

Canadian Federation of Agriculture (CFA) Submission Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA) Temporary Foreign Worker Program Review

Temporary Foreign Worker Program Review May 2016

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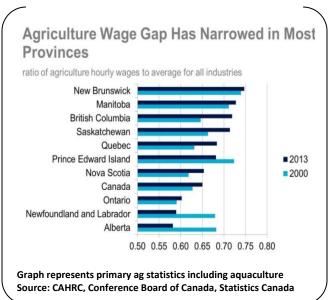


Maintaining an Agricultural Workforce:

The Canadian Federation of Agriculture's (CFA) members continue to identify chronic and critical labour shortages as one of the most pressing risks facing Canadian agriculture and a major constraint on both agricultural growth and global competitiveness. Agriculture is a complex industry that faces unique workforce challenges due to rural depopulation and seasonal production of highly perishable products. In response to these challenges, the Canadian agriculture and agri-food industries have come together as a complete value chain to develop a permanent solution to this pervasive and urgent challenge: the Canadian Agriculture and Agri-Food Workforce Action Plan. This action plan provides government and industry with a clear roadmap forward, laying out short, medium, and long-term action items focused on achieving two important goals:

- 1. To increase the supply of labour for skilled and unskilled workers;
- 2. To improve the knowledge and skills of workers in the industry.

When looking to increase the supply of labour for skilled and unskilled workers, hiring Canadian workers remains the first priority for the Canadian agriculture industry. However, although wages in the agriculture sector have increased more quickly than wages in the Canadian economy as a whole, the sector is still currently unable to attract sufficient numbers of domestic Canadian workers. The most recent studies on Canadian vacancies in primary agriculture suggest that Canadian farms face a labour gap of 59,000 positions. Despite robust advertising and hiring efforts by Canadian farms, nearly all of these positions are filled by international agriculture workers.



Labour Market Information and the scope of the challenge:

The Canadian Agricultural Human Resource Council (CAHRC) recently published statistics² illustrating the increasing challenges that labour constraints are having on Canada's agriculture and agri-food sector.

- Annual farm cash receipt losses to Canadian producers due to unfilled vacancies are \$1.5 billion, or 3% of the industry's total value in sales and production.
- Primary agriculture still has the highest industry job vacancy rate of any industry at 7%.
- The current gap between labour demand and the domestic workforce is 59,000 and projections indicate that by 2025, the Canadian agri-workforce could be short workers for 114,000 jobs.

¹ Canadian Agricultural Human Resource Council - http://www.cahrc-ccrha.ca/news-events/news/vacant-jobs-agriculture-costs-producers-15-b-and-impacts-canadians

² *Ibid.* Note: Statistics refer only to primary agricultural positions.



These facts highlight the scope of the challenge our industry is facing and the need for industry and government to work together, immediately, in addressing these labour shortages.

While these statistics give us all much more accurate, detailed information to work from, industry has identified this issues years ago and has been working together, through the cross-industry Labour Task Force, with all regions and segments of the agri-food value chain coming together to analyse the specifics of the issues and collaboratively develop solutions.

What this work has resulted in is the <u>Canadian Agriculture and Agri-Food Workforce Action Plan</u>, a long-term, strategic road map to address the issues our industry is facing. With over 67 Implementation Partners supporting the Canadian Agriculture and Agri-Food Workforce Action Plan's implementation, including the Canadian Federation of Agriculture and a number of its members, industry is recognising it can achieve more by working cooperatively to address the important labour issues facing the Canadian agriculture and agri-food industry.

Agriculture is a unique interconnected industry that has unique workforce challenges:

This multi-faceted, collaborative, and strategic approach is required recognizing that while each agriculture & agri-food industry segment faces unique challenges, as an industry, Canadian agriculture as a whole faces unique challenges that require a united, strategic and solutions-based approach:

- 1. There will always will be a **seasonal component** with growing food (planting/harvesting), which creates unique challenges for producers that continue to prioritize hiring Canadians first.
- 2. **Rural de-population** and **remote locations** are the reality for the vast majority of agriculture and agri-food businesses, which are central to the chronic labour shortage illustrated in the statistics above
- 3. Agriculture and agri-food businesses are based around *perishable products*, with all activities closely tied to:
 - Handling of live animals and plants
 - Safety, security and sustainable food for Canadian consumers

A Multi-faceted approach is required:

While the aforementioned issues are common to the whole industry, there are also very different needs across the industry. What is needed for an apple farm, with very specific seasonal needs requiring a particular skill set, doesn't necessarily reflect the same needs as a grain farm, requiring very different skills to operate heavy equipment, nor does it align with the needs of those in the livestock, mushroom or greenhouse sectors, which often need labour on a year-round basis.

Improving workplaces:

Primary agricultural producers across Canada continue to work and strive towards improving their workplaces to make them more attractive to Canadian workers. Whether it is consinuous efforts to improve farm safety, ongoing promotional campaigns to promote the wealth of career opportunities in Canadian agriculture to new Canadians, youth, and under-represented groups, or the ongoing work of the Canadian Human Resource Council to enhance labour market information, develop commodity and



position-specific national occupational standards, or through the development of new and improved HR management tools to Canadian producers, such as through the <u>Agricultural HR toolkit</u> and continued development of industry-specific e-learning modules to assist with standardized, on-the-job training.

Where domestic workers aren't available to meet the industry's workforce requirements, producers need a dedicated *Canadian Agriculture and Agri-food Workforce Program* through which they can hire willing agriculture workers from abroad. To ensure a sustainable workforce that can contribute to productivity expansion and allow rural Canada to become and agri-food engine for the Canadian economy; many of these workers also need pathways to permanent residency.

Industry-led Solutions:

Despite these efforts, Canadian producers continue to face major challenges in addressing the 59,000 unfilled positions within our sector, recognizing that this labour gap is forecasted to increase to 114,000 by 2025. That is why the CFA has worked together with a wide array of industry partners, in support of the Labour Task Force, to develop and implement a comprehensive suite of solutions.

Unlike a number of Canadian industries, agriculture has proven itself to be relatively recession-proof, maintaining consistent growth year after year, and has continued to grow and contribute to the economy even while other sectors struggle. However, if Canadian producers can't access the right labourers, the industry is seriously constrained in its ability to maintain growth, contribute to vibrant rural communities, and continue to address food security for Canadians and consumers around the world. Canada is uniquely well-positioned meet the increasing demands of an increasing middle class around the world and the global population of over 9 billion people forecasted by 2050.

However, addressing these issues is not a simple or short-term process, and in recognizing this, industry has identified solutions that range from urgent, short-term measures to long-term solutions focused on positioning the sector for continued success well into the future.

While the CFA encourages committee members to review the entirety of the solutions outlined in the <u>Canadian Agriculture and Agri-food Workforce Action Plan</u>, given the focus of this review on Canada's Temporary Foreign Worker Program (TFWP), we would like to focus attention on the following recommendations from this report and from CFA's members:

Continued Support for the Seasonal Agricultural Worker Program (SAWP):

As identified above, the seasonal nature of much agricultural work poses real challenges for producers in both attracting Canadian workers and in retaining those skilled workers from one season to the next. As a result, despite every effort to hire Canadians first, many Canadian producers must rely on international workers to meet their seasonal needs. To meet this need, Canada has established strong relationships with partner countries throughout Mexico and the Caribbean under the Seasonal Agricultural Worker Program (SAWP), which has now been in existence for over 50 years. This program has been lauded internationally as a successful means of providing a steady, reliable source of seasonal labourers, built upon robust, mutually-beneficial relationships with the individual workers and partner countries.



As a "Canadians first" program, seasonal workers are only hired if agricultural operators cannot find domestic workers to fill vacancies, and over the program's 50 years of existence, it has developed robust compliance requirements and liaison assistance. Studies of the program have estimated that more than 2 Canadian jobs are created for every seasonal worker employed through the SAWP program, illustrating the program's importance to the sector and to the broader Canadian economy.

For these reasons, CFA urges the committee to refrain from amending the seasonal agricultural worker program.

The National Commodities List & a Dedicated Agriculture & Agri-food Workforce Program:

However, primary producers rely on multiple streams of the Temporary Foreign Worker Program, including SAWP, the Agricultural stream, and the *low-wage stream*. The decision, as to which stream to apply to, is guided by a number of factors, one of which is the National Commodities List, which dictates whether someone can access SAWP or the primary agriculture stream, rather than the low-wage stream of the program. The multiple streams of the program lead to confusion on the part of many producers, given that primary agricultural exemptions extend to any on-farm work, regardless of the stream.

For this reason and the unique challenges facing the agricultural labour market, <u>CFA strongly advocates</u> for the development of a dedicated Agriculture & Agri-food Workforce Program, in addition to SAWP, that would be comprised of a single stream for all agricultural workers outside the SAWP program and a separate, distinct stream for the agri-food industry. As we have discussed, these industries face unique challenges from other Canadian industries and therefore should be addressed through a distinct program.

In order to ensure successful implementation of a distinct program, with staff knowledgeable on the unique issues facing the sector, <u>CFA suggests the development of a centre of specialization that would provide a dedicated single office for Labour Market Information Applications (LMIAs) for the agriculture and value added processing industry, similar to what is currently in place for <u>SAWP</u>. This would greatly reduce administrative burden and delays that continue to create challenges for producers in accessing Temporary Foreign Workers (TFWs), which in many cases can result in drastic losses in productivity during acute production seasons. Importantly, it would also facilitate enhanced compliance and communication between Service Canada officials and producers accessing the program.</u>

However, in order for a distinct, dedicated Agricultural Workforce Program to work, all agricultural commodities must be able to have access. As described above, that National Commodities List currently dictates which producers can access SAWP and the Agricultural stream. However, many agricultural commodities continue to be excluded from this list, requiring them to apply through the low-wage stream of the TFWP. This adds unnecessary complexity to the process that producers face when determining how to apply for international workers and also limits many producers from accessing the full range of tools intended for the industry.

<u>CFA suggests the committee recommend that ESDC hold open consultations with the agriculture industry and accept all interested agricultural commodities on to the National Commodities List, with immediate access granted to grains & oilseed and maple product producers.</u>



Moreover, recognizing that CFA and its members suggest no changes be made to the SAWP, CFA does advocate that ESDC must review whether the National Commodities List should be the basis for determining access to any future dedicated Agricultural Workforce Program. Under the *Immigration and Refugee Protections Regulations*, section 315.2, primary agriculture is defined as "work that is performed within the boundaries of a farm, nursery or greenhouse and involves:

- the operation of agricultural machinery;
- the boarding, care, breeding, sanitation or other handling of animals, other than fish, for the purpose of obtaining animal products for market, or activities relating to the collection, handling and assessment of those products; or
- the planting, care, harvesting or preparation of crops, trees, sod or other plants for market.

Excluded activities include:

- the activities of agronomists or agricultural economists;
- landscape architecture;
- the preparation of vegetable fibres for textile use;
- activities related to commercial hunting and trapping; or
- veterinary activities."

Access to the National Commodities List is currently provided through an opaque process, and this definition would appear to provide adequate boundaries to the definition of what is and is not considered primary agricultural work. Therefore, CFA recommends that access to any dedicated Agricultural Workforce Program, which would exist alongside the SAWP, be governed by a clear definition of primary agricultural work, such as is outlined currently in the *Immigration and Refugee Protections Regulation*.

Cumulative Duration of Stay and Non-Employer-Specific Work Permits:

While SAWP provides access to seasonal workers to assist in addressing vacancies within many segments of the agriculture industry, these workers are recruited from a small selection of countries with very particular skill sets. For many industries, such as grains and oilseeds farmers that require heavy machinery operators, SAWP does not provide access to appropriately skilled workers. As a result, many producers rely on the Agricultural stream and the low-wage stream of the TFWP to fill what are chronic seasonal labour shortages for their industry segments.

However, workers brought in through the program streams outside of the SAWP face a cumulative duration limit of 48 months, at which time they must leave Canada and are unable to return for another 48 months. This leads to excessive retraining costs for the industry, leads to de-skilling of the available labour pool, and provides our competitors with skilled labourers that were trained on Canadian farms.

Where primary producers are bringing workers in on a seasonal basis outside of the SAWP, of 8 months at a time or less, CFA recommends that the duration limit be removed, allowing all Canadian producers access to appropriately-skilled seasonal labourers when they have proven an inability to hire domestic workers.

In addition to the removal of the cumulative duration limit, seasonal workers brought in through the Agricultural and low-wage streams (non-SAWP) should also be granted non-employer-specific work



permits, allowing workers to undertake documented transfers from one employer to another, albeit necessarily limited to agricultural employers authorized by a LMIA. This type of work permit would be to the benefit of both employers and workers.

For workers, this provision would allow them to extend their period of work in Canada for up to 8 months, if they wish. This would be beneficial because, generally, workers wish to continue the season with another employer for one of the following three reasons:

- The employer has a very short production period (asparagus, for example);
- There is a significant change in the amount of work under a particular employer due to an unexpected cause (destruction of the crop by hail, for example);
- Tension or conflict in the work environment may cause the desire to change employer during the season.

Employers would also benefit from such a provision. They would gain access to TFWs who are already in the country and can be available on a timelier, more expedient basis. Ultimately, this would reduce total airfare costs while providing workers with additional work, where they desire it.

It is therefore essential that <u>temporary foreign agricultural workers brought in on a seasonal basis</u> <u>through the Agricultural and low-wage streams have access to non-employer-specific work permits, requiring documentation be filed with Service Canada for any transfers between employers, and limited to agricultural employers authorized by a LMIA.</u>

Skills Divide and Pathways to Permanent Residency:

In addition to the seasonal needs outlined above, international workers also represent a vital source of labour in addressing permanent agriculture and agri-food positions that face many of the same challenges, as they also operate in remote, rural locations. In many instances the workers that are brought to Canada for permanent full-time employment express an interest in staying in their position and residing in Canada. The CFA views these prospective new Canadians as an important means of transitioning to a domestic workforce, mitigating ongoing rural depopulation throughout Canada, and retaining experienced, skilled workers in the industry on a permanent basis. For this reason, CFA asks that the government modify the existing skills-based framework and improve pathways to permanent residency for full-time workers in the industry.

As the situation currently stands, provincial nominee programs are the primary source of permanent residency for Canadian agriculture and agri-food workers, and in many instances, agriculture and agri-food workers are unable to access them, even with explicit job offerings, because the positions are deemed "low-skilled". The skills framework that dictates access to permanent residency fails to recognize the unique skills required in Canadian agriculture, which are primary developed on-the-job. As a result, despite significant demand, established work experience in Canada, and a wealth of career opportunities throughout rural Canada, agriculture and agri-food workers struggle to attain permanent residency.

The CFA and the broader agriculture industry are keen to work with government in addressing this problematic skills-based framework to ensure that the unique skills required for primary producers are



recognized and the wealth of career opportunities in Canadian agriculture are recognized through the express entry program and across Canadian immigration policy.



In Summary:

In recognition of the chronic labour shortages that continue to challenge and constrain Canadian agriculture, including a labour gap of 59,000, CFA has partnered with industry associations across Canadian agriculture in support of the implementation of the <u>Canadian Agriculture and Agri-food Workforce Action Plan</u> as a strategic roadmap outlining the solutions needed to move forward in addressing them.

While this plan outlines an array of solutions focused on increasing the supply of labour for skilled and unskilled workers and improving the knowledge and skills of workers in the industry, CFA wishes to highlight a number of important recommendations with relevance to the committee's review of the TFWP:

- 1. Refrain from amending the Seasonal Agricultural Worker Program, as a program with strong, continued support from Canadian producers, seasonal workers, and all partnering countries.
- Develop a dedicated Agriculture & Agri-food Workforce Program, alongside SAWP, that would be comprised of a single stream for all agricultural workers and a distinct stream for the agrifood industry.
- **3.** Develop a centre of specialization that would provide a dedicated single office for Labour Market Information Applications for the agriculture and value added processing industry, similar to what is currently in place for SAWP.
- **4.** That ESDC hold open consultations with the agriculture industry and accept all interested agricultural commodities on to the National Commodities List, including immediate access for grains & oilseed and maple product producers.
- **5.** CFA recommends that access to any dedicated agricultural workforce program, which would exist alongside the SAWP, be governed by a clear definition of primary agricultural work, such as is outlined currently in the *Immigration and Refugee Protections Regulation*.
- **6.** CFA recommends that the cumulative duration limit be removed for seasonal agricultural workers in the Agricultural Stream (distinct from SAWP) and low-wage stream of the TFWP, providing all Canadian producers with access to appropriately-skilled seasonal labourers when they have proven an inability to hire domestic workers.
- 7. Temporary foreign agricultural workers brought in on a seasonal basis (up to 8 months) through the Agricultural and low-wage streams have access to non-employer-specific work permits, requiring documented transfers between employers, and limited to agricultural employers authorized by a LMIA.
- **8.** Modify the existing skills-based framework utilized within the Express Entry program and broader immigration policy, and improve pathways to permanent residency for full-time workers in the agriculture industry.



The Canadian Federation of Agriculture:

The 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 provincial general farm organizations and national commodity groups. Through its members, it represents over 200,000 Canadian farm families from coast to coast. The 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.

CFA works to coordinate the efforts of agricultural producer organizations throughout Canada for the purpose of forming and promoting national agricultural policies to ensure Canadian agriculture remains profitable, competitive, and has the stability needed to innovate and adapt to meet changing domestic and international conditions.