



Presentation to the House of Commons Standing Committee on Agriculture and Agri-Food

February 6, 2024

My name is Marcus Janzen, and I have the privilege of serving as the Vice President of the Fruit and Vegetable Growers of Canada (FVGC). I am also the President of Calais Farms Ltd., a leading greenhouse pepper operation located in Abbotsford, BC, covering 20 acres under glass. Today, I am before you to discuss the pressing issue of stabilizing food prices in Canada, a concern that deeply affects Canadian fruit and vegetable growers as well as all Canadian citizens.

FVGC represents a vital sector, with over 14,000 farms producing 120 types of crops, contributing to farm cash receipts of \$6.8 billion in 2022. The fruit and vegetable sector plays a key role in our national economy and the health and well-being of every Canadian family. With cost of living the top concern for Canadians, we need collaboration between the government and our sector to address escalating food prices and ensure food security.

A 2022 survey conducted by FVGC revealed that 44% of growers are operating at a loss, and 77% can't offset production cost increases, pointing to financial strains from government policies including the Carbon Tax, the P2 Plastics Program, tariffs on fertilizers, and aggressive targets for reducing fertilizer emissions. These challenges, exacerbated by Bill C-234's proposed changes, risk the sector's affordability and sustainability balance. Taxes on farmers and across the supply chain, inevitably result in an increase in food prices for consumers.

Bill C-234 is at a critical juncture, faced with amendments that risk the viability of Canadian agriculture by eliminating heating and cooling exemptions, straining growers financially amidst rising carbon tax costs. This jeopardizes food prices and Canada's competitiveness, as our sector receives only a third of the climate funding compared to our counterparts in the U.S., EU, Australia, and China.

The greenhouse vegetable sector faces annual carbon tax expenses exceeding \$22 million, projected to reach \$82-100 million by 2030, highlighting the urgent need for equitable climate funding.

Consider this example: a 30-acre family farm in Ontario, specializing in greenhouse peppers, now faces nearly \$150,000 in annual carbon tax. These are critical funds that could be directed towards sustainable technologies and job creation, essential for our sector's future.

The challenges we face in stabilizing food prices and supporting our agricultural sector are indeed daunting, but not insurmountable.



We propose a series of actions that require immediate attention:

- We urgently call for the prompt and decisive rejection of the amendments to C-234 and to ensure its swift passage.
- Removal of the P2 plastics program and further evaluation of the compatibility requirements on PLUs which have unintended impacts on production costs and, consequently, food prices.
- Eliminate fertilizer tariffs to reduce input costs for growers, enhancing sustainability and preventing consumer price increases. This measure, intended to penalize external actors, disproportionately affects local agricultural producers and consumers, necessitating urgent reassessment.
- Involve growers in all environmental and agricultural policy-making processes, ensuring that future regulations reflect the realities of modern agriculture and contribute to stabilizing food prices.
- Quick passage of C-280, An Act to amend the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*
- The Government must ensure the implementation of the Grocery Code of Conduct. This initiative is essential for establishing equitable trade relations between Canadian farms and consumers, ensuring the entire supply chain adheres to mandatory requirements.

Together we can drive significant reforms that bolster our nation's growers, safeguard food security through stable prices for consumers, and guarantee the enduring viability of Canada's agricultural industry. This is a pivotal moment to champion a vision where agriculture receives the support it needs, our communities are well-fed, and our economy flourishes. FVGC will continue to play a key role in the global conversation on sustainable food systems which will help address climate change and biodiversity loss as well as food security.

Thank you for the opportunity to speak today. We are ready to collaborate, to share our knowledge, and to work towards solutions that benefit all Canadians.