



## KEY MESSAGING FOR INDUSTRY PARTICIPANTS – BUSINESS RISK MANAGEMENT

### TALKING POINTS:

*When in doubt, think Connect (why is it important to YOU?), Contrast (what's missing?), Solve (how can the government help?)*

*If nothing else, we want Parliamentarians to remember:*

- **Connect:** Canadian fruit and vegetable growers take great pride in providing healthy food choices, but this work comes with many challenges and risks that have been further compounded by the COVID-19 pandemic. Business risk management (BRM) tools are essential to not only protect growers through this challenging time but to ensure the long-term viability of our farms.
- **Contrast:** Even prior to the COVID-19 pandemic, there was wide recognition that Canada's BRM programs were not working effectively for growers. Cuts made in 2013 rendered the AgriStability program untenable for many. At the same time, greenhouse vegetable growers and others are left with inadequate or no production insurance mechanism.
- **Solve:** Restoring the AgriStability trigger to its pre-2013 levels and raising the coverage level to 85%, as well as removing the reference margin limit, would give growers better protection against risk and ensure they have a safety net behind them when they need it. The government must also work with industry and the provinces and territories to investigate production insurance tools for growers not covered under existing programs.



## **WHAT WE'RE ASKING FOR (*outlined in Parliamentary brochure*)**

- Improve the AgriStability program, including increasing the margin coverage to 85% and increasing the compensation rate to 85%, as well as removing the program's Reference Margin Limit (RML).
- Adjust the AgriStability program to allow for COVID-19-related expenses to be included as eligible costs.
- Create a quarantine compensation model, in complement to existing BRM programs, to mitigate the financial impact to an operation in the event of an outbreak and subsequent loss of workforce or operational shutdown.
- Examine options for enhancing or creating access to production insurance for those growers who do not currently have adequate coverage or any plans in place, such as greenhouse growers.
- Encourage agricultural ministers to reach a final constructive resolution during the FPT meeting at the end of November, and if necessary, proceed with a coalition of provinces willing to make improvements to AgriStability, for implementation in 2020.



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## KEY MESSAGING FOR INDUSTRY PARTICIPANTS – FINANCIAL PROTECTION

### TALKING POINTS:

*When in doubt, think Connect (why is it important to YOU?), Contrast (what's missing?), Solve (how can the government help?)*

*If nothing else, we want Parliamentarians to remember:*

- **Connect:** Growing, harvesting, packing and marketing fruits and vegetables come with high overhead and capital costs – and Canada's fruit and vegetable farmers and sellers face additional financial risk due to a lack of financial protection from losses from insolvent buyers.
- **Contrast:** Due to the high perishability of produce and the industry's longer payment terms, the *Bankruptcy and Insolvency Act* (BIA) does not provide a workable mechanism for when buyers of fresh produce become insolvent. Unfortunately, the COVID business environment has and will drive businesses into bankruptcy. To make matters worse, the lack of protection for produce sellers in Canada also means they can't access this protection in the U.S. without incurring significant financial costs.
- **Solve:** A Canadian limited statutory deemed trust would protect produce sellers during bankruptcy in Canada *with no cost to government*. At a time when food security is second only to health care in terms of priorities for all Canadians, it is crucial that the government provides all possible safeguards for the food supply chain, including a deemed trust mechanism in Canada.

### WHAT WE'RE ASKING FOR (*outlined in Parliamentary brochure*)

- Take immediate action to establish a limited statutory deemed trust that protects produce growers and sellers during bankruptcy in Canada.
- Adopt the draft *Fresh Fruit and Vegetable Products Protection Act*, written by Ronald C.C. Cuming, an expert in Canada's bankruptcy laws. The *Act* would be administered by the Minister of Agriculture and Agri-Food as complementary legislation to the *Bankruptcy and Insolvency Act* (BIA).
- Upon introduction of the legislation, request the reinstatement of Canadian preferential access to *PACA* by the U.S. Department of Agriculture.



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## KEY MESSAGING FOR INDUSTRY PARTICIPANTS – LABOUR

### TALKING POINTS:

*When in doubt, think Connect (why is it important to YOU?), Contrast (what's missing?), Solve (how can the government help?)*

*If nothing else, we want Parliamentarians to remember:*

- **Connect:** Prior to the COVID-19 pandemic, the labour gap in the horticulture sector had already reached crisis levels. The global shutdown threatened the flow of international farm workers, posing a significant threat to food production and food security here in Canada, and demonstrating just how essential these employees are for our food system.
- **Contrast:** We remain concerned about the substantially reduced number of employees who have been able to come to Canada and about what that means for domestic production – especially for operations who have experienced outbreaks of COVID-19.

Our supply chain has incurred unprecedented operational costs that are not adequately covered by government programs, and the Canada Emergency Response Benefit (CERB) created unintended challenges to accessing domestic labour.

- **Solve:** Employment and Social Development Canada (ESDC) and Immigration, Refugees and Citizenship Canada (IRCC) need resources to manage the flow of international workers and work with source countries in both the short and long term.

Moving forward, COVID-19 support programs need to take a focused approach to reduce unintended consequences and impacts to business, including challenges accessing domestic labour.



## **WHAT WE'RE ASKING FOR (*outlined in Parliamentary brochure*)**

- In both the short and longer term, work to improve service standards and processing times for applications under the SAWP and the Agricultural Stream of the TFW Program, including by ensuring that ESDC and IRCC have sufficient resources to efficiently manage the flow of incoming workers for 2021.
- Should the *Quarantine Act* be further extended, extend and provide additional funding to the *Mandatory Isolation Support Program for Temporary Foreign Workers*.
- Expand funding available through the *Emergency On-Farm Support Fund* to help growers manage costs associated with housing reforms and health and safety requirements.
- Work with source countries and implement measures to streamline the collection of biometrics and visa and work permit application processes.
- Extend the Canada Emergency Wage Subsidy (CEWS) until the Public Health Agency of Canada has declared that the COVID-19 pandemic has ended, and adjust the program to allow companies and organizations to apply retroactively for the CEWS based on an assessment of a full-year's financial impacts, to better reflect the revenue flow impacts for many in the diverse produce supply chain and recognize later income cycles.
- Adjust the CEWS to support essential businesses, such as those in the fresh produce supply chain, that have been impacted by a significant rise in operational costs due to COVID-19 by providing an option to apply for the CEWS based on reductions in net income.
- Ensure that current and future employment benefits related to COVID-19 provide Canadians requiring support the opportunity to work beyond existing program limitations.



## KEY MESSAGING FOR INDUSTRY PARTICIPANTS – SUSTAINABILITY

### TALKING POINTS:

*When in doubt, think Connect (why is it important to YOU?), Contrast (what's missing?), Solve (how can the government help?)*

*If nothing else, we want Parliamentarians to remember:*

- **Connect:** Our sector is on the front lines when it comes to facing the challenges of a changing climate and promoting environmental sustainability. We are working to ensure the economic viability of our sector and the wellbeing of the people and the planet that support it.
- **Contrast:** Our farmers and others along the supply chain have led the way on adopting environmentally sustainable practices, but too often these contributions go unrecognized by both government and consumers.
- **Solve:** From a pragmatic approach to problematic plastics and infrastructure that supports effective recycling and a circular economy, to recognition and support for environmentally sustainable practices, to the reduction of food waste – government collaboration with our industry can ensure effective, long-term solutions.



## **WHAT WE'RE ASKING FOR (*outlined in Parliamentary brochure*)**

- Work with provincial partners and industry to evaluate the impact of COVID-19 on the food system and assess how it was managed during the pandemic, to ensure the Canadian food system is stable and working effectively to address future crises.
- Work with our sector to find evidence-based solutions that consider the food safety and food security implications of reducing the use of plastics for fresh produce. This includes a combination of education, innovation, and the development of harmonized, efficient and cost-effective recycling collection within communities across Canada that is critical to support a circular economy.
- Commit to putting in place dedicated funding for industry research and innovation to facilitate the transition away from unnecessary and problematic plastics towards more sustainable and environmentally friendly options.
- Provide greater recognition for the efforts of the agricultural sector to reduce greenhouse gas emissions and implement more environmentally sustainable practices. The government must include all fuels, for all activities, under the exemptions afforded to farmers under the *Greenhouse Gas Pollution Pricing Act*.
- Commit funds and resources to support the reduction of food waste across the supply chain, including through an enhanced Surplus Food Rescue Program, and leverage the expertise of the Canadian fresh produce industry to build an effective food purchasing and distribution program and ensure that food gets to those who are food insecure in a timely fashion.