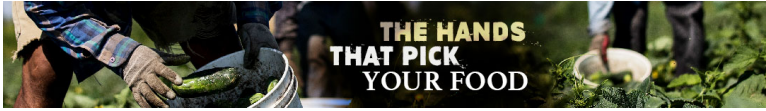




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Why Canada's farm industry is ripe for change: Wells

Ottawa is touting agri-food as an area where Canada's economy can grow globally — and temporary foreign workers have a key role to play.



"We try to hire locally first and foremost," says Murray Porteous, a fourth-generation Nor
"But it's just not the type of work that young people aspire to do." (PETER POWER / FOR

By **JENNIFER WELLS** Business Columnist
Fri., Oct. 6, 2017

When Murray Porteous emailed a group of his fellow farmers in Norfolk County with a simple request, the response he got was swift.

Porteous is a fourth-generation apple and asparagus farmer, currently tending about 850 acres near Waterford, south of Brantford. Each summer he relies heavily on the Seasonal Agriculture Worker Program (SAWP), and even in a light year like this one — the aftershocks of last year's dry summer cooked the buds on some of his Honeycrisp and Northern Spy trees — he brought in 58 workers for the harvest. Porteous also chairs the Canadian Horticultural Council's labour committee, so he was the obvious go-to guy when Ottawa came calling.

What Ottawa sought was a site visit with farms in the region. Representatives from Agriculture and Agri-Food Canada, Employment and Social Development Canada, and Immigration, Refugees and Citizenship Canada were set to descend on Norfolk County in mid-August. They had 17 farms on their list.

"They said they wanted to visit those farms because it was a range of small, medium and large producers in terms of employees they have in the program and the number of employees they have in total," Porteous says. "They wanted to see different crops being grown to see what things were actually like in the field. They asked for opportunities to speak with workers privately without the employers being present. They wanted to have the opportunity to see several different bunk houses, where the workers are housed."

Read more from our Migrant Farmworkers Series:

[He's worked legally in Canada for 37 years but the government considers him 'temporary'](#)

[Leamington is at the frontlines of the boom in migrant workers. Here's how it's changed](#)

[Unscrupulous recruiters keep migrant workers in 'debt bondage'](#)

"Within 30 hours we had a full schedule of stops," he continues. "I got a fast response from the farmers."

One could view this as swift pragmatism. There had been rumblings which, at the extreme, left some farmers anxious that the feds were contemplating eliminating, or dramatically curtailing, access to migrant seasonal agriculture workers. "We were getting comments like, This is silly. Why not give those jobs to Canadians?" says one Norfolk-area farmer.

Was the program being tapped by farmers in the way it had been intended when it was created in 1966, that is as "last resort" when permanent residents could not be found to fill the labour shortage? And how significant was the problem of what Porteous, at an annual general meeting more than a year ago, called the "bad actors" in the SAWP program, by which he meant

employers who mistreat their workers?

Porteous notes the report by the country's auditor general, tabled in May, of the Temporary Foreign Worker Program. The report found gaping holes in its administration, including few on-site inspections, sparse face-to-face interviews with workers and grindingly slow enforcement actions. That report particularly singled out caregivers and fish plant workers and concluded that reasons cited for hiring foreign workers over domestic labour lacked credulity in the extreme.

Auditor General Michael Ferguson didn't single out the agricultural stream for comment, and previous changes to the TFW program in 2014 had exempt the primary agriculture sector from reforms aimed at restricting the use of the program. Yet it was clear to Porteous that what he calls "the full spectrum of agriculture" was under review by Ottawa. "We try to hire locally first and foremost," he says. "But it's just not the type of work that young people aspire to do."



In the federal government's long-term vision for the economy, "agri-food" has been championed as a vector for global growth, with the temporary foreign worker program playing a important role. (JIM RANKIN/TORONTO STAR)

This is ultimately not a domestic story.

In the federal government's long-term vision for the economy, "agri-food" has been championed as a vector for global growth. Taking a sector approach, the government's economic advisory council, led by McKinsey's Dominic Barton, has targeted key areas — health care; advanced manufacturing — with agriculture highlighted as an obvious agent of the country's "endowment" properties. The country's vast natural attributes — clean water, arable land — should theoretically play well on the world stage, especially looking to such export opportunities as fast-growing Asian economies.

"Fast growing" doesn't quite capture it. In February, the Brookings Institute forecast that the global middle class will explode by 160 million people per year on average through 2030. "We are witnessing the most rapid expansion of the middle class, at a global level, that the world has ever seen," writes Brookings deputy director Homi Kharas. Close to 90 per cent of that growth will emerge in Asia, particularly India, with a projected 380 million newly arrived middle class consumers, and China, with 350 million.

Top of mind for the newly affluent global consumer will be safe, sustainable, traceable, nutritious food, and the bet is that these newly arrived customers will be willing to pay a premium for product that delivers all of those attributes. Kharas calculates that by 2030, the growth in middle class consumption could total a \$29-trillion (U.S.) increase from 2015. By 2020, he predicts, China will outpace the U.S. as the world's top country for middle-class consumption.



Prime Minister Justin Trudeau is urgent in his desire that Canada keep its eye on the China prize, repeatedly meeting with Jack Ma, the Chinese king who rules the Alibaba on-line marketplace. (ADRIAN WYLD/THE CANADIAN PRESS FILE PHOTO)

Prime Minister Justin Trudeau is urgent in his desire that Canada keep its eye on the China prize, repeatedly meeting with Jack Ma, the Chinese king who rules the Alibaba on-line marketplace, extolling the country's potential, posing in photo ops with Mr. Ma raising a lobster or sipping maple syrup. (Canada produces three-quarters of the world's maple syrup.) Alibaba is a giant, vying with Amazon to be the world's most valuable online retailer.

Let's wind back to Murray Porteous for a moment. As an apple grower, Porteous has a front-row seat in what's happening in global horticulture. As autumn descends, thoughts of Canadian consumers typically turn to fall bounty, the apple being a mainstay of the fall cornucopia. But it would be a mistake to think that some sharp export-minded thinking in Ottawa is going to recast the potential for Ontario apples. Porteous turns his thoughts to China. "They went from

not exporting any apples several years ago to being the No. 1 exporter in the world within four years," he says. "Like, they just turn on the tap and away they go."

The CIA's World Factbook bears this out. In 2016 the value of China's apple exports reached \$1.5 billion (U.S.), vastly outpacing the United States, at \$936 million, as the world's largest exporter. Canada placed eighteenth.

Not long ago Porteous had a home-based market for juice apples. But that's been squeezed. "We used to do over 1,000 bins and now we do maybe 200," he says. "That's pretty common across the province. There are a lot of producers who don't pick up any juice any more. They can buy concentrate like anybody else from China."

Porteous isn't complaining. "I'm not blaming them," he says of the juice processors. "That's just the way it is."



"They went from not exporting any apples several years ago to being the No. 1 exporter in the world within four years," says Murray Porteous about China. . "Like, they just turn on the tap and away they go." (PETER POWER FOR THE TORONTO STAR)

The way agri-food could be is the challenge set by the Trudeau government. Last February, a year after it was formed, the Barton-led economic advisory council highlighted what it deemed the untapped potential of the sector, which it defined in the broadest possible terms, encompassing everything from raw fruits and vegetables (agriculture) to prepared meats and beverages (agfood). The cumulative agri-food terminology is defined as a field-to-fork focus on growing the sector as a whole.

Canada's global rankings serve as benchmarks for where we are now — fifth in agriculture exports and 11th in agfood exports. The advisory group has proposed an audacious target of second place in agriculture and a leap to fifth place in agfood, an accomplishment, the council forecasts in its report, that would bring with it a potential \$30 billion (U.S.) in additional exports. The importance of the temporary foreign worker to this plan has been underscored by Barton himself.

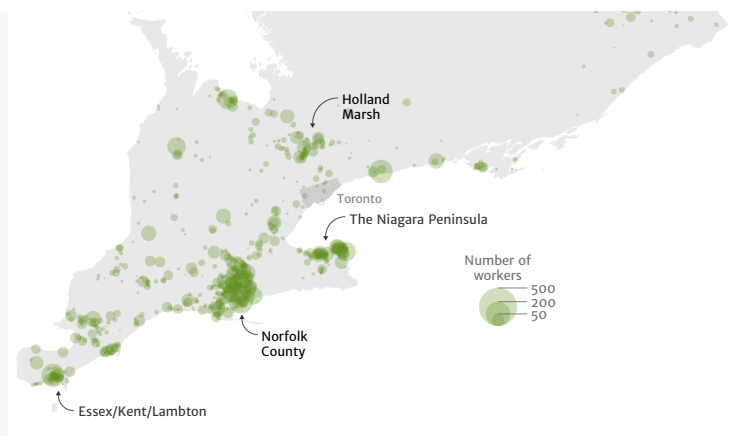
There is a ring of familiarity to this sector approach. In July 2014, McKinsey Australia produced a country analysis entitled "Compete to Prosper: Improving Australia's Global Competitiveness." The report advised a focus on sectors where Australia can win, defined as "trade exposed sectors where Australia is already strong and has the endowments to win in global markets." Agriculture took its place alongside mining and tourism as those advantaged performers with the best prospects for global competitiveness. That Australia has the most arable land per capita of any country was deemed one of its key attributes. "Brand Australia is also powerful in bringing an assurance of quality and food safety," the report noted.

In the fall of 2014 the Australian government released its action plan for a stronger Australia. "Without change, Australia risks being out-competed in the world market . . . If left unaddressed, our declining competitiveness will represent the start of an unacceptable slide into mediocrity." Replace "Australia" with "Canada" and the message is the same.

Australia's competitiveness agenda settled on six sectors for focused growth. In agriculture it established Food Innovation Australia Ltd. (FIAL), a federally funded initiative established through the department of Industry, Innovation and Science that the government hopes will spur collaboration and innovation across the industry. One of FIAL's programs is directly targeted at assisting Australian food and beverage exporters in tapping the Chinese market.

Where Ontario relies most on migrant farmworkers





Norfolk County

Known as Ontario's Garden, Norfolk County farmers are Canada's top growers of asparagus, cabbage, sour cherries, ginseng, other specialty vegetables, peppers, pumpkin, squash, zucchini, strawberries, sweet corn and sweet potatoes.

Essex/Kent/Lambton

Southwestern Ontario is known for crop production including tobacco, sweet corn, winter wheat and tomatoes. Summers are hot and humid with a longer growing season than in most of Canada. It has the country's highest concentration of greenhouse operations.

The Niagara Peninsula

The Niagara Peninsula offers fertile soil for fruits and vegetables and is one of Canada's richest fruit-growing areas. The fruit belt spans from Niagara-on-the-Lake to Hamilton, where 90 per cent of Ontario's tender fruit crop originates. It is famous for its wine production, especially ice wine.

Holland Marsh

Holland Marsh's fertile "muck soil" is best for garden crops such as onions, leafy greens, celery and carrots. Some 125 farms spread over 7,000 acres of prime agricultural land and grow 60-plus crops. About 90 per cent of all Asian vegetables eaten in Ontario are grown here.

Source: Employment and Social Development Canada

*Data comes from 2016 Labour Market Impact Assessments for temporary foreign workers in agricultural positions.

Defining Canada's branding position is going to be some task. While Australia has stated its goal of increasing its share of the global food market, it has also acknowledged that its "clean and green" brand is not a unique differentiator in the global marketplace. Consumers increasingly expect value chain transparency and traceability, from farm to consumer. The prevailing question for the discerning consumer: what is the root source of the food that appears, in all its glistening glory, on the Thanksgiving table? And if clean and green is not a sufficient differentiator, what's so great about Canada? And, a less commonly asked question: who picked that apple?

In Ontario, the family farm is still a foundation stone of the sector, a truth that may come as a surprise to many, and in and of itself bears strong brand attributes. Any production that doesn't bear the mark of mighty conglomerates but rather home and hearth should play as well on the world stage as wide blue skies and waving fields of wheat.

Statistics Canada's 2016 Census of Agriculture reported 49,600 census farms in Ontario, accounting for approximately one quarter of all the farms in the country. Ontario produces more than two-thirds of the country's greenhouse vegetables, the demand for which grew by 30 per cent in the five years to 2016. The area dedicated to field vegetables also grew, albeit by a more modest 5 per cent. Sweet corn, green peas and tomatoes top the list.

Murray Porteous's Norfolk County, which markets itself as "Ontario's Garden," is the country's top grower of pumpkins, sour cherries, ginseng, asparagus, squash and more. It also employs the highest number of seasonal or temporary workers, at 6,493 in 2016. That the agriculture sector is driven by temporary workers can be expressed most clearly by an obverse figure: Norfolk employs just 812 full-time workers in the sector.



Statistics Canada's 2016 Census of Agriculture reported 49,600 census farms in Ontario, accounting for approximately one quarter of all the farms in the country. (JIM RANKIN/TORONTO STAR)

Without seasonal workers, the farming community insists, there would be no reliable source of labour. No labour, no apples. "It will be impossible to farm without that program," says Clark Hoskin, manager of tourism and economic development for Norfolk County. "The reliance on [the foreign worker] is increasing dramatically."

Unlike those machine harvested waving fields of wheat, the tripwire in the world of horticulture is the issue of hand harvesting.

Take apples, again. In late September, Porteous travelled to Michigan to suss out a vacuum harvesting system in which, as he describes it, a worker has a tube that attaches to a harness on his body. "You simply have a tube that's very lightweight attached to you and you put the food into the tube and it goes into the bin." Such a system eliminates ladder climbing (the workers stand on a platform) and reduces the potential for repetitive strain (no more of those 15-kilogram picking bags) and potentially worker fatigue, in part, because the moving harvesters are equipped with shields to keep out the sun and the rain. This machinery is not new.

The catch is in wresting the apple from the tree. "There's nothing right now that will pick them carefully enough and also grade them as you're picking them," Porteous says.

The operative words are "right now." In Germany, two national research institutes, supported by EU funds, are working away at "intelligent automated cucumber harvesting" that eliminates both the damage done by conventional mechanical harvesting and targets a harvest rate of 13 cucumbers a minute.

In Japan, the Techno Farm Keihanna continues to promise an automated cultivation system that will harvest 30,000 heads of lettuce daily.

5th

Canada's world ranking in agricultural export values, accounting for 3% of the global share

14,741

Canadian farms reporting sales of at least \$1 million a year in 2016

Last May, Wired magazine reported on robots moving through fields of California lettuce cutting the heads with "water knives" — high pressure water blasts — thus eliminating the need for workers bent double in the fields, nicking the long-necked heads of romaine lettuce from their roots.

And, wait, here's apples again. Last spring, GV, the former Google Ventures, made a \$10-million investment in California-based Abundant Robotics, which has developed a robot that vacuums apples right off the trees using a "perception system" that isolates ripe apples in the tree canopy. Last fall, the company stated that it hoped to have a commercially viable system on the market in two years.

While such advances address, so far, only a small portion of the sector, it's clear that innovation is where the future lies, and that the private sector should be the facilitator. An assist from the federal government could come through the Canadian Agricultural Partnership, a five-year, \$3-billion investment, slated to come into effect on April 1 of next year. "It will strengthen the agriculture, agri-food and agri-based products sector, ensuring continued innovation, growth and prosperity," the government announced.

Australia provides a useful reality check here. Food Innovation Australia Ltd. estimates that of that country's 57,000 food and agriculture businesses, only 5 per cent could be called "businesses of tomorrow" that actively pursue new markets, are more inclined to take risks, are

more connected to their end markets and continually invest in building both their capability and knowledge of these markets.” Many have no desire to export. Many more wouldn’t know how. In September, the Australian government moved one step closer to creating an agri-tech business hub in Western Australia.



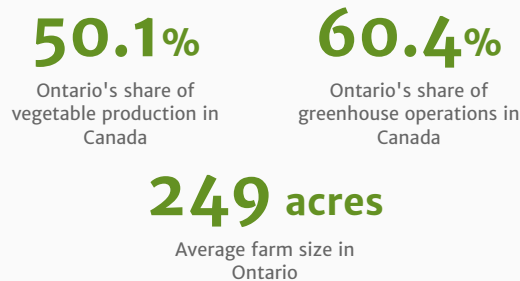
Ontario produces more than two-thirds of the country's greenhouse vegetables, the demand for which grew by 30 per cent in the five years to 2016. (JIM RANKIN/TORONTO STAR)

Viewed through this lens, the challenge for the Canadian government is twofold. The effective administration and modernization of temporary foreign worker programs on the one hand and, perhaps as significantly, the urgent need to ramp up the sector's economic potential with the invaluable support of those same workers and to set those workers on an advanced skills trajectory.

It's clear that the economic model for farmers in certain sectors has been based on the availability of foreign workers. "The reality is that the employers become dependent upon this pool of labour," says Jason Foster, assistant professor of human resources and labour relations at Athabasca University. "There's lots of research that shows whenever you set up these kinds of temporary migrant labour programs the program itself becomes entrenched and certain industries, certain sectors of the economy become highly dependent on these workers. So for decades now farming and agriculture, particularly in Ontario and B.C., has become highly dependent on this program. . . They're no longer a supplementary labour force. They become a primary source of labour."

Simplistically, as Foster notes, "if we didn't have this pool of migrant workers, farmers would be forced to make their jobs more attractive and obviously there are lots of ways they can do that. They can increase the wages, they can improve working conditions, they can mechanize. But they don't have to do any of that because they can bring in migrant workers."

But there's no easy fix. Farmers complain about razor-thin margins and fret about potential wage increases. Granting permanent residency, Foster adds, "doesn't solve the problem of, 'do we close the program?' We've got ourselves in such a mess that the solution is going to be really complicated. It will require a degree of political and economic will that I don't think governments have currently."



Where the political will appears to currently rest is on a high growth agri-food agenda. In Foster's view, the high growth notion will only drive the continued need for temporary workers. "They want to sell more cherries to China. They don't need high-skilled labour to do that. They need more arms to pick those cherries off the tree."

The economic advisory council's stretch goals do bear scrutiny. To move Canada into the No. 2 spot in agriculture exports means advancing ahead of both the Netherlands and China to be second only to the United States.

But there's a reason tiny Netherlands, as Dominic Barton said in a radio interview, "punches well above its weight." In 2004, the Dutch government established its "Food Valley" as a support partner for business. A key part of Food Valley's innovation and research infrastructure is Wageningen University and Research Centre, exclusively focused on food and agribusiness, and attendant applied research.

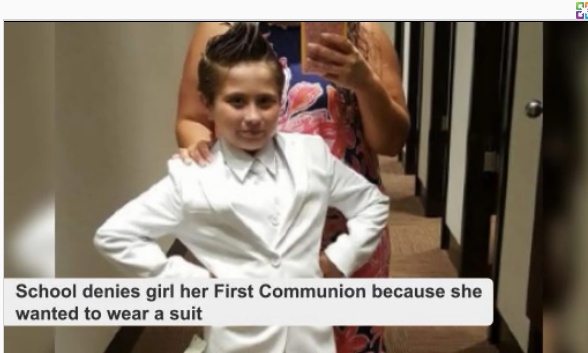
The Netherlands has proved a phenomenal winner in productivity — it's the world leader in

tomato yield, by example. It claims status as the global leader in greenhouse construction. Its agriculture research is sprinkled across the entire food chain, from seeds to consumption. And it wins world plaudits for dairy, pork and horticulture. (Its supremacy in tulips is duly noted.) Nor does it hurt that the Netherlands is rich in what the economic council calls “global champions” — see Unilever, Heineken.

It's one thing to be aspirational. But could trumping the Netherlands really be an attainable goal in the next decade, or even the next 20 years?

The advisory council proposes a vision statement: “Canada will become the trusted global leader in safe, nutritious and sustainable food for the 21st century.” That's the kind of indistinct mission statement that any number of countries could claim today. There is no differentiator.

What it doesn't say is that migrant labour is a foundation rock upon which that elusive business goal is built. And it doesn't say what it's going to do about that.



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