

2014 ANNUAL REPORT



Canadian
Horticultural
Council

Conseil
canadien de
l'horticulture

HortCouncil.ca

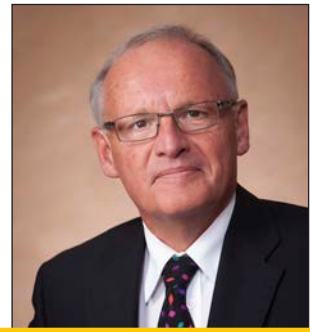


Table of Contents

Report of the President	2
Report of the Executive Vice-President	5
Advocacy Initiatives	7
Trade and Marketing	10
Research and Innovation	12
Food Safety and Traceability	15
Commodity Coordination	18
Apple	18
Blueberry	23
Greenhouse	27
Potatoes	30
Vegetable	35
Crop, Plant Protection and the Environment	38
Human Resources	42
Risk Management	43
Outreach and Communication	44
Collaboration and Liaison	46



Report of the President



To the Members of the Canadian Horticultural Council

CHC Financial Health

It is a pleasure to be able to report the success of CHC to you the members. Two years ago we were struggling to determine how to finance the organization. Thanks to you we were allowed to raise our membership fees by 17%. This increase has allowed us to regain our financial strength.

CHC moves to a new location

We need to congratulate Anne Fowlie and her staff for their dedication and service to our organization. The past two years have been busy times. While maintaining all of the files, Anne and staff have sold our previous building at 9 Corvus Court and have purchased a new condo unit located at 2200 Prince of Wales Drive. I had opportunity to see the new office space on February 24. The office space is bright and well laid out. There are a few furnishings left to purchase and a few other issues to finalize but in general the office space is complete. If you are in Ottawa please let Anne and staff know, they will be pleased to show you your new office space.

The move to the new office space also allowed us to use the capital gain and equity which we had built up in our previous building, these funds were used to retire all term debt for CHC. We are confident that the funds on hand will be sufficient to allow us to operate with cash till year end when we will again be invoicing our members. The retirement of the term debt is a significant event, which will have ongoing positive implications for CHC. In 2002 when we purchased our previous location many of our members contributed additional funds; these funds allowed us to proceed with the purchase. At our meeting in Québec City we will be celebrating the retirement of our term debt and giving special recognition to those members who demonstrated their confidence in our organization by contributing to the building fund.

CHC Board of Directors

Three years ago CHC agreed to allow for per diems to be paid to directors, this is standard procedure with most organizations. For the past two years all directors agreed to forgo the per diems to allow CHC to return to the financial health that we had in the past. I want to personally thank the directors for agreeing to this as their sacrifice has contributed to the current financial health that we enjoy.

As part of our summer meeting last year we invited some of our industry partners to join us for a day while we toured various farms in Manitoba. We had representatives from Bayer CropScience, Syngenta, FCC, John Deere and Peak of the Market join us. The day allowed us to showcase our industry to our partners and continue to build the relationships. I have tried to follow up with the partners to determine steps that could be considered to allow us to continue to build on the strength of the relationships.



Financial protection for produce sellers

Our lobbying efforts in the past years have focused on gaining a PACA-like trust in Canada (US Perishable Agricultural Commodities Act). Two years ago we were excited as it appeared that after many years of lobbying the governments of the United States and Canada had agreed that Canada would put in place comparable legislation to ensure produce sellers were paid in the event of bankruptcy or insolvency. To date we cannot report any success on this issue. While we have worked tirelessly with government we have not been able to gain any traction with them on this issue. Our last hope is to work with the committee appointed to deal with the report from Industry Canada on findings from review of the bankruptcy act. We will continue to work with CPMA (Canadian Produce Marketing Association) and the DRC (Dispute Resolution Corporation) with the hope that we can achieve positive results.



Keith Kuhl and Adrian Simkins (Plant Manager, Village Farms, Surrey BC)



*Adrian Simkins (Plant Manager, Village Farms, Surrey BC)
Keith Kuhl and Bar Hayre (CHC Board Member, BC)*

We realize that the past year has brought new challenges for many producers especially those who rely on the Agricultural Stream of the Temporary Foreign Workers Program. We will be working with government to ensure that these issues are resolved. In order for us to be successful in resolving the issues we need to hear and fully understand your issues. CHC staff are available to document your stories. As your stories are compiled we will use these to demonstrate the need for change to government. As we go to government we need to not only identify the issue, we must be able to provide the solution needed to resolve.

Industry Visits

During the past year I have continued to visit members across the country. This is the most enjoyable part of the responsibility of being President. I continue to be amazed at the diversity within our industry. We have every type of operation, some being small family operated farms





*Jos Moerman, (Owner, Sunnyside Greenhouses, Surrey BC),
Keith Kuhl and Bar Hayre (CHC Board Member, BC)*

others including large corporate farms. The common theme is the pride that people have in producing healthy and safe fruits and vegetables. We can be proud to be providing the healthiest part of everyone's diet.

Sustainability

Over a decade ago CHC decided that it was time to move forward with developing a Food Safety Program. The members of CHC realized that we could either develop an acceptable Food Safety Program or a program would be developed and we would be expected to comply. I believe we are now at the next stage. Over the past years, discussion on sustainability has continued to escalate. Many of the retail customers are in the process of

developing or implementing their sustainability programs. I believe that we again have a choice of either developing a program that will be accepted or to accept a program that will be developed.

The three pillars of sustainability are Social, Economic and Environment; or more clearly stated as people, profit and planet. At the core of sustainability lies profit, no one can claim to be sustainable if they cannot demonstrate that they are profitable. Sustainability includes a commitment to ensure your suppliers and customers can be profitable; it includes a commitment that the people you employ will be offered fair compensation and a safe work environment,. It further includes a commitment to care for the environment. As with Food Safety most farms are already doing most of the things needed within a sustainability program but have not taken the steps to formalize their plan and do not have a plan that can be audited.

I believe we need to setup a working group to design a sustainability model which our member farms could use to implement a sustainability program on their farms. I would further suggest that the program needs to be auditable and I would hope that we could design the program to allow the audit to be part of the Food Safety audit thus avoiding multiple audits. We will discuss this further at our meeting.

Respectfully submitted,

A handwritten signature in black ink that reads "Keith Kuhl".

Keith Kuhl
President
March 11, 2015



Report of the Executive Vice-President



To the President and Members of the Canadian Horticultural Council

In 2014 the Canadian Horticultural Council contributed to and achieved several noteworthy milestones. There were a number of accomplishments; however, some files did not advance to the extent we had hoped.

As always, there is much more to do, and it is important to carefully manage resources and target activities and advocacy. Efforts have been directed toward advocacy and lobbying and strengthening linkages with a wide range of stakeholders and partners. Our focus has been directed toward:

- crop and plant protection
- farm labour
- risk management
- outreach
- trade, industry standards and market access
- food safety and traceability
- commodity coordination
- sustainability

The horticulture sector continues to grow. Changing demographics, consumer preference, trends and technology all present a wide range of opportunities which impact the way we go about our business on an ongoing basis. The value of Canadian currency, no matter the state, plays a role in business planning and results.

Consultation fatigue has continued, but the need to be heard has never been more important in order to ensure that our concerns and needs are represented through the process and, more importantly, in the outcomes. In 2015, regulations associated with the Safe Food for Canadians Act are expected to come into force. As the Canadian Food Inspection Agency's focus shifts from food safety to other business lines we look forward to an increased attention to plant health and trade and commerce. These areas are key to the horticulture sector's ability to thrive and grow, and enhanced attention to these areas is not optional and must not be ignored.

Crop protection is a top priority and the Pest Management Regulatory Agency will continue to be a challenge for us. We expect to address additional proposed re-evaluation decisions and continue to await with uncertainty on final decisions for products where we have put forward formal and comprehensive submissions.

Since the Regulatory Cooperation Council (RCC) was announced in 2011 we have worked diligently with members and a broad range of industry stakeholders and government officials. A stated objective in the work plan was to "develop comparable approaches to financial risk mitigation tools to protect Canadian and U.S. fruit and vegetable suppliers from buyers that default on their payment obligations". This has not been an easy task. A positive outcome, through a single licensing regime, is expected to be included in the Safe Food for Canadians Act and its regulations. We value this move as it is a component of the overall solution to financial protection for produce sellers. The "getting paid" piece is the most important component but has always been the ultimate goal.



The 2014-15 shipping season brought with it a change in the relationship with our major trading partner, the United States. On October 1, 2014, the USDA Agricultural Marketing Service (AMS) advised Agriculture and Agri-Food Canada that Canadian entities wishing to file a formal complaint against a PACA licensee must provide a surety bond prior to acceptance of the formal complaint for adjudication.

Some activities and work are predictable from one year to another. How we address emerging issues, or the unpredictable, is critical. For example, the pollinator issue has been in the media for some time, but rose considerably in prominence and urgency in 2014. It is not likely to subside in 2015 and perhaps not even in 2016.

During the past year we initiated some corporate re-branding and will continue to move forward with changes in 2015 to the outward look and feel of the Canadian Horticultural Council's image as well as a reorganization of our communications strategies.

We began 2015 with a major accomplishment for the Canadian Horticultural Council with the move to newly purchased and constructed office facilities at 2200 Prince of Wales Drive. In so doing we achieved a hard-earned debt-free status, which is indeed a cause for celebration.

As we look further ahead into 2015, the fluctuating Canadian dollar, the timing and results of a federal election, anticipated new regulations in support of the Safe Food for Canadians Act and mandatory statutory reviews of key federal Acts of particular interest to horticulture will be closely monitored. In particular, reviews of the Bankruptcy and Insolvency Act (BIA) and the Pest Control Products Act (PCPA) each have the potential to impact how we do business.

The efforts and commitment from the members of the Board of Directors, those who lead and participate in our committees and various working groups ensure the successes that we achieve. We would not be in a position to accomplish what we do without your contributions and those of the membership as a whole as well as those of our valued allied stakeholders.

An organization relies on staff to support and underpin its activities and advance the mandate. The CHC is fortunate to have a solid team of professionals in place in the national office. To each - Amy Argentino, André Bourbonnière, Diane Davidson, Trevor Eggleton, Alex Jones, David Jones, Patti Proulx and Linda Vinokuroff - I offer a sincere Thank You for your commitment and dedication to your work and to the members:.

With your support and collaboration we will continue collective efforts to ensure a more innovative, profitable and sustainable horticultural industry for future generations.

Respectfully submitted,



ANNE FOWLIE
EXECUTIVE VICE-PRESIDENT
CANADIAN HORTICULTURAL COUNCIL
March 11, 2015



CHC Annual Report

Strengthening Advocacy

The CHC strives to find ways to profile the size and significance of the horticultural sector and document its contributions to the Canadian economy. Creating awareness to ensure broad recognition of the numerous unique features which differentiate horticulture from all other sectors of agriculture is imperative. This is especially true when it comes to the realities of farm income within horticulture.

CHC welcomes new Deputy Minister

CHC President, Keith Kuhl, had an opportunity to welcome AAFC Deputy Minister Andrea Lyon shortly after she assumed the position. Ms. Lyon succeeded Suzanne Vinet who retired after 28 years in the federal civil service including several stints in agriculture as well as senior executive posts at Transport and Health Canada. Andrea Lyon is not new to the AAFC portfolio and was the Associate Deputy Minister of Agriculture from 2009 to 2011, and has a lengthy background in trade matters with Foreign Affairs and International Trade Canada. The meeting provided an excellent opportunity to introduce the Canadian Horticultural Council and key issues early in her tenure. A range of issues were discussed including RCC Financial Protection for Produce Sellers, Seed Potato Tuber Quality Potato Management Program, food safety and traceability and market access.



Standing Committees

Presentations to the House of Commons and Senate Standing Committees provide an opportunity to bring the issues and our story to a broad range of elected officials and beyond to other stakeholders and the public. There were a number of such opportunities in the past year, including:

Senate Standing Committee on Agriculture and Forestry

In April, Anne Fowlie appeared as a witness before the Senate Committee on Agriculture and Forestry as part of their study on the Importance of bees and bee health in the production of honey, food and seed in Canada. She spoke to the CHC's commitment to ensuring a more innovative, profitable and sustainable horticultural industry for future generations and that horticulture is an "exemplary model for coexistence between farmers, production and a robust pollinator population."

In December CHC President, Keith Kuhl, presented to House of Commons Standing Committee on Agriculture and Forestry in the context of their "Order of Reference dealing with international



market access priorities for the Canadian agricultural and agri-food sector”.

This provided an opportunity to highlight the horticulture sector’s expectations and concerns, incorporating comments on:

- Financial protection for produce sellers as a means to achieve a competitive parity with our colleagues and competitors from the United States; through the *US Perishable Agricultural Commodities Act (PACA)*
- Access to a reliable and consistent workforce.
- Market Access
- Timely access to new technologies
- Standardization of Maximum Residue Levels (MRLs) and sanitary/phytosanitary issues as potential barriers to trade
- Competitiveness and profitability of Canada’s horticulture producers

David Jones appeared before the Senate Standing Committee on Agriculture and Forestry on speak to Bill C-18 (an Act to amend certain Acts relating to agriculture and agri-food) and the importance of Plant Breeders’ Rights to horticulture. He also presented to the House of Commons Standing Committee on Agriculture and Agri-Food during their review of Bill C-18.

Keith Kuhl made a further presentation to the House of Commons Standing Committee on Agriculture during their Study of Innovation and Competitiveness. The presentation included reference to the success and challenges of the important science cluster program, market access, the critical need for a well-resourced and effective Canadian Food Inspection Agency to support market access and phytosanitary matters, MRL and pesticide harmonization, succession planning and the need for changes to the small business tax limit and challenges of competing with the US Farm Bill. The presentation was in response to a request to appear as part of the committee’s study of Innovation and Competitiveness.

In addition to ongoing meetings with elected and government officials as a function of the CHC’s day-to-day business regular, many other events and opportunities take place.



November 18, 2014



Fall Harvest Meetings on the Hill

One of the more recognizable annual events has become the Fall Harvest joint initiative with the Canadian Produce Marketing Association.

Over a two day period in November 2014 industry representatives and met with over 40 Parliamentarians and civil servants in Ottawa to discuss the key issues currently affecting the Canadian fresh fruit and vegetable sector. Some of the key issues addressed included financial protection for produce sellers and a national fruit and vegetable nutrition policy. Meetings of this type are essential. The CHC and CPMA also hosted a reception at the Three Brewers for MPs and staff which was well attended.

Two issues were identified for the 2014 event: Financial Protection for Canada's Fresh Fruit and Vegetable Industry and a National Fruit and Vegetable Nutrition Policy for Canada.

CropLife Canada Interface Day

On May 8, 2014 Anne Fowlie, CHC Executive Vice President, participated in a panel presentation during the Interface Day portion of 2014 CropLife Canada Spring Dialogue Days. As part of a thematic panel on Global Joint Reviews she spoke to the importance of global joint reviews to horticulture from a grower perspective. Other panel members included Marion Law, PMRA Chief Registrar (regulatory perspective) and Roy Lidstone on behalf of CropLife Canada (industry perspective). The presentation included an overview of the CHC's Mandate and legacy of accomplishment, key industry statistics, and an outline of producer concerns including disparity in the availability of new technologies, the threat of the loss of chemistry through re-evaluation decisions with no viable alternative available, lack of (Canada-U.S) harmonization of Re-Entry Intervals (REI's), Pre-Harvest Interval's (PHI's) and Maximum Residue Limitations (MRLs) and non-tariff trade barriers as a result of differing MRLs among trading partners. The other thematic areas completing the day's agenda were Politics and Pollinators and Endocrine Disruptors.

There are only a sample of advocacy initiatives and members are encouraged to monitor the CHC's Monthly Activity log for an ongoing summary of meetings and activities.



Trade and Marketing

On August 29, 2014 the Canada-United States Regulatory Cooperation Council released its Joint Forward Plan. The report provided a summary of the initial Joint Action Plan and lessons learned, as well as what is being characterized as a Forward Plan. Of particular interest for horticulture is that any further activity on Financial Protection for Produce Sellers will continue outside of the RCC.

Elements of the Forward Plan

Plant health: The Canadian Food Inspection Agency and U.S. Department of Agriculture's Animal and Plant Health Inspection Service will continue to advance a perimeter approach to facilitating safe bilateral trade and protecting Canada and the United States from risks posed by plants and plant products arriving from third countries. This will include aligned phytosanitary import requirements and related systems wherever possible with a view to utilizing information from phytosanitary inspections conducted by one country to inform decisions by the other country, and working towards reducing certification and inspection requirements between the two countries.

Crop protection products: Health Canada's Pest Management Regulatory Agency and the U.S. Environmental Protection Agency's Office of Pesticide Programs will enhance the existing bilateral system of joint product reviews, including for use expansion submissions, and move towards the establishment of a single application for crop protection products that will be accepted in both countries. This will include coordinated work planning; data sharing; aligning approaches to risk assessment; coordination of submissions; and the alignment of submission requirements. In addition, the Agencies will jointly develop information technology solutions for applicants to facilitate the joint review and processing of pest control product applications submitted to both countries.

USDA rescinds preferential treatment for Canadian produce sellers

The U.S. Department of Agriculture (USDA) notified Canada that it has withdrawn preferential financial protections Canadian farmers, packers and exporters have been enjoying under the *Perishable Agricultural Commodities Act (PACA)*. Despite long term efforts to prevent this outcome, on October 1, 2014 Canada lost its preferred access. At this point in time the Canadian government will need to implement a system demonstrating comparable outcomes in order to regain our preferred status.

How will this impact the Canadian Produce Industry?

Canadian farmers lose and as well as the fruit and vegetable supply chain. Before our preferential status was revoked, any Canadian grower with payments owing from a U.S. buyer could file a complaint through PACA for a fee of \$100. Effective October 1, any complainant must provide a bond for double the amount of the claim, which could take up to a year to be resolved. For example, a small producer owed \$50,000 would have to post \$100,000 cash which effectively removes \$150,000 from their cash flow/operating line for up to one year. Many farms and companies cannot afford this loss of crucial capital funds and will simply have to walk away, losing what is rightfully owed to them.



Canadian fruit and vegetable farmers have lost out on an important financial risk management tool. The solution proposed to avoid hurting farmers and others was at no cost to either the Government of Canada or the Canadian tax payer. What has happened this week is simply unacceptable.

As a result of concerted and collaborative lobby efforts significant attention has been brought to the issue as evidenced by numerous questions in the House of Commons. On October 1, 2014 the USDA rescinded Canada's preferential treatment under the US Perishable Agricultural Commodities Act and we must now post a bond in twice the value of the claim in order to file a formal complaint. At the end of the day we must be absolutely confident that every possible avenue was explored and effort made to effect the changes the fresh produce sector needs to be competitive and maintain and level playing field with our major trading partner, the United States. We look forward to actively participating in Standing Committee hearings on the BIA and in so doing, achieve the goal.

International Trade Minister meets with fresh produce industry

On October 3, 2014 the Hon. Ed Fast, Minister of International Trade and the Asia-Pacific Gateway met with CHC representative in Abbotsford, BC.

There has been one positive step made in the past year as the Canadian Food Inspection Agency (CFIA) consulted on a unified licensing regime as a component of their overall modernization initiative under the Safe Food for Canadians Act. We fully support this as it is aligned with our long term vision for the sector when the Dispute Resolution Corporation was established.



L to R: Murray Driediger (BC Fresh, Delta), Marcus Janzen (CHC Past President, Abbotsford), Hon. Ed Fast, Bar Hayre (CHC Board Member, Abbotsford); Keith Kuhl (CHC President, Winkler, MB)

National Promotion and Research Agencies

Public Hearings into the Proposal for a National Promotion and Research Agency Public hearings to examine the merits for the establishment of a National Promotion and Research Agency for Strawberries concluded in 2014. The hearing panel will now consider the proposal and comments and provide a recommendation to the Farm Products Council for consideration. In his closing remarks and the final hearing, panel Chair Timothy O'Connor noted that a number of options will be considered, including accepting parts of the proposal, suggesting changes or declining the proposal outright.

Biosecurity

The Canadian Horticultural Council is partnering with the CFIA in the development of the next series of biosecurity standards. The Greenhouse, Nursery and Floriculture Biosecurity Advisory Committee (GNFBAC) has been established with representatives from across Canada and with expertise within each of the sub-groups and will be working on this initiative over the course of the next two years. Similar to the work that was accomplished with the potato sector, the objective is the development of a voluntary National Farm-Level Biosecurity Standard and specific Producer Guides for each of the Greenhouse, Nursery and Floriculture sectors of the industry.

In the coming year we will continue to address financial protection for produce sellers but look to redirect resources toward market access and advocating for appropriate resource capacity at the Canadian Food Inspection Agency to ensure protection of our domestic plant resources and also to gain access to new markets.



Research and Innovation

The Canadian Agri-Science Cluster for Horticulture 2 is an investment of over \$9 million bringing together expertise from academia, industry and government to address key challenges in the apple and potato industries.

Funding for the Canadian Agri-Science Cluster for Horticulture 2 (Cluster 2) was announced in February 2014 by federal Agriculture Minister Gerry Ritz. The research cluster, led by the Canadian Horticultural Council, encompasses ten research projects to be undertaken during the period of April 2013 through March 2018.

The \$7 million AAFC investment supports scientists, industry experts and academics in conducting research focused on reducing crop input costs while improving marketable yield and margins for apple and potato growers. In addition to the funding from the AgriInnovation Program, the CHC's nearly 50 industry partners are contributing matching funds of \$2.8 million to the Cluster 2 program.



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



Cluster 2 Apple Projects and Research Leads

- Optimizing Storage Technologies to Improve Efficiency, Reduce Energy Consumption, and Extend the Availability of Canadian Apples for Domestic and Export Markets - *Jennifer DeEll, PhD, Ontario Ministry of Agriculture, Food and Rural Affairs, Simcoe, Ontario*
- Improving Tree Fruit Storage Management Using Weather Based Predictions of Fruit Quality at Harvest - *Gaétan Bourgeois, PhD, Agriculture and Agri-Food Canada, Saint-Jean-sur-Richelieu, Québec*
- Performance of Honeycrisp on New Size-Controlling Rootstocks - *John A. Cline, PhD, University of Guelph, Guelph, Ontario*
- New Biological Control Agents for Post harvest Diseases of Pome Fruit - *Louise Nelson, PhD, University of British Columbia, Vancouver, British Columbia*

Cluster 2 Potato Projects and Research Leads

- Understanding of Potato Virus Y Complex in Canada and Development of a Comprehensive On-Farm Management Strategy - *Mathuresh Singh, PhD, Potatoes New Brunswick Agricultural Certification Services, Fredericton, New Brunswick*
- Wireworm Control in Potatoes and Strategic Rotational Crops in Canada - *Robert S. Vernon, PhD, Agriculture and Agri-Food Canada, Agassiz, British Columbia*
- Development of a Rapid and Sensitive Triplex Nested Real-time PCR Method for Quantification of Verticillium in Soil - *Mario Tenuta, PhD, University of Manitoba, Winnipeg, Manitoba*



- Zebra Chip and Potato Psyllid Survey and Monitoring - *Dan Johnson, PhD, University of Lethbridge, Lethbridge, Alberta*
- Nitrogen Management for Improved Yield, Quality and Profitability of Potato - *Mario Tenuta, PhD, University of Manitoba, Winnipeg, Manitoba*
- Canadian Potato Variety Evaluation Program - *Mary Kay Sonier, Prince Edward Island Potato Board, Charlottetown, PEI*

Cluster 2 Knowledge Transfer and Communications


Knowledge transfer is a key component to all research. The sharing of information, progress, results, challenges and successes is of great importance to both the researchers and the industry partners to ensure the uptake of new and improved processes, products, practices and varieties. With the Cluster 2 funding, CHC has contracted Frances Rodenburg to develop and coordinate knowledge transfer and communications pieces.

CHC has developed a communications plan for the duration of the Cluster 2 program, requiring the following for each activity:

- Annual Report for Agriculture and Agri-Food Canada, due April 30 each year
- Annual scientific report for industry, due April 30 each year
- Interim scientific report for industry, due October 31 each year
- Success stories to be included in CHC's monthly newsletter, *Hort Shorts*
- Highlights in Cluster 2 research articles to be included in CHC's semi-annual magazine, *Fresh Thinking*

The screenshot shows the website for the Canadian Horticultural Council. The header includes the council's logo and a navigation menu with links: HOME, PROJECTS & PROGRAMS, MEMBERSHIP, PUBLICATIONS, TOOLS, ANNUAL GENERAL MEETING, EVENTS, ABOUT US, CONTACT US. The main content area features a video player for 'Canadian Horticultural Co...' and a section titled 'Canadian Agri-Science Cluster for Horticulture 2'. Below the title, it states: 'An investment of over \$9 million bringing together expertise from academia, industry and government to address key challenges in the apple and potato industries.' A 'Background' section begins with 'Canada's agricultural policy framework, *Growing Forward 2*, supports programs that focus on innovation, competitiveness and market development to ensure Canadian'. Logos for the Canadian Horticultural Council and the International Federation for Produce Standards (IFPS) are also present.





Canadian Agri-Science Cluster for Horticulture 2

Progress Report December 2014

<p>Activity 2, Apple 1 Utilizing Multiple Storage Technologies to Improve Efficiency, Reduce Energy Consumption, and Extend the Availability of Canadian Apples for Domestic and Export Markets</p>
<p>Lead Researcher Jennifer R. DeEli, PhD, Ontario Ministry of Agriculture, Food and Rural Affairs</p>
<p>Activity Objectives</p> <ul style="list-style-type: none"> • Methods to control CD, injury without using diphenylamine (DPA) • Evaluations of DPA residues on fruit and within storage facilities • Optimizing storage regimes for 'Honeycrisp' and 'Gala' • Effects of cooling rate on apple quality after storage
<p>Research Progress to Date The following experiments/trials associated with the various objectives have been completed. Data have been analyzed and a detailed report for Year 1 is currently being compiled.</p>



HORT SHORTS January 2015

MONTHLY NEWSLETTER OF THE CANADIAN HORTICULTURAL COUNCIL HortCouncil.ca

RESEARCH

Biological Control of Wireworms

A major research project on wireworm control in potatoes and strategic rotational crops being conducted under CHC's Canadian Agri-Science Cluster for Horticulture 2 includes a focus on biological approaches to wireworm control.



Todd Kabaluk, a biologist at the AAFC Research Station in Agassiz, British Columbia, has developed a new formulation of pheromone for targeting click beetles, the adult stage of wireworm. This attractant pheromone, when used in combination with a fungal biocontrol, *Metarhizium* agent that he has discovered, control almost all of the beetles targeted.

These reports, stories and articles are the responsibility of the lead researchers for each of the activities. Overview documents for each activity, all industry reports, success stories and highlight articles are posted to the CHC website's Cluster 2 page: <http://www.hortcouncil.ca/projects-and-programs/agri-science-cluster2.aspx>

Looking Forward

With two years of the five year Growing Forward 2 behind us, CHC is beginning to look forward. In planning for the next agricultural funding framework, the CHC is exploring the option of updating and developing National Research and Innovation Strategies for each of the commodity groups, as well as an overarching piece for Canadian horticulture. It is vitally important that the horticultural industry is forward thinking, strategic, and innovative when prioritizing research wants and needs for the future. Resources and available funding are continuing challenges, and there is a need to focus efforts on on-going, new and emerging issues which require the most attention and that are of the utmost importance to horticulture. CHC strives to continue to be the driver of these efforts.



Food Safety and Traceability

Food safety and traceability, from producer through to the consumer, remain top of mind for supply chain stakeholders. Public opinion continues to indicate a solid confidence in Canada-grown fruits and vegetables. We do note that sustainability is finding its way into the mix of conversation and thinking relative to food safety, and industry will need to be proactive in this regard.

CanadaGAP

The success achieved by CanadaGAP since 2008 stands as a legacy achievement led by the CHC on behalf of the sector. The program continues to grow under the watchful eyes and administrative guidance of the CHC and CPMA representatives serving on the CanAgPlus Board.

The role of the Canadian Horticultural Council's Food Safety Committee has evolved into a lobbying and advocacy function since the CanadaGAP Program became an independent program administered by CanAgPlus.

More than 2,500 producers are now enrolled, which is a 3.5% increase since 2013. The growth areas are the packinghouses who are responding to the requirements of the retail/food service buyers. Continuing growth is also seen among growers in Ontario and the United States. The greenhouse and apple sectors have also seen significant uptake.

Proportion of CanadaGAP Participants represented by crop grouping:

Based on # of producers	Tree and Vine Fruit	Field Vegetables	Potatoes	Small Fruit	Greenhouse	Total CanadaGAP Participation
Percentage of CanadaGAP participants	35%	24%	18%	15%	8%	100%

Data current as at August 31, 2014

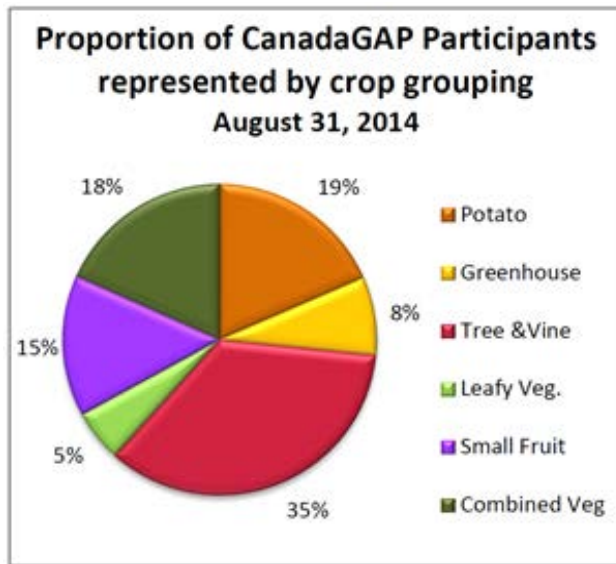
Source: CanadaGAP Annual Report (2014)

The CanadaGAP website offers detailed analysis and information on commodity and provincial statistics.

CanadaGAP has expanded its scope and is now serving a broader spectrum of clients within the horticultural supply chain. Companies that now produce, pack, repack, store and wholesale fruit and vegetables have access to a national program offering third party audit and certification service. CanadaGAP is officially recognized on an international scale by being benchmarked to GFSI (Global Food Safety Initiative) standards.

As noted, CanadaGAP continues to grow and introduced a number of significant changes were





Source: CanadaGAP Annual Report (2014)

introduced in 2014, including the unveiling of the fully integrated certification of repacking and wholesale operations. This new Option "D" is the culmination of years of efforts at integrating the CPMA (Canadian Produce Marketing Association) developed program. The decision to do so made jointly by the CHC and CPMA Boards of Directors. This option widens the scope of the program to include operations up the supply line. The addition of CanadaGAP certification for the repacking and wholesale segment of the supply chain was eagerly anticipated and will improve consistency and harmonization of food safety practices across the sector.

The CanadaGAP Board, in consultation with its Stakeholder Advisory Committee, determined and

communicated that a significant change to the CanadaGAP program will take effect in 2015. Starting April 1, 2015 CanadaGAP auditors will be looking for assurance that packing, repacking, storage and wholesale operations seeking CanadaGAP certification have sourced their product from suppliers who are also certified to CanadaGAP or to another industry-recognized third party food safety audit/certification. The next release of the CanadaGAP manuals in 2015 will reflect these revisions.

A list of CanadaGAP-certified companies will be available on the website in 2015. This list will consolidate the certificate information available from each of the CanadaGAP certification bodies. Certified companies are listed alphabetically by operating name. Each entry on the list includes the company's location (city and province), certificate issue and expiry dates, scope, certification option, certification body, and whether the certified company operates as a multi-site. The list will be updated on a monthly basis. However, buyers have been asking for a "one-stop" solution where they could search for CanadaGAP-certified suppliers. Please note that the information available in the CanadaGAP list is only as accurate as the information provided to CanadaGAP by the certification bodies. The certification bodies remain the definitive source to confirm a company's current certification status.

While the Certification Bodies remain the definitive source to confirm a supplier's status regarding the food safety program, CanadaGAP will be publishing a list of certified companies. This is a response to the need expressed by the marketplace to have a central source of companies in good standing with CanadaGAP Certification.

The past year has seen an increase in producer and packer concerns relative to reusable plastic containers (RPCs) from a food safety/microbiological concern as well as a sanitary/phytosanitary



(SPS) concern. In September 2014, the University of Guelph released an updated report of the finding of their research into potential risks associated with the use of RPCs.

A number of initiatives are underway, including a Retail and Grower Best Practices guidance document underdevelopment by the US-based Reusable Packaging Association. CHC and CPMA are engaged on contributing to the discussions.

The Grower section will address:

- Transportation
- Receiving
- Storage
- Returning
- Usage

while the retail will address sections on:

- Receiving
- Warehouse
- Retail Back room
- Returning
- Usage



The document is a work in progress and a 2015 completion is anticipated.

CHC has taken the lead in bringing together a RPC TWG which has as its aim the goal of examining food safety and sanitary-phytosanitary (SPS) matters related to RPCs with the objective of executing a pilot to identify, quantify and mitigate associated risk factors. The group has been tasked by industry to develop a measurement process for RPC's as it relates to the cleanliness of RPC's being provided by third parties. Definition of clean should first be understood and then guardrails for measurement developed.

Traceability is a key component of the CFIA's Safe Food for Canadian Act and an element we continue to monitor very closely. In 2014 the CHC and CPMA jointly presented to CFIA an overview on produce traceability and the collaborative North American and global initiatives related to produce traceability. Much has been done in this regard and it is important that the realities of the fresh produce industry and the unique and inherent qualities of fresh fruit and vegetables be well understood.



Commodity Coordination

The CHC continues to work with industry to provide commodity coordination for potatoes, apples, blueberries, and greenhouse and others as requested. Activity within the groups varies, as does project-based initiatives. Over time, the CHC has been successful in securing significant resources for initiatives to address the specific needs of various commodity groups and will continue seek new opportunities. The priorities of the groups are generally consistent in addressing specifics which arise from AGM resolutions or are already in Standing Policy.

Apples

The Apple Working Group (AWG) is tasked with addressing and moving issues forward in the interval between annual general meetings.

The AWG formally met twice in 2014: at the CHC AGM in March and the Mid-Summer Apple Meeting held in July. A number of conference calls were held as well.

The direction and work plan of the AWG includes, but is not limited to:

- AgriMarketing Program
- Canadian Agri-Science Cluster for Horticulture 2
- National Promotion and Research Agency
- Royal Winter Fair

Mid-Summer Apple Meeting

The CHC Mid-Summer Apple Meeting was held July 21-22 in Penticton, BC. The event was hosted by the BC Fruit Growers' Association and sponsored by Summerland Varieties Corporation and AgroFresh. The industry meeting and orchard tour were well attended by apple growers and industry representatives from across the country as well as from the Okanagan Valley.



The working session included discussions on market situations and trends, research projects and priorities, CFIA regulatory modernization, crop protection and the Seasonal Agricultural Worker Program. The agenda also included presentations from Summerland Varieties Corporation on the commercialization of new tree fruit and berry varieties, AgroFresh on their products SmartFresh and Harvista, market situation, trends and trade data from Agriculture and Agri-Food Canada, and an overview of the Okanagan Sterile Insect Release Program.

Canadian Agri-Science Cluster for Horticulture 2 – Apple Activities

The following industry-driven issues, which are common throughout the collaborating provinces, are being investigated with funding from the Canadian Agri-Science Cluster for Horticulture 2 (within the Growing Forward 2 program) and industry contributors, for total combined funding of \$1.5 million over 5 years (2013 to 2018).

The research initiatives are outlined below:

Optimizing Storage Technologies to Improve Efficiency, Reduce Energy Consumption, and Extend the Availability of Canadian Apples – Dr. Jennifer DeEll (Ontario)

- 1) Methods to control CO₂ injury without the use of diphenylamine (DPA)
- 2) Determination of DPA residues throughout storage facilities
- 3) Optimizing storage regimes for 'Honeycrisp' and 'Gala'
- 4) Effects of cooling rate on apple quality after storage

Improving tree fruit storage management using weather based predictions of fruit quality at harvest – Dr. Gaetan Bourgeois, AAFC (Québec)

- 1) Bioclimatic models of apple quality at harvest and in storage will be updated or developed based on the available historical data and on the new information obtained in this project. All models will be integrated in the CIPRA (Computer Centre for Agricultural Pest Forecasting) software and made freely available to the Canadian apple industry.

Performance of Honeycrisp on New Size-Controlling Rootstocks – Dr. John Cline, University of Guelph (Ontario)

- 1) Measure the precocity and performance of new size-controlling rootstocks and to compare these against industry standard M.9 and M.26
- 2) Determine rootstock effects on calcium disorders, whole tree physiology, and fruit storage potential
- 3) Assess the productivity of more vigorous rootstocks M.106 and M.7 against M.26 – with a close examination of graft union compatibility

New biological control agents for postharvest diseases of pome fruit – Dr. Louise Nelson, University of British Columbia (BC)

- 1) Test several bacterial antagonists of postharvest fungal pathogens to determine



- 2) their potential for development as a commercial biological control product
The proposed research is necessary to develop a comprehensive data package showing their ability to control postharvest disease under varying conditions in two major apple growing regions of Canada. This information will help us determine if their efficacy is sufficiently broad in scope to warrant further development.
- 3) Determination of the optimal concentrations, application mode and timing are essential pieces of information for registration and commercialization

CHC has implemented a communications plan as noted below and will also be posting Cluster 2 reports to the CHC website, www.hortcouncil.ca/projects-and-programs/agri-science-cluster2.aspx:

- Progress Report for industry, distributed January 2015
- Annual Report for Agriculture and Agri-Food Canada, due April 30 each year
- Annual Scientific report for industry, due April 30 each year
- Interim scientific report for industry, due October 31 each year

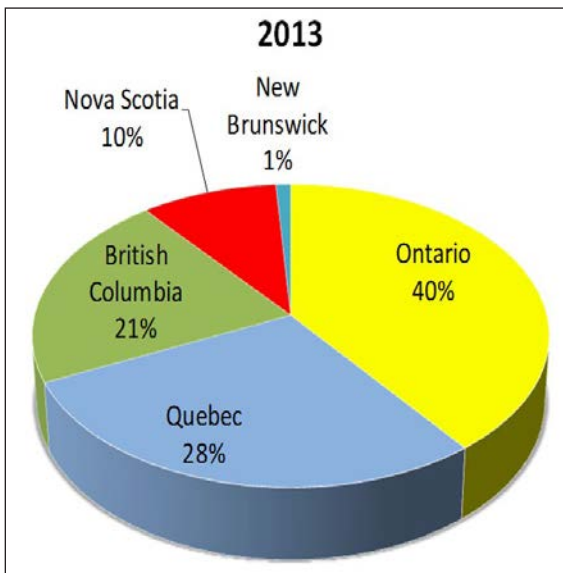
Canadian Food Inspection Agency – Beyond the Border Initiative – Apple Pilot

The CHC Apple Working Group had a number of conference calls with CFIA in 2014 on the introduction of a pilot aimed at lowering or eliminating inspection rates for grade verification for US grown apples imported from the US. This pilot is part of the Beyond the Border Action Plan, jointly undertaken by the Canadian and US governments.

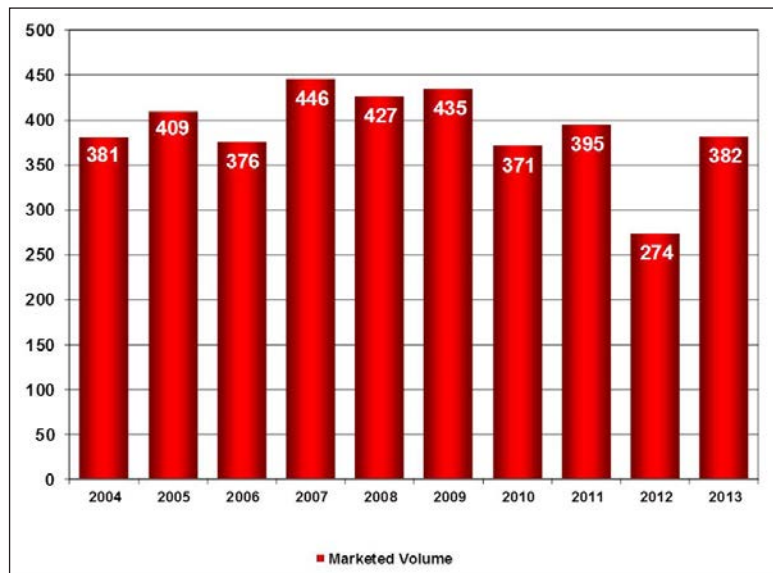
Canadian Apple Statistics, Situation, Challenges and Opportunities

(source: Statistics Canada; prepared by Farid Makki, Sector Development & Analysis Directorate, Agriculture and Agri-Food Canada)

Canadian Apple Production
Marketed Volume by Province

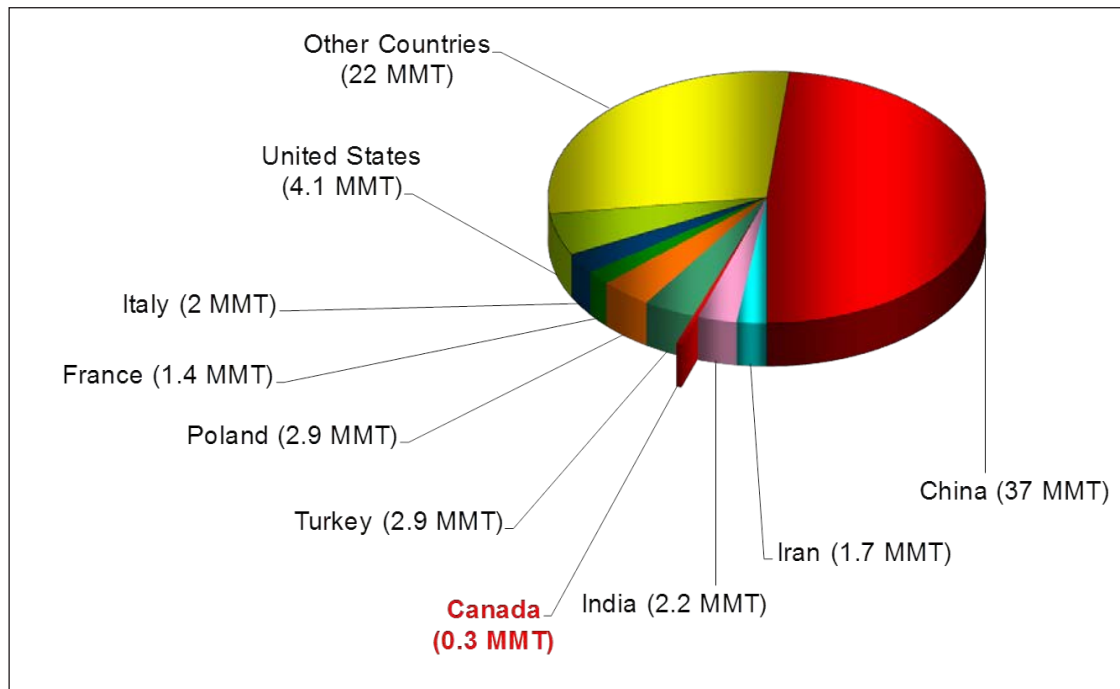


Canadian Apple Production - 10 Year Trend
Marketed Volume (million kg)



Global Apple Production

Million Metric Tons



Source: Food and Agriculture Organisation of the United Nations (FAOSTAT)

Current and near term situation: Canadian apple growers operate in an increasingly competitive environment, with pressures in the marketplace due to world oversupply, retailer consolidation, increasing production costs, the rising value of the Canadian currency and increased foreign competition in both domestic and export markets.

Major Challenges:

- Increasing production costs
- Labour availability and cost
- Access to crop protection material
- Increasingly competitive marketplace with pressures coming from low-cost producing countries
- Stagnating/declining apple consumption
- Increased pressure from retailers both on margins and expectations (more stringent requirements on quality, safety and traceability, sustainability)

Key Opportunities:

- Positive health perceptions can increase consumption
- Increase orchard productivity and yields
- Replant to new varieties
- Improve consistency of quality
- Capitalize on the buy local trend and displace imports
- Increased demand for organically grown fruits



Royal Agricultural Winter Fair – Apple Competition

The annual apple competition at the Royal Agricultural Winter Fair selects Canada's best apples in a variety of categories, including New Varieties, Heritage Varieties (those no longer commonly grown), and Commercial Varieties (apples grown widely in Canada's apple-producing regions). Entries are also accepted in three additional categories: heaviest apple, most unusually shaped apple, and best collection of any five different varieties.

The competition is now attracting close to 200 entries from four of Canada's five major apple-growing regions: British Columbia, Ontario, Quebec and Nova Scotia. The competition is open to growers from anywhere in Canada, and in addition to ribbons, cash prizes are awarded to the top four finishers in each category.

The Canadian Horticultural Council trophy is awarded to the winner of the new varieties section, awarded in 2014 to Verger Francois et Luc Turcotte of Ste Famille, QC for their Honeycrisp.



Blueberry

The Blueberry Working Group (CHC-BWG)

Jack Bates (British Columbia) has served as Chair for the Blueberry Working Group (BWG) for the last two years. There has been excellent participation in several conference calls over the last year and at the well-attended face-to-face meeting held during the 2014 Annual General Meeting in Kelowna. Over the course of the year the BWG benefited from the arrival of several new participants and was also fortunate to receive input from several sector research professionals. As activities continue in the coming year it is anticipated that greater participation from Ontario and New Brunswick representatives will enhance this BWG's achievements.



In addition to the regular sharing of regional production and market information, trends and successes, concerns and issues, Spotted Wing Drosophila (SWD) and pollinator health garnered regular attention during each of the conference calls. Concerted efforts to advance the Blueberry Research and Innovation Strategy framework remained the dominant initiative for the efforts of the group in 2014.

Through much internal discussion and validation with external professionals, the group has developed a base framework for a National Blueberry Research and Innovation Strategy. This strategy seeks to clearly articulate stakeholder priorities for research and innovation over the coming five to ten years and is intended to provide guidance on addressing these priorities through new and existing collaborations, knowledge sharing, and efficient use of time and financial resources. It is anticipated that the work accomplished thus far will lead to support from funding partners in 2015. Once this is in place, a comprehensive consultation process, using a variety of platforms and methods to gather and collate information as widely as possible will be contemplated. The coming year will no doubt see much further advancement of the National Strategy that has been a long time in development.

The Canadian blueberry industry is clearly composed of two sub-sectors: high bush and low bush, with the former being principally located in British Columbia and the latter in Eastern Canada. The combined farm gate values for the whole sector amounted to just under \$246 million dollars in 2014, representing a combined increase of over 31% over 2013. Both sub-sectors have achieved significant improvements in farm gate values during 2014, with the low bush sub-sector seeing vast improvements, principally in Québec. Marketed production has



generally followed this same trend. Production improvements at the farm appear to be taking hold as, despite the significant improvements in values and marketed production, bearing and cultivated areas have not experienced significant changes.



The Sector

High Bush Blueberry - 2014 Farm Gate Value

With a 20% increase overall in 2014 over 2013, high bush blueberries have done very well and are well on the way to making up the ground

lost between 2012 and 2013. The Canadian landscape for high bush blueberries is dominated by the British Columbia marketplace, which represented 87% of the total Canadian farm gate

values for this sub-sector in 2014.

Québec and Ontario continue to show promise within this sub-sector, and respectively represent 6% and 4% of the Canadian marketplace.

Nova Scotia rounds off the high bush sub-sector with 3% of the 2014 marketplace showing evidence of small but continued successive yearly increases. Of some interest is the nascent Alberta high bush market, registering \$25,000 in farm gate value for the first time in 2014.

Farm Gate Value (Dollars x 1,000) - Blueberries, high bush					
	2012	2013	2014	Yr/Yr	% 2014
Canada	141,372	107,547	129,327	20%	100%
Newfoundland and Labrador	x	x	0		
Prince Edward Island	7	x	x		
Nova Scotia	1,261	F	3,768		3%
New Brunswick	x	F	x		
Quebec	9,507	5,871	7,294	24%	6%
Ontario	4,550	4,502	5,499	22%	4%
Manitoba	..	..	0		
Saskatchewan	..	..	0		
Alberta	..	..	25		0.02%
British Columbia	125,748	91,735	112,210	22%	87%

Marketed production (Tons) - Blueberries, high bush					
	2012	2013	2014	Yr/Yr	%2014
Canada	61,439	59,028	75,768	28%	100%
Newfoundland and Labrador	x	x	0		0%
Prince Edward Island	1	x	x		
Nova Scotia	322	F	809		1%
New Brunswick	x	F	x		
Quebec	2,117	1,366	1,616	18%	2%
Ontario	977	961	1,076	12%	1%
Manitoba	..	..	0		
Saskatchewan	..	..	0		
Alberta	..	..	8		
British Columbia	57,979	55,421	72,168	30%	95%

High Bush Blueberry - 2014 Marketed Production

2014 marketed production has followed the same general trends as farm gate values described above, although with a concentration of 95% in British Columbia one might conclude that overall pricing for high bush blueberries was somewhat better in eastern Canada versus British Columbia.



High Bush Blueberry - 2014 Cultivated and Bearing Area

Despite significant gains in farm gate values as well as marketed production, bearing area and cultivated area for high bush blueberries has changed very little from 2013 to 2014. This is an indication that yields continue to improve generally on a per acre basis.

A few noteworthy points of interest are the fact that Ontario bearing area decreased in 2014 although the cultivated area has increased. This is a possible indication that 2015 may see a noticeable jump in bearing area in Ontario with ensuing potential increases in marketed production as well as farm gate value. Québec has presented the reverse scenario whereby bearing area increased noticeably in 2014 although cultivated area was slightly diminished.

Low Bush Blueberry - 2014 Farm Gate Value

Low bush blueberries had an excellent year in 2014 recording an increase in farm gate value of 47% over 2013, completely making up the ground lost for this sub-sector between 2012 and 2013. Québec's farm gate value for the low bush sub-sector has been stellar in 2014 registering a 113% increase, essentially recovering all ground lost during the 2013 period. Nova Scotia also had an excellent year with a 39% increase in 2014. While 2014 figures are not available individually for Prince Edward Island or New Brunswick, it is possible to estimate the increase generally for Atlantic Canada at over 31%. By the same estimations it is also possible to indicate that in

Cultivated Area (Acres) - Blueberries, high bush (Includes bearing and non-bearing area)					
	2012	2013	2014	Yr/Yr	%2014
Canada	24,290	24,166	23,456	-3%	100%
Newfoundland and Labrador	2	x	0		
Prince Edward Island	7	x	x		
Nova Scotia	554	F	500		2%
New Brunswick	25	F	x		
Quebec	1,450	1,450	1,433	-1%	6%
Ontario	620	540	588	9%	3%
Manitoba	..	..	0		
Saskatchewan	..	..	0		
Alberta	..	..	20		
British Columbia	21,632	21,494	20,886	-3%	89%

Bearing area (Acres) - Blueberries, high bush					
	2012	2013	2014	Yr/Yr	%2014
Canada	20,384	21,969	21,950	-0.1%	100%
Newfoundland and Labrador	1	x	0		
Prince Edward Island	4	x	x		
Nova Scotia	441	F	465		2%
New Brunswick	23	F	x		
Quebec	922	933	1,040	11%	5%
Ontario	493	504	480	-5%	2%
Manitoba	..	..	0		
Saskatchewan	..	..	0		
Alberta	..	..	20		
British Columbia	18,500	19,964	19,919	-0.2%	91%

Farm Gate Value (Dollars x 1,000) - Blueberries, low bush					
	2012	2013	2014	Yr/Yr	% share 2014
Canada	101,244	79,599	116,628	47%	100%
Newfoundland and Labrador	x	F	F		
Prince Edward Island	7,170	9,103	x		
Nova Scotia	27,120	25,566	35,456	39%	30%
New Brunswick	32,731	28,002	x		
Quebec	33,727	16,306	34,770	113%	30%
Ontario	x	F	F		
Manitoba	..	..	0		
Saskatchewan	..	..	0		
Alberta	..	..	0		
British Columbia	..	..	0		



Marketed production (Tons) - Blueberries, low bush					
	2012	2013	2014	Yr/Yr	% share 2014
Canada	72,801	61,132	104,029	70%	100%
Newfoundland and Labrador	x	F	F		
Prince Edward Island	5,684	6,649	x		
Nova Scotia	19,681	19,534	30,928	58%	30%
New Brunswick	21,530	21,204	x		
Quebec	25,690	13,395	33,904	153%	33%
Ontario	x	F	F		
Manitoba	..	..	0		
Saskatchewan	..	..	0		
Alberta	..	..	0		
British Columbia	..	..	0		

Cultivated Area (Acres) - Blueberries, low bush (Includes bearing and non-bearing area)					
	2012	2013	2014	Yr/Yr	% share 2014
Canada	155,249	157,321	158,671	1%	100%
Newfoundland and Labrador	x	F	F		
Prince Edward Island	12,218	12,400	x		
Nova Scotia	41,327	41,600	43,500	5%	27%
New Brunswick	31,900	33,000	x		
Quebec	68,500	69,000	68,750	-0.4%	43%
Ontario	x	F	F		
Manitoba	..	..	0		
Saskatchewan	..	..	0		
Alberta	..	..	0		
British Columbia	..	..	0		

Bearing area (Acres) - Blueberries, low bush					
	2012	2013	2014	Yr/Yr	% share 2014
Canada	70,870	70,867	74,626	5%	100%
Newfoundland and Labrador	x	F	F		
Prince Edward Island	5,390	5,746	x		
Nova Scotia	18,692	18,410	20,029	9%	27%
New Brunswick	13,220	12,018	x		
Quebec	33,197	34,235	34,293	0.2%	46%
Ontario	x	F	F		
Manitoba	..	..	0		
Saskatchewan	..	..	0		
Alberta	..	..	0		
British Columbia	..	..	0		

2014, Atlantic Canada represented 70% of the sub-sector's overall farm gate values while in 2013, largely due to Québec's diminished results, Atlantic Canada stood at close to 79% of total Canadian farm gate values for the low bush sub-sector.

Low Bush Blueberry - 2014 Marketed Production

Low bush blueberry marketed production has followed the same general trends as farm gate values for 2014 although since the relative percentages are higher for marketed production this would indicate some downward pressure on overall Canadian pricing per ton.

Low Bush Blueberry - 2014 Cultivated and Bearing Area

There has been very little change in the overall scenarios for both cultivated and bearing areas for low bush blueberries in 2014. This situation is similar to that described for the high bush sub-sector and once again indicates significant improvement in yields on a per acre basis.

Note: The source for the table information presented is Statistics Canada (CANSIM Table 001-0009) current as of February 18, 2015. The symbols within the tables have the following meanings: "·": not available, "x": suppressed per the Statistics Act, "F": too unreliable to be published. Rounding within percentages may also lead to totals other than 100%. Where possible, estimations have been incorporated within the text and this has been indicated as such.



Greenhouse

Linda Delli Santi (British Columbia) continued to serve as Chair of the Greenhouse Committee for what was yet again a very active year. While a significant amount of committee time was devoted to the development and implementation of activities supporting the definition of Greenhouse (updated by resolution at the 2014 AGM), the group also directed its attention to other important issues.

Greenhouse Working Group – Ensuring a National Voice and Approach

The Greenhouse Commodity Standing Committee and its Greenhouse Working Group are relatively new groups within the CHC fold and have been working hard to establish priorities and a strong national presence similar to other commodity committees that have been developed over a longer period of time. Within this framework, the use of the updated definition of a greenhouse adopted by the CHC in 2014 to advocate for production and labelling standards by government agencies such as the CFIA and CBSA, as well as the harmonization of this definition with the USA, has been a priority initiative.

The development of a national strategy to support greenhouse sector specific strategic initiatives is likely to see increased attention as time moves forward; initial discussions including all regions of the country and in view of obtaining financial support for this initiative have been very productive and a sign that this is a vital component to ensuring a sustainable continuation of the sectors growth and success.

Greenhouse Statistical Information and Reports

Through Agriculture and Agri-food Canada's Market Analysis and Information Section, weekly greenhouse reports continue to be distributed to the group for tomatoes, peppers and cucumbers detailing commodity imports by province (value and volume) as well as imports by country of origin (value and volume). Recently, in January 2015, this same group provided a comprehensive review report of the most current greenhouse market information available supplementing an internal statistical review published in 2014.

Development of a National Farm-Level Biosecurity Standard for Greenhouse

Following the sector readiness report and initial environmental scan of stakeholder participation this initiative was formally launched at the end of spring 2014. Since then the group, which includes several CHC member representatives as well as CHC staff involvement, has held numerous conference calls and met face to face. The CFIA led development of the Greenhouse, Nursery and Floriculture Biosecurity Standard as well as a supporting Producer Manuals are well in hand and expected to be complete in the coming 12 to 18 months.

The Definition of a Greenhouse

Following the adoption of the revised definition at the 2014 AGM a significant amount of discussion and advocacy occurred during 2014 with a number of Canadian and United States government representatives and departments. The definition also had positive value for



consultations issued from the CFIA related to the Safe Food for Canadians Act (SFCA). We also supported efforts for harmonization with the United States on such matters, suggesting that such a definition should be a basis for establishing an agreed upon definition of greenhouse with the USDA. Finally, within the new regulations for the Safe Food for Canadians Act, we requested that the CFIA consider incorporation by reference of the CHC definition within their ongoing initiatives.

The greenhouse sector has worked hard to educate the consumer as to the differences and benefits of greenhouse produced vegetables, but mislabeling continues to occur frequently. Despite much effort in the past, more work is needed to distinguish greenhouse production based on the adopted definition. The committee has committed to developing a Next Steps strategy over the coming months to solidify and continue efforts and accomplishments to date.

Number of greenhouse vegetable farms ¹ by province/region					
	2009	2010	2011	2012	2013
Canada	695	720	735	745	735
Atlantic provinces	35	40	45	50	50
Quebec	235	240	245	240	235
Ontario	240	240	235	235	230
Prairie provinces	80	80	80	85	85
British Columbia	105	120	130	135	135

Source: Statistics Canada (CANSIM Table 001-0047)

1: Number of farms represents the number of specialized greenhouse vegetable and fruit operations and includes all other types of enclosed protection used for growing plants, such as rigid insulation, mine shafts, barns and shelters.

Greenhouse Vegetable Market Overview

Canada's greenhouse industry is composed of tomatoes, peppers, cucumbers and lettuce. Of these commodities, tomatoes are the primary greenhouse vegetables in Canada. In 2013, the total greenhouse vegetable area in Canada was over 14 million square meters. This was a 7% increase since the previous year. Despite a slight decrease of 0.9% in 2010, there has been a steady increase in the harvested area of greenhouse vegetables in Canada over the last five years. Despite the improvement

in harvested area, 2013 saw a slight decrease in the number of greenhouse operations in Canada, moving from 745 in 2012 to 735 in 2013, with both Quebec and Ontario showing a reduction of 5 operations each and the remainder of the regions remaining stable.

Ontario continues to be the leader in the greenhouse vegetable sector, representing 68% of the total harvested area in Canada. British Columbia and Quebec have the second and third largest area of harvested greenhouse vegetables in Canada with 21% and 7% respectively. The three provinces represent 96% of total harvested area in Canada.

Harvested area of greenhouse vegetables by province (square meters)					
	2009	2010	2011	2012	2013
Canada	12,002,508	11,908,517	12,616,282	13,342,785	14,246,566
Newfoundland and Labrador	1,960	2,708	1,509	2,522	2,647
Prince Edward Island	x	x	242	x	1,236
Nova Scotia	2,547	53,141	52,850	51,554	67,311
New Brunswick	3,326	x	x	x	x
Quebec	771,294	640,553	650,696	813,802	1,059,405
Ontario	8,008,184	7,711,213	8,260,638	8,946,414	9,536,949
Manitoba	5,670	7,724	7,786	6,778	6,595
Saskatchewan	7,241	9,653	9,289	4,575	15,250
Alberta	334,451	482,583	506,093	520,013	541,095
British Columbia	2,749,139	2,736,957	2,805,537	2,890,257	2,973,639

Source: Statistics Canada. (CANSIM Table 001-0006)



In 2013, greenhouse farm gate value (FGV) grew by approximately \$181 million to a five-year high of \$1.24 billion, up 17% from 2012. Tomatoes accounted for 42% (\$516 million) of total greenhouse vegetable FGV. Peppers and cucumbers hold the second and third largest FGV, accounting for 31% (\$389 million) and 25% (\$308 million) respectively.

Farm gate value of greenhouse vegetables by province (thousands of Canadian dollars)					
	2009	2010	2011	2012	2013
Canada	962,233	1,042,738	1,095,624	1,055,981	1,236,993
Newfoundland and Labrador	19	34	19	22	74
Prince Edward Island	x	x	6	x	15
Nova Scotia	X	4,888	1,039	4,699	7,302
New Brunswick	145	x	x	x	115
Québec	78,410	72,891	71,981	80,913	84,711
Ontario	597,176	651,205	687,296	678,383	782,954
Manitoba	374	548	724	651	703
Saskatchewan	639	793	847	398	1,194
Alberta	32,232	40,733	42,379	50,545	52,975
British Columbia	243,294	247,377	259,239	231,049	299,792

Source: Statistics Canada. (CANSIM Table 001-0006)

X: Suppressed to meet the confidentiality requirements of the Statistics Act.

Farm gate value of greenhouse vegetables by commodity (thousands of Canadian dollars)					
	2009	2010	2011	2012	2013
Total	962,233	1,042,738	1,095,624	1,055,981	1,236,993
Tomatoes	458,681	476,765	484,934	437,649	515,509
Peppers	235,162	278,123	299,612	313,357	389,333
Cucumbers	246,485	264,584	284,522	281,791	308,147
Lettuce	21,905	23,265	26,555	23,184	24,004

Source: Statistique Canada. (CANSIM Table 001-0006)

Greenhouse Vegetable Trade

The value of greenhouse vegetable exports is amongst the highest of all fresh produce (fruits, vegetables and potatoes) in Canada, accounting for 45% of all fresh produce exports. According to reports released in January 2015, which provides for information up to the 2013 period, the Canadian trade balance demonstrated a significant movement upwards for 2013 in comparison to the previous two periods; exports of greenhouse vegetables totaled \$724.1 million while imports were \$259.1 million producing a trade surplus of \$465 million.

Of the \$724.1 million in exports, 43.6% were from tomatoes, 34.3% from peppers, and the remaining 22.1% from cucumbers and gherkins. 99.8% of all exports (\$722.6 million) were destined to the United States with the remaining portion (tomatoes only) being shipped to Japan.

In 2013 tomatoes represented just over 53% of the total imports of \$259.1 million while peppers accounted for 35.5% and cucumbers and gherkins for slightly below 11%. The large majority of imports originated from Mexico (88.5%) with the balance coming from the United States (7.6%) and the remainder primarily from Spain. In both the cases of Mexico and the United States imports were dominated by tomatoes.

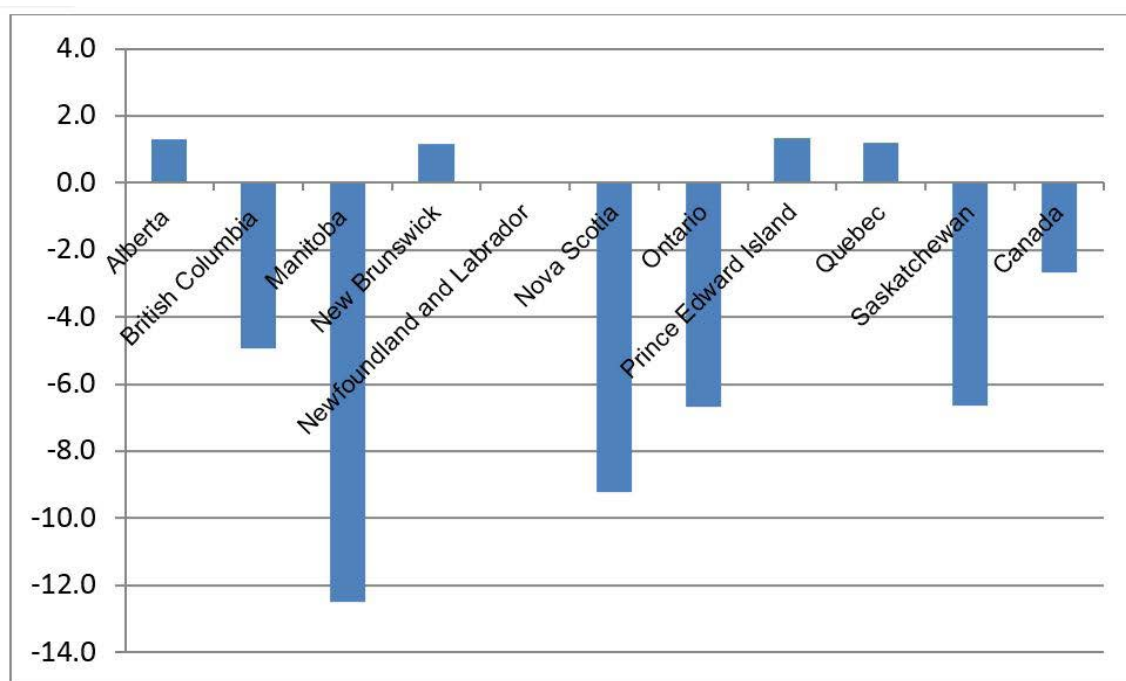


Potatoes

In 2014, potato harvested acreage was reduced in Canada but the impact on the total weight of potatoes produced was less due a record national average yield. The harvested production area in Canada declined by 9,325 acres or 2.7% in 2014 compared to the year earlier. Acreage was marginally increased (by 1.3% or less) in four provinces (PE, NB, QC, AB). Most of the decrease in acreage was attributed to MB where 8,694 fewer acres were harvested in 2014.

A record average national yield of 298.2 Cwt per acre (33.42 mt/ha) was reported for the 2014 potato crop in Canada, which was 2% greater than the previous record yield reported in 2013. Record average yields were produced in NS, ON, MB and AB. The record yields reported in these provinces mitigated the impact on the total potatoes produced, with a 0.7% reduction in the weight produced in 2014 compared to a year earlier. The most recent reported Farm Gate Value for potatoes was \$1.12 billion (2012).

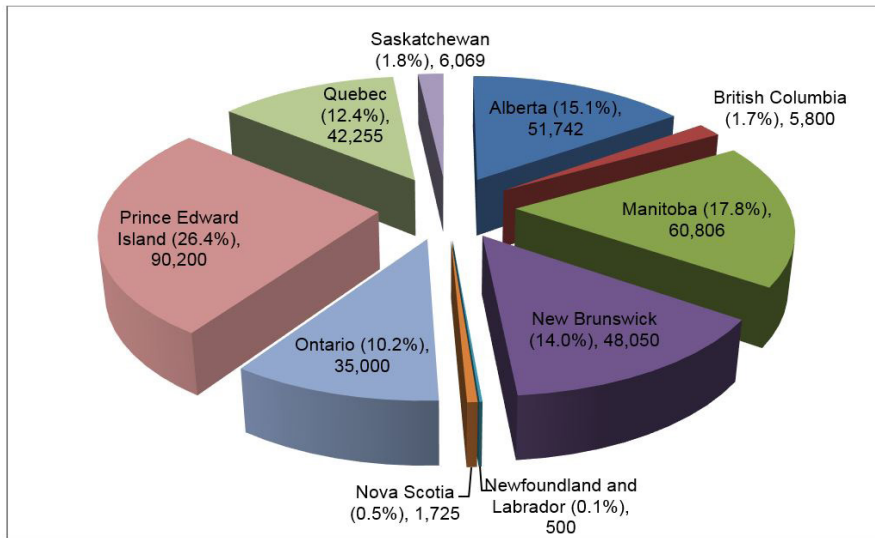
Percent Change in Potato Harvested Area by Province, 2014 compared to 2013



Source: Statistics Canada, CANSIM Table 001-0014

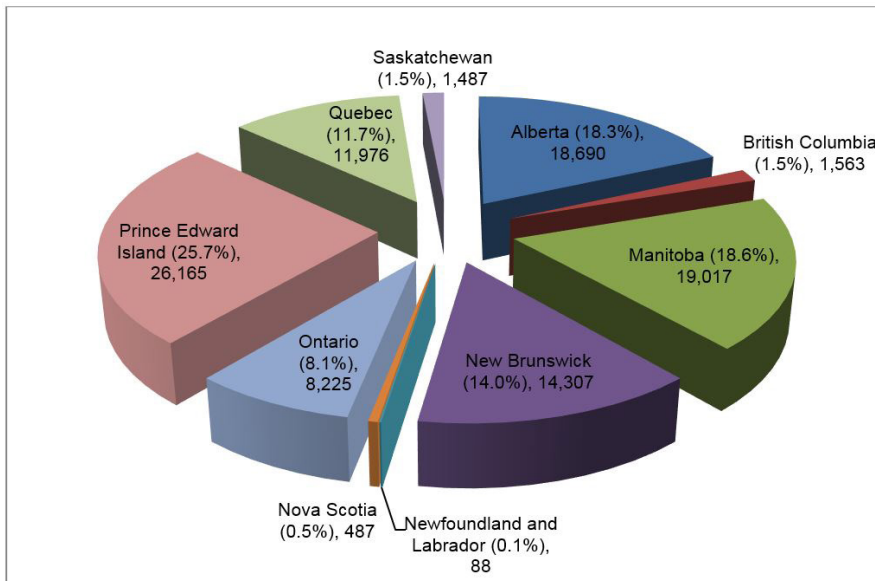


Harvested Potato Area by Province, 2014, acres (% of total)



Source: Statistics Canada, CANSIM Table 001-0014 Data

Potato Production by Province, 2014, thousand Cwt (% of total)



Source: Statistics Canada, CANSIM Table 001-0014 Data

Activities of the Canadian Potato Council

Canadian Agri-Science Cluster for Horticulture 2

Six potato projects are continuing including research on PVY, wireworm, zebra chip/potato psyllid monitoring, *Verticillium* detection, nitrogen management under irrigation and a national potato variety evaluation program. Industry funding of these projects is \$2.2 million over five years and is matched 3:1 by Agriculture and Agri-Food Canada (AAFC) contribution. Of



significance, the potato psyllid surveillance project conducted across Canada has not detected the presence of this insect vector for the pathogen causing zebra chip disease in potatoes. The potato Cluster2 research activities are coordinated by the Research Working Group, and in addition is working with AAFC to develop a non-Cluster2 proposal for AAFC-based late blight research.

Potato Breeding Strategy

Representatives of growers, processors, university, private breeders and AAFC breeders continued to develop a new approach to potato breeding in Canada that best utilizes the available resources for the development of new varieties. A draft strategy will be developed by the Breeding Working Group and will be available for review in March 2015. Partial funding for the breeding strategy is provided by AAFC under AgriMarketing2.

Potato Promotion and Marketing

Building upon the Canadian Potato Council (CPC) National Marketing and Promotion Strategy, the Marketing and Promotion Working Group coordinated a national initiative to address declining potato consumption in Canada through promotion of the nutritional value and versatility of fresh potatoes as part of a healthy diet for Canadians. Seven provinces have cooperated to jointly fund a print and digital promotion in *Chatelaine* and *Today's Parent* magazines and websites which were selected after an evaluation of content and readership profile and reach. The campaign was scheduled for February and March 2015.

Canadian Partners in Quality (C-PIQ) Program

Following the announcement by the USDA that they are no longer requiring inspection for grade of red skinned round potatoes domestically, the Quality Assurance Working Group entered into consultations with the CFIA concerning the export of this potato type to the US under the Canadian Partners in Quality (C-PIQ) program. The continued inclusion of this potato type in the C-PIQ Program was supported and the Working Group continues to work with the CFIA on amendment of the program.

Potato Cyst Nematode (PCN) Testing

Following discussions with the Canadian Potato Council, the (US) National Potato Council, CFIA and USDA, a revision to the bilateral PCN Guidelines was signed by both countries in May 2014. Amendments included facilitating the release of fields from regulation, waiving field testing requirements for three potato crops for fields that are demonstrated be negative in two previous tests, and waiving testing requirements for small samples of 500 tubers or less. Canadian seed growers are still faced with high PCN testing costs of \$99.75/ac that place a significant financial burden to meet export requirements to the US that although reduced in the revised Guidelines, are not entirely science-based.

Potato Task Force - Seed Potato Tuber Inspection

Changes to the Seed Potato Tuber Quality Management Program (SPTQMP) announced by the



CFIA to make the program mandatory and to include seed for re-certification placed the key US export market in jeopardy. Both the US industry and USDA stated that seed inspected under the program would not be considered equivalent to certification standards in the US following bilateral meetings in Winnipeg and Grand Falls in April 2014 and as a result, the CFIA agreed to continue to provide seed tuber inspection until an option is identified that is acceptable to Canadian growers and US customers. To this end, the Potato Task Force (PTF) was re-initiated to work with federal and provincial officials on issues of importance to the Canadian potato industry, and as the first major task, to consider options for seed potato tuber inspection for shipments destined to the US. The PTF met in August 2014 (Charlottetown PE) and November 2014 (Washington DC) and by several additional conference calls. Two sub-committees have been established to investigate existing alternative inspection delivery models and to identify seed potato certification requirements of each of the 17 US State Seed Certification Agencies. The PTF is co-chaired by the Canadian Potato Council and AAFC and has representation of provincial grower organizations, provincial governments and federal government (AAFC, CFIA, DFAIT). Once a proposal for seed potato tuber inspection is developed, engagement with the US industry, US State Seed Certification Agencies and USDA will be required to establish equivalency to US requirements. The PTF will next meet in Quebec City in March 2015. Partial support from AAFC AgriMarketing2 has been received to support the identification of a seed potato tuber inspection model for US exports.

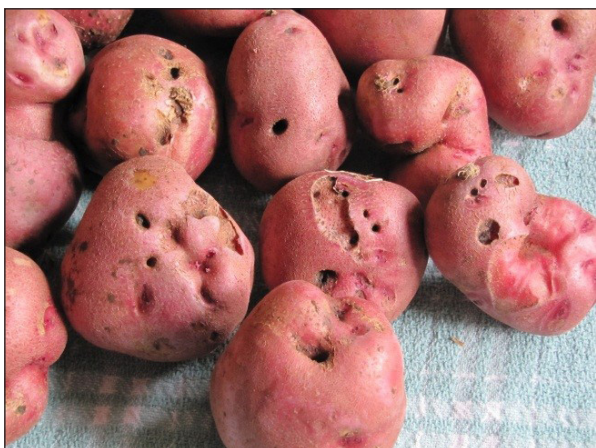
AgriMarketing2

Activities continued with support of funding from AAFC under the AgriMarketing2 Program. These activities include engagement with international partners including NAPPO, the development of a potato variety breeding strategy and development of a seed potato tuber inspection model. Potatoes Canada activities include maintaining a database of export requirements, attendance at trade shows and support for incoming missions.

Phorate (Thimet 15-G)/Wireworms

Wireworm populations (and adult click beetles) are significantly increasing and wireworm has become a serious pest of potatoes resulting in tuber damage and economic losses. Phorate applied as Thimet 15-G is a critical management tool that both protects the tuber from damage and is lethal to wireworms. Over the past year, the Canadian Potato Council has been working to continue the use of phorate in potatoes for the control of wireworm. Sale of phorate by the registrant ended December 31, 2014 with the last use by growers scheduled for August 2015. A grower value and benefits document was submitted to the PMRA in May 2014 to outline the changes in potato production that have occurred since the 2004 PMRA decision was published. Meetings with PMRA reviewers and senior managers have been ongoing. The registrant submitted new applications for registration of phorate in October, and the CPC will continue to work closely with both the registrant and the PMRA to secure continued use of phorate for the 2016 season and beyond.





Wireworm Tuber Damage (MB)



*Click Beetles (adult stage of wireworm).
Trapped in PE (3 traps over 2 days)*

Feasibility Study National Promotion and Research Agency for Potatoes

Following the completion of a feasibility study on the establishment of a National Promotion and Research Agency (NPRA) for Potatoes, the CPC has supported the continued investigation of the creation of a NPRA. Consultation with provincial grower organizations was completed in the first phase, but the need to consult with the wider stakeholder audience (growers, processors, importers) was identified. Funding will be applied for to support this next phase of the consultation to support the establishment of a NPRA for potatoes.

Plant Breeders' Rights (Bill C-18)

The Canadian Potato Council continued to support amendment of the Plant Breeders' Rights Act under Bill C-18 to align with the international standard of UPOV91. Such amendments are critical to encourage the introduction of new potato varieties into Canada from both domestic and international breeders. Through a coalition of 20 industry organizations the Canadian Potato Council has presented testimony at both House and Senate Standing Committees on Agriculture and Forestry. On February 27, 2015, Minister Ritz announced that Bill C-18 had received Royal Assent, aligning the Plant Breeders' Rights Act with international standards for intellectual property protection.

PMRA Proposed Re-evaluation Decisions

Continuing with responses to PMRA consultations on proposed re-evaluation decisions for older active ingredients, the Canadian Potato Council contributed to CHC submission for metiram fungicide. The proposed discontinuation of several multi-site fungicide active ingredients and the impact on pathogen resistance is a serious concern of potato growers.



Vegetables

The Vegetable Working Group generally meets by conference call after spring planting and fall harvest. The purpose is to exchange information on the status of crop plantings, production and storage, current market challenges and opportunities, availability and sources of timely and accurate market information. Marketplace trends and interaction with buyers as it concerns food safety and traceability and consumer preferences are also of interest. It is an effective means to maintain communications and interaction within the sector and among CHC members between annual general meetings.

Fresh vegetable yields were fairly stable across the country during the 2014 production year. Despite a cold and wet spring, the weather improved and led to bountiful harvests. Canadian vegetable pricing was positively affected by drought conditions that continued in California.

Despite favourable growing conditions there continued to be price pressure from retailers, with some seeking to impose a general discount on invoicing and refusing to consider price increases at all. Retailers are clearly facing increased competition between themselves in general and particularly in the fresh vegetable marketplace. This translates into downward pressure on domestic growers amplified by easier access to competing imports.

The CFIA initiated a considerable number of consultations over the last year in preparation for the *Safe Food for Canadians Act* and associated regulations. The CHC was engaged in all of these and worked closely with members, the CPMA and others in order to ensure aligned direction in the responses.

Reusable Plastic Containers (RPCs) remain a top-of-mind concern among members with respect to food safety and sanitary/phytosanitary matters. A University of Guelph study released in the fall of 2014 raised important concerns associated with RPCs, The CHC has expressed concern for some time and has further responded by forming a multi-stakeholder task force to address concerns. The initiative was launched in 2014 and will continue through 2015 to find ways to address concerns and seek improvements where needed.

The latest information available from Statistics Canada demonstrates that total Canadian farm cash receipts for field vegetables came in at \$1.17 billion dollars, representing an improvement of 3.3% over 2012, which is slightly better than the national inflation rate.

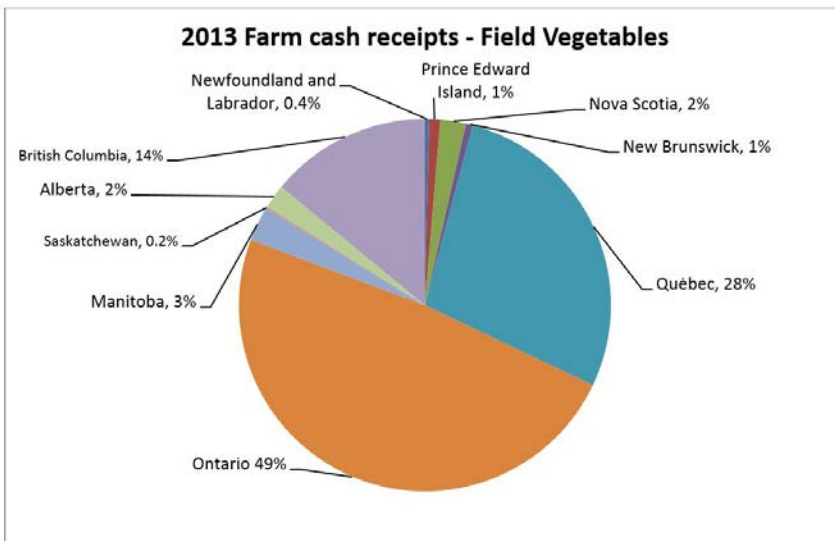
All provinces showed a gain during 2013 except for Manitoba where receipts decreased by 2.5%. The most significant change in 2013 occurred in Nova Scotia where receipts improved by almost 23% over 2012, the largest jump in this province over the last six years.



Farm cash receipts - Field Vegetables, annual (dollars x 1,000)						
	2008	2009	2010	2011	2012	2013
Canada	969,206	1,054,552	1,030,764	1,063,628	1,134,796	1,172,262
Newfoundland and Labrador	3,448	4,494	3,799	3,522	3,766	4,312
Prince Edward Island	7,058	8,166	10,143	11,166	10,346	11,210
Nova Scotia	16,230	16,852	17,673	21,911	21,282	26,106
New Brunswick	6,095	6,240	7,341	7,198	6,734	7,086
Quebec	260,463	280,424	280,825	277,313	307,220	327,204
Ontario	478,685	527,599	510,603	530,459	562,878	570,126
Manitoba	33,356	35,615	31,989	32,787	35,911	35,030
Saskatchewan	1,644	1,981	1,775	2,349	1,843	2,303
Alberta	25,376	28,750	20,303	25,635	23,701	24,234
British Columbia	136,851	144,431	146,311	151,288	161,114	164,651

Source: Statistics Canada. CANSIM Table 002-0001 - (accessed: 2015-02-28)

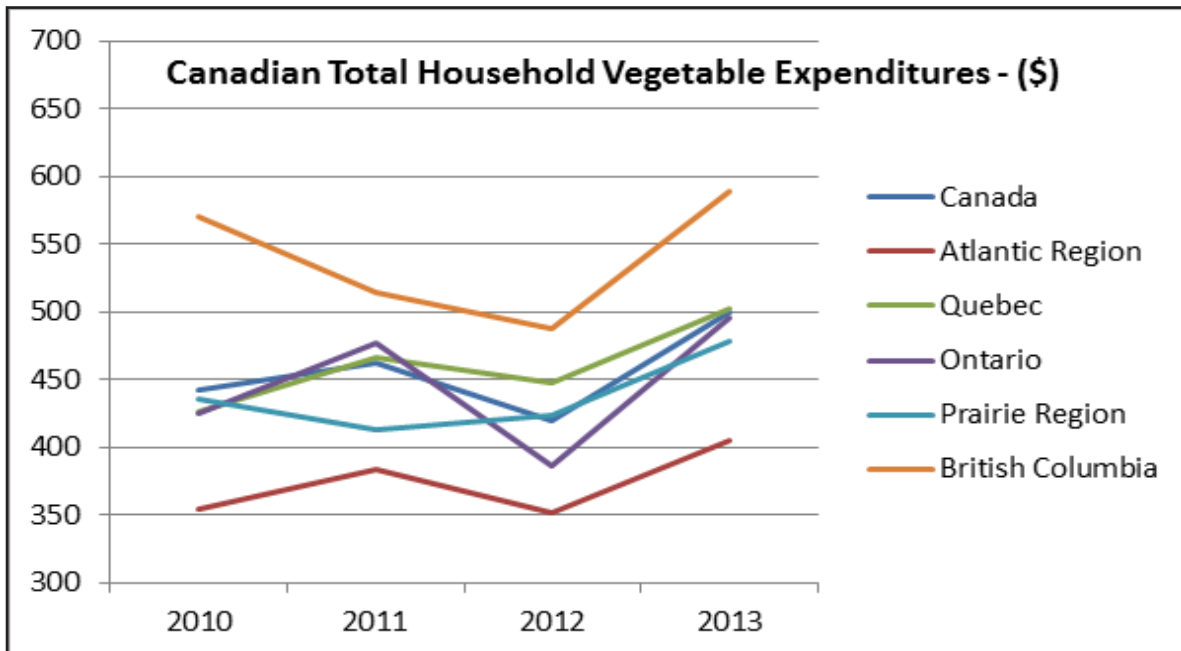
The overall Canadian distribution of vegetable farm cash receipts did not change in 2013 as compared to 2012. Ontario leads the way with 49% of the marketplace, followed by Québec at 28%. The remaining 23% of the market is somewhat evenly distributed amongst the remaining eight provinces with Manitoba at the top end of these eight with 3% and Saskatchewan at 0.2%.



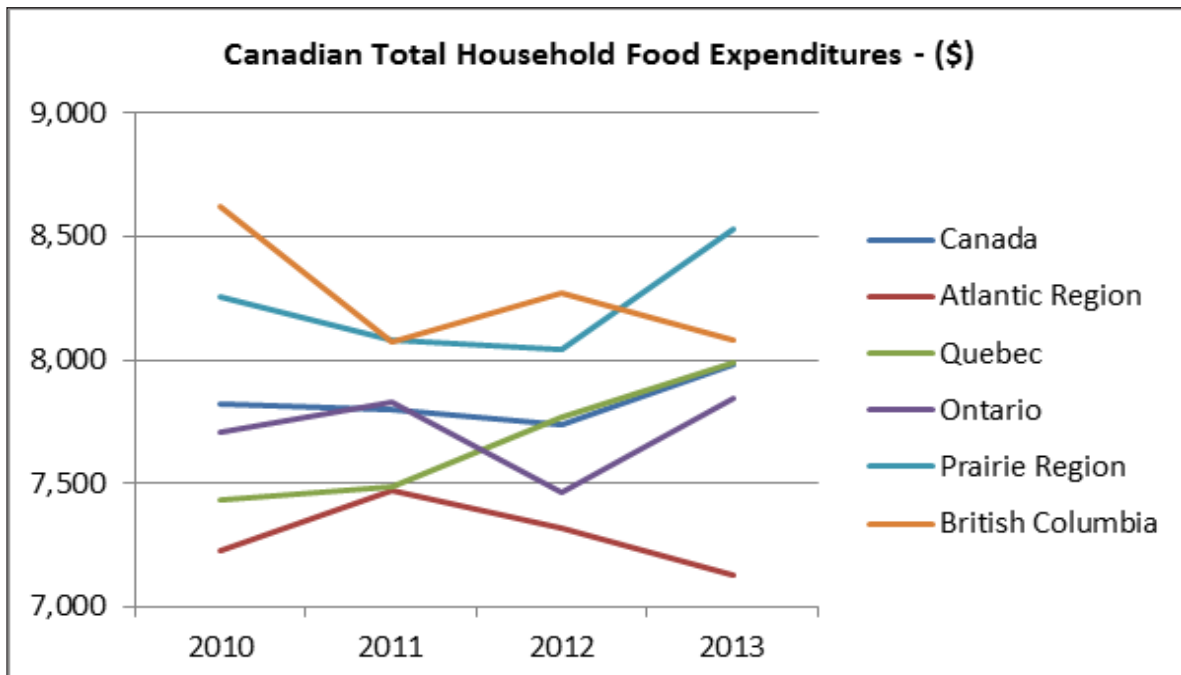
While Canada, as a whole, saw improvement in total household food expenditures this trend was not consistent across the regions. In 2013 Atlantic Canada continued its movement downwards returning to pre-2010 levels of food expenditures. British Columbia also trended downwards in 2013 after having registered an increase in 2012. All other regions however increased their household spending on food.

The Canadian trend in household vegetable expenditures is very encouraging. All regions of the country have seen a significant increase in vegetable expenditures from 2012 to 2013. In order to fully appreciate this trend a comparison can be made against total household food expenditures in general. As indicated on the next page, British Columbia's total household food expenditures diminished; however expenditures on vegetables improved significantly. Atlantic Canada followed this same pattern, but to a slightly lesser degree. What this may reveal is a trend towards a larger proportion of household food expenditures being directed to vegetables. For our members this would certainly be most welcome, and if this path continues this would be a very important indicator that the general population has taken on to the health benefits of vegetable consumption as a portion of their daily diets.





Source: Statistics Canada. CANSIM Table 203-0028 - Survey of household spending (SHS)
 Statistic= Average expenditure per household
 (Accessed: 2015-02-28)



Source: Statistics Canada. CANSIM Table 203-0028 - Survey of household spending (SHS)
 Statistic= Average expenditure per household
 (Accessed: 2015-02-28)



Crop, Plant Protection and the Environment

Charles Stevens has completed his second year as Chair of the Crop, Plant Protection and the Environment Committee. Its working group, the Crop Protection Advisory Committee (CPAC), also chaired by Charles Stevens and with Gary Brown as Vice-Chair, participated in numerous industry/stakeholder meetings on behalf of the CHC and also oversaw eight CPAC conference calls and a two-day CPAC face-to-face meeting in 2014. All CPAC members were present for the face-to-face meetings and with very few exceptions were also present during the conference calls. Committee members are to be commended for their dedication and persistent hard work on behalf of CHC members across Canada. While it is not possible to list each and every activity or subject matter the group has addressed over the past year within this report, a short list of the priority issues, in no particular order, follows.

Regional Perspectives

The CPAC met in December 2014 and this provided an excellent opportunity to gauge the Canadian crop protection environment over the last year. The issue of pollinator health is of course top of mind for all regions throughout Canada and particularly Ontario considering the provincial government's intents for action for this issue. Spotted Wing Drosophila (SWD) and the need for new products for treatment as well as Dislodgeable Foliar Residue (DFR) issues were common concerns across all regions of the country. In the east, additional concerns identified were fire blight and this was also the case for certain crops in Ontario. Ontario also saw damage from fire blight for those that were not protected and tomato producers in the province also suffered from a breakout of bacterial spot. The prairies experienced a relatively good year as it concerns pressure from pest and disease. The west has had an emergence of club root and there have been some efforts to establish this as a quarantine pest situation, although industry is pushing back against this.

Crop Protection Consultations

While a number of issues surrounding pesticides in general were attended to by CPAC, several formal consultations were also addressed and formal submissions prepared:

PMRA Notice of Intent NOI2013-01: Action to Protect Bees from Exposure to Neonicotinoid Pesticides	January 2014
PMRA Pesticide Cost Recovery Consultation – A Consultation Document in Advance of Parliamentary Proposal	June 2014
PMRA PRVD2014-03 Proposed Re-evaluation Decision -METIRAM	September 2014
PMRA Regulatory Proposal PRO2014-02: Updated Agricultural Transfer Coefficients for Assessing Occupational Post application Exposure to Pesticides	October 2014
PMRA Pesticide Cost Recovery Pre-Proposal Notice: A Consultation Document in Advance of Parliamentary Proposal	December 2014



In addition to these formal consultations and in anticipation of a pending re-evaluation, CPAC also developed a pre-consultation survey for producers on the use of Captan. As of this report this consultation has not been published by the PMRA. However evidence from the response rates suggest that this will be an important reevaluation to consider and respond to on behalf of horticulture.

Pollinators

While pollinator health was a topic of discussion before 2014, the past year saw a significant amount of attention and resources deployed to ensure that the CHC message was consistently delivered to stakeholders and government. Immediately following the 2014 CHC AGM, the CHC was called upon to testify to the Senate Standing Committee on Agriculture and Forestry within the context of their *Order of Reference dealing with the importance of bees and bee health in the production of honey, food and seed in Canada*. The objective of the presentation was to profile the horticulture sector an exemplary model of successful coexistence between farmers, production and a robust pollinator population. Also, in March 2014 AAFC hosted a Bee Health Workshop at which the CHC was represented by David Jones. An outcome has been the establishment of the Bee Health Forum, with periodic meetings continuing.

Over the course of the year, the CPAC closely monitored exchanges of information and media pieces regarding the variety of research and public opinions pertaining to pollinators. In October 2014 the CPAC affirmed a formal position to not engage directly with media on the issue since it was determined it would be better to wait for the results from the PMRA expected sometime in 2015-16 and then determine further action. In the meantime, the CHC and CPAC members continue to cooperate with associated stakeholder groups to remain abreast of developments.

The latter part of 2014 was marked by the publication of a Plan for Pollinator Health by the Government of Ontario. The plan markedly moved away from a science based approach to pesticides and obviously contradicted the approach taken by the PMRA, the national authority for pesticide regulations. While the vote is not yet in on this initiative, it was obviously met with much controversy, even by some beekeepers themselves.

Grower Registered Own Use (GROU) Program

Registrant support of this program remains a constant constraint to its enhanced use by producers. This issue was addressed in detail during the CPAC face-to-face meeting with the PMRA in December 2014 and some movement on their part to elevate the issue among registrants. The CPAC has paid particular attention to this process to ensure that continuous nominations are submitted. Despite this, and the statement from producers that this is a valuable program, participation is low. Efforts to maintain adequate pricing comparisons between Canada and the United States, particularly in adjoining province-state situations, also remain a challenge.



CODEX Nominations

International harmonization of MRLs is becoming ever more important as international trade expands. Each year representatives of Health Canada's PMRA attend to the submission of CODEX nominations on behalf of Canadian industry. CPAC has participated in the process in order to ensure horticulture submissions figure within the nominations. There is general belief within horticulture and other sectors that the CODEX nomination and review process needs to accelerate. Little has been done to demonstrate this in the past. CPAC has also attempted to garner interest from producers in the nomination process, however there has been little response. Looking forward, CPAC has determined that enhanced education of the process and an improved outreach plan to solicit nominations is needed. In order to continue support in this direction of behalf of CHC and its membership, CPAC members have been actively involved during the annual Industry-Government Meeting on Pesticide Maximum Residue Limits (MRLs).

Harmonization

In support of harmonization discussions and on behalf of both the OFVGA and the CHC, Charles Stevens and Craig Hunter attended the 2014 NAFTA Technical Working Group (TWG) meetings which had a focus on three key issues: MRLs and trade, Minor Uses, neo-nicotinoids and bee mortalities.

Also, efforts within the Canada-United States Regulatory Cooperation Council (RCC) have recently produced an initial draft of a formal Regulatory Partnership Statement between the Pest Management Regulatory Agency (PMRA) and the U.S. Environmental Protection Agency's (EPA) Office of Pesticide Programs (OPP) with a clear commitment to continue to advance regulatory cooperation under the RCC.

The annual Minor Use Priority Workshop (March 2014) was once again a success for growers. Over 40 new projects were selected, and many more joint projects with the US IR-4 program were also selected later in the year. A new approach to help bio-pesticide companies to get registration was implemented and time will tell how successful that becomes. CPAC members are planning to attend the Global Minor Use meeting to be held in September 2015 in Chicago. This will be the third global meeting, with the previous having been held in Rome.

The concept of harmonization, or standardization, is often referred to in discussions, however a practical understanding of what it means is needed. The term is used in so many forums that its significance is often diluted as a result. For Canadian horticulture, in addition to efforts at harmonized MRLs as described above, the concept is most often associated with trade issues with the United States, our largest trading partner both from an import perspective but importantly an export perspective. CPAC has spent considerable time debating this subject and has established that beyond a motherhood statement of harmonization, a specific itemized list of actions required to achieve this goal are needed. From a crop protection standpoint, common Canada-US labels would be a very positive step as would common crop groupings, but much more detail is needed.



The Pest Management Centre (PMC) and the Pest Management Regulatory Agency (PMRA): 2015-16 and beyond - Plans, Resources and Budget Considerations

Last year we reported that the biggest concern facing the Canadian horticultural sector with respect to the PMC is a fear of funding reduction and its potential to negatively impact the specialized PMC resources, derail the advancements with respect to registration of new pest control products and hinder research that is underway that is attempting to identify pest control options for problems without solutions. During our recent face to face meetings with the PMC we were pleased to hear that the PMC budgets were set through to 2018 and that they believed they had the needed flexibility to accomplish their important work.

The PMRA has indicated that their budget is expected to remain relatively stable over the next few years, sufficient to respond to current and expected workloads and initiatives. While neonicotinoids are garnering large resources they are coping although this issue has caused delays in reevaluations. An additional factor that has affected their workloads is the exponentially growing data submissions and the need for reviews of these. Workload concerns are omnipresent however it is felt that the current cost recovery initiative, bringing to date the fee structure for the first time since it was originally established in 1997, will assist. The CHC has provided support to this end through the PMRA consultations on cost recovery and insisted that additional funds derived from fees be directed to the funding required by the PMRA to enhance domestic and international activities rather than simply be a measure to reduce allocations from general government funding.

The Crop Protection Advisory Committee (CPAC)

With so much activity within one committee it is natural that the work plan and responsibilities of the various committee members are regularly reviewed and adapted to meet the challenges and issues. In order to assist and ensure constant guidance for the committee, the CPAC members nominated and approved Gary Brown as Vice-Chair following the 2014 AGM. A recommendation was also put forward to the Board of Directors for consideration to accept the nomination of Peter Swetnam as Vice-Chair of the Crop, Plant Protection and the Environment Committee for the 2014 period.

Considering the breath and volume of work required of committee members it has also been recommended that for the future an effort be made to expand membership to the committee in order that the workload may be more evenly distributed amongst those involved.



Human Resources

The Canadian Horticultural Council recognizes the value to the Canadian economy of the horticultural sector's continuing contribution to growth and employment. The Canadian government also recognizes this value and contribution and further recognizes the chronic shortages of seasonal labour for primary agriculture and particularly horticulture where labour has always been the highest ranking input contributing to bountiful production. To this end, close to thirty years ago, the CHC in association with AAFC and the federal Department of Human Resources and Labour (now Employment Services and Development Canada) established a cooperative framework where parties agreed to develop and implement the measures required to overcome identified human resources imbalances in order to ensure the availability of an adequate labour supply. The genesis of the Seasonal Agricultural Worker Program reaches back even further and is recognized as a model program.

While the CHC fully endorses the "Canada First" concept for labour, seasonal or not, reality has demonstrated that horticulture must access resources from foreign jurisdictions to ensure a sufficient and consistent supply of labour to meet its planting, growing and harvesting needs. In order to do so Citizenship and Immigration Canada (CIC) is added to the mix described above under the auspices of the Temporary Foreign Worker Program (TFWP) and for Québec this discussion also includes a distinct Ministry of Immigration with its own set of rules and programs.

Growers generally have access to foreign labour through the primary agriculture stream within CIC either through the TFWP low skills venue or through the Seasonal Agricultural Worker Program (SAWP), with the latter being established via bilateral agreements with Mexico and certain Caribbean countries.

The SAWP has been providing a supplementary source of reliable and qualified seasonal workers for over 50 years and is recognized domestically and abroad, by governments and program users, as a Canadian success story. The SAWP is valued for its purpose, relative operational ease, longevity, and especially for the derived benefits for Canadian farmers and foreign workers, their families and their communities. Over the last year or so there have been many changes with regards to rules and regulations on TFWs however largely because of the SAWPs excellent performance and stability, this program has escaped the angst brought on by changes.

Over the last year the primary agriculture stream of the TFWP has undergone significant change from the standpoint of its rules and regulations and also as it concerns service delivery in Canada and in sourcing nations abroad. These circumstances, although not intended to constrict or further challenge TFWs for primary agriculture, have had these effects nonetheless. Particular issues in Québec with regards to delays in the processing of visa applications have resulted in some crops remaining unharvested due to a lack of workers. This is simply not acceptable as it



has devastating effects on the local and Canadian economy and the individual producers.

With the experiences of 2014 and the upcoming federal election in 2015, the CHC has initiated a comprehensive review of existing human resources historical materials and the development of clear, concise, and timely policy directives. This began late in 2014 and we are beginning to see the work take shape. The CHC Labour Committee, a sub-committee of the Human Resources Standing Committee, has received an initial brief and will be working diligently to develop a framework that will allow the CHC to appropriately and effectively advocate on behalf of all growers in the year to come and thereafter.

Risk Management

The policy position of the Canadian Horticultural Council over the years as it concerns business risk management has been consistent. We favour an environment whereby producers are positioned to extract a reasonable return from the marketplace. When the marketplace does not ensure the health and sustainability of producers and farm operations or if producers encounter events that are beyond their control, they turn to risk management programs to provide for a softening of the immediate consequences of catastrophic events or for the levelling off of medium or longer term circumstances that might otherwise, if left unattended, lead to their individual demise.

While this is very much an individual producer perspective of things, there are of course wider consequences in terms of economic output (revenues and jobs for example) that entail and have a lasting negative impact on the continued health of the wider agricultural landscape. It is for this reason that the CHC, on behalf of members, has worked to ensure the current and future availability of stabilization programs for all horticultural producers in Canada that allow the industry to maintain financial stability, sustainability and profitability.

In 2013, Growing Forward 2 (GF2) brought forward a number of changes to programs and the effects of these have yet to be fully appreciated. What is clear, however, is that the federal government, in the midst of cost cutting initiatives, significantly reduced direct program support for producers.

AgriStability enrollment is declining mainly as a result of the decreased margin cut offs. Contributions to AgriInvest have diminished the result of a one third reduction in matching contributions from government. AgriInsurance appears to be the single program area where funding has increased generally for agriculture. However even there it is too early to determine with more detail the actual results for horticulture. What is clear, though, that there is resolve from government to move away from direct producer support where often times this is the only recourse that a grower may have in uncontrollable and potentially catastrophic situations.



Recognizing these issues and with the coming federal election in of 2015, the Business Risk Management Working Group (BRM-WG), supported by CHC staff, has initiated preparation of the background information required to develop policy and advocacy platforms in an effort to support advocacy initiatives to return to pre-GF2 support levels. Initial meetings with the AAFC Programs Branch representatives have been moderately fruitful to date and these efforts will continue, with enhanced attention during the spring and summer of 2015.

Outreach and Communications

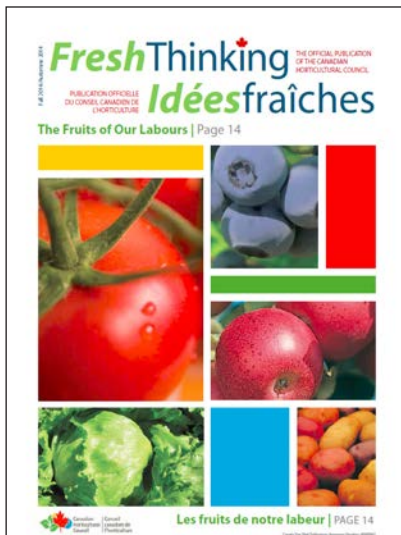


In a time when all communication is instant and in constant overload mode, striving to find a balance to communicate in a meaningful and timely manner can be a challenge.

The CHC produces a semi-annual publication, Fresh Thinking, as well as periodic HortShorts and Member Notes, and “one-off” email messages of a subject specific nature. The monthly Activity Log has become an important means for members to monitor activities and key meetings on an ongoing basis.

CHC Board of Directors summer meeting and tour

The summer Board of Directors meeting and tour was held in Winnipeg and the surrounding area on July 23-24, 2014. Hosted by Keith Kuhl and Peak of the Market the meetings and associated visits were productive, informative and an opportunity to showcase Manitoba’s horticulture sector. In conjunction with the Board meeting there was an opportunity for members to meet with the Management Team from Peak of the Market and also tour the state-of-the-art packing and distribution centre.



A number of invited guests joined Board members for the tour, including Bev Shipley (Lambton-Kent-Middlesex) and Chair of the House of Commons Standing Committee on Agriculture and Agri-Food, and represen-



Lambton-Kent-Middlesex MP Bev Shipley at Mayfair Farms, Portage-La-Prairie, MB

tatives from Bayer CropScience, CropLife Canada, Farm Credit Canada, John Deere Canada, Peak of



the Market and Syngenta Canada. Dr. Tracy Sinners-Carnelley, Director, Research & Quality Enhancement for Peak of the Market served as tour guide.

Tour stops included:

- Connery's Riverdale Farms (Portage-La-Prairie): family owned farm producing over 650 acres of asparagus, broccoli, green onions, strawberries, carrots, and cooking onions
- Mayfair Farms (Portage-La-Prairie): owned and operated by the Giffin family, the farm grows raspberries and an assortment of mixed vegetables
- Kroecker Farms Limited (Winkler): potatoes, onions and cereals on approximately 5000 acres, of which fifty percent are irrigated; the farms has both conventional and organic production
- Southern Potato (Winkler): owned and operated by the family of Keith Kuhl and produces 6,370 acres of potatoes, wheat, canola, corn and soy beans
- The day concluded with a bar-b-que dinner hosted by Keith Kuhl and family in Winkler

The 2015 Summer Board of Directors meeting and tour will be held in Ontario.

Photo contest

The CHC staged an open photo contest in 2014 with the objective of building our database of horticulture photos for use in our publications, presentations and the web site. We received many entries from across the country which covered a range of geography and crops. The winning photo (below, taken by David Bianchi of Georgetown, ON) will be featured in the Spring 2015 issue of *Fresh Thinking*.



Paul Thiel, Vice President Innovation & Public Affairs Bayer CropScience Inc. at Mayfair Farms, Portage-La-Prairie, MB



Peter Swetnam, Dr. Tracy Shinnners Carnelley and Keith Kuhl at Connery's Riverdale Farms, Portage-La-Prairie, MB



Peak of the Market CEO Larry McIntosh provides an overview of the Winnipeg packing distribution centre



Collaboration and Liaison

Collaboration and liaison with like-minded partners and stakeholders is critical to advancing the issues and achieving success.

Collaborative efforts with groups such as the Canadian Produce Marketing Association (CPMA) and the Dispute Resolution Corporation (DRC) are well known to members and readily recognized by government and our industry colleagues in the United States.

Grow Canada

There many others, including CHC's role as a founding member of the Grow Canada Partnership. This is an informal coalition of national allied value chain stakeholders that work together to promote and advance innovation in Canada and collaborate on issues of common interest. The partnership vision is to be a world leader in providing new products and new solutions for agricultural, nutritional, health, energy and environmental challenges facing consumers here in Canada and around the world, so that all Canadians will enjoy the economic, environmental and social benefits of the bio-economy. The Annual Grow Canada Conference has become the premier agricultural event in Canada.



Partners in Innovation

An example of another beneficial coalition brought together to address a common goal is Partners in Innovation. The partners represent a diverse group of farm organizations and value chain groups from across Canada, including representatives of producers of grains, oilseeds, pulse crops, fruits, vegetables, potatoes and ornamental crops; value chain organizations in barley and horticulture; and plant breeders, seed marketers and traders.

The group came together primarily, but not exclusively, to address much needed changes to Plant Breeders' Rights Legislation. Bill C-18, the Canadian Agricultural Growth Act was introduced and given First Reading in the House of Commons December 9, 2013. The Bill contained important amendments to Canada's Plant Breeders' Rights Act to bring it into conformity with to the 1991 convention of the International Union for the Protection of New Plant Varieties (UPOV). The



www.partnersininnovation.ca

partnership successfully coordinated factual and important information releases, communications to the Minister and MPs and important presentations to House and Senate Standing Committees. In February 2015 Bill C-18 received Royal Assent and the Partners in Innovation coalition played a key role in this.



Beyond our borders, the CHC works closely with its US counterpart, United Fresh.

CHC President, Keith Kuhl, is a member of the Grower Shipper Board and the CHC is engaged with many other United Fresh initiatives and committees.

International Federation for Produce Standards (IFPS)

The CHC is a member of the International Federation for Produce Standards (IFPS), which is composed of national produce associations from around the globe. The long term objective of the federation is to improve the supply chain efficiency of the fresh produce industry through developing, implementing and managing harmonized international standards.

Previously known as The International Federation for Produce Coding (IFPC), this coalition of fruit and vegetable associations from the around the globe that joined together in 2001 as equal partners to pursue the task of introducing a global standard for the use of international Price Look-Up (PLU) numbers.

IFPS as it is known today was incorporated in 2006 under the Companies Act 1985 [in England and Wales], with the registered office in the UK and the Secretariat office in the US. The registered office is managed by our colleagues at The Fresh Produce Consortium, with the Secretariat hosted by the Produce Marketing Association (PMA).

The long term objective of IFPS is to improve the supply chain efficiency of the fresh produce industry through developing, implementing and managing harmonized international standards. This includes:

- in conjunction with stakeholders, improve the supply chain efficiency of the fresh produce industry through developing, implementing and managing harmonized international standards
- to act as a forum for comment and discussion on issues relating to international standards as they affect the produce industry
- to make recommendations and advocate appropriate courses of action in relation to international standards that affect the produce industry
- to develop, implement and manage an international standard for Price Look Up (PLU) numbers

Anne Fowlie represents CHC on the IFPS Board of Directors.

There are four committees:

- Food Safety
- Product Identification
- Information Management
- Communications

While these relationships are important, the most important begins and ends with our members. All of our activities must ensure their well-being and advancement of the sector overall both domestically and abroad.



Growing the future of **fruit** and **vegetable** farming in **Canada**



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