



Labour Market Impact Assessment Under the Temporary Foreign Workers Program
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ABOUT THE CANADIAN FEDERATION OF AGRICULTURE:

The Canadian Federation of Agriculture (CFA) was formed in 1935 to answer the need for a unified voice to speak on behalf of Canadian farmers. It continues today as a farmer-funded, national umbrella organization representing the 10 provincial general farm organizations as well as 18 national commodity groups. Through its members, it represents over 200,000 Canadian farm families from coast to coast to coast. CFA's mission is to promote the interests of Canadian agriculture and agri-food producers, including farm families, through leadership at the national level, and to ensure the continued development of a viable and vibrant agriculture and agri-food industry in Canada.

SUMMARY OF RECOMMENDATIONS:

Administrative costs and processing timelines:

1. Future program reforms and relevant public health measures to be communicated as early as possible to those farm organizations playing critical logistical roles in the administration of the TFWP.
2. Ensure the online LMIA application portal accommodates the third parties that support producers prior to submitting their applications.
3. Implement clear service standards for the processing of work permits and associated documentation alongside increased information-sharing between Service Canada, IRCC and across orders of government.
4. Wage calculations must be made transparent and reflective of actual industry wages.
5. Unsustainable housing deductions available to agriculture stream employers need to be explored through meaningful discussion and transparent consultation.

Impacts of the COVID-19 Pandemic:

6. Continue efforts to enable acceptance of dedicated TFW chartered flights at regional airports.
7. Ensure regional specificity in the communication of program details.
8. Provide additional support measures in response to increases in incremental costs.
9. To prevent undue extensions to worker quarantines, provide further options and capacity under the Switch Health day-10 testing regime by leveraging third party practitioners and laboratories.
10. Engage with the Government of the Philippines to waive exit clearance fees for foreign workers returning in 2021, where they will work for the same employer as 2019.

The State of Pilot Projects in Addressing Labour Shortages:

11. Address educational criteria and other barriers that continue to limit uptake of the agri-food immigration pilot before assessing the pilot's efficacy.

LABOUR SHORTAGES IN CANADIAN AGRICULTURE

Between Canada's abundance of land, fresh water, strong regulatory regime, and innovative business owners, Canada's agri-food sector is primed to drive Canada's economic recovery. The agri-food industry employs over \$2 million Canadians and accounts for one in eight Canadian jobs in regions across Canada and encompasses everything from the farmgate to food processing and distribution to retail and foodservices. A \$143 billion contributor to Canada's GDP, the sector faces a chronic and widespread labour shortage at the farmgate and throughout the value chain.

In primary agriculture alone, the most recent research from the Canadian Agricultural Human Resource Council¹ identified a labour shortage of 16,500 in 2017, which cost the sector \$2.9 billion in lost sales that year alone. This shortage persisted despite Canadian farmers bringing in 59,500 foreign workers, and the domestic shortfall was forecasted to increase to 123,000 unfilled jobs by 2029. Technology has already contributed to reducing the shortfall from 26,400 in 2014, but there are a number of limitations regarding the availability of labour-saving technologies. In many instances, the sector's unparalleled productivity growth over the past four decades has increased the stakes, with each vacancy costing farmers that much more in lost productivity.

Without a sufficient workforce and further investments in labour-saving technologies to support this growth, the sector cannot realize the export and domestic sales targets set by the federal government in 2017 and subsequently reinforced through the agri-food economic strategy table. Not only does this limit the sector's ability to become a global agri-food leader, but it also makes it hard for it to spur Canada's economic recovery. Labour is a chronic, systemic issue and requires an equally systematic response. Although the development of a Canadian agri-food workforce and automation strategy is urgently required, Canada's current and forecasted labour market information emphasize the importance of international workers and the need for Canada's Temporary Foreign Worker Program (TFWP). The following submission briefly identifies some of the key successes, challenges, and recommendations needed to ensure an efficient, accessible, and rigorous TFWP in three key areas:

- Administrative costs and processing timelines;
- Impacts of the COVID-19 Pandemic; and
- The state of pilot projects in addressing labour shortages.

¹ Canadian Agriculture Human Resource Council. *How Labour Challenges Will Shape the Future of Agriculture: Agriculture forecast to 2029*. Available at: <https://cahrc-ccrha.ca/programs/agrilmi/national-data>

ADMINISTRATIVE COSTS AND PROCESSING TIMELINES

1. Improvements in LMIA service delivery and processing

Since 2018, the Labour Market Impact Assessment (LMIA) processing regime for agricultural users of the TFWP has seen dramatic improvements in consistency, timeliness, and transparency. This is due to a series of measures, including the centralization of agricultural LMIA processing into a single office, the roll-out of an online application portal, and ongoing dialogue between farm associations and multiple government departments.

This has occurred through a few channels, including a TFWP Service Delivery Working Group convened in 2018, and co-chaired by Service Canada and the CFA. This forum allows for ongoing and regular exchanges of information on program irritants, proposed reforms, and administrative improvements. In addition to this forum, ongoing engagement with organizations like FARMS, WALI, FERME, and UPA continues to take place, providing an important interface to address regional issues arising across the country on a timely basis.

The aforementioned associations play critical roles in developing standards, arranging logistics, and communicating developments to thousands of farm businesses. COVID-19 has brought continual evolutions in program requirements and public health measures that have challenged the program's operations and these associations have been critical to ensuring continued access to essential farm workers. This lack of advance notice on these changes has left the TFWP with uncertainty, unique logistical challenges, repeated disruptions, and has strained the capacity of these organizations to support producers.

The CFA strongly advises communicating future program reforms and public health measures as early as possible to those farm organizations that play critical logistical roles in the administration of the TFWP, so as to avoid any disruption to TFWP logistics and support worker and employer safety.

2. Online LMIA Application Portal

Canada's producers continue to report that the online application for LMIAs is performing well, improving timeliness and transparency. As noted, there are a number of farm associations that provide a service to farm businesses to assist with preparation of documentation. This has been proven to greatly reduce inaccuracies or discrepancies in LMIA applications, which in turn improves processing timelines and reduces burden on both employers and government officials.

While CFA understands this issue is already under consideration, the online portal must accommodate third parties that support producers prior to submitting their applications.

3. Coordination and communication

While LMIA processing has improved, producers continue to highlight confusing and overlapping inspections relating to the program, particularly during the COVID-19 pandemic. Provincial Ministries of Labour, Service Canada Integrity officers, and Public Health officials now undertake inspections of farm businesses in the TFWP. This has resulted in unnecessary redundancies that in turn burden employers and employees as well as confuse them as to who is inspecting their operations and for what purpose. Integrity inspections can halt future LMIA applications; some employers are left in the dark about the status of their applications while waiting for essential workers to be approved.

Producers also report frequent delays in the processing of work permits, in securing necessary documentation for travelling workers, and for seemingly minor administrative changes to documentation. For example, changes to

work permit applications may require amendments to the corresponding LMIA documentation and vice versa. This should be a straightforward communication between IRCC and Service Canada, but is often complicated by working with foreign governments, employers, and other institutions before it reaches relevant federal departments.

CFA recommends that clear service standards should be implemented for the processing of work permits and associated documentation, along with increased information-sharing between Service Canada, IRCC, between orders of government in order to simplify inspections & processing efforts.

4. Undue burden, fees and added costs

Outside of the LMIA process itself, primary producers continue to face several administrative costs and administrative burdens associated with the program that, in many instances, appear undue or counterproductive to program outcomes. The following list references a number of these administrative issues in brief, alongside potential solutions to address them:

- a) Wage rate calculations in certain commodities, particularly those recently introduced onto the National Commodities List, are mandated at rates higher than what is actually paid to domestic workers. This either results in foreign workers' wages being prohibitive or introduces problematic workplace dynamics due to wage irregularities. *Greater transparency is needed around wage calculations and further steps must be taken to ensure they are reflective of actual industry wages.*
- b) Producers employing workers under the Agricultural Stream of the TFWP are only able to deduct \$30 per week in housing expenses, which is unsustainable for employers who pay fair market value to provide quality housing. With this deduction limit, employers have difficulty maintaining good housing quality and transitioning workers to permanent residency. *Potential solutions need to be explored through meaningful discussion and transparent consultation with agricultural stream users.*

IMPACTS OF THE COVID-19 PANDEMIC

1. The continued need for the TFWP

COVID-19 has had a significant impact on Canadians, including Canada's agricultural workforce. This is captured very well in the CAHRC report [Understanding the Effects of COVID-10 on Canada's Agriculture Workforce](#). Even during a period of record Canadian unemployment, 41% of surveyed producers could not find all the workers they required, with 71% reporting fewer Canadian applicants during this time. These findings illustrate the ongoing and projected challenges farmers face in hiring Canadian workers. Despite the sector's continued efforts to recruit Canadians, foreign workers will continue to play a vital role in Canadian agriculture into the foreseeable future.

2. COVID-19 has introduced and exacerbated regional differences

CFA would like to thank officials and governments across Canada for their continued efforts to facilitate access to essential foreign workers throughout this unprecedented and challenging time. From the very beginning of the COVID-19 pandemic, government departments and employers have been challenged by the evolution and variation in public health measures across Canada and the associated TFWP program requirements. Consequently, the federal government's communications are limited to certain regions, and travel restrictions have helped increase the distance to approved Ports of Entry and logistical challenges associated with the transportation of international workers to the farms.

CFA supports and encourages governments' efforts to enable acceptance of chartered flights at regional airports. In addition, CFA recommends a more regionally specific approach in communication details, to prevent confusion and ensure accurate program information is available in all provinces and territories.

3. Canadian farmers face significant increases in COVID-related expenses

Throughout the COVID-19 pandemic, producers have seen additional costs for transportation, housing, PPE, and a variety of other related infrastructure improvements to support foreign workers. Farmers understand that many of these costs are essential and they are committed to the protection and safety of their workforce. While the Mandatory Isolation Support Funding program helps to offset some of these costs, farmers are still burdened with unprecedented expenses to produce food for Canadians and consumers around the world.

While CFA welcomes the extension of the Mandatory Isolation Support Program in the 2021 Federal Budget, the incremental cost increases this year require additional support measures.

4. Day-10 COVID testing and extended quarantine periods

Canada's farmers support all public health measures to reduce the spread of COVID-19, such as additional health tests required for workers before travel and after arrival in Canada. Self-administering day-10 COVID tests has led to workers overly enduring extended quarantine periods at regions working within the Switch Health system. This raises mental health concerns for affected workers and their employers, while creating a myriad of logistical issues and associated costs. Switch Health's system has continued to evolve in response to issues as they arise, however, there is an ongoing concern that the system's current capacity is overwhelmed.

To address this concern and ensure workers are not left isolating in quarantine for extended periods of time, CFA recommends that Switch Health provide greater flexibility for alternative solutions such as allowing employers to access additional private health practitioners and third-party laboratories as a means of leveraging existing, untapped capacity.

5. Exit clearance fees for workers arriving from the Philippines

The Philippines are a long-time source for apiaries, dairy farms, and pork farms, many returning to the same employer for years. The Government of the Philippines charges a \$750 exit clearance fee per worker if they have not worked in Canada the previous six months. COVID-19 prevented many returning foreign workers access to work in Canada in 2020, leaving workers or employers bearing the brunt of this undue administrative cost.

CFA recommends that the Government of Canada ask the Government of the Philippines to waive the exit clearance fee for foreign workers returning in 2021 to work for the same employer as in 2019.

THE STATE OF PILOT PROJECTS IN ADDRESSING LABOUR SHORTAGES

The CFA is a strong advocate for enhanced pathways to permanent residency. Though they have extensive working experience in Canada, temporary foreign workers operating in non-seasonal employment within the agricultural and food industries have had limited opportunities to attain permanent residency. This is mainly due to a focus on high-skilled labour and stringent education and language criteria that failed to account for the unique skills in demand among these workers. While Provincial Nominee Programs have presented such opportunities inconsistently, CFA was pleased to see the launch and announcement of a national agri-food immigration pilot program.

As of today, it is difficult to access the pilot program due to the lack of awareness, the problem of counting workers against the hard limits on foreign workers employed by food processing plants, and the difficulty of obtaining the necessary documentation for either traveling to or working in the country. As a result, any assessment of the pilot's efficacy should not be limited to early results.

CFA has continued to make amendments and recommends more reforms to address barriers that limit take up.

CFA continues to support the pilot as a means to provide pathways to permanent residency for experienced agri-food workers to address chronic non-seasonal labour shortages in Canada.