



Agriculture and Agri-food Canada
Submitted via email to aafc.AGLS-SMAG.aac@agr.gc.ca

September 27, 2022

RE: Consultation to inform a National Agricultural Labour Strategy

To Whom It May Concern:

On behalf of the Canadian fresh fruit and vegetable industry, we welcome the opportunity to provide comments to Agriculture and Agri-food Canada's consultation to inform a National Agricultural Labour Strategy.

About CPMA

Based in Ottawa, the Canadian Produce Marketing Association (CPMA) is a not-for-profit organization representing companies active in the marketing of fresh fruit and vegetables in Canada, from the farm gate to the dinner plate, spanning the entire produce industry. The Association's members include major growers, shippers, packers and marketers; importers and exporters; transportation and logistics firms; brokers, distributors and wholesalers; retailers and foodservice distributors; and fresh cut operators and processors. Founded in 1925, CPMA is proud to represent over 840 domestic and international members who are responsible for 90% of fresh fruit and vegetable sales in Canada.

General comments

- To begin, CPMA voices our full support of the work currently being undertaken by the Canadian Federation of Agriculture (CFA), Food and Beverage Canada (FBC) and the Canadian Agricultural Human Resources Council (CAHRC), on a proposed outline for developing a national strategy to improve the labour situation in the agricultural and food processing sectors across Canada. This effort has brought together stakeholders from across the agriculture and agri-food supply chain. We strongly encourage the government to leverage the knowledge and expertise that has been contributed to this joint project to support effective, collaborative government-industry solutions.
- Bridging the labour gap is critical to ensuring the success of the Canadian fresh produce industry. CPMA is strongly supportive of the commitment made in the Ministerial mandate letters to develop a Agricultural Labour Strategy to address persistent and chronic labour shortages in farming and food processing in the short and long term.
- CPMA is also appreciative of the efforts made to date through the Temporary Foreign Worker (TFW) Program Workforce Solutions Road Map and through Budget 2022, including a temporary increase in the TFW cap to 30% for food manufacturers, a welcome first step to support our sector in addressing labour challenges in the short-term. We also welcome the government's funding

commitment for a Trusted Employer Program and look forward to working with the government on its development and implementation in the soon.

- In addition to the comments shared below, CPMA also echoes the recommendations made by Fruit and Vegetable Growers of Canada (FVGC) and urges the government to consider these in its own efforts to develop a National Agricultural Labour Strategy to address workforce challenges in the fresh fruit and vegetable sector.

Employee recruitment and retention

- Even prior to the COVID-19 pandemic, the labour gap in horticulture was becoming a crisis, expected to increase to 46,500 jobs by 2025 – the largest labour gap in the agricultural sector.
- The rural location and seasonal nature of many jobs in the fresh produce sector, particularly on-farm, often make it difficult to hire Canadians, who generally prefer year-round work and who are concentrated in urban centres. The fresh fruit and vegetable industry therefore relies upon thousands of workers coming into Canada as part of the Agricultural Stream of the TFW Program and the Seasonal Agriculture Worker Program (SAWP) to plant, cultivate, process, harvest and pack our products.
- The seasonal and labour-intensive nature of many growing operations also means that Canadian horticulture relies more heavily on international employees than do other segments of agricultural production, with 43% of horticultural workers coming from outside Canada, (compared to 17% for the rest of agriculture), and 61% of horticultural farmers hiring foreign workers, (compared to 35% for the rest of agriculture).
- In addition to the challenges of recruiting and retaining employees on-farm, it is important to note that the impacts of the pandemic have seen labour shortages expand across the fresh produce supply chain, from farm gate to dinner plate. In October 2021, CPMA released a report, *Workforce Needs in the Produce Supply Chain: 2021 Findings*, based on research conducted through a member survey and follow-up interviews, with responses representative of the total produce supply chain in Canada. Its findings show widespread labour shortages with impacts to businesses' productivity, sales, profitability, access to products and new business development. A copy of this report has been enclosed with this submission.
- Key findings from the CPMA *Workforce Needs in the Produce Supply Chain* report related to employee recruitment and retention include:
 - Labour shortages were reported by 92% of growers, 75% of wholesalers, and 100% of retailers, with the most significant gap reported in warehouse labour. These labour shortages were reported in both urban and rural areas of Canada.
 - Staff wages are increasing dramatically – both to meet the demands of recruiting new staff and to ensure that existing staff are not paid below new market rates. These increases raised concern about resulting rise in prices for consumers.

- Not only are new staff hard to find, but turn-over has also increased, with a high percentage of new hires leaving within 3 to 6 months. Members also emphasized that labour gaps and high turnover have led to heightened strain on existing staff, with a potential for increased mental and physical health concerns.
- Companies across the produce supply chain reported utilizing new and innovative ideas to attract and retain staff, including measures such as offering bonuses, flex hours, more frequent reviews, referral bonuses, on-site daycare and shorter shifts to accommodate parents dropping off and picking up children at school.

Future skills and technology needs

- In developing an effective National Agricultural Labour Strategy and identifying future skills and technology needs, the Government of Canada must apply a total supply chain lens to ensure that all aspects of the agriculture and agri-food sector are considered and supported.
- For example, CPMA's October 2021 report found significant gaps in warehouse workers, including in roles such as packing, grading and forklift operation. The importance of these workers cannot be overstated as they represent an estimated 74% of staff in the fresh produce supply chain.
- In addition, transportation is a key component for the fresh produce supply chain, made even more important due to the perishable nature of fruits and vegetables. The ongoing shortage of commercial truck drivers is made worse in the produce industry, as available drivers often choose to take less urgent, non-refrigerated loads. When fresh produce is not moved in a timely manner, significant food waste and lost revenue can result throughout the supply chain. The government must ensure that any National Agricultural Labour Strategy considers all the links along the chain that are critical to getting food from the farm to the consumer.
- A strong and growing Canadian produce industry will depend on our ability to leverage innovation. Agriculture, including the fresh produce industry, has the potential to act as the backbone of Canada's economic recovery from the COVID-19 pandemic, but more investment is needed to support our sector's growth. A [2019 RBC report](#) found that Canada's share of global AgTech investment is only 3.4%, falling behind countries such as Brazil and India.
- CPMA's *Workforce Needs in the Produce Supply Chain* report found that many companies are investing in innovative new systems to help address labour shortages, with robotics, automatic grading and palletizing and upgraded software and systems frequently mentioned. However, not only does investment in and implementation of these types of innovations requires both financial and human resources. The pandemic, supply chain disruptions and the current inflationary environment have made finding these resources more difficult for many companies.
- It is clear that the future fresh fruit and vegetable industry, and the agricultural sector more broadly, will require a workforce with a wide range of skills, including an increasing focus on expertise in areas such as robotics and artificial intelligence, software engineering and programming, green energy systems and data analysis. Given that many young and urban

Canadians may not associate these disciplines with agriculture, the federal government has an important role to play in supporting educational efforts and raising awareness about the significant and diverse opportunities available in our sector.

- As noted by the Agri-Food Economic Strategy Table, the lack of digital infrastructure remains a major roadblock to innovation for businesses in the fresh produce industry and renders many businesses in rural, remote and Indigenous communities unable to reap the full benefits of digitization or of many innovative technological solutions becoming available. The Government of Canada must therefore ensure sufficient, dedicated funding to support the rapid expansion of high-speed internet infrastructure and cell phone service coverage for all Canadians and Canadian businesses.
- In assessing future skills and technology needs, it is also important to understand the ways in which shifts made during COVID-19 pandemic may permanently change the business environment. One example is the marked acceleration of trends towards online purchasing, delivery and curbside pick-up. The growth of e-commerce and increased government digitization efforts not only make access to broadband internet and cell phone coverage even more important, but also highlight new potential skills which may be required by the sector's workforce moving forward.

Potential solutions

- First, CPMA would like to reiterate our support for the proposal being developed by CFA, FBC and CAHRC, and urge the government to consider the recommendations made in developing solutions to enable a strengthened Canadian agri-food workforce.
- CPMA also echoes FVGC's support for the SAWP as a unique, standalone program that has strong reputation among fresh fruit and vegetable growers. The Government of Canada should continue to work to improve service standards and processing times for applications under the SAWP and the Agricultural Stream of the TFW Program, including by working with source countries and implementing measures to further streamline the collection of biometrics as well as visa and work permit application processes.
- As noted above, the implementation of a Trusted Employer Program can help to further streamline and standardize the Labour Market Impact Assessment application process. The Government of Canada should undertake thorough stakeholder consultations to inform the development and implementation of this program to facilitate its success and uptake by employers.
- Finally, in addition to the need for digital infrastructure noted above, rural communities across Canada need greater investments in critical infrastructure, such as affordable housing, roads, public transportation, energy and service infrastructure, to support their economic development and better enable them to attract and retain workers, now and into the future.

We thank you for taking the time to review our comments. Where possible, the Government of Canada should engage with the fresh produce industry as it determines proposed models and implementation plans for the key areas noted in this submission. An effective National Labour Strategy is critical to the long-term success of the Canadian fresh produce industry. CPMA and our members are keen to partner with government to support this initiative and would be pleased to answer any questions you may have.

Regards,

A handwritten signature in black ink, consisting of a stylized 'R' and 'L' followed by a horizontal line.

Ron Lemaire
President
Canadian Produce Marketing Association