

October 2, 2017

The Honourable Jeff Leal,
Minister of Agriculture, Food and Rural Affairs
Minister Responsible for Small Business
11th Floor, 77 Grenville Street
Toronto, Ontario M7A 1B3

Dear Minister Leal,

As we celebrate the beginning of Agriculture Week in the province today, the Ontario Chamber of Commerce (the OCC) would like to commend you for your efforts to support the competitiveness of the provincial agri-food sector, particularly throughout negotiations pertaining to the recently announced Canadian Agriculture Partnership.

The six priority areas identified in the Partnership align with those identified in the OCC report [Fertile Ground: Growing the Competitiveness of Ontario's Agri-food Sector](#) released exactly one year ago during Agriculture Week. In particular, we were encouraged by the commitment to support research and innovation; open new markets and trade opportunities; and enable proactive and effective risk management. These priorities align with those of our members throughout the agri-food value chain and from across the province.

Over the past year, we have continued to consult with stakeholders to identify challenges that producers and processors experience as they try to get their goods to market. We have heard from our members that a variety of factors are adversely affecting the competitiveness of the agri-food sector, and the capacity of industry to meet the Premier's challenge to double its annual growth rate and create 120,000 jobs by 2020.

In particular, representatives of the sector cite the overly prescriptive regulatory environment and the unintended consequences expected with Bill 148 as pervasive barriers to growth.

We encourage you to review our recent report [Bill 148: Fair Workplaces, Better Jobs Act, 2017: Assessment of the Risks and Rewards to the Ontario Economy](#) in which the Canadian Centre for Economic Analysis (CANCEA) produced an economic analysis of the proposed legislation.

CANCEA's analysis reveals that if Government were to do nothing other than implement the minimum wage increase over five years instead of in the next 15 months, jobs at risk would decrease by 74 per cent in the first two years. The analysis also indicates that while the proposed changes will see \$11 billion in wage stimulus flow into the economy in the next two years, a remaining \$12 billion problem exists which will lead to jobs lost, added costs, and general damage to the Ontario economy.

The food and beverage sector is a low-margin, high-labour intensive industry in which businesses simply can't absorb these cost increases over such a short period. The shock to the industry will result in significant job losses and potentially business closures. Bill 148 will seriously complicate the challenge by Premier Wynne for the agri-food sector to create 120,000 new jobs by 2020.

The unintended consequences of Bill 148, *Fair Workplaces, Better Jobs Act* must be addressed by the Government as it will have a serious impact on farmers and food processors' ability to meet the Premier's 2020 target. The Ontario government must support agribusinesses through this new legislation by:

1. Considering the risks outlined in CANCEA's economic impact analysis while also conducting your own analysis;
2. Implementing broad amendments to Bill 148; and,
3. Extending the implementation period of wage increases evenly over five years from the proposed 18-month period to protect Ontario's jobs, communities and our most vulnerable.

In order to attract, retain and grow businesses in the sector, government must also develop a strategic framework that promotes the efficient production of food products, develops the skills of its workforce, improves access to risk management tools, and incentivizes innovation in the sector.

We look forward to working together to advance our shared priority of strengthening the competitiveness of the agri-food sector in Ontario. We would welcome the opportunity to meet with your office to discuss the policy options outlined in this letter, particularly those designed to avoid the unintended consequences associated with Bill 148.

Sincerely,



Richard Koroscil
Interim President & CEO
Ontario Chamber of Commerce