

**Report to the**  
**FINANCE AND MARKETING COMMITTEE**  
**To the 88<sup>th</sup> Annual General Meeting of the**  
**CANADIAN HORTICULTURAL COUNCIL**  
**Fairmont Château Frontenac, Québec City, Québec**  
**March 4, 2010**

**To the President and Members of the  
Canadian Horticultural Council**

As we peel back the layers on 2009 many things come to light. Now that automotive manufacturing is no longer the top job creator in this country it is now revealed that Agriculture, Agri-Food and Agri-Business is the number one employer.

Horticulture in all its many forms is a massive part of that, and yet government and society continue to, at best, pay lip service to us on all fronts, most importantly Safety Nets and Finance. We have completed year 3 of Growing Forward or what perhaps could best be described as a "shrinking sideways" program. Non-BRM programs run out of funds in 6 to 8 weeks, and you then have to wait until the next year. Incidentally the Environmental Farm Plan funds in Ontario have already run out for 2010!

The BRM programs simply do not work. We have offered short term solutions to help our producers but progress is nothing short of zero. Politicians are quick to throw bailout dollars at industries that close up and leave, but not those that remain.

Anyhow, 2009 is a year best put behind us. In many regions the growing season that never was, just about sums it up. Excess rain here, a bit of drought there, many regions had a lack of heat and others too much. The weather tested Crop Insurance Programs for Horticulture, where they even exist!

A tornado devastated the Beaver Valley area in Ontario and apple producers are still waiting for "Agri-Recovery" to do something. Both levels of government took from August until December to even look at whether Agri-Recovery might even apply. Now most of the blame for this delay falls on Ontario's former Minister of Agriculture, and time will tell if the federal Minister performs any better on the issue, after all the Ontario Minister set the performance bar pretty low, just in for the photo op and then rarely heard from again.

Ontario underwent Phase 2 of its minimum wage increase policy on March 31, 2009, moving to \$9.50 per hour and is set to endure Phase 3 on March 31, 2010 with an increase to \$10.25 per hour. The net result is a 28.5% increase in minimum wage from 2008 to 2010. In 2009 and 2010 this is causing increases for everyone especially those on the S.A.W.P. Has anyone seen a corresponding increase in price for what they produce? Not likely!

Now, most other provincial governments are falling all over themselves to get minimum wages to, or, over \$10 per hour. Since most of our competitors do not even recognize the concept of minimum wage, what gives? The government of Ontario raised the minimum wage for purely political reasons. There was no impact study, no plan and no offsets for those sectors most affected by this, with the exception of the hospitality industry which got a

multi \$100 million rollback on business and education taxes. The "supposed" reason to raise minimum wages was to help those struggling to make a living earning only minimum wage, better off. However since people earning minimum wage tend to shop at places that pay minimum wage, those businesses just pass the extra cost on, and then some! Therefore the survival bar just moved further away, not closer.

As I write this, just 2 days ago the FPT Ministers meeting took place in Niagara. The result was a press release of no substance. There was reference focusing on the "economic situation, competitiveness of the sector, and ongoing efforts to strengthen Canada's food safety and livestock traceability systems". There is also mention of "seizing every opportunity to sell our products", as well as to "look to the future of BRM programs". Once again, is it clear they "DO Not Get It".

They missed an historic opportunity to actually do something. When was the last time there was a food safety concern around Canadian horticultural products? We have the safest fruit and vegetable products, what we need are profitable producers who provide the environment for "new and young" producers to want to enter the business. They talk about seizing opportunities to sell our products. This sounds a lot like the U.S. model of being "the lowest cost provider of food to the world". This is a direct quote of the president of the U.S. Farm Bureau, backed up of course by the U.S. Treasury. I do not know about you, but I have no intention of providing the cheapest food and not being backed up by anyone.

Looking ahead, and "consulting" on BRM programs. That's just another way of saying "we will put off real change for a few more years". This brings us to one of the real problems. There is no food strategy in this Canada. We are, in essence, a generation or more behind much of the world in this regard. There needs to be recognition that there will be profitable, Canadian farmers, producing the best food, for Canadian consumers and those who can and will pay what it costs. There needs to be a roadmap on how to get us there, and policies that keep us on that road. The government of the U.K. in January released their strategy entitled "U.K. 2030". In it there is a commitment to doubling their agriculture and food research budget in "3" years. What a concept! The research budget here is insulting by comparison.

Finally, on a more positive note, there is work being done on a National Food Strategy. You will hear more about this year and hopefully participate in the initiative. "We" have the solutions for our members and for society. Our challenge going forward as farm leaders is to get governments to put the right policies in place.

Respectfully submitted,

Mark Wales  
Chair, Finance and Marketing Committee  
March 4, 2010