields green - both with orchards and with the economic boost it provides.

The current 7-year program recognizes the long-term approach needed for tree fruit: growers must order from nurseries 3 years prior to planting, and nurseries must order rootstocks 2-3 years prior to that. A replant program that allows growers to plan 5-7 years out provides stability and matches the planning times in the tree fruit sector.

The current program is for the period 2015 - 2021. **The BCFGA requests that you support a provincial budget which adds 4 years to the Replant Program, taking us to the year 2025.** With an price-index, the funding for the program is about \$1.5 million per year for the additional 4 years. Growers then invest a further \$5 million per year in replanting orchards. This funding extension will match the program with the extended planning times of the sector, and move the sector ahead strongly to meet market demands and provide jobs and investment in the BC agriculture sector. The BCFGA strongly supports the extension of the Replant Program to 2025.

Piece Rate Review

The Fair Wage Commission originally recommended that agricultural piece rates be phased out on January 1, 2019. The provincial government did not immediately accept this recommendation. The province hired a consultant to further study the piece rate system in agriculture.

Piece rates allow workers to self-regulate their effort, and this frees growers from managing workers to attain minimum productivity per hour. Workers like the system, as it provides workers the freedom to work to their own pace.

We understand that the consultant has clearly heard the concerns of both workers and employers in the tree fruit sector should the piece rate system be dismantled. **We appreciate your recognition of the importance of piece rates to the tree fruit sector's employees and employers.**

Agricultural Land Reserve - equal treatment across regions and commodities

The BCFGA supports the ALR.

Many tree fruit growers have expressed concern that the current regulations of taxation, mark-ups, ALR land use, agritourism rules, and distribution channels for wine and cider are unequal. **We recommend that agri-tourism and housing footprint rules be standardized across all of BC. We also recommend that rules, especially pertaining to cideries and wineries, be standardized, so that when a change is made to winery rules, it is automatically adopted for all standard fermentation from home grown products.** A study of the issue may be helpful as a starting point to bring equity to the regulations.

Water Supply Expansion - coordinating federal and provincial efforts

Climate change is upon us. In 2017 we had no rain for 100 days, and in 2018, no rain for 70 days. The province should be able to leverage federal funds for water supply projects, but federal programs are not aligned for this purpose. Needed projects are mainly building new or increasing capacity of existing reservoirs. For example, the province has allocated \$5 million towards a \$10 million irrigation water infrastructure project in Oliver, but the federal government programs do not allow matching and this essential project is stalled. The federal government has, in the age of climate change, not created any matching funds projects for agriculture water infrastructure. In fact, one particularly effective program, the Prairie Farm Rehabilitation Agency was eliminated about 5 years ago, to the detriment of expanding water supplies in Western Canada. **We request provincial intervention to bring federal attention to the deficiency in agricultural water supply funding.**

We have also supported and gained the support of national organizations for **the re-introduction of the Prairie Farm Rehabilitation Agency (PFRA)**, created in the drought-stricken 1930's but terminated recently by a previous federal government, despite the PFRA's mandate to expand Western Canadian agricultural water supplies and encourage the efficient use and conservation of water.

Summary

In conclusion, we appreciate the effort of the government in making the tree fruit sector the best that it can be. We recognize your efforts as Minister of Agriculture in strengthening the BC economy and giving direction to programs. Investing in replant to 2025, supporting appropriate agricultural piece rates, and making sure that cider and winery regulation is equal, and holding the federal government to account on investment in increased water supply for agriculture, we can grow the tree fruit sector and secure its contribution to the Okanagan and BC economy. The Competitiveness Fund, announced by you in February, will help to advance the tree fruit sector.

Statistics Canada 2016 Agricultural Census - Okanagan Tree Fruit Sector

	Farm Gate (\$ millions)		
	2011	2016	Percentage change
Apples	37.81	50.95	35%
Apricots	0.50	1.30	160%
Cherries, sweet	30.84	52.25	69%
Nectarines	0.87	1.59	83%
Peaches	5.04	7.55	50%
Pears	2.50	3.40	36%
Plums/Prunes	0.88	1.51	72%
Total tree fruit	78.44	118.55	51%
Grapes (table and wine)	41.30	57.00	38%