



## **Ontario Greenhouse Flower Growers Shocked by New Costs of Production**

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Ontario's flower growing community have expressed significant concern over recently proposed changes to Ontario's minimum wage and employment standards. The proposed rapid change to minimum wage is expected to result in profound damage to the Ontario floriculture sector, the loss of numerous family farms, and a reduction to jobs available in the province of Ontario.

Labour represents the single largest cost for flower farmers in Ontario, accounting for up to 30% of the total costs of production. While flower growers are committed to the wellbeing of Ontario's workforce, an increase of \$3.60 per hour per worker over an 18 month period will not provide sufficient time for Ontario businesses to prepare and plan for the increased cost of production. Further, farmers will also experience numerous increases in associated expenses such as Employment Insurance, Canada Pension Plan, Employer Health Tax, and the Workplace Safety Insurance Board.

As a "trade exposed" sector, flower farmers have limited capacity to recoup increased costs of production by increasing prices. Ontario's flower growers continue to compete with numerous flower-growing jurisdictions, in North America and beyond, which will not experience the same cost pressure. As a result, Ontario farms will need to reduce the number of workers they employ, and dramatically increase productivity of their remaining work force in order to maintain competitiveness with other jurisdictions.

"Increasing minimum wage to \$15 per hour in only 18 months does not provide our farms enough time to adapt to the increased cost of production" commented Ian Vermeer, FCO President. "Ontario farms will be left with the unappealing choice of reducing the number of people they employ in Ontario or going out of business".

The increase to minimum wage represents only the most recently imposed barrier to Ontario's competitiveness in the international and domestic markets for flowers and ornamental plants. "The rapidly introduced increases in costs of production, including minimum wage increases, cap and trade costs and increased costs due to many regulatory changes will no doubt lead to the closure of family farms," said Vermeer. "History shows us that when the bottom of the wage scale goes up the entire scale has to move with it, as a result this increase in minimum wage

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will lead us to a 30% increase in our labour cost in a very short time. Very few flower growers are capable of absorbing this new cost.”

Flowers Canada (Ontario) believes that the proposed changes to minimum wage will create an insurmountable barrier to achieving the Premier’s Agri-Food Challenge of doubling the annual growth rate for agriculture and creating 120,000 jobs in the province of Ontario.

“We need the provincial government to partner with us as we work to find solutions to these new and immediate challenges,” said Vermeer. “Without meaningful opportunities to address these challenges, Ontario’s rapid policy changes will end the positive growth of the greenhouse sector.”

Flowers Canada (Ontario) Inc. is the provincial trade association representing flower growers across the province of Ontario. With nearly 200 members, FCO’s mission is to enhance the competitiveness of Ontario’s floriculture sector by helping members address common issues, challenges and opportunities to retain and enhance Ontario’s preeminent position in the floriculture industry.

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