



HARVESTING PROSPERITY:

Fruit and Vegetable Growers of Canada Response to Pre-Budget Consultation in Advance of the 2025 Budget

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Since/Depuis 1922

2200 promenade Prince of Wales Drive, Suite 102, Ottawa, Ontario, Canada K2E 6Z9
Tel/Tél +1 613 226 4880 • Fax / Téléc. +1 613 226 4497 • admin@fvgc.ca • www.fvgc.ca

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****Note:** The recommendations provided in this submission are not listed in order of priority but are organized alphabetically by advocacy file to avoid any inference of prioritization.

Introduction to FVGC Pre-Budget Submission for 2025

The Fruit and Vegetable Growers of Canada (FVGC) appreciates the opportunity to provide recommendations to the House of Commons Standing Committee on Finance to inform the policies included in the 2025 Federal Budget. As the voice of Canadian fruit and vegetable growers, FVGC represents producers across the country involved in the production of over 120 different types of crops on over 14,000 farms, with a farm gate value of \$6.8 billion in 2022.

In our 2025 Pre-Budget Submission, FVGC's recommendations are grounded in substantial findings from key government and industry reports. These include the AGRI reports, *Improving the Resilience of Canada's Horticultural Sector*; and *A Call to Action: How Government and Industry Can Fight Back Against Food Price Volatility*; the AGFO report, *Critical Ground: Why Soil is Essential to Canada's Economic, Environmental, Human, and Social Health*; and RBC's report, *Farmers Wanted: The Labour Renewal Canada Needs to Build the Next Green Revolution*. These references are not arbitrary; they come at a critical time when agriculture, Canada, and the world face unique challenges.

Food affordability continues to be a top concern for Canadians. Recent reports indicate that Canadians are grappling with food inflation and rising costs in various sectors, including housing and energy. The 2025 food price report forecasts that food prices could increase by up to 5%. This situation is compounded by persistent challenges posed by climate change, labour shortages, and supply chain disruptions.

The 2024 Poverty Report Cards by Food Banks Canada emphasize that food insecurity has escalated dramatically, with food costs cited as one of the top reasons individuals turn to food banks. The report indicates that 33% of food bank clients are children, a disproportionate representation given that children make up only 20% of the general population. This reflects the broader impact of economic challenges on families, particularly those with children.

Canadian farmers stand at the critical intersection of food production, energy, and the environment. Our growers provide Canadians and families worldwide with safe, nutritious food products that offer tremendous health benefits. However, they face unprecedented challenges, including escalating input costs, significant weather-related losses, market disruptions, and labour shortages.

Strong and effective government policy is required to mitigate these challenges. To strengthen food security across Canada, reduce the cost of food for Canadians, and ensure the sustainability and competitiveness of the fruit and vegetable sector now and in the future, FVGC is seeking robust commitments from the federal government. These commitments should prioritize the needs of Canadian fruit and vegetable growers, aiming to enhance food affordability, support sustainable agricultural practices, and address systemic issues within the supply chain.

Business Risk Management

Recommendation 1: Increase the AgriStability Trigger to 85%

Strengthening the AgriStability trigger to 85% would offer financial support for smaller losses than the current 80% threshold allows, enhancing program effectiveness in stabilizing farmers' incomes in the face of volatility from market fluctuations, adverse weather conditions, or other risk factors.

- **Supported by:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 11

Recommendation 2: Develop Innovative Risk Management Tools

Develop and deploy innovative risk management tools for the edible horticulture sector. Expand AgrilInsurance to include uncovered crops like greenhouse vegetables, filling major gaps in the existing risk management framework, thus enhancing sector stability and sustainability.

- **Supported by:**
 1. AGFO Report: *Critical Ground*, Page 98
 2. AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 10
 3. RBC Report: *Farmers Wanted*, Pages 5-7

Recommendation 3: Make the interest-free limit for advances under the Advanced Payment Program (APP) permanent at \$350,000 beyond the 2024 program year and indexed to the Farm Input Price Index (FIPI) thereafter.

These measures will promote affordable credit and enable farms to invest in productivity and sustainability.

- **Supported by:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 13

Recommendation 4: Compensation for Crop Destruction due to Quarantine or Invasive Pests

Compensating producers for financial losses incurred from crop destruction or land removal due to pest control is crucial. Increase resources for monitoring and inspecting imported produce to safeguard Canada's plant resources and prevent the introduction and spread of pests and diseases, protecting the domestic agricultural sector and Canada's ecosystems.

- **Supported by:** AGFO Report: *Critical Ground*, Page 97

Crop Protection

FVGC agrees with the Standing Committee on Agriculture and Agri-Food's [report](#) and the FPT working group on Pesticide Management's [recommendations](#) which advocate for additional resources to be allocated to AAFC's Pest Management Centre (PMC) and the Pest Management Regulatory Agency (PMRA), to expedite the regulatory approval process for crop protection products. With the cost of food, food insecurity risks increasing, and climate change impacts directly on crop production (heat, drought, flooding) and new/expanded pests, fruit and vegetable growers have an ever-increasing requirement for innovative pest control options.

Recommendation 5: Government provides an immediate \$8 million budget increase, with full annual inflationary increases thereafter, to the Pest Management Centre to expand its research on alternative crop protection and IPM strategies, addressing the backlog due to prolonged underfunding.

The Pest Management Centre (PMC) Minor Use Pesticide Program (MUPP) is an Agriculture and Agri-Food Canada success story. PMC has been a critical resource for Canadian agriculture for the past ten years. Their research generates data that supports registration of new crop protection products for minor use crops such as fruits and vegetables. PMC's research capability is limited by a budget that has been frozen for over a decade. Recently, capacity has gone down from conducting 40 minor-use research projects per year, to just 30 projects in 2024.

Meanwhile, demand is incredibly high: the 2024 Priority Setting Workshop had over 5,000 crop/pest problems nominated by Canadian growers. The increasing complexity of pest management needs and the phasing out of older products due to regulatory re-evaluations heighten the need for PMC's role in developing sustainable alternatives.

- **Supported by:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 23

Recommendation 6: Government secures a permanent increase in PMRA's A-base funding to sustain its pivotal role in the regulation of pesticides, including minor use pesticides.

Canadians can be confident that Health Canada's Pest Management Regulatory Agency (PMRA) conducts science-based risk assessments to ensure the safety of crop protection products used by farmers, safeguarding both environmental and human health. Canadian fruit and vegetable growers support a robust, science-based approach to crop protection regulation by PMRA.

Activities or procedures that improve the timeliness and efficiency of regulatory decisions and the regulation of pesticides are welcomed by FVGC. Additionally, given the PMRA operates the MUPP component under separate funding compared with the PMRA's standard registration process, additional funding to increase the PMRA's resource capacity for addressing current backlogs for minor use registrations and evaluations is urgently needed.

- **Supported by:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 23

Energy, Environment, and Climate Change

Recommendation 7: Pause Proposed Produce Sector-Specific Regulatory and Policy Actions and continue to engage with the Produce Sector on Sustainable Packaging

The Government of Canada should pause the development and implementation of proposed regulatory and policy actions that would adversely impact Canadians and the produce industry, such as a plastic packaging ban for fresh produce. Further, they Government of Canada should engage with the Canadian and international fresh produce sectors to explore options for advancing sustainable fresh produce primary packaging portfolios, as well as consider alternative actions to address environmental concerns with primary packaging, without adversely impacting fresh produce affordability, availability, and other key factors.

- **Supported by:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 21

Recommendation 8: Launch a Comprehensive Sustainable Agriculture Strategy.

Ensure the Sustainable Agriculture Strategy supports all agricultural commodities and facilitates the widespread adoption of innovative environmental best management practices (BMPs) by clearly articulating roles and responsibilities, including clear commitments as to how government will

- support progress towards meeting the Strategy's objectives
 - address the horticulture sector's unique climate mitigation and adaptation challenges.
- **Supported by:**
 - AGFO Report: *Critical Ground*, Page 99
 - AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 9
 - RBC Report: *Farmers Wanted*, Pages 5-7, 10-12

Recommendation 9: Invest in Sustainable Agriculture Research and Incentives.

Recognize the agriculture sector's role in supporting the health and food security of Canadians. Invest \$2 billion per year, over five years, into research, extension, and incentive programming required to support producers in their efforts to combat climate change, advance the widespread adoption of BMPs, and ensure Canadian agriculture continues to be recognized as a global leader in sustainable agriculture.

- **Supported by:**
 1. AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 8-9
 2. AGFO Report: *Critical Ground*, Page 96, Page 15
 3. AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 7-8

Labour

Recommendation 9: Streamline the LMIA Application Process

Follow through on the commitment to streamline and standardize the Labour Market Impact Assessment (LMIA) application process, enhancing the Recognized Employers Program to reduce bureaucratic hurdles and processing times for compliant growers.

- **Supported by:**
 1. AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 14
 2. RBC Report: *Farmers Wanted*, Pages 3-5

Recommendation 10: Increase Funding for SAWP and TFWP Agricultural Stream

Administrators

Increase funding for administrators of the Seasonal Agricultural Worker Program (SAWP) and the Agricultural Stream of the Temporary Foreign Worker Program (TFWP) to address escalating labour shortages effectively and ensure timely access to the necessary workforce.

- **Supported by:**

1. AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 14
2. RBC Report: *Farmers Wanted*, Pages 4-5

Recommendation 11: Provide Adequate Resources to ESDC and IRCC

Provide adequate resources to Employment and Social Development Canada (ESDC) and Immigration, Refugees, and Citizenship Canada (IRCC) to efficiently manage and support the inflow of temporary foreign workers, crucial for maintaining agricultural productivity and food supply chain stability.

- **Supported by:**

1. AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 14
2. RBC Report: *Farmers Wanted*, Pages 4-5

Trade and Marketing

Recommendation 12: Establish a Statutory Deemed Trust for Fresh Produce

Enact Bill C-280, the Financial Protection for Fresh Fruit and Vegetable Farmers Act, to create a limited statutory deemed trust, supporting the industry and restoring preferential treatment under PACA for U.S. exports at no government cost.

- **Supported by:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 18

Recommendation 13: Support the Development of a Grocery Code of Conduct

Support and provide financial assistance for the development and implementation of an industry-led Grocery Code of Conduct. This will ensure a fair and transparent business environment, empowering growers with greater negotiating power and fostering a sustainable agricultural sector.

- **Supported by:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 18

Recommendation 14: Ensure Canadian-Grown Food in the National School Food Program

Facilitate the timely delivery of the \$1 Billion funding allocated in Budget 2024 for the National School Food Program. Collaborate with provinces and territories to develop and implement the program with a core focus on enhancing nutrition, promoting healthy eating practices, and prioritizing the procurement of Canadian-grown fruits and vegetables when in season or otherwise available. This approach will support Canadian growers and align with similar international programs like the USDA's, which mandates the use of domestically grown food.

- **Supported by:** Supported by: AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 17

Recommendation 15: Adopt a Whole-of-Government Agriculture and Food Production Lens

Support a strengthened food system and food security for all Canadians by adopting a whole-of-government agriculture and food production lens. This approach will make food production and access to food a priority in legislation, policy, and crisis management, ensuring a cohesive and integrated strategy across all governmental sectors. ○

- **Supported by:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 16

Recommendation 16: Ensure affordable intergenerational farm transfers.

Confirm that intergenerational farm transfers that are now eligible since the passage of Bill C-208 (An Act to amend the Income Tax Act (transfer of small business or family farm or fishing corporation)) continue to fall under the old one-half inclusion rate under the Income Tax Act and ensure all farms, whether founding new operations or taking over multi-generational farms, can access the Canadian Entrepreneur's Incentive.

- **Supported by:**
 - **Importance of Affordable Intergenerational Farm Transfers:** AGRI Report: *Improving the Resilience of Canada's Horticultural Sector*, Page 16
 - **Bill C-208 and its Role in Farm Transfers:** AGRI Report: *A Call to Action: How Government and Industry Can Fight Back Against Food Price Volatility*, page 13, 14
 - **Canadian Entrepreneur's Incentive:** RBC Report: *Farmers Wanted*, Pages 11-12