

Western Producer Article - B.C. fruit growers say unfair trade keeps young farmers out of business - May 6, 2010

By Barry Wilson, Ottawa bureau

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KELOWNA, B.C. — Orchard owner Nick Kiran finished his testimony to a touring House of Commons agriculture committee with a dramatic plea.

“Please don’t make this my last year in the business,” he told MPs. “You know you are becoming deranged when you begin to wish for hail. That’s the only way to make money.”

Kiran later led MPs on a tour of parts of his 55-acre apple and cherry orchard, explaining the production techniques, the labour-intensive work required, the vagaries of weather that can damage production and the uncertainties of orchard industry economics.

The industry is asking governments to fund a program that will guarantee cost of production.

“This is what we need to survive,” said Kiran, who has seen two brothers leave the family business founded by his immigrant father in the 1970s and watched the children of neighbouring orchard owners shun the business.

He expects his own four will do the same.

At the core of the problem is the high cost of production based on labour, inputs and B.C.’s Okanagan Valley land worth up to \$100,000 an acre. It costs 22 cents a pound in direct costs to produce apples, excluding land and farmer return.

The market pays 12 cents.

The culprit, say tree fruit representatives who spoke to MPs, is massive production in neighbouring Washington state that depresses prices and can be dumped into the British Columbia market.

To add insult to injury, the massive increase in Washington production in recent decades has been fueled by water taken from the Columbia River Basin, which originates in Canada and is available to the American industry under the 1968 Columbia River Treaty.

At the time of the treaty, the Washington apple industry was smaller than British Columbia’s. Now, it produces 110 million boxes to B.C.’s three million.

“They entirely control and determine the market,” Kiran said in an interview. “We need some help from the government.”

When he spoke to MPs, he suggested government consider a retail tax with revenues going to the producers of the produce.

“We have done everything humanly possible to make agriculture viable,” he said, noting he once had to sell an investment house to pay bills from the orchard.

“I have worked here 20 years and every penny I have made I have put back into the orchard,” he said. “Now, I could be losing it.”

He also said orchard owners who fall behind in income and payments reduce maintenance and reinvestment. As their orchard declines, it affects neighbouring orchards.

“The whole industry is at stake.”