



***Exploring the Impacts of Regulatory  
Change on Temporary Foreign Workers in  
Chatham-Kent***

***November 2014***

## List of Abbreviations

AS	Agriculture Stream (Low Skilled Positions)
CBSA	Canadian Border Security Agency
CKCHC	Chatham-Kent Community Health Centre
CIC	Citizenship and Immigration Canada
CKLIP	Chatham-Kent Local Immigration Partnership Project
CPP	Canada Pension Plan
EI	Employment Insurance
ESDC	Employment and Social Development Canada
FWS	HRSDC (ESDC) Foreign Worker System Database
FN	Foreign National
F.A.R.M.S	Foreign Agriculture Resource Management Services
HRSDC	Human Resource and Skills Development Canada
LSPP	Low Skilled Pilot Project
MW	Migrant Workers (terms interchangeably used for TFW)
MWM	Migrant Workers Ministry (of the Diocese of London)
OMAF & MRA	Ontario Ministry of Agriculture & Food & Ministry of Rural Affairs
NAICS	North American Industrial Classification System
NOC	National Occupation Classification
SAWP	Seasonal Agricultural Worker Program
SSA	Social Security Agreement
TFW	Temporary Foreign Workers (either from SAWP or AS)
TFWP	Temporary Foreign Workers Program
TVO	Thai Volunteer Outreach Workers Program
WP	Work Permit

## ACKNOWLEDGEMENTS

The Chatham-Kent Local Immigration Partnership would like to acknowledge the contributions made by the many stakeholders involved in this project. Special thanks are given to, Vineela Rudrabhatla, Economics and Global Studies student at Huron College who assisted with the review of literature and final report writing. Thanks to Lucas Savino, Assistant Professor, Huron College (University of Western ), Centre for Global Studies “Think Global, Act Local” Community Based Learning project who kindly identified and offered his learning project student and guidance regarding ethical and other considerations to the student researcher. Thanks to Lek VanKoeverden, Thai Volunteer Outreach of Chatham-Kent, Essex and Lambton, for her technical assistance and assistance with linking employers and workers. Finally, thanks also goes to the employers and workers who gave their time and insights during interviews conducted for this study.

This report was authored by Dipti Patel of the Chatham-Kent Local Immigration Partnership (CK LIP). Gina Zhang of CK LIP made significant contributions in the preparation stage of the research. Thanks are extended to the support of the paper’s working group for contributions and editing. These include Jeff Kinsella, Resource Member of CKLIP Partnership Council from Ontario Ministry of Food, Agriculture and Ministry of Rural Affairs for expert consultation, and Marie Carter of Migrant Workers Ministry of the Diocese of London for connections to Huron College and other community contacts. Thanks are also given to the members of the CK LIP TFWP Background Paper Committee who saw the paper through its final edit and release, including Tracy Callaghan of Adult Language and Learning, and CK LIP staff Victoria Bodnar, and Rory Sweeting who contributed to editing in later stages of the project. Without the contribution of the above mentioned, the completion of this report would not have been possible.

### Contact

E-mail: [cklip@chatham-kent.ca](mailto:cklip@chatham-kent.ca)  
[www.chatham-kent.ca/cklip](http://www.chatham-kent.ca/cklip)

## PREFACE

In October of 2013, the Chatham-Kent Local Immigration Partnership (CK LIP) undertook a project that was aimed at taking a “snapshot” of realities of temporary foreign workers living and working within Chatham-Kent, and those of their employers. The study, completed with the assistance of a number of community stakeholders and CK LIP Council members, sought to fulfill the LIP mandates namely by:

- “Fostering a systemic approach to engage Service Providing Organizations (SPOs) and other institutions to integrate newcomers” (by first adding to the body of knowledge of gaps in services and challenges met by this, often overlooked, group of migrant newcomers).
- “Support community-based knowledge-sharing and local strategic planning” (by adding to the body of information on migrant newcomers and bringing this to appropriate bodies capable of strategically planning to address current and emerging problems).
- “Improve coordination of effective services that facilitate immigrant settlement and integration . . . (by seeking) to increase the absorptive capacity of host communities by engaging a range of stakeholders and enhancing collaborative and strategic planning at the community level” (through sharing information in the report on service gaps with them).

This study is part of ongoing work of the CK LIP Council, its members and staff, to better integrate newcomers in the community and specifically to bring awareness of specific challenges of Chatham-Kent’s largest newcomer group, migrant agricultural workers. A newcomer is defined as any individual born in another country that has moved to Canada within the last five years and currently resides in Canada.

Beginning in October of 2013, an opportunity arose to launch a special study to gather important information directly from workers and employers. The goal of this project is to take a holistic approach to the study of Temporary Foreign Workers Programs (TFWP) - namely Seasonal Agricultural Worker Program (SAWP) and Low Skilled Agriculture Stream (AS) - and their contribution to the agriculture sector and the rural economy. Secondly, this project explores the impact of recent AS policy changes that limit worker permits to a maximum of four years and strives to understand how this change in labor supply will affect local greenhouse operations in the upcoming year when many labour permits expire.

## Research Background

The rationale for undertaking this research has been:

- Chatham-Kent agriculture and agri-business are its local assets. Greenhouses are taking root in Southwestern Ontario and with their expansion the agriculture labor demand is going up.
- Greenhouse and agriculture employers depend on two Temporary Foreign Workers Programs, SAWP and AS, for their business viability and financial success.
- Chatham-Kent attracts more than 2000 Temporary Foreign Workers (TFWs), excluding Low Germans who form a part of local labour.
- Greenhouse employers need TFWs nearly all year-round for their operations. They use a mix of SAWP and AS, as well as local workers, for their labour needs as the work permits differ under both programs.
- Starting April 1, 2011, TFWs under AS are subject to a four-year cumulative duration limit on the length of time they may work in Canada and this will impact the greenhouse employers in particular.

This is a critical policy shift which will impact greenhouse and agriculture employers, migrant workers, and the community at large in terms of its economic growth and prosperity. The vision of CK LIP (at the time of research) was to support the development of self-sustaining multi-sectoral partnerships at the local level to integrate newcomer needs into the municipal planning process, while influencing provincial and federal priorities and processes. Local Immigration Partnerships typify the two-way street approach to integration, wherein all newcomers and members of the host community are considered equal and important agents of change.

## Duration

This research was undertaken for the period of January 2014–March 2014 (For further details refer to Appendix: Research Framework).

## Objectives

- To determine the impact of the new TFW policy of four-year cumulative duration timeline on greenhouse business operations.
- To assess service support needed by employers to effectively utilize the AS for their business operation.

## Research Methodology

Due to time constraints and the impending start of the agriculture season, the research team focused on a review of literature, secondary data collection and primary data collection.

## **Review of Literature**

The focus of the literature review was two Temporary Foreign Workers Programs' (SAWP and AS) policy changes around TFWP and SAWP Canadian bilateral agreements with Mexico and Caribbean countries.

## **Secondary Data**

The Temporary Foreign Workers Program is a joint collaboration of Citizenship and Immigration Canada (CIC) and Employment and Social Development Canada (ESDC), previously known as Human Resource and Skills Development Canada (HRSDC). Data was obtained from CIC's National Headquarter Research and Statistics, and ESDC's Foreign Workers System database for the period of 2011 to 2013.

## **Primary Data**

The primary data was collected through interviews with three greenhouse employers (to maintain confidentiality the research paper will not disclose the businesses participating in this research).

## Introduction: Agriculture Sector and its Economic Relevance

### How important is Agriculture?

- The agriculture and agri-food sector, at **\$99 billion**, accounts for 8.1% of Canada's total GDP
- At **\$38.8 billion**, Canada is the fourth largest agriculture and agri-food exporter in the world and accounts for 5.5% of total world agriculture and agri-food exports
- **2.2 million** people work in the sector
- The share of farm cash receipts by commodity, Ontario, 2012 totals to **\$11.79 billion**
- The farm land cost in Ontario for the last two years has appreciated by more than **40%**

In recent years, South Western Ontario (SWO) communities like Chatham-Kent have shifted the focus of their economy. This is due to the manufacturing sector in SWO having been ravaged by the 2008 global economic downturn resulting in massive job losses and plant closures. Agriculture and agri-business is a key economic sector in Chatham-Kent that has continued to thrive and is poised for growth.

### Chatham-Kent at a Glance

In 2012, the farm gate receipts for main commodities for Chatham-Kent are more than **\$574.5 million**. Chatham-Kent has 2,049 farms and covers an area of 21,207 hectares<sup>1</sup>. The greenhouse area (under glass or plastic) was 681,715 square meters and is growing rapidly. 94 farms report total gross farm receipts at \$1,000,000.00 and above. The agriculture sector is labor intensive, particularly in greenhouse, mushroom, and vegetable/food production. As per the 2011 census of agriculture, hired farm labor for Chatham-Kent was 86,856 weeks in total or 39,446 year round and 47,419 seasonal.<sup>2</sup>

Being part of the heartland of agriculture in Ontario, Chatham-Kent has attracted thousands of TFWs to its agricultural sector. Greenhouses in particular are high input and high output operations that depend on TFWs to remain viable. They are major creators of jobs and wealth for the broader community that generate significant spin-off economic activity.

#### Chatham-Kent Farm taxes<sup>3</sup> :

For the 2013 Chatham-Kent municipal budget, a proposal being recommended is to raise the farm tax ratio to 25% from 22% and to allocate the nearly \$1 million increase in tax revenues to rural infrastructure. However, a change in current value assessment, due to rising farm land values, is expected to result in more than \$3.4 million in taxes being levied on farm properties. This is to be phased in from 2013-16. The average taxes paid per acre of farm land in 2012 was \$12.60. The impact of current value assessment and future needs to address infrastructure issues will raise it to \$25.00 per acre.

---

<sup>1</sup> Presentation on Agriculture & Rural Development – A Smorgasbord approach – Dr. John Fitzgibbon, University of

<sup>2</sup> Chatham-Kent Division at a glance – Sources: 2011 Census of Agriculture and Strategic Policy Branch, OMA & MRA

<sup>3</sup> Chatham Daily News Thursday, January 17, 2013 8:33:35 EST PM

### **Contribution of TFWs to Chatham- Kent Economy:**

TFWs support the local economy through their use of grocery stores, banks, money transfer services, travel, tax consultants' services, through the purchase of a variety of other goods (cell phones, clothing, etc.), services for their immediate needs, and for sending goods home. On average, 1037 SAWP workers coming into the community spend \$632.63-\$866.12 each during their stay ranging between 20-32 weeks. The 1300 AS workers who stay up to four years will contribute much more during their stay.

## **Economic Contribution of TFWs to Canada**

SAWP Economic Contribution Facts: <sup>4</sup>

- Payroll deductions of the SAWP workers to the Canadian Government is **\$90.6 million** annually
- **\$21.5 million** in Employment Insurance (EI)
- **\$49 million** in Canada Pension Plan (CPP)
- **\$20 million** in income tax
- While laboring in Canada, SAWP workers spend **\$22 million** in the Canadian economy, money that supports local businesses and their employees.
- SAWP workers produce an estimated **\$4.5 billion** in economic output in the country's agriculture sector which in turn supports **19,200** domestic jobs annually.
- The estimated footprint of SAWP workers and their employers is **\$4.6 billion** every year.

These economic contributions do not include AS workers who stay in the country for up to four years and therefore would be contributing at a much higher rate. It is estimated that if added this will at least double the above figures.

## **Review of Literature**

There is a new immigration and labour market reality in some regions of Canada. Labour needs are being met by a growing number of TFWs, especially in low-skilled agriculture work. The changing demographic profile of a declining and aging population means agriculture employers have difficulty finding reliable local labor. As a result, agriculture employers are increasingly looking at hiring temporary foreign workers. The scenario below perfectly sums up the situation:

***“Labour market shortages- it has reached a point and as an economist, this is something I have never seen and frankly, never expected to see. Businesses, sometimes don't operate because they can't get money, and businesses sometimes don't operate because they can't get customers, and businesses sometimes don't operate because prices for their products aren't high enough for them to make a profit. But now, for the very first time, I am seeing businesses where all these conditions are met and they aren't operating because they can't get enough workers to do their particular businesses.”***<sup>5</sup>

---

<sup>4</sup> The Great Canadian Rip-Off! An economic case for restoring full EI special benefits access to SAWP workers – UCFW Canada and Agriculture Workers Alliance (AWA). Data not available at the local level

<sup>5</sup> House of Commons Canada – Temporary Foreign Workers and Non Status Workers – Report of the Standing Committee on Citizenship and Immigration – May 2009, 40<sup>th</sup> Parliament Session



## Temporary Foreign Workers Programs (TFWP)

In this section, literature is reviewed to understand two TFWPs (SAWP and AS) to understand their commonalities and differences, how they meet the needs of employers in terms of using the programs, cost implications, and the duration of the availability of workers under each program.

### Seasonal Agricultural Worker Program (SAWP)

The SAWP is a Canadian government program which was introduced in 1966, between Canada and Jamaica. It has expanded since, intended to allow workers from Mexico and Caribbean countries to migrate to Canada for temporary jobs during the planting and harvesting seasons, where employers can demonstrate that there are no Canadians to fill the jobs available. Foreign Agriculture Resource Management Services (F.A.R.M.S.) is authorized by ESDC to perform an administrative role to the Caribbean and Mexican workers for SAWP. The characteristics of SAWP are:

- TFWs must be from Mexico or certain Caribbean countries
- Production must be included on the National Commodities List
- Activities must be related to on-farm primary agriculture
- Positions are mainly low-skilled occupations

### Role of Participating Foreign Governments

The SAWP operates according to bilateral agreements between Canada and the participating countries. The agreements outline the role of these foreign governments, which is to:

- Recruit and select the TFWs
- Make sure workers have the necessary documents
- Maintain a pool of qualified workers
- Appoint representatives to assist workers in Canada

### Agriculture Stream<sup>6</sup>

In 2002, the federal government introduced the Pilot project for workers with lower levels of formal training, allowing companies to apply to bring in TFWs to fill low-skill jobs, which are coded at the National Occupation Classification (NOC) C or D skill level. Skill level in this context is determined by the NOC system used by HRSDC. The classification of “low skill” means that workers require no more than high school or two years of job-specific training to qualify. It is interesting to note that community stakeholders confidentially reported, to the Migrant Worker’s Ministry, numerous instances where workers’ qualifications were far above this level and they purposely hid their education in order to qualify for this program.

For this research we are going to focus on only the Agriculture Stream of the Pilot Project.

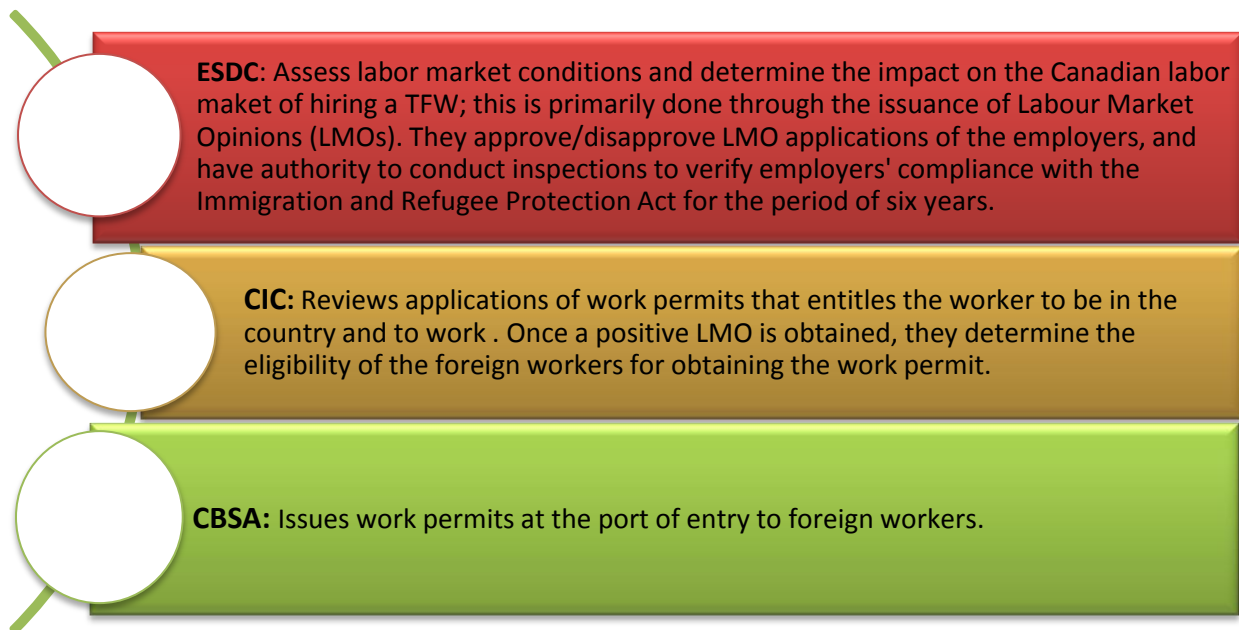
---

<sup>6</sup> National Citizenship and Immigration Law Section. “Low Skilled Worker Pilot Project.” Ottawa. <http://www.cba.org/CBA/submissions/pdf/06-24-eng.pdf>

Unlike SAWP, the AS employers arrange, directly or through private third party agencies, to recruit low-skilled workers. They can be from any country in the world but currently, most of the TFWs come from Guatemala, Honduras, the Philippines and Thailand. The program characteristics are:

- TFWs can be from any country
- Production must be included on the National Commodities List
- Activities must be related to on-farm primary agriculture
- Positions can be in low or high-skilled occupations

The AS is jointly administered by ESDC (HRSDC), CIC, and Canadian Border Security Agency (CBSA).



*Low-skilled workers, particularly, "have become extremely experienced and valuable employees," and are increasingly used by employers to fill permanent vacancies<sup>7</sup>*

---

<sup>7</sup> Canadian Bar Association. (2006)

## Comparison of SAWP vs. AS<sup>8</sup>

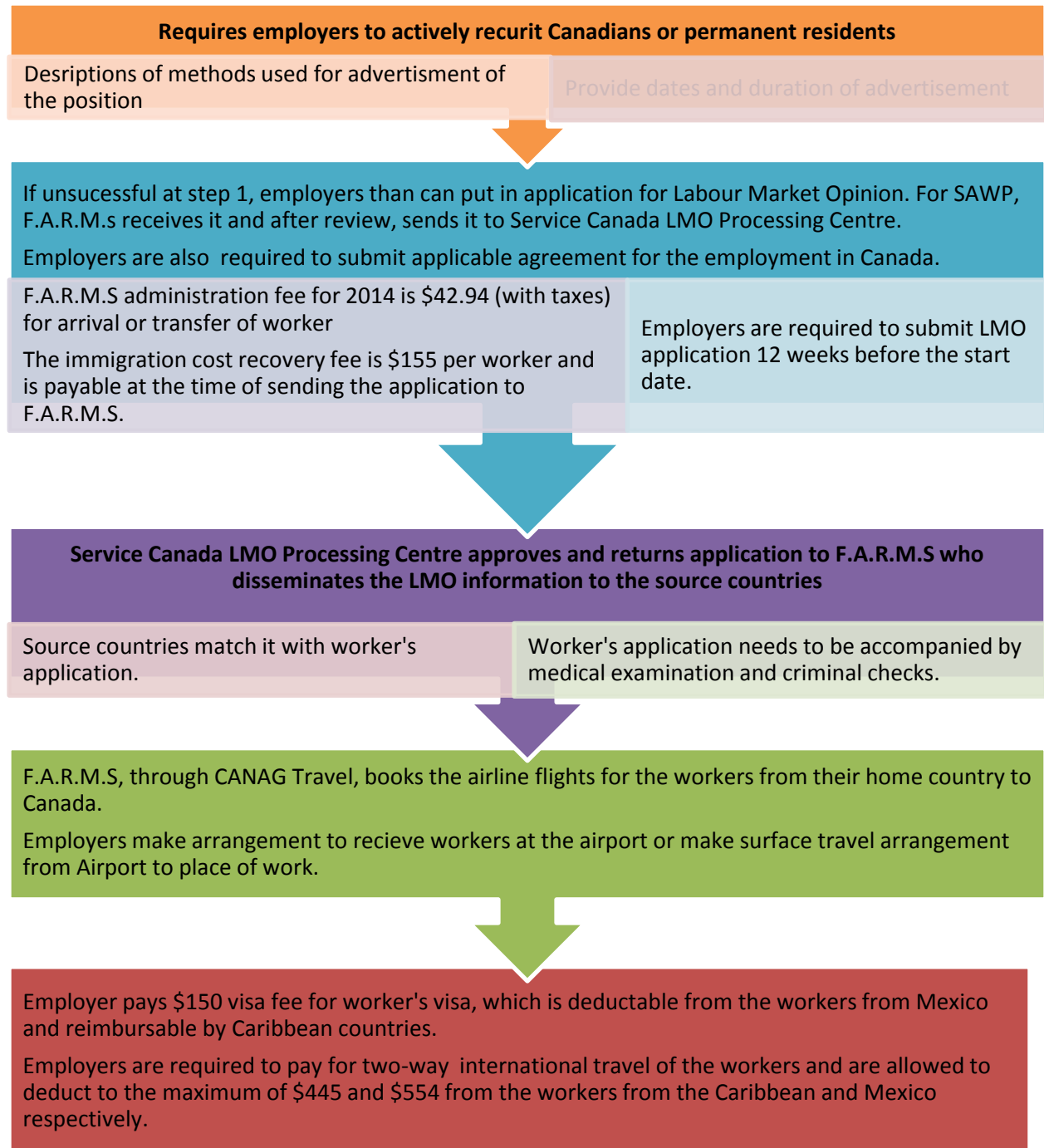
	Information	Seasonal Agricultural Worker Program (SAWP)	Agriculture Stream (Low Skilled Positions, NOC C & D)
1	<b>Who can apply?</b>	Any employer who is part of an approved agricultural commodity sector can apply for TFWs.	Each application is assessed individually by ESDC. CIC has final authority.
2	<b>What countries participate?</b>	Prescribed countries only: Barbados, Eastern Caribbean, Jamaica, Mexico, and Trinidad and Tobago.	Employers can apply to any country.
3	<b>Employment Contracts</b>	Agreements are standard and outline agreed upon responsibilities of the employer/employee. The source country's government, employer, TFWs and the Canadian Government are parties to the agreement.	Agreement is not standard. Each employer is responsible for the agreement according to program guidelines. The agreement is between the employers and the TFW, and approved by ESDC.
4	<b>Who is responsible for recruiting workers?</b>	Source countries are responsible recruiting TFWs and stationing a government agent in Canada.	Employer is responsible for the recruitment and selection of TFWs.
5	<b>Who sets the wage rates?</b>	Wage rates are set annually by ESDC based on labour market information for persons performing the same job.	Employers must satisfy ESDC that wages are at the prevailing rate for persons performing the same job.
6	<b>Where do the names come from?</b>	Employers can request named or unnamed TFWs. Source country has final decision.	Employers select TFWs and provide the worker name, birth date, residence, and citizenship.
7	<b>What is the period of employment?</b>	TFWs work a maximum of eight months between January 1 and December 15.	Employer may be allowed to hire a TFW, upon approval for the initial Labour Market Opinion (LMO), for up to a maximum of 24 months.

<sup>8</sup> <http://www.thaiembassy.ca/en/thailand-canada-relations/trade>

	<b>Information</b>	<b>Seasonal Agricultural Worker Program (SAWP)</b>	<b>Agriculture Stream (Low Skilled Positions, NOC C &amp; D)</b>
<b>8</b>	<b>Housing Requirements</b>	Inspected and Ministry of Health approved accommodation are provided by employers with no cost to the TFWs.	Employers are not required to provide accommodation however they must demonstrate that suitable (Ministry of Health approved) and affordable accommodation is available. Accommodation provided by employers must be approved by the Ministry of Health. The cost is recoverable based on guidelines.
<b>9</b>	<b>Recoverable Costs</b>	Caribbean countries' deduction is up to 50% of the airfare to a maximum amount. Caribbean countries have other recoverable cost deductions of \$2.16 per worker, per working day. Mexico's deduction is 10% of gross earnings to a maximum amount. Please refer to current contracts.	There is no provision for a recovery of airfare costs. Housing recovery is based on guidelines as approved by ESDC.
<b>10</b>	<b>Medical Coverage</b>	Medical coverage is provided through provincial health schemes and private coverage is taken out by source country. Workers are covered from the first day.	Employers are required to purchase comparable health coverage until employees are eligible for provincial health coverage (three month waiting period).
<b>11</b>	<b>TFW Taxes</b>	Standard deductions - Tax guide for SAWP workers in place. Government agents provide tax filing.	Standard deductions – TFWs are responsible for their own tax filing.
<b>12</b>	<b>Contract Compliance</b>	Applicable Ministry of Labour standards apply. Government agent monitors contract compliance. Employer or Government agent can refer problematic cases to ESDC program manager.	Appropriate Ministry of Labour standards apply. Problems must be worked out between the employer and employee.
<b>13</b>	<b>Breach of Contract</b>	TFW repatriation is possible according to agreement – replacement workers can be requested.	If TFW returns to source country, goes AWOL or is not suitable, employer is responsible for cost of return airfare and must apply to ESDC with a new LMO application for another TFW.

	<b>Information</b>	<b>Seasonal Agricultural Worker Program (SAWP)</b>	<b>Agriculture Stream (Low Skilled Positions, NOC C &amp; D)</b>
<b>14</b>	<b>When can I get my TFW?</b>	TFWs arrive within three to four weeks. Emergency requests within 48 hours.	Processing of TFW applications will vary and is dependent upon meeting the confirmation requirements of ESDC and processing standards of a Canadian Visa Office/CIC.
<b>15</b>	<b>Who pays the immigration visa fee?</b>	Immigration visa fee paid by the employer and recovered as per Employment Agreement.	Immigration visa fee is paid by the TFW.
<b>16</b>	<b>Can I transfer my TFW to another farm?</b>	Worker transfer requires approval of Foreign Government Liaison Officer, both sending and receiving employers, ESDC, and the TFW.	A TFW can work for a new employer provided the worker agrees. The employer applies and receives a positive LMO from ESDC. The TFW must then apply for a work permit specific to the new employer. All of the preceding steps must be filled prior to a TFW beginning employment with a new employer.
<b>17</b>	<b>What is the employer responsible for?</b>	Employer must receive a social insurance number for the TFW. Employer is responsible for ensuring the TFW receives OHIP coverage, receives proper medical attention, arranging to meet or have agent meet the TFW at place of arrival, and upon completion of employment, transport worker to place of departure at no cost to worker as per the Employment Agreement.	Employer responsibilities include assisting the TFW to obtain a Social Insurance Number, purchase comparable health coverage until employees are eligible for provincial health coverage, receive proper medical attention, arrange to meet the TFW at place of arrival and upon completion of employment to transport the TFW to place of departure at no cost to the TFW.
<b>18</b>	<b>Administrative Function</b>	F.A.R.M.S., a not for profit organization, facilitates and coordinates processing of orders. It is funded by a user fee of \$35.00 per worker, paid by the employer and is not recoverable from the TFW.	ESDC administers this program. The program was designed to allow the employer to manage the administration themselves. TFW requests from Guatemala and Honduras are administered by F.A.R.M.S.
<b>19</b>	<b>Air Travel</b>	F.A.R.M.S. appoints CanAg Travel as the agent for the SAWP. Airfare is paid up-front by the employer and a portion can be recovered from employee as per the Employment Agreement.	Employer arranges. Employer is responsible for roundtrip airfare regardless of reason or time of departure. There is no provision for recovery of costs.

## Flow chart of recruitment process of SAWP workers (Pre-arrival)<sup>9</sup>



<sup>9</sup> F.A.R.M.S. Employer Information Booklet – 2014

## **Flow Chart for AS TFWs (Pre- Arrival)**

It follows the same process, except that there is no authorized F.A.R.M.S agency involved so either it is directly managed by employers or through third party contractors. Visa and work permit fees are borne by the TFWs and employers pay two-way fares as per the employment contract signed with the TFW. If a TFW goes back to his/her home country during the contract, the international travel cost is borne by him/her.

## Employers' responsibilities on Arrival of SAWP & AS TFWs in Canada

### Health Cards

Employers are responsible for providing health insurance coverage for AS workers during the first 3 months when they are not covered by OHIP.

Ensure all workers/employees receive their OHIP cards.

Responsible for providing transportation for health emergencies or for perceived health needs of the workers.

### Housing

Employers have to provide free suitable accommodation to the SAWP TFWs.

Ensure that accommodations are inspected and approved by the Health Inspector from the Public Health Unit

Employers can make eligible deductions from the AS TFWs to the maximum of \$30/week, unless applicable labor standards allow a lower amount.

2014 utility rates applicable for deductions from SAWP TFWs are \$2.16 per working day.

### Payroll Deductions

Employers are responsible for making payroll deductions:

- Income Tax
- CPP Contributions
- EI premiums

Mexican Extended Health Deduction is paid by the workers at \$0.94/day/seven days a week

Eastern Caribbean contract stipulates employers submit pay sheets and the 25% deduction at each pay period from TFWs.

Jamaica Liaison Services reimburse prescription drugs purchased by the worker or employers for non-occupational illness

### Other Costs

Employers provide free transportation once a week for a visit to church, grocery shopping or bank work.

Some employers provide cable services free of cost but charge the TFWs for internet and long distance calls

Under SAWP employment contract, employers pay for international travel and provide free surface transport. Employers recover eligible costs from TFWs.

AS contract: TFWs are eligible for one two-way fare within a two-year time frame



## Secondary Data: ESDC and CIC <sup>10</sup>

In this section, the research team focused on analyzing data related to LMO applications and total entries of TFWs to Ontario for the period 2011-13, as benchmarks to track/understand the four-year cumulative duration stipulations for AS. The data analysis would assist in understanding TFW programs demand, program uptake by employers, number of positions requested on LMO applications, and actual entries of TFWs in Ontario. Specific information for Chatham-Kent was not available.

The ESDC is responsible for reviewing and approving LMO applications of the employers. The following data will be reviewed for Ontario for the period 2011-2013:

- LMO applications for North American Industrial Classification System (NAICS) 1114 (Greenhouse, Nursery and Floriculture production)
- Light, medium, and heavy users (employers) of the AS
- Number of TFWs positions requested on LMO applications

CIC is responsible for issuing work permits and maintaining a database of total entries of TFWs in Ontario. The following data will be reviewed for this research for the period 2011-13:

- SAWP data of total entries of TFWs in Ontario (data for AS not available so as a proxy indicator, TFWs position on positive LMO will be compared)
- Total entries of TFWs by select four-digit codes of NOCs and by yearly status

---

<sup>10</sup> Source: ESDC Data – Foreign Worker System  
(FWS)<http://www.cic.gc.ca/english/resources/manuals/bulletins/2013/ob523.asp>

## **Backgrounder on Operation Bulletin 523 on Temporary Foreign Workers Program – Four-Year Maximum (Cumulative Duration)**

Starting April 1, 2011, many temporary foreign workers are subject to a four-year cumulative duration limit on the length of time they may work in Canada.

- This regulation is not retroactive – The clock starts ticking on April 1, 2011, for all TFWs, regardless of how long they have already been in Canada.
- The earliest date that a foreign worker could reach the four-year cumulative duration limit is April 1, 2015.

### **How this cumulative duration of 4/4 works:**

It is not necessary for a TFW to have worked a full four years before the four-year period of not working in Canada can begin. For example, whether a TFW has accumulated one year, or even three years and 11 months of work in Canada, once a period of four years has elapsed where the TFW has *not* worked in Canada, the “clock” resets to zero.

Examples:

- 1) Since April 1, 2011, the TFW has accumulated three years of work in Canada, and is now applying for a two-year work permit in an occupation that is not listed in the “exceptions”. The work permit would only be issued for one year.
- 2) A foreign national works for three years, leaves Canada for three years, and applies for a two year work permit. They are issued a one-year work permit, and they have to wait another four years before the clock resets and they can apply again. If they had waited another year outside Canada, they could have worked another full four years in Canada.
- 3) A foreign national works three years and 11 months in Canada on a work permit, stays outside Canada for three years, and then enters to work under Regulation [R186](#) for two months. They leave Canada and are now not eligible for a work permit for another four years.

## ESDC Data – Agriculture Stream

**Table 1:**

Number of employers in Ontario who have applied for LMO and number of third parties involved in the Agriculture Stream under NAICS -2002, Code 1114-Greenhouse, Nursery and Floriculture Production from 2011 to 2013

Year	NAICS	NAICS Title	Number of Employers Applied for LMOs	Third Party Involved (Y/N)
2011	1114	Greenhouse, Nursery and Floriculture Production	51	N
			23	Y
2011 Total			74	
2012	1114	Greenhouse, Nursery and Floriculture Production	109	N
			13	Y
2012 Total			122	
2013	1114	Greenhouse, Nursery and Floriculture Production	108	N
			6	Y
2013 Total			114	
<p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>1. Source: Foreign Worker System (FWS).</li> <li>2. Employers can apply for LMOs in more than one year.</li> <li>3. One LMO application may be submitted by an employer for any number of Temporary Foreign Worker (TFW) positions for a particular occupation (e.g. Welder). LMOs related to hiring a skilled worker for a permanent position are not included.</li> <li>4. The decision to issue a work permit rests with Citizenship and Immigration Canada (CIC) and Canada Border Services Agency (CBSA). Not all positions on positive LMOs result in the issuance of a work permit. In addition, it takes on average 105 days between the date an LMO decision is rendered and the date the TFW obtains a work permit from CIC and/or enters Canada.</li> <li>5. Not all TFWs require an LMO to apply for a work permit. A number of exemptions exist, including those provided in the General Agreement on Trade in Services and the North American Free Trade Agreement.</li> </ol>				

### Analysis:

The number of AS employers in Ontario applying for LMO under NAICS 1114 in 2012 and 2013 show 65% and 54% increase compared to 2011. The number of employers using third party contractors shows a steady decline from 23 in 2011 to 6 in 2013. We will focus more on third party contractors in the Case Studies section of this report.

Also, this data can be used as a benchmark to evaluate the impact of the four year limit in 2015 and 2016.

**Table 2:**

Number of employers segmented as high, medium, light, and former users of the Agriculture Stream in Ontario, for NAICS Code 1114 for the years 2011, 2012, 2013

<b>NAICS 1114 Users Segment</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2011 to 2013</b>
<b>High Users</b> (21+ positions)	113	113	123	<b>232</b>
<b>Medium users</b> (6 - 20 positions)	119	132	133	<b>128</b>
<b>Light Users</b> (1 - 5 positions)	108	110	105	<b>215</b>
<b>Former Users</b> (found in current year and in years before)	314	310	332	<b>330</b>

**Notes:** 1. Source: Foreign Worker System (FWS).  
 2. The table shows the number of high, medium and light users of the Temporary Foreign Worker Program (TFWP) in Ontario, for the Greenhouse, Nursery and Floriculture Production sector for the years 2011, 2012, and 2013.  
 3. The Greenhouse, Nursery and Floriculture Production sector is identified by the NAICS 1114.  
 4. The segments are defined as following: "Light user: 1 to 5 positions, Medium: 6 to 20 positions, High 21+ positions".  
 5. The column "2011 to 2013" shows unique employers found at least once and exclusively in the related segment: An employer found in a higher segment at least once between 2011 and 2013 is not counted twice when appearing back in the smaller segments.  
 6. One LMO application may be submitted by an employer for any number of TFW positions under the same National Occupational Classification (NOC) code. Under the LCP, only one foreign worker may be requested on each LMO application.  
 7. The decision to issue a work permit rests with Citizenship and Immigration Canada (CIC) and Canada Border Services Agency (CBSA). Not all positions on positive LMOs result in the issuance of a work permit. In addition, it takes on average 105 days between the date an LMO decision is rendered and the date the TFW obtains a work permit from CIC and/or enters Canada.

**Analysis:**

The data presented above is for the AS and NAICS 1114 and shows that high user employers in 2013 have grown by 9% compared to 2011. The medium user employers have gone up by 12% and light users show a decrease of 3% during the same period.

**Table 3:**

Number of TFW positions on positive LMOs for the Agriculture, Forestry, Fishing and Hunting Industry, in Ontario from 2011 to 2013

		2011	2012	2013
NAICS	NAICS Title	Number of Positions	Number of Positions	Number of Positions
1111	Oilseed and Grain Farming	5	3	3
<b>1112</b>	<b>Vegetable and Melon Farming</b>	<b>4,988</b>	<b>5,314</b>	<b>5,466</b>
<b>1113</b>	<b>Fruit and Tree Nut Farming</b>	<b>5,189</b>	<b>3,924</b>	<b>5,477</b>
<b>1114</b>	<b>Greenhouse, Nursery and Floriculture Production</b>	<b>7,411</b>	<b>8,213</b>	<b>8,652</b>
<b>1119</b>	<b>Other Crop Farming</b>	<b>2,280</b>	<b>2,327</b>	<b>2,481</b>
1121	Cattle Ranching and Farming	69	53	74
1122	Hog and Pig Farming	75	89	102
1123	Poultry and Egg Production	131	124	144
1124	Sheep and Goat Farming	2	0	0
1125	Aquaculture	0	0	7
1129	Other Animal Production	42	54	160
1132	Forest Nurseries and Gathering of Forest Products	1	0	0
1133	Logging	0	1	0
1141	Fishing	0	62	1
1142	Hunting and Trapping	20	29	1
1151	Support Activities for Crop Production	1	2	16
1152	Support Activities for Animal Production	24	8	10
	<b>Grand Total</b>	<b>20,238</b>	<b>20,203</b>	<b>22,594</b>

**Analysis:**

NAICS code 1112, 1113, 1114 and 1119 constitutes 98% of the total TFWs positions requested. NAICS 1114 related to Greenhouse by 17%. The demand for TFWs position on positive LMO applications of AS has gone up by 12% from 2011 to 2013.

## CIC SAWP Data<sup>11</sup>

This data is related to CIC/CBSA issued work permits which is equivalent to actual number of workers entering Ontario under SAWP for the maximum limit of eight months/year.

The comparable data was not available for AS so, for cross comparison, the number of positions requested on positive LMO applications is used as a proxy indicator for comparing the two TFWPs.

**Table 4:**

SAWP: Ontario (intended province of destination) – total entries of TFWs under the SAWP by country of last permanent residence, 2011 – Sept 2013.

Country of last permanent residence	2011	2012	2013 (Jan – Sept)
Jamaica	6,060	5,580	5,910
Mexico	8,670	8,895	8,915
Other Caribbean Countries	1,395	1,225	1,380
	16,125	15,700	1,6205

### Analysis:

The top two source countries for SAWP workers are Jamaica and Mexico accounting for nearly 91-92% of workers coming to Canada from 2011-2013. This data can be used as a benchmark in future to understand the impact of cumulative duration on the demand of TFWs under SAWP increasing or remaining stable in 2015-16.

In recent years, the number of workers arriving from Jamaica to meet employers' requests has declined compared to 2011, due to:

- Low number of LMO applications processed early in the year
- Jamaica being one of the 30 countries selected in 2013 for the start of the biometric process<sup>12</sup>

**Table 5:**

SAWP: Ontario (intended province of destination) – total entries of TFWs by select four-digit codes of NOCs and by yearly status, period 2011–Sept 2013.

Yearly Status	2011	2012	2013 (Jan – Sept)
8255 - Contracts and supervisors, landscaping, ground maintenance, and horticulture services	16,455	15,895	16,315
8431 - General farm workers with LMO	240	490	425
8611- Harvesting laborers total	240	495	430
Total	16,945	16,590	16,875

### Analysis:

NOC code 8255 categories include TFWs arriving for greenhouse, horticulture hothouse, hydroponics, and nursery employment. 95-97% of the SAWP workers coming to Ontario are under this category and a very small number are for the general farm and harvesting categories.

<sup>11</sup> Source: Citizenship and Immigration Canada

<sup>12</sup> Source: Farms Annual General Meeting – 27<sup>th</sup> February 2014

## Chatham–Kent Data

**Table 6:**

Comparison of TFWs positions on positive LMOs for Chatham –Kent and actual arrival of TFWs under the SAWP.

Programs	2011	2012	2013
Agriculture Stream –TFW position on positive LMO <sup>13</sup>	1,315	1,320	Not available
SAWP	927	925	1,037
Number of SAWP Employers (agriculture)	70	72	74

### Analysis:

70-74 employers in Chatham-Kent are currently requesting TFWs, under SAWP. AS data is not available for Chatham-Kent, so the proxy indicator used is the number of positions on positive LMOs. SAWP program also shows an increase in TFW requests going up by 12% from 2011 to 2013. The annual demand of the TFWs in the area is estimated to be approximately 2,250 positions (AS and SAWP). Close to 59% of the positions are attributed to AS.

- TFW demand is relatively high among the local agriculture business.
- SAWP limit of eight months does not necessarily work for the greenhouse industry, where the requirement is year-round, so a mix of SAWP and AS has a better fit for those operations.
- As an example, if 1,315 TFWs entered Canada in 2011 and stayed for the entire period of four years, in 2015 all of these workers will be required to exit Canada for the next four years. In this case there are three scenarios:
  - ✓ Agriculture business employers could start recruiting a portion of their workforce on a staggered basis to avoid experiencing a labor shortage which can lead to increased LMO applications/work permit requests.
  - ✓ Increased demand for SAWP workers.
  - ✓ Increased demand for Low German or local workers – difficult for the community facing demographic challenges in terms of population decline/aging population. Employers have consistently expressed that it is difficult to find local workers to fill these labour-intensive agriculture minimum-wage jobs.

<sup>13</sup> [http://www.esdc.gc.ca/eng/jobs/foreign\\_workers/lmo\\_statistics/annual-loc-emp.shtml](http://www.esdc.gc.ca/eng/jobs/foreign_workers/lmo_statistics/annual-loc-emp.shtml)

## Case Studies – Greenhouse Employers

### Introduction

To further substantiate the review of literature and secondary data, greenhouse employers were consulted to understand their experiences using the TFWPs. To ensure privacy and confidentiality, the employers are referred to as case study numbers and not by their business names. Lek Vankoeverden, of Thai Volunteer Outreach (TVO), was instrumental in connecting the research team with the employers for the interviews. All three interviews explore the employers' experiences in relation to:

- ❖ Recruitment of TFWs
- ❖ Housing and Transportation for TFWs
- ❖ Health Care Access
- ❖ Banking/Filing Tax Returns/EI Benefits
- ❖ Service Connections

### Case Study 1

#### Background Information

The greenhouse business was established in 2005 and has less than 100 acres of land holding. Total workers year round are 16: 10 local and 6 TFWs. All TFWs are Thai males. There is no variation in numbers over the years. The employer chooses to locate his business in Chatham as it is where he lives.

All payroll deductions are done internally by the company and deposited with appropriate agencies as required by law. The company has a risk management plan and the workers are included in this plan.

#### Recruitment

The employer uses a formula of workers/acre to calculate the annual requirement of TFWs for their business operation. They employ 50% local and 50% TFWs from AS.

#### Experience of hiring Local Worker vs. TFWs:

- Employer would like to hire more local workers but has had poor results starting from the recruitment process itself.
- Employer takes out advertising for local people. He is not sure of the costs associated with recruitment of local workers.

***“There are good (local) workers, but it takes a long time to go through the bad ones to find a good one.”***

The employer explained that he might need to go through the process of finding, hiring, and training a local worker only to have them quit soon after. He would then need to go through this expensive process several times before finally finding the local worker who would stay and who would work out.

***“It is not a production line like at Ford’s. These are plants. They can’t be put on hold while someone doesn’t show up.”***



In general, the employer's experience is that local workers are not as fast, don't tolerate the heat in the greenhouse well, their performance is generally poor and their availability (re: showing up on time) is unpredictable. TFWs are preferred because they are dependable, on time, work weekends and holidays, don't call in sick, and have a good work ethic.

#### **TFWs Recruitment Process:**

- The employer uses the ESDC online LMO application process and finds the LMO application fee to be minimal.
- Employer has hired through AS and has not used a private third party contractor nor F.A.R.M.S/SAWP.
- The usual timeline for getting offshore workers after a positive LMO is six months
- The TVO Coordinator does everything. This relationship has been very positive. "As a result, offshore labor is the least of my headaches."
- The employer is aware of the four-year work permit limit and does not see it as a problem. "You have to have an orderly system for replacing workers. Our workforce is staggered to accommodate "mature dates".

## **Housing and Transportation**

#### **Housing:**

The employer has to ensure housing inspections are completed before the arrival of the workers. The housing inspection is conducted once a year by the local Public Health Unit.

- Employer owns a bunkhouse on the property and houses five to six workers.
- Employer deducts \$30.00 per biweekly pay period towards accommodation as permissible under the AS.

#### **Transportation: International**

- Employer bears the cost of international travel which is \$900.00 one way and \$1800.00 for a round trip. As per the employment contract, employers pay for a round trip on a two-year work permit.
- TFW pays \$150.00 for a two-year work permit which is renewed for another two years to the maximum of four years.
- TFW pays for their own international travel if they fly home on a leave of absence.

#### **Transportation: Local**

- Employer provides weekly transportation to town for grocery shopping, banking, etc.
- Over and above the weekly transportation, workers pay for their own trips to town.
- Since 2012, CKCHC staff visits the farm and provides health care services.
- Employer takes them to the consulate in Windsor for immigration related work, which involves a four hour trip plus wait time for staff, and fuel cost.
- They do not encourage workers to drive, but do not discourage them either.
- Car insurance costs would make it prohibitive for the workers and since they walk to work, driving is unnecessary (This is the employer's perspective).

## Healthcare

Under the AS, workers arriving in Canada need health insurance for the first three months while waiting to obtain their OHIP Card:

- Employer provides health insurance for the first three months through a private insurance company.
- OHIP cards are obtained through Service Canada either in Windsor or Sarnia.
- On site first aid is provided by trained personnel for minor cuts and injuries.
- For other non-emergency needs, workers go to the Health Clinic. Usually, TVO accompanies them and helps them with translation, prescription refills etc. or local Laotian staff assists with translation for the Thai workers in case of a medical situation.
- For emergency medical needs, the employer takes workers to the Emergency Department which is 20 minutes away and is available 24 hours
- A Chatham-Kent Community Health Centre (CKCHC) Registered Nurse provides free flu vaccination, annual medical checkups, and can help workers with booking dental appointments when required (workers do not have dental insurance).

## Banking/Filing of Tax returns/EI Benefits

- The employer assists workers in opening a bank account. Many of these workers have laptops and do online banking. Money transfers are set up by the bank.
- Most of the workers use local accounting and tax services firms in Chatham. Each worker pays \$40.00 for filing tax returns. After the first year, the worker's account is set up for subsequent years and that reduces the need for translations. They just need to go in with their T4 slips.
- The employer reports that none of the workers have claimed EI benefits as they work full-time and no workers have been laid off so far.

## Service Connections

- What would be called "settlement services" for a permanent resident is exclusively provided by the TVO coordinator who volunteers at his operation. The coordinator also assists the employer with all HR requirements - assisting with paperwork, worker relations, applying for health cards, immigration related issues, and work permits as well as providing translation services.
- The employer's local service connections include municipal departments for housing inspection, health and safety assessments as required by law, and filing farm taxes. He rates all the above services as "satisfactory".
- The employer provides internet and charges \$30.00/month which is shared by six workers.
- The employer takes the workers to Windsor to see a consulate staff once a year for the visa/work permits. The consulate assists with passport renewal and provides service in the workers native language.
- Health care requirements were estimated to take two to three hours per person, per year. Sometimes there are no healthcare needs in a year but a single emergency room wait time can result in many hours of employer or staff time.

## Case Study 2

### Background Information

The greenhouse has been in business since 2013, and has less than 100 acres of land holding. Total employees year-round are 50, representing 50:50 of SAWP and AS. The workers at this greenhouse include 10 male Jamaicans who were hired under an agreement with a local tobacco farmer and are transferred between the employers as permitted under SAWP. The 13 Thai workers are a mix of male and female. The employer chooses to locate his business in Chatham-Kent as that is where he resides, and there are great business opportunities which complement his business.

### Recruitment

- The annual requirement of the greenhouse workers are computed as 1.5 – 2 workers/acre.
- The employer has previous experience working with Low Germans, Jamaicans (SAWP) and Thai Workers (AS).
- The employer uses online LMO application and submits the document to the Simcoe office. The processing time for LMO application for SAWP and AS is one month and six months respectively.
- The employer is highly satisfied with F.A.R.M.S support under SAWP.

#### Experience of Hiring Local Workers vs. TFWs:

- In the beginning, the employer used a third party contractor for recruiting AS workers and was not satisfied. Direct recruitment is now used and they are currently in the process of transitioning to having full-time HR staff.
- The employer also works closely with the Grower's Association and uses "Transfer" of workers as permitted under SAWP.
- They started with 100% local workers but have been forced into hiring offshore workers to remain competitive. Employer notes that the productivity of migrant workers is roughly twice that of local workers, and that his business must be very mindful of input costs to remain competitive.
- The employer places job advertisements for local workers on Kijji, Craigslist, and job boards.
- The employer is aware of the four-year work permit and plans to stagger their recruitment accordingly.

***Local people found it difficult to work in the hot and humid greenhouse and (the employer) also faced issues related to work ethic, absence from work and transportation that was affecting business.***

### Housing and Transportation

#### Housing:

- The employer owns two houses. One house has permission for 12 persons, but currently eight employees are sharing it.
- Public Health Unit inspects the accommodation annually.
- As per the provision in the contracts under AS, the employer is deducting \$15.00/per worker biweekly toward accommodation charges.

### **Transportation: International**

**SAWP:** The workers come from Jamaica. International transport and surface transport cost less than \$1000.00 return and the cost is deducted from employee's payroll, as per the F.A.R.M.S guidelines. The SAWP workers come for the duration of eight months.

**AS:** The workers come from Thailand, and it costs \$1000.00 each way. The employer either picks them up at the airport or uses air bus services for surface transport. The AS TFWs are issued a work permit for two years.

### **Transportation: Local**

- Employer provides local transportation for travel to work, weekly grocery shopping, church visit, and other errands.
- The employer also provides transportation for visits to the doctor's office or consulate office to obtain a health card.
- The employer does not assign any driving duties to the workers and none have obtained a driver's license.

## **Health Care**

- The SAWP program has an inbuilt mechanism in their bilateral agreements for obtaining a health card. The returning workers under SAWP just need to get their health card activated.
- The employer usually transports workers to Windsor or Sarnia to apply for a health card because the local Chatham-Kent Service Ontario Office does not provide the service.
- The AS workers require three months of health insurance coverage until they are able to receive their OHIP card. The employer gets access to the health care coverage through their travel agency for the AS workers.
- The employer uses the hospital/CKCHC for any health care needs of their workers and provides transportation. The workers have been provided free vaccinations by CKCHC. The workers are not covered for dental or vision care.

## **Banking/Filing of Tax returns/EI Benefits**

- Usually, the employer helps the workers with opening a bank account as they use direct deposit facilities for their payroll and many of the workers use online banking facilities.
- Most of their workers use direct deposit facilities for their tax refunds. The workers are responsible for filing their own tax returns and paying for the services.
- None of the workers have been laid off in the past year hence no one claims EI benefits.

## **Service Connections**

- The company has worked with local municipal departments for building permits, Economic - Development, EMS/Fire, Health Services and Corporate Services for taxation and rates all services very satisfactory. All the payroll deductions are done internally by the company and deposited with appropriate agencies as required by law. The company has a risk management plan and the workers are included in this plan.
- TFWs are not eligible for any settlement services and the employer is the only contact to help workers with integration needs. This includes helping them fill out forms, interpretation,

accompanying them to health service providers, opening a bank account, and getting their prescriptions. These services are estimated to require 1.5 – 2hrs, per employee, per year.

- The workers are provided access to TV in their bunk house or residence, and share the cost of internet access at \$40.00 per month, per house. Employer is not aware of the services provided by consulate office for AS workers as they are usually assisted by the TVO coordinator. The Thai embassy ensures that their staff visit Leamington once a year to assist the workers with their passport and visa related issues, the employer ensures workers can make the two hour plus round-trip to take advantage of this.
- For SAWP, employer and his staff work closely with the liaison officer in Leamington for assistance with workers immigration, health, or prescription needs.

## Case Study 3

### Background Information

The greenhouse business was established in 2003 and encompasses less than 100 acres of land. They employ approximately 55 year-round employees with 50:50 ratios of TFWs and local workers, and 50:50 ratios for SAWP and AS. Currently TFWs at this greenhouse are 28 male Jamaican workers under SAWP, and 23 male Thai and Filipino workers under AS.

Due to the four-year absence for workers under the new rules and problems with getting as many workers as he's requested with the LMO process for AS workers, the employer has hired more SAWP workers. Eleven of his workers have had more than six years of employment history in Canada, some of them with the same employer and some with other employers.

The employer believes the new eight year cycle (four in country/four out) is too long. After an absence of four years, workers lose both work skills and language proficiency. In addition there is the added burden of training and acclimatising the new workers.

***The time limit of four years for workers to be away from Canada needs to be shortened to one year. That will help to stagger the crew more readily.***

The employer chose to locate his business in Chatham due to its proximity to highway 401, which makes transportation logistics cost effective and convenient.

### Recruitment

#### TFWs Recruitment Process:

- The employer calculates the annual requirement of workers using the formula of 1.1 workers per acre and hires local people for the packaging division.
- Employer hires Jamaican, Thai, and local people from diverse cultures. "It's the United Nations in here." He finds that workers from different cultures work well side by side. However in the bunk house he ensures that the workers are divided based on nationality because of cultural differences particularly around food preparation.
- The employer advertises for local workers through the Job Bank, Kijji and Craigslist.
- LMO application processing time for SAWP and AS is two weeks and four weeks respectively.
- Under AS the time period and unpredictability of getting the required number of workers makes AS cumbersome.
- The employer was not willing to talk about his third party contractor, but no longer works with them and now directly hires the offshore workers under AS. His secretary ensures that all the regulatory requirements are met and paperwork is in order. TVO assists him with hiring of TFWs.
- The employer has had excellent experiences with F.A.R.M.S.
- The employer faces difficulty at times with government offices as they are spread around in Ontario and in other provinces which requires a lot of coordination effort.

### **Experience Hiring Local Workers vs. TFWs:**

- Dependability (Can count on TFWs being there when the job needs to be done.)
- SAWP program is more employer-friendly in terms of assurance of workers arrival as per the schedule however there is a need to stagger the eight-month work terms.
- TFW have to be staggered perfectly to cover the work.
- Sometimes the number of TFWs approved on positive LMO applications is not the number that arrives. Sometimes there are fewer TFWs sent and the employer cannot cover the work.
- Hiring TFWs is expensive with respect to: insurance, transportation, and accommodation costs

## **Housing and Transportation**

The employer has a huge bunkhouse which is divided in half for Caribbean and Southeast Asian workers. The bunkhouse has the capacity to house 58 workers, 29 on each side. Currently there are 28 Thai/Filipino workers and 18 Jamaican workers. One couple lives in an employer-owned house on the property. The employer provides all the accommodations for free and does not charge for utilities.

- The Public Health Unit conducts annual housing inspections and health and safety assessments are completed through the Ministry of Labour.
- International transportation cost for Thai workers is \$1500.00 to \$1800.00. It is \$920.00 for SAWP workers. The cost is recovered by permissible deductions from SAWP workers. For surface transportation between the airport and business location, the employer uses airport transportation services.
- The employer provides a free local trip to town each week.
- For visits to the doctor, the employer provides a ride or the workers can pay for a cab.
- Workers also use bicycles to travel in the community.
- The employer does not encourage TFWs to obtain a drivers' license, and there is no assigned person with designated driving responsibilities. One worker currently has a license to drive in Ontario.

## **Health Care**

- For AS workers, during the three month mandatory wait-time for the OHIP card, the employer provides them with health insurance and pays an insurance premium of \$89.00 per month, per worker.
- The employer is required to travel to the Service Canada centre in London, Windsor, or Sarnia for the issuance or activation of health cards. It involves staff time and travel costs.
- TVO coordinates with the CKCHC for providing on-site health services and workers receive an annual medical check-up at the health clinic.
- All TFWs are required to undergo a medical exam before entering Canada. All additional needs for dental, etc. are covered through the CKCHC.

## **Banking/Filing tax returns/EI Benefits**

- The employer manages all financial accounting obligations and related requirements through his secretary.

- The secretary takes workers to the bank at the beginning of their work term to set up an account and electronic banking. The workers do not use online banking facilities as far as the employer knows.
- The workers transfer funds to their family back home using banks/Western Union money transfer facilities.
- The workers take care of filing their income tax and pay for using local accounting firms.
- They do not need any interpretation services for taxes, as the returns are done strictly on the basis of T4 slips. The workers do not receive their tax refunds through direct deposit. A cheque is issued and mailed via the employer.
- Some Jamaicans in his employment had claimed EI special benefits – parental leave.

***Employer stated that one or two married workers had filed the income tax return as a “married” person. CRA came back with reassessment and asked for record of money transfer to their families back home. In the absence of records, their income was treated as that of a “single” person. The worker ended up paying an additional \$1000.00–\$2000.00 on their returns and was “really upset about it”.***

For Eastern Caribbean workers, a 25% deduction at each pay period is required by the contract and needs to be submitted to the Eastern Caribbean Liaison Office. 5.5% is recovered towards liaison services and 19.5% is returned to the employee once they return to their home countries. Employer stated that no worker has claimed CPP and he wondered how they would be able to claim in future.

## **Service Connections**

- The employer is satisfied working with the Building Permit Department of the Municipality of Chatham-Kent.
- There is no risk management plan covering employees in this facility.
- The employer provides free satellite TV and cost of internet services are shared by the workers
- The TVO coordinator provides translation service for Thai workers. The Jamaican liaison officer from the Jamaican Consulate Office in Leamington visits the site if there are any service issues for the Jamaican workers.
- The employer does not believe that the amount of time spent on health related paperwork and interpretation, etc. is significant.
- Employer sometimes finds it difficult working with government offices due their different jurisdictions. Initially, workers receive work permits at the port of entry, but subsequent extension of work permits are dealt with in Alberta for AS and all the workers require an extension after two years.
- The employer’s staff checks the workers’ passports to ensure that they are valid for two years. When a renewal is needed the employer has to take workers to Leamington in a group, depending on their nationality, and then schedule corresponding consulate office visits.



## Observations

### General Observations

- The name “Temporary Foreign Workers Program” is misleading. TFWs are not permanent residents (though some individual SAWP workers have returned annually for the majority of their working lives). The TFWPs however have been a permanent feature in agricultural communities for nearly 50 years. The SAWP has been operational since 1966 and year after year has shown increased demand. The AS program which became operational in 2002 also continues to grow. Even though “temporary worker” programs have consistently introduced growing numbers of migrant-newcomers to rural communities like Chatham-Kent, the permanent challenge of meeting their needs and the needs of employers and communities in “integrating” these workers into community life remains largely unaddressed.
- Knowledge about “migrant-newcomers” is limited. Service agencies and other service providers often struggle to know how to connect with TFWs and often are not mandated to do so.
- While it is often argued that agricultural sector jobs should go to unemployed Canadians, finding and attracting local workers to the agriculture sector and other labor intensive businesses that employ TFWs remains an elusive goal. While the explanation most offered for this is that Canadians don’t have the same work ethic as migrants, and will not work for the low pay offered, additional study may lead to better understanding of other possible contributing factors. For now, case studies in this report suggest labour intensive greenhouse and other farming operations are currently dependent on TFWs to stay viable and competitive.

### Observations re: specific objectives of this study

#### Objective 1:

To determine the TFW policy of four-year cumulative duration timeline and its impact on the greenhouse business operations.

- Secondary data and case studies reveal that the greenhouse employers are using a mix of employees from SAWP and AS programs along with local permanent residents to meet their labor needs.
- Greenhouse employers are aware of the four-year cumulative duration and are working towards staggered hiring. This puts additional demands on employers, as many of them are directly hiring TFWs and do not use a third party contractor due to a previous unfavorable experience.
- 2015 deadline will mean increased LMO applications for AS or increase demand on SAWP. None of the employers in the case studies consider hiring local as a viable alternative.
- The staggered hiring is impacted by:
  - ✓ LMO applications have a longer timeline for processing.
  - ✓ Not all positions on positive LMOs result in the issuance of a work permit.
  - ✓ In addition, it takes on average 105 days between the date an LMO decision is rendered and the date the TFW obtains a work permit from CIC and/or enters Canada.
  - ✓ Staggered hiring means employers hire TFW for maximum two years and pay international travel both ways.
  - ✓ If TFWs are taking a personal time off, then they pay the cost of international travel.
  - ✓ Cost of visa and work permit for TFWs, if the work permit’s duration is shorter than two years.
- More research is needed to understand the impact of this policy in 2015-16

**Objective 2:**

To assess service support needed by employers to effectively utilize the AS for their business operation.

- AS should be realigned on successful SAWP model which is perceived by employers as very satisfactory in supporting employers. SAWP is guided by the bilateral agreements and has F.A.R.M.S. performing an administrative role to the Caribbean and Mexican TFWs. The participating countries provide field consulate offices which directly support employers with review of payroll deduction, health insurance coverage, health cards, income tax refunds, labor relation et al. AS employers have to fend for themselves on all above issues.
- AS employers in Chatham-Kent have to deal with the consulate office in Toronto or Ottawa to support their workers with renewal of passports; Alberta TFW office for the renewal of work permit; and Sarnia and Windsor offices for health cards for their workers.
- New AS employers of Thai workers rely on TVO, a wholly volunteer organization that works with very limited resources and no major consistent funding source, to support workers with integration into the community and at the work place. Meanwhile, community settlement services which could be helpful to TVO and individual workers are not mandated to serve them.
- TVO also assist with interpretation and immigration related issues with the Thai Consulate. Other national groups have no equivalent of the TVO organization. Some limited outreach is done by some area churches, but this is largely limited to spiritual, social and some informational or translation help.

## GAPS

- 1) There are significant differences or gaps between how the AS stream and the SAWP are structured and administered. In particular there is no F.A.R.M.S. or government-to-government contract that ensures consistency of wages, housing, or addresses a broad range of issues of importance to the employer and TFW employee.
- 2) AS greenhouse employers must hire TFWs directly, without the support of a sending government pooling potential candidates for work. Prior to changes in legislation in April 2011, lack of regulation on third party contractors resulted in many problems. Therefore a number of employers have abandoned third party contractors as a satisfactory method for recruiting workers. While Thai Volunteer Outreach has established itself as a volunteer support to employers and employees, and provides a number of services otherwise provided by F.A.R.M.S. in the SAW Program or by third party contractors, there are no similar organizations to TVO for cultural groups other than Thais. Other volunteer organizations, including church groups operating in the area more typically provide only spiritual and social outreach, and lack expertise or resources to address day-to-day problems encountered by workers. It is only recently through CK LIP's acceptance of church-based group representatives on the Partnership Council that links have been created that enable broader supports of CKCHCs, libraries, United Way Women's Leadership Council grants and other resources to be connected to TVO, and other volunteer groups. While CK LIP has been instrumental in providing connections for library programs, health care services, and other community based services, the LIP projects continue to not be officially mandated to serve migrant-newcomers in Chatham-Kent, even though migrant newcomers are the largest newcomer group in the community.
- 3) TFWs need a wide range of services including ESL, community links and translation services which are already provided for through settlement service agencies. Employers are often challenged by the language barriers and other challenges of attempting to integrate TFWs into their business operations and the community. Still, settlement services are not able to serve migrant-newcomers. Funding silos prevent CIC in the National Settlement Service framework from considering migrant-newcomers as recipients of settlement services.
- 4) There is a gap in public perception regarding TFWs. While the community believes TFWs "take jobs away from Canadians", observations made in this study suggest they may be ensuring that more jobs are being generated for local workers than would be available otherwise (if they were not available to fill vital positions). Local workers appeared in the case studies as a major part of the greenhouse workforce. TFWs play a significant role in ensuring viability of operations by ensuring a guaranteed labour force for jobs which are less attractive, for a variety of reasons, to Canadians. In the process, TFWs ensure development of jobs for permanent residents within these operations and in secondary industries that serve the greenhouse and other agricultural sectors.
- 5) There is a gap between the significant economic contributions made to the Canadian and local economy of Chatham-Kent by workers (through their purchase of consumer goods, through sales tax and government payroll deductions) and the return they receive for this contribution (in terms of government programs and services, and community supports). Employers are

providing services to TFWs including transportation, housing and connections to health care, that are not expected in employer-employee relationships in any other industry.

- 6) There is a lack of inter-ministerial coordination for implementing TFW programs, especially CIC, ESDC, and Ministry of Labor. This means that employment standards for TFWs are not uniform across programs and that processes are not well coordinated for employers and workers (E.g. LMO application timelines, work permit renewals, and health cards.)
- 7) Local Service Canada offices cannot provide services to TFWs regarding routine services provided to other residents such as access for health cards. Renewal of work permits is also not available locally. Employers in the case studies currently need to invest significant amounts of time in lost work hours and travel expenses to access services that are currently only available in Simcoe, London, Windsor, Sarnia, Leamington, Toronto, Ottawa, and Alberta.
- 8) SAWP and AS workers pay into EI at the same rate as permanent residents, but are ineligible to collect most regular and special EI benefits. Similarly they pay into CPP but there is no robust database to track worker locations once they leave Canada and to inform them of their eligibility for CPP payments in the distant future.

There is not Social Security Agreements (SSA) in place with the top source countries for Agriculture Stream TFWs. The SSA does exist between SAWP sending and receiving countries including: Jamaica & Canada (since 1984); and Mexico and Canada (since 1996). SSA is an international agreement between Canada and another country that is designed to coordinate the pension programs of the two countries for people who have lived or worked in both countries.

## Appendix: Research Framework

### Research Framework –Temporary Foreign Workers Immigration Policy change and its implication on the Agribusiness Employers of Chatham-Kent

#### Research Background:

On April 01, 2015, the Temporary Foreign Workers (TFW) under the Low-Skilled Workers' Program will be completing their four-year tenure. They will be returning to their home countries and will not be eligible for the next four years to obtain work permits to come to Canada.

Chatham-Kent has lost its manufacturing sector base during the recent economic downturn and is trying to retool its local economy through its agriculture and agriculture related business sector. The greenhouses are the new corporate agriculture farming norms and they are depending on the Temporary Foreign Workers Programs, namely Seasonal Agriculture Workers' Program (SAWP) and Agriculture Stream (AS), for low skilled positions for their business operation and viability.

The Chatham-Kent Local Immigration Partnership is supporting the study of the implication of the above policy on agriculture employers through the initiative of the partnership between Diocese of London and Huron College.

#### Research Objective:

To determine TFW immigration policy (Low-Skill Workers Pilot Project) timeline and its impact on the greenhouse business operations in meeting labor market needs and the service needs of the employers to assist TFWs in their professional and personal integration.

#### Research Scope:

- How will this impact SAWP/LSWP mix used by the employers
- How is the HR planning address by the employers
- Settlement and integration support needed by employers
- What is the role of consulates in supporting employers in service access for TFWs/emergencies/work-related accidents
- Experience of working with the third party contractors
- Role of employers for TFW integration in the community
- Pathways for the TFW to move from Low-Skilled to High-Skilled workers category (NOC classification considered for this purpose and employers to take on the opportunity)
- Inter-ministerial role in Low-Skilled Workers Program implementation, monitoring, and closure
- Recommendations for policy review and service planning/coordination

#### Research Duration:

This research was undertaken for the period of January 2014 – March 2014.