Ministry of Agriculture and Food

(formerly Agriculture, Food and Fisheries)

2021/22 Annual Service Plan Report



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Minister's Accountability Statement



The *Ministry of Agriculture and Food 2021/22 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2021/22 – 2023/24 Service Plan* created in April 2021. I am accountable for those results as reported.

Honourable Lana Popham Minister of Agriculture and Food August 3, 2022

Ministry of Agriculture and Food

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Letter from the Minister

It is my pleasure to present the Ministry of Agriculture and Food's 2021/22 Annual Service Plan Report. Over the past year, our government continued working with British Columbians to build resilient local food systems, increase our food security, and boost our food economy.

The extreme climate-related weather events of 2021, from heat domes to fires to flooding, coupled with the pandemic made it another tough year for our farmers, fishers and food producers. But through this adversity, we saw the best of human nature shine through with people and communities helping each other in times of need.

Despite the setbacks farmers faced from the pandemic and extreme weather, the sector posted record revenues of \$16.1 billion in 2020. We also saw an increase in the total number of employees in farming, fishing and food production in B.C. to 68,200 in 2020.

Through our government's climate action plan and CleanBC: Roadmap to 2030, the Province is expanding supports to farmers to transition to regenerative practices to use agriculture as a tool to mitigate climate change and is investing in on-farm practices that enhance farmers ability to adapt to climate change.

Our government is continuing to expand on our three pillars of Grow BC, Feed BC, and Buy BC which all offer support to our agriculture and food sector. Through Feed BC partnerships, we are seeing over 30 per cent of food in many hospitals and post-secondary institutions come from local farms and food producers. Our BC Food Hub Network continues to strengthen local food systems, create good jobs and help local economies thrive, with the majority of the 12 regional hubs now in full operation. More than ever, British Columbians want to buy locally sourced products and support local businesses and our Buy BC program is making this connection between consumer and producer even easier. Almost 900 businesses and over 3,200 products are using the Buy BC logo so British Columbians can easily identify what is local.

We are at a moment in time where there is heightened awareness around the importance of food security and a stable food supply chain. Buying from your local farmers' market and looking for homegrown products is a way we can all help while also benefitting from the health and delicious food produced in B.C. As we have seen over the past year, we can make a real impact when we support local farmers and help keep our agriculture and food sector vibrant, resilient and strong.

Honourable Lana Popham Minister of Agriculture and Food

August 3, 2022

Purpose of the Annual Service Plan Report

The Annual Service Plan Report is designed to meet the requirements of the <u>Budget</u> <u>Transparency and Accountability Act</u> (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Minister is required to report on the actual results of the Ministry's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Ministry

The Ministry of Agriculture and Food (the Ministry) is responsible for the production, marketing, processing and merchandising of agriculture and seafood products; the institution and carrying out of advisory, research, promotional, sustainability and adaptation, food safety and plant and animal health programs, projects and undertakings relating to agriculture and seafood; developing strategies for recovery of wild salmon and the collection of information and preparation and dissemination of statistics relating to agriculture and seafood.

The Ministry is a key contributor to economic development and diversification across the Province and is a main contributor to rural economic development and province-wide job creation, particularly for small businesses. The agriculture, seafood and food and beverage sector creates economic and social benefits for Indigenous groups and other underrepresented groups, has the potential to attract provincial investment, and contributes to workforce development and skills training.

The legal and regulatory environment that guides the work of the Ministry includes 30 statutes which relate wholly or primarily to the Ministry. A <u>complete list of legislation for which the Ministry is responsible</u> is available online.

While the Grow BC, Feed BC, Buy BC framework remains a priority, the Ministry is expanding the framework to address the various provincial government commitments and the issues that have risen from the COVID-19 pandemic.

The Ministry's name was changed from the Ministry of Agriculture, Food and Fisheries to the Ministry of Agriculture and Food in April 2022. Future responsibilities around fisheries were transferred to the Ministry of Land, Water and Resource Stewardship.

Strategic Direction

The strategic direction set by Government in 2020, Minister Lana Popham's 2020 Mandate Letter, and government's coordinated response to the COVID-19 pandemic shaped the goals, objectives, performance measures and financial plan outlined in the 2021/22 Ministry of Agriculture, Food and Fisheries Service Plan and the actual results reported on in this annual report.

Operating Environment

The Ministry has experienced significant challenges over the 2021/2022 fiscal year. These included the COVID-19 pandemic and extreme weather events, which presented the need to pivot staff resources and adjust allocations in Ministry budget to focus on the long-term heath and recovery of the sector. The response to these events was taken with meaningful actions such as conducting broad and comprehensive stakeholder outreach to inform our priorities and areas of focus, supporting the distribution of products to new markets through new models, addressing labour challenges, and quickly developing and launching programs to help farmers, fishers and processors respond and recover from the challenges they faced.

The COVID-19 pandemic continued to impact the agriculture, fisheries, seafood, food and beverage sector (the sector) and the Ministry in a number of ways. These included the ability of the sector to meet its labour needs, shifts in consumer demands in terms of what it purchases and how, conform with and implement new safety measures, and ongoing supply chain disruptions increasing costs of production. In response to COVID-19, the Ministry shifted its focus to better support the sector as it faced these challenges. One example of this was the continued administration of the Temporary Foreign Worker (TFW) Quarantine Program in 2021/2022 which ensured that TFWs entering B.C. had a safe location for a 14-day quarantine and received COVID-19 vaccinations following this quarantine.

Extreme weather events also greatly impacted the sector. In June 2021, a record heat dome impacted producers, this was followed by the third worst wildfire season on record, and record flooding on the Fraser River and Sumas Prairie in November 2021. In response to the November flooding, which was the most damaging agricultural disaster in B.C.'s history, the Ministry focused on helping people and businesses get back on their feet and ensuring a strong recovery that includes continuing to build our province's food security and food economy. This included access to up to \$228M in federal-provincial government funding for B.C. farmers through the AgriRecovery program and the Disaster Financial Assistance Arrangements.

British Columbia's economic recovery strengthened in 2021. B.C.'s real GDP growth of 6.2 per cent was the second highest among provinces (behind Prince Edward Island), following a contraction of 3.4 per cent in 2020. Growth in B.C.'s real GDP was mostly driven by service-producing industries such as real estate, rental and leasing, healthcare and social assistance, and professional, scientific, and technical services. Goods-producing industries also experienced growth with gains in most sectors, led by mining, quarrying and oil and gas extraction. While B.C.'s recovery broadened in 2021, it remained uneven as sectors such as accommodation and food services, and arts, entertainment and recreation have yet to fully recover to pre-pandemic levels. B.C.'s labour market strengthened in 2021, with employment growth of 6.6 per cent while wages and salaries increased by 11.3 per cent. Consumer spending on goods remained at elevated levels and nominal retail sales posted overall growth of 12.6 per cent. Meanwhile, inflation grew throughout the year and increased by 2.8 per cent on an annual basis, largely due to supply-chain disruptions, resilient demand for goods and services, and high energy prices. Residential construction activity reached a record high in 2021, with housing starts increasing by 25.6 per cent. At the same time, home sales also reached a record high in 2021 while the average

home sale price saw double-digit increases. On the external front, B.C.'s international merchandise exports grew by 36.0 per cent, reflecting a combination of the recovery in global demand and higher commodity prices amid impacts from the B.C. floods in November 2021.

Report on Performance: Goals, Objectives, Measures and Targets

Goal 1: Strengthen provincial food systems and B.C.'s food security

Strengthening the provincial food system remains a provincial priority as it contributes to a strong, sustainable economy that works for everyone.

Objective 1.1: Improve living and working conditions for farm workers

The COVID-19 pandemic highlighted the importance of having a stable and healthy workforce to ensure food security for British Columbians. The Ministry continues to work towards ensuring and enforcing safe, healthy and comfortable living standards, particularly for inter-provincial and international workers residing in on-farm accommodations or workcamps, and improved working conditions for all agricultural workers.

Key Highlights

- Administered a \$35M Temporary Foreign Worker (TFW) Quarantine Program.
- Invested \$652K in domestic farmer work camps in Loose Bay (Oliver) and Summerland.
- Administered a \$60K reimbursement program to farmers who invested in sanitation and hygiene equipment/supplies to safeguard domestic farm workers from COVID-19.

Discussion of Results

The TFW Quarantine Program began in April 2020 and ended in March 2022. During this time, the Program hosted 15,483 individuals, primarily from Mexico, Jamaica and Guatemala, and detected 233 COVID-19 cases, all of which made a full recovery in the care of the Program. In partnership with the BC Center for Disease Control and Vancouver Coastal Health, over 6,300 doses of COVID-19 vaccine were administered to TFWs as they completed quarantine. The Ministry's Provincial Infection and Prevention Control Officers (PIPCOs) inspected 2,315 employer-provided accommodations to ensure that COVID-19 standards were met prior to individuals exiting the Program.

The B.C. Seasonal Domestic Farm Worker COVID-19 Safety Program reimbursed up to 70 per cent of costs for eligible on-farm improvements that contributed to the implementation of COVID-19 safety measures for seasonal domestic farm workers up to a maximum of \$2,000 per farm. The full funding allocation was expended across approximately 20 applicants.

Significant investments were required to support work camps that modified their operations, infrastructure, and layout to protect worker, employer and public health in the context of the pandemic. Additionally, the Loose Bay work camp in Oliver, has been hosting domestic farm workers for decades without significant upgrades. In consultation with the Regional District of the Okanagan Similkameen, the Ministry was able to identify structural improvements to enhance the safety and quality of life for domestic farm workers. The short-term site improvements included: Wi-Fi, power, temporary COVID-19 isolation space, and privacy barriers in washrooms and shower facilities. Long-term site improvements included safety

fencing, gates and egress, screening, upgraded cooking facilities, caretaker residence, creation of a recreation area and roadway improvements.

A performance measure for this objective was not developed in 2021/2022 as further cross-ministry work was required prior to establishing a performance measure.

Objective 1.2: Ensure the provincial food system has the capacity to increase the availability of B.C. foods

The Ministry is working to enhance Grow BC, Feed BC and Buy BC programming to increase the safety and availability of local food, expand economic opportunities for producers and food processors, and improve the overall sustainability and reliability of the provincial food system. Integrated programs targeting sustainable production, industry competitiveness, capacity building and partnerships were delivered via various methods including Ministry staff, agreements and partnerships with other government bodies, industry associations, program delivery agents, local governments, education institutions, and public health institutions.

Key Highlights

- Increased industry competitiveness and support for sector expansion into local and global markets through programs such as the Raspberry and Hazelnut Replant Programs.
- Expansion of economic development opportunities and supports for business growth through capacity building, market readiness, and targeted programs for underrepresented groups such as Indigenous Peoples, new entrants, and youth.
- Built off the successes of the Feed BC partnerships with 20 post-secondary institution and all six regional health authorities to support increased B.C. food procurement, consistent tracking, and tools and programs to connect institutional food service to more local food.
- Supported the launch, development, and growth of the 12 food hubs in the BC Food Hub Network. These hubs provide access to shared-use processing facilities and support services to over 60 small to medium-sized food and beverage processing companies.
- Increased awareness of the Buy BC brand and the variety and availability of B.C. food and beverages with B.C. citizens, retailers, restaurants, and distributors.

Performance Measure(s)	2019/2020	2021/22	2021/22	2022/23	2023/24
	Baseline	Target	Actuals	Target	Target
1.2a Number of government or other Feed BC partner facilities that have committed to a minimum 30 per cent B.C. food expenditures within total annual food expenditures	103	145	190	168	195

Data source: Ministry of Agriculture and Food

Discussion of Results

In 2021/22, 190 Feed BC partner facilities committed to a minimum of 30 per cent B.C. food expenditure within their total annual food expenditures. This exceeded the 2021/22 target due to new partnerships with three health authorities and twenty public post-secondary partners. The Feed BC partner facilities will provide new market opportunities for B.C. producers and processors and supports increased provincial food supply and food system resilience.

Goal 2: Position B.C. as a leader in regenerative agriculture practices and agritech

The Ministry is taking steps to make B.C. a leader in the emerging agritech sector and drive transformation and modernization in the agriculture and food sector. By bringing together natural systems of production through regenerative agriculture and supporting agritech, B.C. aims to create more resilient farms, increase sustainability, reduce greenhouse gas emissions, and help increase farm profitability and employment opportunities. This overall goal of strengthening the provincial food system is shared with the Ministry of Jobs, Economic Recovery and Innovation and is reflected in the Ministry's mandate letter to support regenerative agriculture and agritech.

Objective 2.1: Support the development of the agritech sector and promote regenerative agriculture practices

Regenerative agriculture offers producers the chance to play an active role to reduce threats to food production posed by climate change, whereas agritech is agriculture focused innovative technology positioned to transform production and transition to more sustainable practices and processes. Regenerative agriculture and agritech can help rebuild organic carbon, restore soils, increase biodiversity, reduce atmospheric carbon and increase the productivity and profitability of farms while demonstrating and supporting the adoption of new made-in-B.C. technologies and creating high-tech jobs. Together, regenerative agricultural practices and agritech are addressing the need to proactively respond to climate change through practical mitigation and adaptation tactics.

Key Highlights

- Stimulated the growth and development of new technologies that will enhance the agriculture and food processing sectors through the Canada-BC Agri-Innovation and Agritech Ramp Up Programs.
- Supported the adoption of regenerative agriculture practices and agritech by redefining programs such as the Beneficial Management Practices (BMP) to encourage the development of the agritech sector and promote regenerative agriculture practices through projects.
- In partnership with the Ministry of Jobs, Economic Recovery and Innovation, the Ministry expanded international collaboration with agritech and regenerative agriculture

leaders, such as the Netherlands, to increase industry partnerships, exchange opportunities and scientific cooperation.

Performance Measure(s)	2019/20 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.1a Number of B.Cbased agritech company growth opportunities supported through Ministry programming	33	42	35	42	40	45
2.1b Number of Beneficial Management Practice projects completed by farmers, supporting regenerative agriculture practices and technologies ¹	225	422	250	211	260	270

Data source: Investment Agriculture Foundation of BC

Discussion of Results

In 2021/22, 42 B.C.-based agritech companies were supported, exceeding the target of 35. This achievement signifies the level of interest within the agricultural sector to adopt innovative technologies and the entrepreneurial spirit behind the emerging agritech industry. In 2021/22, the Agritech Ramp-up Pilot program supported 29 agritech companies. In addition, the Canada-BC Agri-Innovation program supported 13 agritech companies, farm businesses, post-secondary institutions, and agriculture industry associations to create growth opportunities for agritech solutions. The Agritech Ramp-up Pilot program enables agritech entrepreneurs to work toward commercializing their technology, by providing training, coaching & mentoring, networking, and funding. The Canada-BC Agri-Innovation program is part of the Canadian Agricultural Partnership and acts as an accelerator of innovation through research and pilot projects that lead to the commercialization and/or adoption of innovative products, technologies, processes, and practices.

In 2021/22, the BMP program approved 245 applications among which 211 projects were completed and over \$1.2M directly benefited producers. This discrepancy in the targets and the actuals is due to number of higher value BMPs that were funded, including riparian area management, irrigation management and greenhouse gas emissions reduction projects. As the program is delivered through an application driven process, not hitting the annual target does not represent a lack of performance, but an unanticipated shift of producer uptake in different areas of the program. An essential component of the BMP program is on-site verification audits to ensure that BMP funding was used for approved project activities. The program audited 74 farms in 2021/22.

¹The baseline is the two-year average (2018/19 to 2019/20) associated with the baseline funding of the program.

Goal 3: Reinvigorate and protect provincial fisheries, seafood and aquaculture sectors

This goal was new to the 2021/2022 service plan to address the Ministry's role in revitalizing and growing the marine fisheries, aquaculture and seafood sectors as part of the broader goals on economic recovery, rural and coastal community growth, and food security. A key program to support this goal is the B.C. Salmon Restoration and Innovation Fund (BCSRIF), a five-year \$142.85M joint commitment between B.C. and the Government of Canada. BCSRIF provides investment in the protection and restoration activities for priority wild fish stocks and will provide funding until March 2024. In April 2022, the fisheries responsibilities from the Ministry were moved to the Ministry of Land, Water and Resource Stewardship, including Objectives 3.1 and 3.2 below. The Ministry will remain committed to supporting production and processing of seafood from capture fisheries and aquaculture that advance the Ministry's purpose in providing food security, production capacity and competitiveness, and innovation.

Objective 3.1: Address fish species declines

In 2021/2022 the Ministry worked to reinvigorate provincial fisheries and seafood programs that address salmon and other fish species declines and coastal fisheries economies. This included investments that aligned with recommendations from B.C.'s Wild Salmon Advisory Council, to support salmon restoration, environmental and economic gains for fisheries and aquaculture, and secure benefits for B.C. communities.

Key Highlights

- BCSRIF invested in 38 new program areas in 2021/2022, that focus on innovation, infrastructure and partnerships to support wild fish stocks.
- In partnership with the Federal Government and First Nations leadership, the Ministry made continued efforts towards the protection and restoration of wild salmon habitat.
- The policy and program responsibilities around fish species decline were successfully transitioned of the Ministry of Land, Water and Resource Stewardship.

Discussion of Results

In 2021/2022, in addition to the ongoing funding commitments under BCSRIF, 38 new projects were approved. This compares to 14 new projects the previous year. Over the course of BCSRIF, \$71M of the \$142.85M of funding has been invested in the restoration, protection and maintenance of salmon habitats. The first year for this objective was 2021/2022. Performance measures were still in the process of being assessed and developed to measure progress towards this goal when responsibilities around fish species decline were transferred to the Ministry of Land, Water and Resource Stewardship.

Objective 3.2: Promote innovation in fish hatcheries and sustainable aquaculture

Innovation in marine commercial and recreational fisheries has been identified as an area that could increase economic potential in the Province. Several areas were identified where further

work was needed to increase wild salmon sustainability, which would also provide certainty to the recreational fishery sector. These included: better coordination to unlock stranded habitat through fish passage work, and support for mark selective fisheries and training for community hatchery volunteers contributes.

Key Highlights

- BCSRIF invested in two new program areas to support fish hatcheries and three new program areas to support aquaculture in 2021/2022.
- In partnership with the Federal Government and Industry, the Ministry supported three new aquaculture projects in 2021/2022 through the Fisheries and Aquaculture Clean Technology Adoption Program.
- B.C.'s first Aquaculture Innovation Challenge brought increased awareness to innovative aquaculture practices in the Province.
- The policy and program responsibilities around aquaculture and hatcheries were successfully transitioned of the Ministry of Land, Water and Resource Stewardship.

Discussion of Results

In 2021/2022, BCSRIF funded five new programs that support either fish hatcheries or aquaculture, doubling the programs in these focus areas. Over the course of BCSRIF, \$23M of the \$142.85M of funding has been invested in aquaculture to date. The Fisheries and Aquaculture Clean Technology Adoption Program, which is cost shared with the Government of Canada and industry partners, leveraged \$710K to support three new aquaculture projects which aim to reduce the environmental footprint of aquaculture operations, lower costs and therefore increase competitiveness. The first year for this objective was 2021/2022. Performance measures were still in the process of being assessed and developed to measure progress towards this goal when responsibilities around fish hatcheries were transferred to the Ministry of Land, Water and Resource Stewardship.

Objective 3.3: Support B.C. seafood processing capacity

In 2021/2022 the Ministry explored economic programs for safe, sustainable development using a dedicated funding package to support processing infrastructure and other cost-shared programs.

Key Highlights

- Provided cost shared funding programs to support increasing seafood processors' productivity, capacity and competitiveness, equipment, and traceability.
- Continued to provide advice and promotional assistance to the Dock+ (Port Alberni) and The Centre for Seafood Innovation (Vancouver Island University, Deep Bay Marine Field Station, Bowser) Food Hubs, to support their work with local seafood producers and processors.
- In collaboration with industry, the Ministry developed seafood marketing strategies in support of seafood processing.

Discussion of Results

The Ministry was able to leverage cost sharing programs with Fisheries and Oceans Canada to provide over \$2M of funding to shellfish farmers and seafood processors. This included funding from BC Salmon Recovery and Innovation Fund (BCSRIF), Canadian Fisheries and Seafood Opportunities Fund (CFSOF) and Fisheries and Aquaculture Clean Technology Adoption Program (FACTAP). This funding supported seafood processors' ability to increase productivity, acquisition of new processing and cold storage equipment and develop domestic marketing and branding strategies to increase capacity, quality, and market competitiveness. The first year for this objective was 2021/2022. Performance measures are currently still in the process of being assessed and developed to measure progress towards this goal.

Financial Report

Discussion of Results

In fiscal 2021/22, the Ministry administered a \$35M Temporary Foreign Worker Quarantine Response program to provide a centralized approach for accommodation, support services, and inspections of on-farm accommodation to ensure compliance with the 14-day self-isolation period for Temporary Foreign Workers entering Canada.

The Ministry continued to enhance the Grow BC, Buy BC and Feed BC programs strengthening B.C.'s agrifood and seafood sector, while expanding the domestic market for B.C. products.

It was also the fourth year of the current five-year Canadian Agricultural Partnership agreement with the Government of Canada which focuses on advancing innovation, competitiveness and market development. This included the AgriInsurance and AgriStability programs; and AgriRecovery initiatives which provided support to farmers and ranchers to recover from the 2021 flooding; and to manage rising input costs, and production losses.

Financial Summary

	Estimates	Other Authorizations ¹	Total Estimates	Actual	Variance	
Operating Expenses (\$000)	<u>'</u>			•	•	
Science, Policy and Inspections	17,250	1,173	18,423	20,099	1,676	
Agriculture Resources	56,135	14,414	70,549	67,656	(2,893)	
BC Farm Industry Review Board	1,378		1,378	1,733	355	
Executive and Support Services	6,873		6,873	7,734	861	
Agricultural Land Commission	5,001		5,001	4,872	(129)	
Production Insurance Special Account (Net)	13,200		13,200	13,200	0	
Adjustment of Prior Year Accrual ²	-		-	(5)	(5)	
Total	99,837	15,587	115,424	115,289	(135)	
Ministry Capital Expenditures (\$000)						
Executive and Support Services	755		755	225	(530)	
Total	755	-	755	225	(530)	

¹ "Other Authorizations" includes access to Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the Balanced Budget and Ministerial Accountability Act for ministerial accountability for operating expenses under the Act.

² The Adjustment of Prior Year Accrual of \$0.005M is a reversal of accruals in the previous year

Appendix A: Agencies, Boards, Commissions and Tribunals

As of August 2022, the Minister of Agriculture and Food is responsible and accountable for the following:

Agricultural Land Commission

The Provincial Agricultural Land Commission (ALC) is the independent administrative tribunal dedicated to preserving agricultural land and encouraging farming in BC. The ALC is responsible for administering the Agricultural Land Reserve (ALR), a provincial land use zone where agriculture is the primary land use taking place on the limited agricultural land base.

British Columbia Farm Industry Review Board

The British Columbia Farm Industry Review Board (the Board) is an independent administrative tribunal that operates at arm's-length from government. As the regulatory tribunal responsible for the general supervision of BC regulated marketing boards and commissions, the Board provides oversight, policy direction and decisions to ensure orderly marketing and to protect the public interest. In its adjudicative capacities, the Board provides a less formal system than the court for resolving disputes in a timely and cost-effective way.

The Marketing Boards and Commissions include:

BC Broiler Hatching Egg Commission

BC Chicken Marketing Board

BC Cranberry Marketing Commission

BC Egg Marketing Board

BC Farm Industry Review Board

BC Hog Marketing Commission

BC Milk Marketing Board

BC Turkey Marketing Board

BC Vegetable Marketing Commission