



The British Columbia Fruit Growers' Association

880 Vaughan Avenue, Kelowna, BC V1Y 7E4
Ph: (250) 762 – 5226 • Fax (250) 861 – 9089
e-mail • info@bcfga.com

Select Standing Committee on Finance and Government Services

Budget 2021 Consultation

Presented by

Glen Lucas, General Manager

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Introduction

Thank you for the opportunity to comment on the 2021 provincial budget. My name is Glen Lucas, General Manager of the BC Fruit Growers' Association. Our organization represents 385 commercial tree fruit growers and is 131 years old. In that time, there have been 14 worldwide pandemics.

COVID-19 and Food Security

The COVID-19 pandemic has refocused us on how to keep people safe. At this point in time, BC's approach has been very successful in flattening the curve.

Beyond the immediate health concerns, the pandemic has caused us to rethink food security and the operations of the food system. First, there is an immediate need to continue with supports and investments in agriculture to stabilize what we have. Then there is a need to re-think our food policy.

With respect to 2021 budget review, the BCFGA strongly agrees with the recommendations of the BC Agriculture Council. I'd like to just bring our perspective to bear on the three areas Reg has outlined.

First, Improvements to the AgriStability risk management program. Some positive changes have been made and are appreciated, but now is the time to implement some of the more significant improvements we've been discussing for some time. Producer participation in this important risk reduction program has been eroding over several years. The two key requirements to restore producer confidence are a program margin support at 90% and allowance of non-arms-length labour as an eligible expense.

Second, Invest in infrastructure. We know that, without action, future water supply in the Okanagan is going to be a problem. Improved upland water storage is the obvious practical solution. For fruit growers, a type of infrastructure is the trees that make up orchards.

The BC government has consistently funded a Replant Program for about 25 years. For every \$1 the government invests in the Replant Program, growers invest \$4. That \$1 of government investment will produce 91 pounds of fresh, healthy, delicious BC apples, and generate \$201 of economic activity over the next 20 years. The Replant Program is a relatively low-risk investment with fast rates of return for BC economy. But the current replant program expires after 2021, so we need action now.

Third, assisting with the changing labour market. The government's investment in the quarantine of foreign farm workers has been very helpful in maintaining a consistent, controlled quarantine. We are also very concerned about the impact of ongoing COVID-related costs, which are increasing the risk on highly leveraged, financially vulnerable producers facing increasing costs across their operations. These added costs and risks of COVID-19 are causing many of our farms to consider production cuts. The survival of the individual farm business hit randomly by COVID-19 is a concern. Assistance with secondary COVID-imposed costs could be supported by government as they are with the quarantine costs to ensure maximum crop yield to have the greatest chance of meeting market demand.

Summary

I will end with some comments that arise from the COVID-19 pandemic and its impact on a secure food supply.

Briefly, our food system needs to be realigned for food security. The terms of trade need to be improved for growers who are the generators of the first dollar in the economic cycle, and who face significant cost pressures from all sides. In the short term of the 2021 budget, we ask that government provide the support and investment programs that we need to establish food security, and for the longer term, let us work on realigning the food system so that it works for all participants, and create enduring food security for BC.

Thank you for the important work you do to build a BC budget that reflects the many needs of BC citizens and the health of the economy.