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## PRESS RELEASE

### March 26, 2007

#### THE ONTARIO GREENHOUSE SECTOR IS UPSET BY MINIMUM WAGE HIKE

**Leamington and Niagara** -- Leaders representing the Ontario greenhouse farming sector, employing nearly 20,000 workers and accounting for payroll in excess of a quarter of a billion dollars annually, expressed deep concern over the minimum wage hike announced in the Ontario Spring Budget on March 23.

“The government needs to look beyond the office towers in downtown Toronto when it makes decisions like this,” explains Cole Cacciavillani, Chair of The Ontario Greenhouse Alliance, “and carefully assess the impact on the agricultural and rural sectors of Ontario’s economy.” At \$.75 per hour each year, the hike proposed goes far beyond any reasonable adjustment for cost-of-living and imposes huge cost increases on grower operations. For many greenhouses, labour is between 30% and 40% of the total operating cost. The increase announced, over the three year phase in period, represents a total increase of 28%. “We don’t know of any business that can withstand that kind of increase to its primary cost structure.”

“Our sector competes with imported product from low-wage jurisdictions such as Mexico. Increasing our labour cost makes our competitive position even more vulnerable, as our growers have no way of recovering the increased cost from the market,” observes Bill Allen, Chair of the Ontario Greenhouse Vegetable

Growers. “Our growers are still struggling to deal with escalating energy costs and a tighter exchange rate.”

“Ontario’s new aggressive minimum wage policy is not consistent with its free trade policy where open borders deluge us with imported, competing floral products from Columbia and Ecuador, forcing our growers out of business,” stated Andrew Kuyvenhoven, President of Flowers Canada (Ontario). Cole Cacciavillani summed it up this way: “It’s not that all the workers in our sector are paid the minimum wage. Many earn considerably more. But entry level jobs, that are stepping stones to better paying jobs, will be the ones affected. It’s a lose/lose policy. Both the workers and the business lose.”

Mr. Cacciavillani explained what the greenhouse agriculture sector expects the government to do: **“We are calling on the Government of Ontario to put the increases announced on hold and immediately undertake a competitiveness impact study of this policy to explain how it is in the interests of Ontario’s farm businesses and many other small business sectors across Ontario.”**

Cole Cacciavillani also noted that the budget did not contain any research investment in renewal of the aging infrastructure and retiring staff at Vineland, which serves Ontario’s floriculture growers, as well as growers of grapes and tender fruit. “The budget was a double whammy for our sector. It announced very significant increases in our input costs and passed over an important research and innovation commitment we had been looking for and working towards.”

The Ontario Greenhouse Alliance is a strategic alliance between the Ontario Greenhouse Vegetable Growers, representing greenhouse growers of tomatoes, cucumbers and peppers, and Flowers Canada (Ontario), representing greenhouse growers of cut-flowers, bedding plants and potted plants. Ontario’s greenhouse farming sector has sales of over \$1 billion annually, exporting greater than 50% of its output and contributing \$4 billion to the economy of Ontario.

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