

CANADIAN MUSHROOM GROWERS' ASSOCIATION

August 7, 2020



PRE-BUDGET SUBMISSION

ON

**COVID-19 PROGRAM GAPS
AFFECTING CANADIAN FARMERS &
AGRI-FOOD SECTOR'S ABILITY TO RECOVER
FROM THE PANDEMIC**

**BRIEF PREPARED FOR
THE STANDING COMMITTEE ON FINANCE'S PRE-BUDGET
CONSULTATIONS IN ADVANCE OF THE 2021 BUDGET**

OVERVIEW & RECOMMENDATIONS

We have prepared this *COVID-19 Program Gaps Affecting Canadian Farmers & Agri-Food Sector's Ability to Recover from the Pandemic* as a brief for the Standing Committee on Finance Pre-Budget Consultation in order to provide constructive feedback on the critical issues on the ground farmers are having accessing available programs to help them fight COVID-19 on their farms.

Canadian mushrooms contribute \$1 billion to the Canadian economy and create 4,000 jobs for Canadians. We employ 900 workers through the Temporary Foreign Worker Program Agricultural Stream for jobs that we advertise on an ongoing basis, but Canadians do not apply for.

Canada's mushroom growers are high-tech and state of the art sector with the most advanced growing techniques in the world. We produce nearly 200,000 tonnes of mushrooms and export 40% of our production into the United States.

Our superior Canadian mushrooms are in high demand at home and abroad. And we are constantly recruiting for workers. This is our normal, upbeat, optimistic picture.

The COVID-19 pandemic is changing things for all farmers and they are adapting in every way possible. We have been fighting since March to try to get farmers access to programs that will help them get the COVID-19 pandemic year. We remain very concerned about the lack of funding for farmers to fight COVID-19 and these programming gaps will affect Agri-Food's COVID-19 recovery.

The Canadian Mushroom Growers' Associations recommendations for Budget 2021 include:

1. COVID-19 Recovery Funding:

- **Remove the AgriStability Cap:** To help farmers recover from the COVID-19 pandemic, because federal funding has been so limited, we recommend that the \$3 million AgriStability cap be removed this year and next and that the AgriStability fees, which can be very high for mushroom farmers, be waived as well; and
- **Federal Emergency Processing Fund Priorities Need to Include Farmers:** The only emergency funding that Agriculture and Agri-Food Canada has made available prioritizes meat processors, we recommend that the program also include farmers as an equal priority. And that funding be added to the program and it be extended to support farmers during the recovery period.

2. Temporary Foreign Worker Program (TFWP) Housing Assistance Needed: Currently, there is no federal funding support is provided to help cover costs of extra housing to create more space and support workers in isolation:

- **A federal fund is needed to support TFWP housing:** Extra housing needed for COVID-19 and to fix up and improve farm worker housing in the long term (the United States has included this in their programming); and
- **Adopt Canadian Mushroom Growers' Association TFWP Ag Stream housing recommendation:** Allow farmers to choose which stream of TFWP they use to allow them the same affordable housing rules that meat processors and all other sectors have allowing them to create better housing with more space for workers. (See Appendix)

3. Support from Immigration Department for improvements to keep skilled and trained workers in Canada:

- **Education Assessment criteria be tweaked** while schools are closed so Agri-Food Immigration Pilot can proceed; and
- **Include the TFWP Agricultural Stream work permit extension/ renewal** in the new 10 day expedited approach. Or use same approach for a new 30-day process.

THE COST OF THE COVID-19 PANDEMIC TO CANADIAN MUSHROOM FARMS

Since the start of the pandemic we know mushroom farms have implemented costly measures all out of their own pockets. Personal protection equipment, plexiglass dividers, increase housing, increased transportation, staggered isolating shifts as well as hygiene management supervision are some of the responses mushroom farms have made.

These measures have been estimated to collectively cost over \$250,000 a week for the mushroom industry.

One single mushroom farm alone has spent close to \$100,000 in one month to protect and prevent the spread of COVID-19 in March.

This is in addition to the lost production that was/is experienced.

- Just one mushroom farm lost \$40,000 per week from over supply and lost sales and production when restaurants were shut down by the government.
 - Weekly for all the farms this was approximately \$162,500 in March when the mandated closures happened. And because the markets are volatile, we know this can happen again.
 - Collectively this is \$2.6 million COVID-19 lost sales and production.
- Another single mushroom farm has spent close to \$100,000 in one month to protect and prevent the spread of COVID-19 in March.
 - Weekly for all the farms this is \$240,000 when mushroom farmers moved quickly and preventatively in March to keep their workers safe.
 - Collectively this is \$3.8 million.



AAFC PROGRAMS IMPROVEMENTS NEEDED

AgriStability: AAFC has made AgriStability of minimal use for commodities like mushrooms which have intensified their operations and expanded production with major exports to the US. The government must examine the scale of operations with regards to their \$3 million cap. When a mushroom farm experiences a major loss and the payment is capped at \$3 million, the program will not stop the farm from going bankrupt.

We recommend that:

Remove the AgriStability Cap: To help farmers recover from the COVID-19 pandemic, because federal funding has been so limited, we recommend that the AgriStability \$3 million cap be removed this year and next and that the AgriStability fees, which can be very high for mushroom farmers, be waived as well

FACE MASKS & NITRILE GLOVES & HAIR NETS

The N95 face masks we require for mushroom farms are now selling up to \$10 per mask. These masks used to sell for well under \$1 each. In addition 1 box of nitrile gloves sold for \$4 for 100 in March, these now are selling for over \$17 per box. Most recently farms are reporting that they are also running out of hair nets.

This is incredible inflation that farmers cannot afford in a year when the sales have been sporadic and there have been surpluses due to over-supply because normal markets have been cut off due to COVID-19 government mandated closures. No federal or provincial program has helped farmers and the Agri-Food sector with the PPE inflation that has been caused because health care and government stockpiles are buying up all the supplies that farms need for their workers.

The N95s are being confiscated at the border, India is no longer shipping because they want them for themselves, and the face masks from China are defective. If the N95s do not work for health care, then they also do not work for mushroom farms. We need them for worker safety purposes beyond COVID-19, to protect our workers from spores.

The federal \$77 million Emergency Processing Fund does not include the facemasks and funding applications ended at the end of July. At this point in time we have been told that the funding is used up and we are unsure if mushroom farms will receive any funding or not because they are not prioritized.

We implore this Committee to help get this prioritized so farmers can access the equipment they need and help support the extra costs that farmers are facing this year.

We recommend that:

Federal Emergency Processing Fund Priorities Need to Include Farmers: The only emergency funding that Agriculture and Agri-Food Canada has made available prioritizes meat processors, we recommend that the program also include farmers as an equal priority. And that funding be added to the program and it be extended to support farmers during the recovery period.

TFWP HOUSING ASSISTANCE NEEDED

To protect their workforce, many farms have rented extra space in hotels, apartments, and housing so there are not as many farm workers occupying TFWP Agricultural Stream housing – to proactively work towards the 2-meter distance rule in the accommodations.

Also they rented this extra space to isolate workers when they have been potentially exposed to the COVID-19 virus, and in case of outbreaks.

They are also paying for extra bussing, twice and sometimes triple as many bus trips to split up the workers so nobody sits in the same seat.

In the long-term farmers need funding support to improve farm worker housing and also more options in the TFWP so they have the same affordable housing options as sectors like the meat processors.

We recommend that Temporary Foreign Worker Program (TFWP) Housing assistance be created:

A federal fund is needed to support TFWP housing: extra housing needed for COVID-19 and to fix up and improve farm worker housing in the long term (the United States has included this in their programming); and

Adopt Canadian Mushroom Growers' Association TFWP Ag Stream housing recommendation: Allow farmers to choose which stream of TFWP they use to allow them the same affordable housing rules that meat processors and all other sectors have allowing them to create better housing with more space for workers. **(See Appendix)**

SUPPORT FROM IMMIGRATION DEPARTMENT FOR IMPROVEMENTS TO KEEP SKILLED AND TRAINED FARM WORKERS IN CANADA

The following two issues and constructive recommendations will not have any extra cost, they will SAVE money for the Canadian budget and provide immense relief and benefits to the entire Agri-Food sector.

IMMIGRATION ISSUE 1: AGRI-FOOD IMMIGRATION PILOT (AFIP)

The Agri-Food Immigration Pilot was launched May 15th.

Before farm workers are allowed to apply, they must prove they have a high school certificate. Even those with 5 to 15 years of experience on a Canadian farm.

The normal education assessment process, however, is impossible this year, because the schools are shut down.

The assessment company recommends that workers here in Canada who have certificates be allowed to start the process now. And when the schools open then get the original certificates. We think this is reasonable.

We were planning for between 100 to 200 mushroom farm workers to apply to the pilot this year.

If the change is not made, we will likely only have about 10 workers able to use the AFIP this year.

We recommend that:

Education Assessment criteria be tweaked while schools are closed so Agri-Food Immigration Pilot can proceed

IMMIGRATION ISSUE 2: WORK PERMIT EXTENSION FOR TFWP AGRICULTURAL STREAM WORKERS TAKE TOO LONG

We are supportive of the new in-Canada approach for the work permits allowing TFWs already in Canada to get back to work quickly in 10 days.

We urgently request that this process also be applied to the Agricultural Stream work permit extensions.

When the worker drops to implied status with their work permit this means they lose their health care card as it expires on the same day as their work permit. Depending on the province, the hospitals do not accept the private health care company insurance at time of appointment, either the worker or the farm have had to pay this up front. This can affect other personal id the workers have as well.

We continue to advocate for a streamlined new process for TFWP Agricultural Stream renewals for in-Canada workers to extend their stays during COVID-19 and during the recovery, similar to the 10-day expedited process that has been granted to TFWs who change employers. If a stable 30-day process could be included in the regulations would be immense.

We recommend that:

<p>Include the TFWP Agricultural Stream work permit extension/ renewal in the new 10 day expedited approach. Or use same approach for a new 30-day process.</p>
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CONCLUSION

We trust Prime Minister Trudeau when he said the initial \$252 million was, “an initial investment and if we need to add more, we will.” It is time to trust farmers and help them get the tools they need to stay in business, continue to fight the COVID-19 virus, and support them with a solid recovery plan that includes these basic recommendations.

Appendix: Canadian Federation of Agriculture (CFA) Housing Resolution Approved 2019, Supported by the Canadian Mushroom Growers' Association (CMGA)

WHEREAS: mushroom farm workers now have an opportunity to immigrate through the federal Agri-Food Immigration Pilot announced in Budget 2019 and now need a year-round housing transition to include the Temporary Foreign Worker Program (TFWP) affordable housing rule, similar to meat processing workers, in order to support a successful Pathway to Permanent Residency.

WHEREAS: the mushroom sector (and possibly other commodities) are paying the higher Prevailing/Median Wage to mushroom farm Agricultural Stream TFWs across Canada, as verified by Employment and Social Development Canada.

WHEREAS: other commodities such as grain farmers use the TFWP Low Wage Stream with the affordable housing rule and maintain their primary agricultural exemptions.

WHEREAS: farmers producing commodities on the National Commodity List used to be able to choose the TFWP Low Wage Stream, pay the Prevailing/Median Wage with the affordable housing rule

WHEREAS: providing housing to TFW at significantly subsidized rate creates a disparity between Canadian workers and TFW who work in year-round occupations.

BE IT RESOLVED THAT CFA lobby ESDC and the TFWP to allow farmers employing year round workers producing commodities on the National Commodity list be allowed to choose to use the Agricultural Stream or the TFWP Low Wage Stream with the affordable housing rule and thereby pay the workers the higher Prevailing/Median wage, and maintain their agricultural exemptions, no LMIA fee and no TFW Cap.