August 27, 2020

Amarjot Sandhu, Member of Provincial Parliament for Brampton West
Chair, Standing Committee on Finance and Economic Affairs
Room B-304, Whitney Block
Queen's Park, Toronto, ON M7A 1A2
Via Email: comm-financeaffairs@ola.org

Re: Economic and Fiscal Update Act, 2020 and the impacts of the COVID-19 crisis on certain sectors of the economy

Dear MPP Sandhu,

I am writing to follow up on our presentation to the Standing Committee on Finance and Economic Affairs (SCFEA) on August 24, 2020. Thank you for allowing us the opportunity to present the perspectives of Ontario's fruit and vegetable growers as we continue to weather the COVID-19 crisis on farms across the province, and to answer questions from the committee members. The following submission builds on our presentation to the committee.

The Ontario Fruit and Vegetable Growers' Association (OFVGA) represents Ontario's over 3,500 fruit and vegetable farmers on issues affecting the horticulture sector. The sector generates $4.2 billion in economic activity by growing products in fields and greenhouses across the province for fresh and processed markets for consumption year-round. Collectively, the sector employs over 30,000 people directly on-farm and generates an additional 66,000 jobs throughout the value chain.

With the support of the provincial and federal governments, the fruit and vegetable sector has been able to continue growing food for Canadians despite the impacts of the ongoing pandemic. However, this has not been without its challenges, and the economic toll on farmers has been significant. From being uncertain of labour availability or not having access to sufficient labour to support normal farm operations, to working to take every available measure in protecting the workers that do arrive, 2020 has been a growing season like no other.

Fruit and vegetable farmers have appreciated the support received from the provincial government to date. This support has come in the form of cost share funding of $15 million for immediate expenses related to protective equipment, additional housing and transportation costs; expanded crop insurance eligibility to compensate for labour related production losses; and finally, the earlier than planned increase to Ontario's Risk Management Program.

Ontario Fruit and Vegetable Growers' Association
Unit 105, 355 Elmira Rd. N.
Guelph, Ontario N1K 1S5

Tel: 519-763-6160
Email: info@ofvga.org
www.ofvga.org

Moreover, the active and ongoing efforts of Premier Ford and Minister Hardeman to urge the federal government towards enacting meaningful changes to federal business risk management programming are also greatly appreciated.

Despite the supportive action taken by your government, fruit and vegetable farmers have faced significant consequences because of the myriad of challenges this season. The complete picture of impact to the 2020 season is not yet known, as we are only mid-way through the season. Further, we anticipate that impacts will be felt well beyond the 2020 season, due to deferred pruning and maintenance of some perennial crops, and continued risks related to obtaining a sufficient workforce if the broader issues of the pandemic do not remain under control.

The most notable challenges this year have been obtaining sufficient labour in a timely fashion and protecting workers from COVID-19. At the outset of the pandemic in the spring, the uncertainty of labour availability led to many farmers choosing to reduce harvested acres of perennial fruit crops, and plantings of annual vegetables.

For early season crops such as asparagus, we can provide an estimate of this significant impact. Based on a survey of Ontario asparagus growers, farms were short approximately 50% of their required seasonal workforce at a pivotal time, leading to a 50-60% loss of product harvested, at an estimated value of $12-15 million. The asparagus market was also plagued by demand issues as consumer purchasing habits shifted considerably early on during lock-down. Normal promotions were less effective, consumers reduced grocery store visits and direct to consumer or farmers market sales were non-existent, leading to significantly less demand.

For other crops, initial reports suggest a significant number of strawberries destined for grocery store shelves were left unharvested due to a lack of labour, and that the peach crop will be reduced by roughly 40% due to combined labour and weather-related challenges. As the season progresses, a better picture of how each crop faired from production to sales will form, at which point we will be able to estimate the total economic impact of the COVID-19 pandemic on Ontario's fruit and vegetable production.

From the standpoint of worker health and safety, the sector faced additional challenges. Despite significant efforts, the sector has unfortunately experienced outbreaks among workers, albeit on less than 20 farms (~0.5% of fruit and vegetable farms in Ontario). The risk of an outbreak within their workforces has created a substantial amount of mental and economic stress for all farmers. This stress has been exasperated by increased media attention and significant misinformation around labour on our farms. A factsheet on foreign worker programs is attached for the committee's reference.

Although farmers quickly stepped up to the challenge presented by COVID-19, they had to wade through significant volumes of new rules, guidance documents and the inconsistent direction and often divergent application of rules between provincial officials and local public health authorities. These different approaches created new and troubling competitive differences between farms in various regions of the province.

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Additionally, the variety of approaches taken across regions and levels of government created confusion and tension between officials, leaving farmers caught in the middle as they determine how to best protect workers while producing food. These new challenges ranged from limiting the number of workers allowed to reside in bunkhouses to approaches and advice for asymptomatic testing, and everything in between.

In addition to changes in consumer purchasing habits, farmers are scheduled to begin receiving lower prices from multinational retailers who are passing on additional costs to their suppliers, even in light of these retailers' record profits throughout the pandemic. Lower prices further impact a farm's ability to withstand the impacts of COVID-19, and to manage the additional and unexpected costs of production on the farm.

As the sector tallies the immediate and longer-term impacts of the pandemic on its farmers, the OFVGA will continue to engage with government so that we can work together on ensuring the sector is supported, making it possible for us to continue to contribute to Ontario's broader economic recovery efforts.

Currently, the OFVGA is looking for the Government of Ontario to:

- Continue working with the sector to move the federal government towards enacting meaningful improvements to federal business risk management programs, specifically AgriStability.
- Continue looking at options to develop a quarantine support program to address the acute labour challenges that are not covered by existing crop insurance programs, which have been experienced by some farms across the province.
- Continue to support a workable federal seasonal and temporary foreign worker program – these workers are essential to sustainable fruit and vegetable production in Ontario, and to the broader issue of domestic food security.
- Begin work to improve proactive coordination between local public health units and the province.

The OFVGA appreciates the work the SCFEA is undertaking to understand these impacts, and we remain available to continue these discussions and hope to continue work with the committee in the future. Thank you again for the opportunity to provide input on the impact of the pandemic on Ontario's fruit and vegetable growers. Should you have any questions or would like to meet to discuss OFVGA's comments, please do not hesitate to contact us.

Sincerely,

Charles Stevens
Vice Chair, OFVGA Board

Cc:
The Honourable Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs
Julia Douglas, Clerk, Standing Committee on Finance and Economic Affairs
Bill George, OFVGA Board Chair

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WORKING TOGETHER TO GROW HEALTHY FRUIT AND VEGETABLES FOR ONTARIO

Ontario's 3,500+ fruit and vegetable farms grow 125 different edible horticulture crops, annually producing $2.3 billion (2017) in farm gate value. This is only made possible by the 30,000 farm-based, non-family jobs created to pick and process fruits and vegetables. At the national level, Canadian fruit and vegetable sector annually produces $5.4 billion (2017) in farm gate value, supporting 249,000 (2017) jobs and $9.8 billion in wages and salaries in the produce sector.

The seasonal nature and rural location of our crops makes it difficult to find a consistent supply of domestic workers willing to be employed on a seasonal basis. This is one of the reasons the Seasonal Agricultural Worker Program (SAWP) is as important today as it was 50 years ago when it was launched. The acute shortage in rural workers extends even to year-round greenhouse operations who rely on other parts of the Temporary Foreign Worker Program (TFWP) to fill vacancies left unfilled even after local job ad postings.

COVID-19 has highlighted the importance of SAWP/TFWP workers to Canada's food security. The health and safety of these crucial workers during the pandemic continues to be of the utmost importance to all edible horticulture growers.

Local workers benefit from the program as well: for every position filled by SAWP and TFWP, two full-time jobs are created for domestic workers along the value chain throughout the Canadian economy, totaling tens of thousands of additional local jobs. Here's how the program works for *them* – and *you*.

1. **LOCAL WORKERS FIRST:** We always try to hire locally first. In fact, every position filled by a SAWP/TFWP farm worker has been advertised in local job banks. But with the lack of local workers for seasonal and rural jobs, we regularly rely on the SAWP and TFWP.
2. **PROTECTED BY LAW:** Every SAWP/TFWP worker has a legal job contract signed by them and the employer. This protects the worker, giving them all the same rights and protections as local Canadian workers, including Employment Insurance.
3. **EQUAL WAGES FOR EQUAL WORK**: Foreign workers are paid the same as Canadians doing the same job. There is no way around minimum wage, it's a requirement of the SAWP/TFWP rules.
4. **BUILDING MORE THAN CANADA'S ECONOMY**: Over $300 million of saved earnings are sent home by SAWP employees every year, over eleven times Canada's annual aid budget to developing regions like Mexico and the Caribbean. Seasonal jobs provide workers the opportunity to send their kids to good schools, buy a home, and start their own family business.
5. **A GUARANTEED HOME:** For **SAWP**, workers are guaranteed housing provided by their employer at no cost to the worker. In the **rest of TFWP,** employers have to ensure affordable housing is available and may charge modest rent amounts approved by Service Canada. **All** housing is inspected every year by certified municipal or provincial health inspectors.

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6.	**HEALTH CARE BENEFITS FOR ALL:** All SAWP/TFWP workers have mandated access to health care under public or private insurance. **SAWP** workers are covered by provincial coverage (e.g. OHIP in Ontario) from day one. In the **rest of TFWP**, where there is typically a waiting period before OHIP coverage kicks in (during which employers would be responsible for purchasing private coverage for the worker), this waiting period has been temporarily waived to ensure workers are covered against the risks of COVID-19 from day one.
7.	**EXTRA PRECAUTIONS DURING COVID-19:** Worker protection requirements to address COVID-19 are established and enforced by the federal government, the provincial government, and local municipalities & health units. Precautions to protect worker health include adjustments to worker housing, transportation, and work settings to create physical barriers between workers, or appropriate distancing, in addition to increased sanitation and use of personal protective equipment. Employers are communicating with their workers about the risks of COVID-19 and how individual employees can help prevent spread through individual actions. Employers are regularly and closely monitoring worker health for COVID-19 symptoms. Employers and workers are jointly developing solutions to prevent COVID-19 outbreaks on farms and working to follow all government best practices. Workers have the same rights and obligations as Canadian citizens when it comes to following public health guidelines when in the public during time outside of work hours. Workers have the right to leave the farm to access good and services but may also have an agreement with their employer to have those goods and services provided on farms, in order to minimize the risk of worker exposure to COVID-19.
8.	**A PATHWAY TO IMMIGRATION:** Immigration rules are set by the government. Not by farmers. That said, we are fully supportive of any pathway of immigration for workers that want one.
9.	**ZERO TOLERANCE FOR NON-COMPLIANCE:** Non-compliant employers are fined, placed on probation, or excluded from the program in the future if they fail to meet the program's very high standards. Penalties for not complying with the new COVID-19 conditions include fines of up to a $1 million and bans on using the SAWP/TFWP to hire workers, which can be made permanent.

Additional information on SAWP and TFWP programs can be found on the Foreign Agricultural Resource Management Services (F.A.R.M.S.) website.

Additional information about steps growers are taking to protect workers during the COVID-19 pandemic, and resources available to support growers, visit the OFVGA COVID-19 webpage.

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