

**Ministry of Agriculture**  
**BRIEFING NOTE FOR MINISTER ON INFORMATION FOR MEETING WITH**  
**BC FRUIT GROWERS ASSOCIATION (BCFGA) on July 24, 2020**

Ref: 192541

Date: July 8, 2020

**Title: BCFGA has requested a follow-up meeting with the honorable Minister Lana Popham (MLP)**

**Issue:** On February 6, 2020, the BCFGA issued a presentation to the Minister's Office (MO) after meeting with MLP. The presentation references the mandate letter issued by MLP upon her appointment as Minister of Agriculture in 2017 and suggests proposals to enhance the sector. On April 30, BCFGA participated in a meeting with MLP to discuss COVID-19 impacts on their sector. The BCFGA has requested a follow-up meeting to both previous meetings to discuss COVID-19 related impacts on their sector, Business Risk Management (BRM) programming and their proposals for industry as outlined in the presentation.

**Background:** The tree-fruit sector in British Columbia (B.C.) is in a declining state. BCFGA has suggested several major contributing factors to this issue: low apple return-prices, a breakdown of fruit in storage due to extreme weather, further instability of the BC Tree Fruit Cooperative and local competition with smaller, independent fruit-packers. COVID-19 has also amplified financial stress on producers.

**Discussion:** BCFGA's presentation lists each goal of the 2017 mandate letter issued by MLP and recommends where these could be developed to better suit tree-fruit producers. Key statements are;

- Revitalize the Agricultural Land Reserve (ALR) and Agricultural Land Commission (ALC)
  - Tree-fruit producers feel that new ALC regulations have caused financial burden on their businesses, due to the increased expenses and processes to obtain worker-housing.
- Establish Grow BC to support fruit and nut producers and processors to expand local food production
  - BCFGA is seeking a seven-year extension, as oppose to five, of the Tree-Fruit Replant Program. BCFGA also asks that AGRI be more involved in the Columbia River Treaty negotiation process.

**Suggested Response:** Prior to the COVID-19 pandemic, it was agreed between staff and BCFGA that there would be a working group meeting between key Ministry staff and key tree fruit representatives to discuss the feasibility and potential of their recommendations. Due to COVID-19, this meeting did not convene, and a date has not yet been determined; however, it is advisable that this meeting await the end of fruit harvest in mid-September.

Ministry staff have prepared an interim perspective on each of the recommendations provided in BCFGA's letter (Appendix 1). It is anticipated that an area of specific interest for discussion for this meeting will be requested changes to BRM programming. Detailed bullets on BRM programming are provided in Appendix 2.

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Contact: Georgina Hodson, Director, Industry Development  
Rajiv Dasanjh, Emerging Markets Specialist, 1-778-201-6599, [Rajiv.Dasanjh@gov.bc.ca](mailto:Rajiv.Dasanjh@gov.bc.ca)  
Adrian Arts, Industry Specialist, Tree-Fruits and Grapes, [Adrian.Arts@gov.bc.ca](mailto:Adrian.Arts@gov.bc.ca)

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**Appendix 1**  
**Preliminary Background to support discussion on BCFGA Recommendations**  
**Minister Round Table meetings July 2020**

1. Current status of COVID-19 management and the impact on the tree fruit industry.
  - AGRI has been heavily involved in working with AgSafe, local municipalities, and Interior Health (IH), to organize accommodations and safety-protocol measures for the sector
  - s.16

COVID-19. Program and funding enhancements have been communicated to the BCFGA by AGRI staff.

2. Provincial Mandated Change to AgriStability:
  - BRM has already increased the payment-coverage for Agristability from 70 to 80 percent for both 2019 and 2020, and extended application deadlines.
  - Amendments to Agri-Invest need to be considered at a national-level.
3. PST Exemption/Rebate for Agriculture
  - PST Exemptions are already in place for Farmers, specifically.
  - <https://www2.gov.bc.ca/assets/gov/taxes/sales-taxes/publications/pst-101-farmers.pdf>
  - AGRI could commit to working with BCFGA to understand their ideas for PST exemptions and liaise with the Ministry of Finance to ensure awareness – as this falls under their jurisdiction.
4. 50 percent provincial rebate on irrigation water fees
  - Ministry of Forests, Lands, Natural Resource Operations has authority over the annual rental fees for the use of (ground)water.
  - Farmers pay an annual rental fee for the use of groundwater. AGRI would be challenged to rationalize a rebate for only one sector.
  - Rental fee is the same for surface water and groundwater and is based on the licensed volume
    - \$50 minimum for water use
    - \$25 minimum for water storage
  - For irrigating a 100-acre orchard in the Okanagan, the annual rental fee will be roughly \$150-350 depending on farm location (hotter/drier) and irrigation system type (more or less efficient).
5. For 2020, rebate the SIR acreage fee as an IPM project through the Competitiveness Fund
  - AGRI supports the land-based activities related to sterile insect production and release, however the enabling legislation is the Okanagan-Kootenay Sterile Insect Release Service Regulation which is under the *Municipalizes Enabling and Validating Act of British Columbia*, which is part of the mandate of the Ministry of Municipal Affairs. Please contact the Honourable Selina Robinson with respect to requests for reductions in acreage fees and how that may be carried out.
  - [http://www.bclaws.ca/civix/document/id/complete/statreg/17\\_90/search/CIVIX\\_DOCUMENT\\_ROOT\\_STEM:\(Sterlie%20Insect\)%20AND%20CIVIX\\_DOCUMENT\\_ANCESTORS:1325524918?1#hit1](http://www.bclaws.ca/civix/document/id/complete/statreg/17_90/search/CIVIX_DOCUMENT_ROOT_STEM:(Sterlie%20Insect)%20AND%20CIVIX_DOCUMENT_ANCESTORS:1325524918?1#hit1)
  - s.13

6. Provide provincial guarantees and interest free grower operating loans
  - In B.C, there are two small provincial loan guarantee programs: the Breeder and Feeder Association Loan Guarantee (BHALG) and Feeder Association Loan Guarantee (FALG).
  - The BHALG and FALG programs are based on regional producer-owned cooperative associations established for the purpose of purchasing feeder and breeder cattle on behalf of their members. When cattle markets are strong and prices are a barrier to entry and expansion, the programs play an important

role in financing cattle purchases and providing cash for producers who retain cattle to add weight and value, or young animals for herd expansion.

- The total government guarantee allocated is over \$12M though there have been no claims since the inception of the program over 25 years ago.
- s.13

7. Purchase (for provincial use or eventual re-sale) some BCTFC packinghouse properties to provide greater liquidity to the packinghouse

- Government assumption of ownership and associated risk of infrastructure on behalf of private entities or cooperatives, such as the BC Treefruit Packing house, is not practiced and is not a realistic or feasible idea. This is not within the mandate or budget of the Ministry of Agriculture.

8. Increase purchases of lower grade, smaller sizes of apples by institutions

- BCFGA developing a proposal for applesauce in containers that is food safe and meets the labour-saving needs of the Interior Health Authority.
- Individual Apple Sauce has been identified as a Top 20 B.C. Food Opportunities in B.C. Healthcare which suggests that there is a potential need that can be further explored through the ‘value chain’ program and industry focus session.
- AGRI encourages BCFGA to promote products, capacity and supply of BCFGA members to government institutions through those facilities’ processes. Interior Health Authority relies on Sysco Canada to supply/distribute most food to their healthcare facilities, and the Ministry recommends reaching out to Sysco Canada-Kelowna directly, to connect with Interior Health. A new Feed BC ‘how to’ guide for producers and processors, ‘Selling B.C. Food to B.C.’s Government-Supported Facilities’, has information and advice on the processes and requirements of government facilities and may help BCFGA prepare for related discussions. The guide can be found on the Feed BC website at: [https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/feedbc/selling\\_bc\\_food\\_to\\_bcs\\_government-supported\\_facilities\\_-\\_feed\\_bc\\_resource.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/feedbc/selling_bc_food_to_bcs_government-supported_facilities_-_feed_bc_resource.pdf)
- As part of its Feed BC initiative, AGRI is exploring and testing a ‘value chain’ program. Value chains work to ‘pull’ in-demand foods through the supply chain. Feed BC value chains focus on supply chain problem-solving to match-make and connect the food needs of institutions with B.C. foods

9. Put together an emergency apple export team to establish and expand offshore markets

- Current Support for Apple Exporters: AGRI has a comprehensive suite of programs and services available to help apple exporters identify and develop export market opportunities. This includes cost-shared funding to support export market research, the development of export strategies and participation in international tradeshows and events, such as Asia Fruit Logistica and Fruit Logistica Berlin (the two leading international tradeshows for fruit/veg products); in-market support from trade representatives that can connect apple exporters with international buyers; and government-led BC pavilions at key international tradeshows and events. Through the BC Agrifood and Seafood Market Development Program (BCASMDP), associations can access up to \$75,000 per year (cost shared 30 percent industry/ 70 percent government) and producers, processors and cooperatives can access up to \$50,000 per year (cost-shared 50/50).
- Emergency Apple Export Team: An emergency apple export team could be established by AGRI in 2020/21, including representatives of the Ministry of Jobs, Economic Development and Competitiveness (JEDC), Global Affairs Canada’s Trade Commissioner Service, Agriculture and Agri-Food Canada and the apple industry, to discuss current barriers and potential opportunities.<sup>s.13</sup>

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- Based on the information collected through this process, AGRI could work with BCFGA (through either a direct contract or by hiring a contractor on their behalf) to support the

- development of an apple export market development strategy that identifies priority markets and activities that the industry can focus its efforts on over the next few years.
- BCFGA (or its members) could then access cost-shared funding support through BCASMDP starting in April 2021 (2020/21 funding is already fully subscribed) to help cover the costs of delivering the activities identified in the strategy.
  - 2021-2025 BC Agriculture, Food and Beverage International Strategy: AGRI is in the process of developing the next five-year international market development strategy (2021-2025) for B.C. agriculture, food and beverage products which will be used to guide the allocation of CAP/CAP2 Market Development resources over the next five years. As part of this strategy development, the Market Development Unit will be conducting market research/analysis on B.C. export opportunities and then conducting industry outreach to gather input/feedback/direction on priority markets and opportunities for each key export product, including apples. Market research will take place between February-May, followed by industry outreach. The strategy will be drafted in August/September and we are aiming to have it finalized/approved by the end of December.
  - The work done by the emergency apple export team could help inform AGRI's new five-year strategy and ensure that resources are allocated to the appropriate events/markets to support industry's priorities.

10. Other innovative ideas

No Ministry Response currently for "innovative ideas".

**Appendix 2**  
**Business Risk Management Issues for Tree Fruits**  
**Minister Round Table meetings July 2020**

- Business Risk Management (BRM) programs are providing substantial support to the tree fruit sector. See table below.
- Ontario has offered to cover labour related crop shortfalls with AgriInsurance. This is not workable for B.C.
  - s.13; s.16
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- B.C. horticultural producers are expecting governments will provide additional assistance through AgriRecovery for the extraordinary costs of managing Temporary Foreign Workers (TFWs).
  - s.13; s.16
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- The BC Fruit Growers Association continues to ask to further enhancements to BRM programs including a 90% payment trigger for AgriStability and a 5% government contribution in AgriInvest.
  - s.13; s.16
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BRM Support for the Tree Fruit Sector					
	2016	2017	2018	2019*	2020*
AgriInsurance claims net of producer premiums	\$ 7,798,891	-\$ 3,817,079	-\$ 231,132	\$ 12,286,912	\$ 11,683,913
AgriStability	\$ 407,284	\$ 5,122,832	\$ 2,036,121	\$ 20,362,580	\$ 25,228,758
AgriInvest	\$ 1,424,681	\$ 1,646,699	\$ 1,377,305	\$ 1,000,000	\$ 1,000,000
Annual Total	\$ 9,630,856	\$ 2,952,452	\$ 3,182,294	\$ 33,649,492	\$ 37,912,671
	Total value of support		\$ 87,327,765		
* 2019 AgriInsurance values are actuals. The remaining values for 2019 and all 2020 values are projected					



August 14, 2020

File: 0280-30

Ref: 192571

s.22

Email: s.22

Dear s.22 :

Thank you for your email of July 9, 2020 regarding Interior Fraser Steelhead (IFS) and their protection. I share your concerns about the status of those stocks and the need for continued conservation.

Fisheries and Oceans Canada (DFO) has responsibility for decisions related to salmon harvesting in the lower Fraser River. On July 15, DFO announced measures that will be in place for 2020 to protect IFS during the salmon fisheries. These include rolling fisheries closures and new requirements for gillnet fishing. Additionally, the Province restricts freshwater fishing during the estimated IFS migration time to ensure potential bycatch encounters are minimized. B.C. is continuing to encourage DFO to increase monitoring and enforcement of all salmon fisheries, and associated steelhead bycatch, in the Fraser River.

The Province is committed to the protection and recovery of wild salmon and steelhead and continues to work with DFO to this end. In 2019, federal and provincial governments developed an Action Plan for IFS that contained new conservation measures that aimed to reduce mortality and increase survival. The plan identified many priorities including increasing habitat restoration, protection, and management, while addressing fisheries impacts through protection from bycatch, investigating selective fishing methods, and increasing monitoring and enforcement.

B.C. has a long history of programs that support or benefit salmon, steelhead and their habitats, and is actively working towards new initiatives to assist salmon recovery, including the \$142M B.C. Salmon Restoration and Innovation Fund (BCSRIF). There are at least 10 BCSRIF projects currently funded that list benefits to steelhead stocks. These projects total over \$5.5M in 2019 funding, and over \$20.5M in total BCSRIF funding. In collaboration with DFO, we have announced a funding priority for 2020 of selective fishing, with aims to reduce bycatch mortality of species of concern, including IFS and Fraser chinook. We see this priority as a key lever in transition to more selective fishing methods that will help conserve IFS stocks.

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Thank you again for sharing your concerns regarding IFS. I can assure you that the Province is working hard internally as well as with counterparts at DFO to enhance recovery for IFS.

Sincerely,

A handwritten signature in cursive script, reading "Lana Popham". The signature is written in a dark ink and is positioned above the printed name and title.

Lana Popham  
Minister