

Fruit and Vegetable Growers of Canada- Grower Cost Survey

FVGC has spent much of the past year dealing with the issue of food inflation - assessing the issue and discussing strategic ways to support our members. There was a lot of coverage in the media and debate about where the increased costs were coming from, including supply chain issues, inflation, and the war in the Ukraine.

In the fall of 2022, FVGC circulated a survey on rising costs to growers, with a specific lens to viewing whether rising costs were a barrier to adopting and investing in climate-smart agriculture. The results reflect that costs have been rising on inputs across the country and growers are struggling to cover those costs; 44% of respondents were selling at a loss and 77% were not able to raise their selling price in line with their increased costs.

To support growers and to keep the price of products down, FVGC recommended agriculture and food production be prioritized by the government; that a strong Grocery Industry Code of Conduct be established; and that risk management supports for the horticulture sector be expanded. This survey is an important part of the story to Canadians wondering what is going on in the price of food.

Trends we found:

- We did see some trends with respondents reporting that fuel has increased 66% overall and fertilizer price has gone up 71% since 2020.
- 60% of respondents have had to delay plans in the past 2 years because they had to reallocate resources because of rising costs.
- 73% are waiting for costs to go down before investing in their operations.
- 44% of respondents said they are selling at a loss, and 77% said they haven't been able to increase their selling price in line with their costs.
- Some specific comments from the survey "Wanted to install roof sprinklers on greenhouse roof because of climate change, quoted out in 2020 but held off because of Covid 19. quoted it out recently and the cost has gone up 300%", and "I cannot acquire infrastructure while we are being paid less than cost of production."
- Even growers who have been able to break even shared these comments with us: "Would like to plant new varieties of apple trees but can't afford it. We are stuck with lower paying varieties in a huge rut. We are not making what I need to survive and can't afford newer trees", another grower who was also breaking even said, "we cannot invest, we are just surviving."

Average input cost increase by province as expressed by growers

Province	Fuel	Electricity	Carbon Tax	Fertilizer	Seeds, Transplants, Etc	Crop Protection Products
Alberta	55	15	100	90	15	15
British Columbia	58.4	9.7	33.3	76.2	29.9	25.9
Manitoba	75	-	16	60	22.5	15
New Brunswick	100	16.7	43.3	77	22.5	23.8
Nova Scotia	62.7	7.4	-	64.4	19.1	30.4
Ontario	78.1	34.0	52	86.8	33	29.4
Prince Edward Island	58.3	11.5	10.0	65.6	17.5	38.4
Québec	52.1	10.3	17.5	53.6	23.4	21.9
Saskatchewan	75	15	5	50	10	15
Average	66.6	18.5	38.1	71.4	26.3	28.8

Packaging:

Overall, there are steep impacts across the board since 2020- growers have felt an increase in packaging cost, of an increase in price of 90% on cardboard boxes.

Cardboard boxes	27%
Palettes	22%
secondary packaging (plastics), banding	31%
Crates	27%
Other:	20%

Inputs:

Fuel	66%
Electricity	19%
Carbon Tax	39%
Fertilizer	72%
Seeds/Transplants/Etc	27%
Crop Protection Products	29%

Labour:

Operators	19%
Equipment Operators	19%
Supervisors	19%
Mechanics	23%
Farm Labour	16%
Shipping	42%
Audits	27%

Have you been able to raise your selling price in line with your rising costs?

Yes	22%
No	77%

If not, are you selling at a loss, or breaking even in most cases?

Selling at a loss	44%
Breaking even	66%

Have you had to delay plans for implementing climate smart agriculture practices on your farm in the past two years because you had to reallocate resources because of rising costs?

Yes	73%
No	37%

Did your project include the following elements?

