
ANNUAL REPORT 2013

HORTICULTURE

Innovative
Profitable
Sustainable
Healthy
Future
Generations

Canadian Horticultural Council
Conseil Canadien de l'horticulture

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Report of the President

To the Members of the Canadian Horticultural Council

Growing a Healthy National Organization

At a recent management meeting I was presented with a capital budget request for the current year. One of the items on the list was a new skid steer, the cost of this unit when we purchased the last one in 2006 was \$25,000 and today a similar unit is going to cost my farm \$40,000. Fuel prices, when compared to the turn of the century, have tripled if not quadrupled. Fertilizer prices have sky rocketed, the cost of pesticides has gone up as have all other costs. We farm in an area where competition for labour is very high which results in increased labour costs.

When fuel prices doubled in the fall of 2011, I had no choice but to accept the increase in order to harvest my crop. When potash prices went from \$120/MT to over \$500/MT, I wrote the cheque and bought the fertilizer. As producers and as organizations which represent producers we all understand the business of farming. We have no choice but to accept the increases and hope that our management practices will allow us to show a profit at the end of the year. We understand that in order to grow healthy crops we need the correct amount of fertilizer; when disease or insects attack our crops we carefully select and apply the product that will protect our investment. We do this because we know how to grow healthy crops. We also need to ensure that we continue to grow a healthy national organization.

I was very pleased last year when our membership agreed to a 17% increase in fees. After five years of deficit budgeting we realized that we could not continue to drain the coffers. The Board of Directors, along with the Budget and Oversight Committees, responded and worked at finding ways to reduce costs to allow us to show a positive bottom line for the first time in five years. The issue is while we did manage to show a profit we do not have any reserves. If any significant issues arise we will struggle to deal with them.

The cost of moving issues forward

The cost of working with government continues to increase at an alarming rate. In December of 2011 President Obama and Prime Minister Harper signed the Beyond the Borders Agreement. One of the main pillars of the agreement was for Canada to provide financial protection to sellers of perishable commodities similar to that provided by the PACA. Today, after meeting with government countless times over the past 2 ½ years we continue to wait for movement from our government. During this time the CHC worked together with CPMA and DRC to allow us to speak with one voice for the produce industry. After all of this, government has decided that they need to go to the producers who elected the CHC Board of Directors to consult with the farmers who have placed confidence in us. While government likes to meet with us it appears that they do not recognize us as the voice of the horticultural producers in Canada. Should we be insulted by this?

Producers should get their pay from sales not from the mailbox

At a recent budget consultation meeting I expressed concern that cuts to the AgriStability Program had resulted in a program that only offers assistance to farms that were in severe financial trouble. I questioned whether this was still an agricultural program or whether AgriStability has become a system to ensure that banks continue to be paid? The response from the Minister is that producers should be paid from sales not through government programs. As producers we embrace the concept, but the reality is that we are competing on a global platform and this system only works if we have a level playing field.

When the US Farm Bill passes our US counterparts - key competitors - will be assured of significant subsidies for the next five years. Our government just signed the Canada-European Free Trade Agreement; our European counterparts receive cash subsidies. If we compare our costs of fertilizer, pesticides, labour, taxes, fuel, etc., we quickly realize that the Canadian cost of production is higher than in the US. While I would prefer not need to rely on government programs to allow my farm to remain profitable I cannot figure out how to achieve this unless we are treated similar to our trading partners. We have not only lost our financial support programs, but our contributions to areas such as research continue to increase.

I advocate free trade and fully support working towards eliminating the need for support programs such as AgriStability. However, this is not a Canadian issue; this is an issue which must be solved on the global platform. We cannot continue with an open border policy if we do not have a level playing field.

Health versus health care

The horticultural sector is the only sector that can state “eat more” and “the more fruit and vegetables you eat the healthier you will be.” Life expectancy continues to increase, partially due to medical science but largely due to better food availability. As the population continues to age our health care costs will rise alongside the increased life expectancy. The added cost of health care will continue to make it difficult for governments to balance the budgets. To many of us, the solution is so simple! Encourage people to increase their consumption of fruit and vegetables! Whether we look at 5 to 10 servings per day or half your plate being fruit and vegetables at every meal, the outcome will result in healthier Canadians, which will in turn reduce the cost of health care. Yet government resists allowing simple statements which would encourage Canadians to increase their consumption of fruit and vegetables. As producers of fruit and vegetables you offer government the solution which would allow balanced budgets.

Lobbying

Efforts to influence government policy and regulation for positive outcomes for our industry. There is no doubt that we must continue to have a strong voice in Ottawa. If we do not we will soon be invisible to government. Our challenge is we are up against very strong national farm organizations such as the Canola Council, Pulse Canada, Beef, Dairy, Chicken, Grain and Eggs. All of these organizations have deep pockets and avail themselves of every opportunity to present their issues to government. Minister Ritz has had more trade missions than any other Agriculture Minister before him and many of the national organizations participate in as many of these missions as possible. These organizations get one-on-one time with the Minister and staff during the missions. In order to maintain a healthy organization we must continue to provide the financial resources to allow us to avail ourselves of opportunities.

Oversight Committee

To Adrian Huisman and his committee: Bar Hayre, Dave Jeffries, George Gilvesy, Jocelyn St-Denis and Gary Linkletter, with staff support from Anne Fowlie and Patti Proulx - on behalf of CHC members thank you for your dedication during the past year. This committee has taken the time to review and suggest changes and revisions to our organization.

The year in review

The past year has gone by so quickly; I have enjoyed a great working relationship with Anne and her staff and owe a huge expression of thanks to them. We need to continue to be thankful for their dedication. One of the most enjoyable aspects of the past year has been getting out and meeting with CHC members. While spending some family time in BC, I had opportunity to stop by Jack Bates and Bar Hayre and visit their farms. When I attended a Canadian Potato Council meeting in Québec, I was toured around by Jacques Demers and when visiting family in southern Ontario, I stopped by to see Ken Forth. I was asked to report on CHC activity at the OF&VGA annual meeting as well as at Horticulture Nova Scotia. During our summer board meeting in PEI we toured potato, blueberry and vegetable farms.

I continue to be amazed at the diversity of the horticultural industry in Canada. As I travelled to the various farms one common theme became evident: every producer that I meet with has a passion for the industry and a love for the land.

I am honored to have been able to serve as your President over the past year. My thanks to the Board of Directors who provided guidance and support during the year. A few years ago changes to our bylaws allowed for the President to remain in office for more than one year. Over the past year I have gained knowledge and confidence in this role and if you as members wish, I will continue to be honored in serving you for another year.

Respectfully submitted,



Keith Kuhl
President
March 5, 2014



Report of the Executive Vice-President

To the President and Members
of the Canadian Horticultural Council

“The more things change, the more they stay the same.” How often do we hear, or even use, this age old saying? The past year brought us a mix of both.

The industry remains a growth sector whose profile is rising with agriculture. Changing demographics, consumer preference and technology are presenting a wide range of opportunities which will impact the way we go about our business. Agri-science Cluster 2 projects will further advance horticulture and it will be important to ensure a broader crop representation for horticulture in the areas of science and innovation in the next government of Canada strategic agricultural policy framework. The CHC itself has engaged in a year of refocus and realignment, including rationalization and a renewed profiling of standing committees and assigned tasks.

The mechanics of negotiating trade agreements and new market access for Canadian horticultural products, the announcement that the Canadian Food Inspection Agency (CFIA) has now joined Health Canada and the Public Health Agency of Canada in reporting to the Honourable Rona Ambrose, Minister of Health quickly come to mind. The Minister of Agriculture and Agri-Food (AAFC) will continue to be responsible for the CFIA's non-food safety agricultural activities, including economic and trade and commerce issues, as well as important animal health and plant protection work. We have been advocates for the segregation of food safety and non-food safety matters in order to enhance awareness of the very specific needs related to trade and commerce and SPS matters as a means to focus and better service industry needs. This includes the dedicated resources and expertise required to ensure growth.

The Regulatory Cooperation Council (RCC) is nearing the end of its original mandate. The Canadian and the US governments have invited public views on progress to date and how best to address regulatory divergence between our two governments moving forward. The initial RCC Joint Action Plan identified specific issues where there was bi-national willingness to work together to seek greater cooperation in regulatory approaches. An excellent foundation has been laid to continue this work. We believe in the continuation of the RCC initiatives, but more importantly...there is a need to finish what was started. This is particularly true for financial protection for produce sellers.

Over the past year, efforts have been directed toward advocacy and lobbying and strengthening linkages with a wide range of stakeholders and partners. Other focus areas included:

- trade, industry standards and market access
- crop and plant protection
- commodity coordination
- outreach and sustainability
- research and technology
- food safety and traceability
- risk management
- human resources

The past year involved an exercise to closely define defining priorities, effectiveness and efficiency. We have also refreshed value proposition statements to better reflect values and actions:

- *Ensuring a more innovative, profitable and sustainable horticultural industry for future generations.*
- *Committed to ensuring that strong Canadian farms will continue to provide safe, secure and healthy food for families in Canada, and around the world.*
- *As the Ottawa voice of horticulture, the CHC represents members on key issues such as crop protection, access to a consistent supply of farm labour, food safety and traceability, fair access to markets, research and innovation and government programs to ensure or a more innovative, profitable and sustainable horticultural industry for future generations.*

The issues remain complex and interlinked. The level of complexity of the challenges and issues continues to increase, as does the breadth of activities we are required to undertake. The following summaries are intended to provide the reader with an overview of a number of activities from the past year and is in no way intended to be all inclusive.

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 hard gained success that we achieve.

As staff, we would not be in a position to accomplish what we do without their contributions and those of our members and allied stakeholders. To the staff: Amy Argentino, Patti Proulx, David Jones, André Bourbonnière, Mark Shainblum and Linda Vinokuroff, a sincere *thank you* for your dedication and commitment.

Respectfully submitted,



ANNE FOWLIE
EXECUTIVE VICE PRESIDENT
CANADIAN HORTICULTURAL COUNCIL

March 5, 2014

Strengthening Advocacy Initiatives

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. Although the challenges are many, there are also real opportunities to advance practical solutions for the benefit of all.



Prime Minister Harper and CHC President, Keith Kuhl, in the House of Commons February 11, 2014

CHC President, Keith Kuhl, received an invitation to attend the tabling of Budget 2014 in the House of Commons on February 11, 2014.

The invitation included participation in a pre-budget reception with Ministers and members of caucus and a seat in the gallery of the House of Commons as Finance Minister Flaherty presented the 2014 budget.

While there were no specifics for the sector, the CHC has participated in pre-budget consultations over the past two years, including submissions pertaining to the RCC and the need to address financial protection for produce sellers.

The Produce Industry Cultivates Support on Parliament Hill

In addition to ongoing activities, the CHC again partnered with colleagues at the Canadian Produce Marketing Association to co-host the Fall Harvest Event. This joint initiative provides an opportunity to intensify advocacy activities through meetings with Parliamentarians and senior officials to provide an understanding of areas of importance to industry and government.

Produce industry representatives and stakeholders from across the country and the supply chain met with over 40 parliamentarians over the span of two days. This year was especially important given the many changes in the works within the Canadian Food Inspection Agency (CFIA) as well as international trade.

This annual event is the only event of its kind for the fresh fruit and vegetable sector which represents \$4.4 billion dollars of economic activity and employs over 332,000 Canadians and is a leader in providing healthy food for Canadians.

On the agenda for discussion were three key areas of focus for industry including the (RCC) financial protection for produce sellers, the role of fruit and vegetables in the health of Canadians and food safety and traceability.



Bill C-18: *Canadian Agricultural Growth Act* Tabled

On December 9, 2013 Minister of Agriculture and Agri-Food, Gerry Ritz, announced that legislation Bill C-18, the *Canadian Agricultural Growth Act*, was introduced and given First Reading in the House of Commons.

The Bill contains 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 proposed amendments to plant breeders' rights have been the subject of CHC resolutions and discussions with Ministers for a number of years. The announcement was welcome and is an item that CHC can check off its list.



Minister Ritz and CHC President, Keith Kuhl in Winnipeg: December 9, 2013 announcement of the Agricultural Growth Act (Bill C-18)

Trade and Industry Standards

The Canada-US Regulatory Cooperation Council (RCC) has provided a tremendous opportunity to advance Canadian horticultural trade issues with both the Canadian and United States governments. For horticulture, the long standing need to establish a PACA-like mechanism in Canada to address financial risk mitigation for the sale of fresh fruit and vegetables remains the number one issue.

The efforts of so many to find a path to success on this one are unprecedented and those involved deserve our collective thanks for their persistence and commitment.

Some progress has been made in the past year as CFIA is now consulting on a unified licensing regime as a component of their overall modernization initiative. This is a positive move which is supported and is aligned with the horticulture sector's long term vision when the Dispute Resolution Corporation was established.

The final piece of the puzzle - and the most difficult - is getting paid. We must find a way to accomplish this and anything short of Canadian fruit and vegetable growers and shippers having the same avenues for recourse available to them in Canada as in the United States is simply unacceptable. Furthermore, any move to implement security requirements in the form of insurance, bonding, etc. is also not acceptable - to us and certainly to our US counterparts and competitors. We must not lose sight of the trade irritant brought about by the disparity and the threat of the loss of the privilege Canadians enjoy on their sales to the US.



New ways of negotiating trade agreements have become the norm as the traditional WTO forum has struggled and essentially been parked indefinitely. The Government of Canada is actively pursuing numerous trade agreements: CETA (Canada European Trade Agreement), Korea, Japan, TPP (Trans Pacific Partnership), Mercosur countries and others. However, not all countries are of interest to all sectors of agriculture and there is likely a limit as to how many can negotiations can be carried out at any one time. Existing resources (e.g.: availability of personnel, negotiators and supporting trade analysts) are limited and it would seem that these initiatives must be strategic and based on sound and inclusive consultation with industry. Again, horticulture's voice must be heard.

On December 10, 2013 Keith Kuhl was called as a witness before the House of Commons Standing Committee on Agriculture and Trade to speak to aspects of the trade negotiation which are of importance to Canada's horticultural sector. The invitation presented an opportunity to profile the sector's significant economic contributions, current exports and potential for growth.

It was also a forum to address industry concerns which are inherent to any and all negotiated trade agreements. Comprehensive agreements such as CETA generally cover virtually all sectors and aspects of trade including both measures that have a direct impact on trade and are felt "at the border", such as tariffs and customs procedures, and those that are felt "behind the border", such as product certification and technical standards.

While recognizing the inherent potential benefits of international trade agreements such as the North American Free Trade Agreement (NAFTA) and in this instance - CETA, our objective continues to be automatically triggered emergency mechanisms as a protection against occasional and massive surges of foreign surpluses at distress prices. CHC fully supports CETA's intended competition provisions to ensure that the benefits of the Agreement are not offset by anti-competitive business conduct.

Non-tariff barriers, such as sanitary and phytosanitary (SPS) measures, environmental, and animal welfare standards are always a concern. However, provisions for dispute resolution mechanisms and the establishment of committees to resolve trade irritants do not address the biggest non-tariff barrier that Canadian producers face in Europe - domestic subsidy programs which create disparity in competitiveness.

Beyond tariffs, matters related to border inspection, food safety and traceability, crop and plant protection which ensure competitiveness and equity are always top of mind.

Market Access Success

The Market Access Secretariat (MAS) was created in 2009 as an initial response to the implementation of industry's recommendations on how to strengthen Canada's market access approach. The MAS coordinates government initiatives with industry, provinces and territories to aggressively and strategically pursue new and existing markets and keep pace with international competitors. The Secretariat's mandate is to advance the market interests of all agricultural sectors. The CHC is a member of the Market Access Secretariat Industry Advisory Committee.



The arrangement was announced on June 14, 2013, and it is projected that over the next five years, sales of fresh cherries to China could be worth over \$20 million annually. Success was achieved through industry and government collaboration and commitment. The process and results bode well for further initiatives and provides an excellent example and a model for others to follow.



Research and Technology

The CHC's Canadian Agri-Science Cluster for Horticulture has improved the coordination of applied research initiatives among various Canadian research organizations and horticultural producers.

The CHC led the Agri-Science Cluster for Horticulture, a multi-activity project funded by Agriculture and Agri-Food Canada in the amount of \$4,700,000 for the period of April 1, 2010 to March 31, 2013. Industry contributed \$1,400,000, a significant investment in the sector. The focus was to conduct research on the key areas identified by the Canadian horticultural industry. The Cluster had been categorized into four commodity groups (tree fruit, small fruit, potato and water).

Much was learned from this initial experience and collectively the horticultural sector was well positioned to work through these projects and, more importantly, prepare for submissions to Growing Forward 2 programs.


In the later part of 2012 and early 2013, CHC prepared for the proposal submission of the Canadian Agri-Science Cluster for Horticulture 2 (Cluster 2), through evaluation of the Growing Forward program, developing a policy for the Growing Forward 2 program, establishing industry research priorities for commodity groups and reviewing Expressions of Interest and Proposals received from the Canadian research community. CHC submitted a proposal to AAFC's AgriInnovation Program for Cluster 2 on February 1, 2013. The proposal included projects and activities for apples, small fruit, greenhouse, vegetables and potatoes, with a total proposed cost of \$16.8 million.

In May 2013, Minister Ritz advised the CHC of an allocation of \$7 million to Cluster 2. While this amount was considerably less than the \$12,114,000 total federal contribution value of the proposals submitted, it is a significant contribution to the sector. Industry will be contributing matching funds of \$2.4 million during the five year project.

The \$7 million is comprised of \$5,600,000 in Contribution Agreement (CA) funding and \$1,400,000 in Collaborative Research and Development Agreement (CRDA) funding.

As of February 2014, CHC is working with AAFC and project leads on the refinement and finalization the CA and CRDA agreements, budgets and work plans, and anticipate the signing of these agreements to occur before the CHC AGM.

Science Cluster 2 Projects Overview

Apple	Potato
<ul style="list-style-type: none"> Optimizing Storage Technologies to Improve Efficiency, Reduce Energy Consumption, and Extend the Availability of Canadian Apples for Domestic and Export Markets (DeEil, OMAFRA) 	<ul style="list-style-type: none"> Understanding of Potato virus Y complex in Canada and development of a comprehensive on-farm management strategy (Singh, Agricultural Certification Services Inc.)
<ul style="list-style-type: none"> Improving tree fruit storage management using weather based predictions of fruit quality at harvest (Bourgeois, AAFC) 	<ul style="list-style-type: none"> Development of a Rapid and Sensitive Triplex Nested Real-time PCR Method for Quantification of Verticillium in Soil (Tenuta, University of Manitoba)
<ul style="list-style-type: none"> Performance of Honeycrisp on New Size-Controlling Rootstocks (Cline, University of Guelph) 	<ul style="list-style-type: none"> Zebra Chip and Potato Psyllid Survey and Monitoring (Johnson, University of Lethbridge)
<ul style="list-style-type: none"> New biological control agents for postharvest diseases of pome fruit (Nelson, University of BC) 	<ul style="list-style-type: none"> Nitrogen Management for Improved Yield, Quality and Profitability of Potato (Tenuta, University of Manitoba)
	<ul style="list-style-type: none"> Canadian Potato Variety Evaluation Program (Sonier, PEI Potato Board)
	<ul style="list-style-type: none"> Zebra Chip and Potato Psyllid Survey and Monitoring (Johnson, University of Lethbridge)
	<ul style="list-style-type: none"> Wireworm control in potatoes and strategic rotational crops in Canada (Vernon, AAFC)

CHC Agri-Science Projects

After the initial Ministerial decision, CHC consulted with commodity groups and determined that the best course of action for the greenhouse, small fruit and vegetable sector projects was to resubmit them as Agri-Science Projects under the AgriInnovation Program.

CHC submitted the following 6 proposals on June 1, 2013:

- Measurement of Dislodgeable Foliar Residue (DFR) on Greenhouse Vegetable Crops (Bestari, University of Guelph)
- Development and evaluation of a rapid screening procedure to detect the presence of 3 plant pathogens on reusable plastic containers for use in the greenhouse vegetable sector (Poleatewich, VRIC) *Note: this project was later withdrawn at the request of industry.*
- Protected Cultivation Systems for Raspberries (Hughes, University of Guelph)
- Adapting programmed production schedules and planting practices to improve strawberry and raspberry establishment, yield and fruit quality (Gravel, McGill University)
- Research & Development for Spotted Wing Drosophila (SWD) Management (Moreau, AAFC)

- Development of operating procedures integrating irrigation, fertigation, climate control, management of physiological disorders and pest in the production of tomatoes, pepper and beans grown in high poly-tunnels (Gravel, McGill University)
- Sound irrigation management for high tunnels (Boivin, IRDA)

After much back and forth, further refinement and significant advancement with AAFC, at the time of this report, two agri-science projects have been conditionally approved by AAFC: Measurement of Dislodgeable Foliar Residue (DFR) on Greenhouse Vegetable Crops and Research & Development for Spotted Wing Drosophila (SWD) Management.

Further discussions in regards to reviewing the revised projects and the recommitment of industry contributions are currently underway. Our efforts continue in this regard, as well as discussions with AAFC's Pest Management Centre and the Pest Management Regulatory Agency for support of additional internal research funding for SWD and DFR, respectively.

Food Safety and Traceability

2013 carried forward the trend of attention to food safety and traceability across all sectors of our food industry. Food safety continues to be a high profile issue and remains a reality as a market access requirement. With this comes the need for continued vigilance on our part as we collectively share in the responsibility to ensure the safety of the food we grow and as it moves through the supply chain from our fields and farms to the consumer's plate.

The CanadaGAP™ Program, now owned and operated by CanAgPlus independently of the program's founding organization, the Canadian Horticultural Council (CHC), has completed its first full year of operation. In September 2013 CanadaGAP moved from the CHC office to a new location.

First launched as a food safety certification program in 2008, the program has achieved international recognition. Over 2,400 fresh produce suppliers are currently enrolled for CanadaGAP™ certification.

CanadaGAP became the first Canadian food safety program to be officially recognized by the Global Food Safety Initiative (GFSI) in January 2010. Re-benchmarking was required to the new version (6) of the GFSI requirements in 2012.

This was successfully achieved with formal re-recognition by GFSI in January 2013 for CanadaGAP certification options B and C.



A formal study was undertaken in 2010 on the feasibility of merging CanadaGAP and the CPMA's Repacking and Wholesale Food Safety Program to create a single integrated standard and a standalone not-for-profit corporation. The study concluded this was a feasible initiative and in 2012 members of both organizations made a final decision to proceed with merging the two programs. This course of action was recommended to limit potential exposure to liability

associated with administering a food safety program. Work continued throughout 2013, and roll-out of the integrated program begins in 2014 with the availability of Certification “Option D” for repackers and wholesalers.

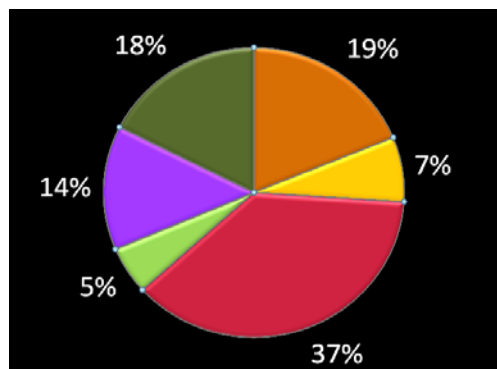
To protect Canadians from potentially unsafe food, the Government of Canada tabled the *Safe Food for Canadians Act* on June 7, 2012. The *Safe Food for Canadians Act*, S-11, was adopted by the Senate on October 17, 2012 and expected to be passed by the House of Commons and forwarded for Royal Assent by the end of the 2012 calendar year. CFIA is currently developing associated regulations as part of its overall and comprehensive modernization initiative.

In the United States, the FDA Food Safety Modernization Act (FSMA) was signed into law by President Obama on January 4, 2011. It aims to ensure the U.S. food supply is safe by shifting the focus of federal regulators from responding to contamination to preventing it. We continue to await the release of the corresponding regulations and hope there will be no impact to the CanadaGAP™ Program or to our all-important exports to the United States. CHC, CPMA and CanAgPlus are closely monitoring these initiatives as they move forward.

CanadaGAP™ Participation Trends (Source: CanadaGAP™)

Approximately 2,400 producers are now CanadaGAP-certified, representing an increase of 17% since November 1, 2012.

More than 2,000 applications for program enrollment have been processed by CanadaGAP staff since the program was launched in 2008.



Participation Trends Operations enrolled in CanadaGAP by crop grouping (percentage of total number of program participants)

- Potato
- Greenhouse
- Tree and Vine
- Leafy Veg
- Small Fruit
- Combined Vegetable

The following participation trends are of particular note for 2013:

- The first enrollees from Newfoundland and Labrador joined the program this past season.
- In the last year, CanadaGAP also saw the first enrollment from the Yukon Territory.
- There has been a surge in farm level participation, as certified packinghouses request food safety compliance from growers in response to new requirements from retail/food service.
- Noticeable rise in enrollments among certain sectors (BC blueberry, ON greenhouse, etc.)
- Increasing rates of participation by producers in the U.S.

The auditor pool consists of 39 active and qualified CanadaGAP auditors (currently working for a Certification Body). This represents 27% of those who have taken the CanadaGAP auditor training course and 37% of those who passed the course.

CanadaGAP has collaborated with developers on a number of initiatives to automate the CanadaGAP Food Safety Manuals. These efforts are aimed at increasing the functionality and availability of the manuals, and at facilitating implementation of CanadaGAP. The Manuals (PDF and Microsoft Word versions) and Forms (PDF and Excel format) can be downloaded directly from the CanadaGAP website at www.canadagap.ca

Global Food Safety Initiative (GFSI)

The GFSI is an international initiative directed by the Consumer Goods Forum and is a business-to-business approach based on third party certification to private food safety standards. Until recently the GFSI initiative has been separate from government standards (other than fundamentals: CODEX / HACCP). The scope includes food safety on farm, product handling (including primary packing), processing and manufacturing. It covers all food categories, and includes food safety requirements for feed, packaging materials, storage and distribution.

The Consumer Goods Forum is an independent global parity-based Consumer Goods network comprised of over 650 members from 70 countries. There are offices in 3 continents and the forum represents combined sales worth €2.1 trillion.

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) met formally twice in 2013: at the CHC AGM in March and the Mid-Summer meeting in July. A number of conference calls have taken place as well.

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

- AgriMarketing Program
- Canadian Agri-Science Cluster for Horticulture (Growing Forward – Cluster 1 and Growing Forward 2 - Cluster 2)
- National Promotion and Research Agency
- Royal Winter Fair





The annual Mid-Summer Apple Industry Meeting and Orchard Tour were held in St. Catharines, Ontario on July 22-23, 2013. In addition to having a productive working group meeting to discuss challenges and opportunities facing the industry, the event provided an opportunity for growers to explore the Vineland Research and Innovation Centre and tour some of the major apple producing operations in Simcoe Ontario, where one quarter of all Ontario apples are grown.

Canadian National Apple Promotion and Research Agency

The Canadian apple industry is closely watching the potato sector's efforts to establish a National Promotion and Research Agency under the authority of the Farm Products Council of Canada. As a result of the recommendations of the apple benchmarking study of 2012, which included the need for a national marketing and industry development/research body, the National Apple Promotion and Research Agency Steering Committee was formed. The steering committee's mandate is to 1) develop an Action Plan towards the establishment of a National Promotion and Research agency for the Canadian apple industry; 2) facilitate and promote discussions on the subject among industry stakeholders; 3) engage key national and provincial industry associations that could contribute to or may be impacted by this initiative, and 4) develop advice and recommendations on the feasibility of this initiative to be taken to the CHC Apple and Fruit Committee. The steering committee is composed of growers, marketers and other interested industry representatives. A face to face meeting of the steering committee was held in Ottawa on January 7, 2014.

Agri-Science Cluster for Horticulture

The AWG participated in the Agri-Science Cluster for Horticulture through the following two projects, which concluded March 31, 2013:

- *Advanced Postharvest Handling and Storage Technology for Canadian Apples*
Dr. Jennifer DeEll, OMAFRA
- *Identifying genetic markers to enhance apple breeding in Canada*
Dr. Sean Myles, Nova Scotia Agricultural College

Agri-Science Cluster for Horticulture 2

The following industry-driven issues, which were 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) with total funding of \$1.5million over five years (2013 to 2018).

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

- 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

- 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

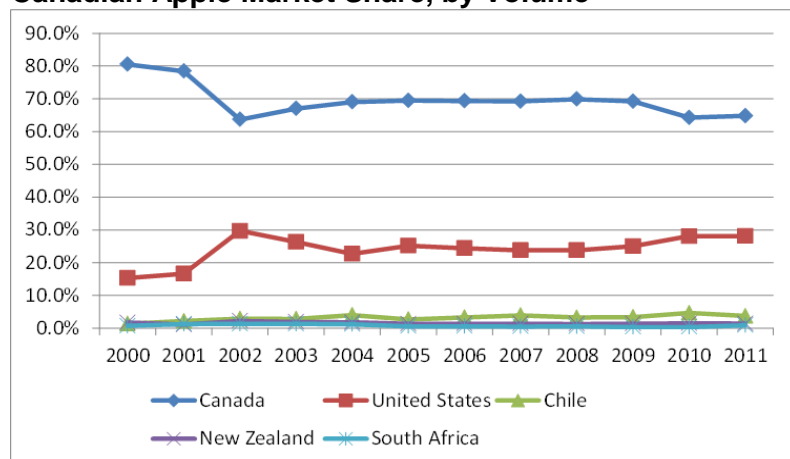
- 1) Measure the precocity and performance of new size-controlling rootstocks and to compare these against industry standard M.9 and M.26
- 2) Determine rootstock effects on calcium disorders, whole tree physiology, and fruit storage potential
- 3) Assess the productivity of more vigorous rootstocks 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. Lousie Nelson, University of BC

- 1) Test several bacterial antagonists of postharvest fungal pathogens to determine their potential for development as a commercial biological control product.
- 2) 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

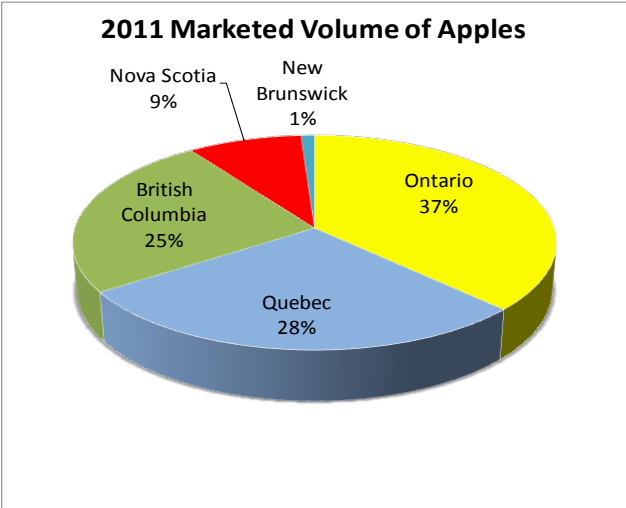
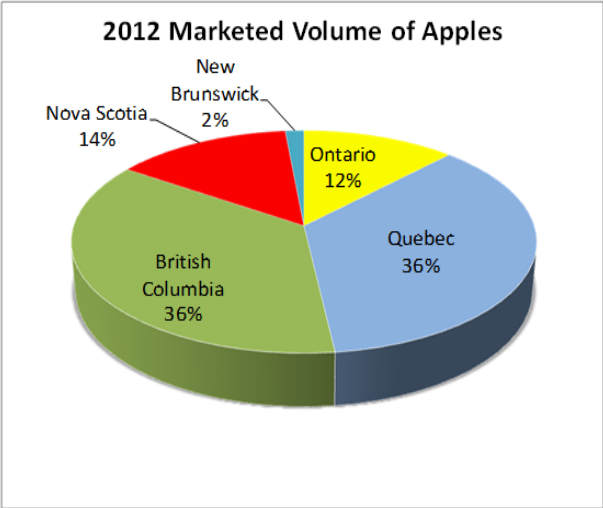
Canadian Apple Statistics, Situation and Trends

Canadian Apple Market Share, by Volume

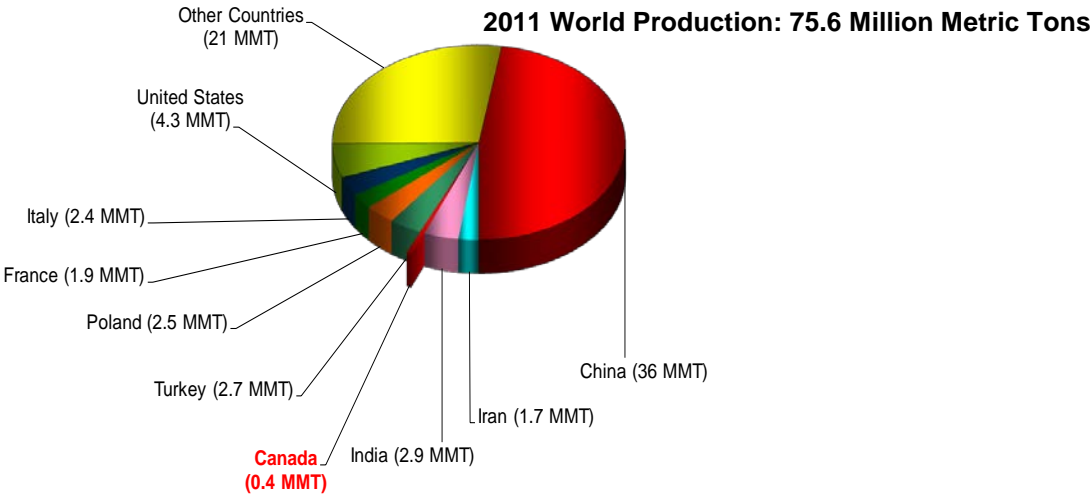


Significance of apple production in Canada

- ✓ Most significant fruit in terms of tonnage produced in Canada.
- ✓ Largest tree fruit crop by volume and value
- ✓ Second most valuable fruit crop (\$168 Million in Farm Gate Value) after blueberries
- ✓ Apples represent 19% of 2012 total fruit Farm Gate Value



Global Apple Production



Blueberry

In 2012 Total Fruit Farm Cash Receipts increased by 12% to finish at over \$850 million, largely due to a strong blueberry market that saw an increase of 22%. Blueberries remained the leading value fruit with cash receipts exceeding 29% of the total or \$247 million.

The most recent statistics available demonstrate that combined Canadian farm gate values for blueberries declined by over 22% in 2013 to approximately \$188.5 million. This decline was led by a 31% decline in British Columbia and a 42% decline in Quebec, though the latter represents just 13% of the total Canadian Farm Gate Value.

2013 Marketed Production

Canada's marketed production was almost equally distributed between High bush and Low bush blueberries, 49% and 51% respectively, with a combined total of just over 120,000 tons.

This level of marketed production represents a reduction of 10.5% over 2012 due in large part to a decline of 47% from Quebec.



British Columbia dominates the marketed production list with over 46% of the total followed by New Brunswick and Nova with 17% each and Quebec with just over 12%. Close to 94% of marketed High bush blueberries originate from British Columbia.

The Atlantic provinces produce 77% of Low bush blueberries (New Brunswick 34%, Nova Scotia 32%, PEI 11%) while the remaining production originates primarily from Quebec 22%.

2013 Cultivated and Bearing areas

Total acres increased only slightly in both cases during 2013. While there was almost no change in Cultivated area in British Columbia during 2013 (21,500 acres), there appears to have been an increase of 8% in Bearing area at close to 20,000 acres.

In New Brunswick's case, while there was a decline of over 9% in Bearing area, total cultivated area increased by slightly over 3%. Quebec saw no real change in either.

The Blueberry Working Group (BWG)

Jack Bates (British Columbia) served as Chair of the Blueberry Working Group (BWG) in 2013. The BWG held a series of conference calls throughout the year and have engaged on a number of issues and projects. Updated Terms of Reference were adopted in September 2013 to guide the group in its ongoing activities and the development of an annual work plan to address the many issues and priorities for the industry.

Particularly important were the submission of projects for funding for control over SWD due to its potential effect on overall industry competitiveness, as well as two additional projects for strawberries and raspberries. Initially these projects were declined for funding under the Agri-Science Cluster for Horticulture 2 however they were thereafter resubmitted to AAFC's AgrInnovation Program and a decision is currently pending. These efforts were coupled with continuous discussions with PMC for further support in research funding for SWD.

The BWG continues to consider that a National Strategy would be very beneficial. It was agreed that the framework for such a National Strategy should include all small fruit as the issues to be addressed are similar. Research priorities within the National Strategy have been identified as new mixtures and actives, access to new tools, and harmonization with trading partners particularly in areas such as MRLs, PHIs, and REIs.

Greenhouse

Linda Delli Santi (British Columbia) served as Chair of the Greenhouse Committee during a very active year. The Committee continues its important work and has, among others, addressed the following issues over the course of the year.

Development of a National Farm-Level Biosecurity Standard for Greenhouse

This initiative was launched during the latter part of 2013 with consultant Gardiner Pinfold being hired by CFIA to conduct initial environmental scanning and stakeholder participation. A sector readiness evaluation is anticipated during the beginning part of April 2014 and a teleconference and initial launch meeting is expected shortly thereafter. It will be important to ensure that we are well represented within this group to ensure a successful outcome.

Dislodgeable Foliar Residue (DFR) study

Work has continued over the year to secure funding for this important project. After significant advancement with AAFC in this regard it was determined that the project as originally submitted could be modified to recognize some DFR trials (Beleaf and Rimon) that were being conducted by PMRA, resulting in further budget and work plan revisions. Further discussions in regards to reviewing the revised project and the recommitment of industry contributions are currently underway.

Weekly Greenhouse Statistical Reports

Through Agriculture and Agri-food Canada's Market Analysis and Information Section weekly greenhouse reports are being 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). These reports provide valuable information for members and despite significant compressions of time and available staff at AAFC to accomplish this task we continue our efforts to refine and possibly expand this initiative.

Plant Pest Response Plan (PPRP) Project

Producers are confronted with potential losses stemming from pest identification on their farms, and they need a plan including consideration of compensation. On the other hand, those who could consider financing such compensation also need assurances that claims will remain manageable and pest impacts will be minimized. The key to bridging this gap is the establishment of a PPRP with industry support. With the knowledge in hand from the initial work the Committee is now exploring avenues to pursue funding for continuation of this important initiative.

Reusable Plastic Containers (RPC) and the RPC Task Force

The Committee originally considered supporting further research for this initiative as an Agri-Science project however recognizing reduced funding availabilities deferred the subject to work being conducted by the RPC Taskforce. The RPC Taskforce represents a good cross section of industry, associations, manufacturers and government.

Definition of a Greenhouse

Significant discussion and work has been accomplished over the year to advance a Greenhouse definition that would be representative of the needs and desires of all relevant constituents of the Canadian Horticultural Council. After much effort this definition is expected to be adopted during the 2014 AGM and will provide the basis thereafter for efforts towards industry and government partners.

Greenhouse National Strategy

It is overwhelmingly agreed that one of the priority issues moving forward remains the development of a comprehensive National Strategy aligned to priorities and issues from the Greenhouse industry as a whole. The intent of such a strategy is to develop an industry wide strategic plan to support the continued development and growth of this sector of Canada's agricultural landscape. The group continues its discussions in view of obtaining funding for this initiative and recognizes that all regions of the country are vital in ensuring it successfully moves forward.

Crisis Management

The potential for food safety outbreaks remained a concern for the Greenhouse Committee. Following initial petitioning of the government in 2012 similar efforts were made in 2013. At the forefront of this issue is the development of a Canadian crisis management plan and in this vein CHC initiated high level discussions late in 2013 with relevant participants from the CFIA and AAFC. During this meeting a further understanding was conveyed by federal government representatives as to the readiness and response protocols in place to deal with food safety outbreaks.

Greenhouse Industry Statistics

Canadian Farm Gate Value

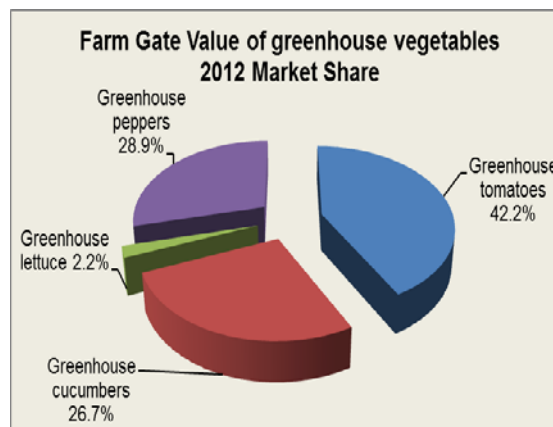
Despite increases generally in production areas and volumes, total 2012 Canadian Farm Gate Values decreased by 5% over 2011 to end the year at \$1.04 billion dollars. The decrease in Farm Gate Value for tomatoes was largely the cause of this decline with this commodity representing over 42% of the total and having incurred a reduction of 9.4% in Farm Gate Value over 2011.

Farm Gate Value of greenhouse vegetables, annual (\$/1,000)								
Commodity	2012 Market Share	2008	2009	2010	2011	2012	1 Yr Change	5 Yr Change
Greenhouse tomatoes	42.2%	392,266	458,681	476,765	484,934	439,121	-9.4%	11.9%
Greenhouse cucumbers	26.7%	214,233	246,485	264,584	284,522	278,408	-2.1%	30.0%
Greenhouse lettuce	2.2%	20,053	21,905	23,265	26,555	23,184	-12.7%	15.6%
Greenhouse peppers	28.9%	235,807	235,162	278,123	299,612	300,488	0.3%	27.4%
Total		862,358	962,233	1,042,738	1,095,624	1,041,201	-5.0%	20.7%

Source: Statistics Canada. Table001-0006 - Production and value of greenhouse vegetables, annual, CANSIM (database). (accessed: 2014-01-08)

On a relative basis the reduction in Greenhouse Farm Gate Value for tomatoes was felt most in British Columbia (-13%) and Quebec (-10%) however a decline of 8% (\$23.8 million) in Ontario was the most important within this commodity as they represent close to 60% of the Canadian marketplace.

Alberta saw a surge in 2012 Farm Gate Value for Greenhouse cucumbers to finish the year at \$30.7 million dollars or 36% higher than 2011.



This positive outcome was overshadowed however by a 6% decline in Ontario and since Ontario represents 73% of the total Canadian Farm Gate Value for cucumbers this commodity suffered an overall Farm Gate Value decline of 2% on a national basis.

The Canadian 2012 Farm Gate Value for peppers remained unchanged over 2011 to end at slightly over \$300 million dollars. While British Columbia suffered a decline of 7% in Farm Gate Value for peppers, Ontario achieved an increase of 5% and since Ontario represents 66% of the total Canadian marketplace for this commodity the overall national Farm Gate Values remained unchanged.

Provincial Farm Gate Values

- With a total of \$235.7 million dollars, British Columbia represents approximately 23% of total Canadian Greenhouse Farm Gate values for 2012. Tomatoes and peppers both contribute slightly over 40% each to these values with cucumber contributing 17%.
- With a total of \$659 million dollars, Ontario is the largest provincial contributor (63%) to national Greenhouse Farm Gate values. Within the province values are driven first by tomatoes (39% of provincial FGV) then almost evenly by cucumbers and peppers (30% each of provincial FGV).
- Quebec Farm Gate Value represents only 8% of total Canadian values however they are certainly the dominant producer of lettuce FGV across the country with over 66% of this commodity's total. Despite this Quebec is primarily a Greenhouse tomato producer with 76% of its provincial FGV in this commodity alone.

Production Area

- In 2012 the total production area for greenhouse peppers increased by 7% to 4.16 million square metres and greenhouse cucumbers saw an increase of 4.5% over 2011 with a total slightly greater than 3.2 million square metres. Greenhouse lettuce production area incurred a reduction of 34% to end at 208.5 thousand square metres.
- Of total Canadian Greenhouse production areas Ontario leads the way with 65% of peppers, 74% of cucumbers and 64% of tomatoes. Greenhouse lettuce production area is led by Quebec with 61% of the total production area in Canada.
- Of total Canadian Greenhouse production areas British Columbia's provides for 32% of peppers, 20% of tomatoes, and 13% of cucumbers.

Production Volume by Commodity

- Greenhouse peppers saw a significant increase of 18% in overall Canadian production volumes (annual kilograms) from 2011 to 2012 driven largely by increases from Ontario (21%) and British Columbia (13%).
- Greenhouse cucumber volumes also increased but to a lesser degree and ended in 2012 at 9% higher than the previous year.
- Annual production volumes for lettuce (in heads) appear to have remained at the same level as 2011 however much of data acquired by Statistics Canada is qualified as too unreliable for publication.
- Total Canadian Greenhouse tomato volumes were also relatively unchanged from 2011 (1% increase) however of note within this commodity was an increase of 4% in volumes from Ontario and a decrease of 7% in British Columbia; the Total Canadian volumes remain stable since Ontario's volumes are roughly three times those of British Columbia with the commodity.

Potatoes

Members of the CHC from eight provinces (PE, NB, QC, ON, MB, SK, AB, BC) participate in the Canadian Potato Council (CPC). Collectively, over 1200 potato growers are represented. The CPC meets three times annually to discuss issues of importance to the potato industry. Working Groups are formed to manage projects, set priorities and resolve specific issues.

Canadian Potato Industry Facts for 2013

- Growers produced 103 million hundredweight (cwt) of potatoes on 354,000 acres which represented a 2.6% increase in production on a 4.5% reduction in acreage over the previous year;
- A record national average yield of 292 cwt/ac was achieved (previous 287 cwt/ac in 2006);
- 55,901 acres of seed were accepted for certification, a 9% decline from the previous year, however the volume of seed produced increased by approximately 2%;
- Despite a significant decline in seed acres of Russet Burbank in most provinces, this variety has the largest share of the seed acreage at 23.5%.

Canadian Agri-Science Cluster for Horticulture 2

The Canadian potato industry has received a commitment from Agriculture and Agri-Food (AAFC) Canada for funding under Growing Forward 2 over the next five-years. Potato grower organizations and industry have committed contributions of approximately \$2.2 million to potato research. Six projects are ongoing including research on Potato virus Y, Wireworm, Zebra Chip/Psyllid monitoring, *Verticillium* detection, nitrogen management under irrigation and a national potato variety evaluation program.

Feasibility Study National Promotion and Research Agency for Potatoes

The Canadian Potato Council (CPC) commissioned a study to determine the feasibility of establishing a National Promotion and Research Agency (NPRA) for Potatoes. There are two reasons for the creation of a NPRA: a worrisome decline in consumption of potatoes, and the changing nature of government programs that tend to support collaborative efforts. The creation of a NPRA is a means to counteract both of these forces and provide a vehicle for increased industry cooperation related to promotion and research.

A NPRA is a producer organization created under the *Farm Products Agencies Act* whose goal is to expand markets and increase sales through generic advertising and promotion programs, as well as through research into product attributes, the production process, and new products.

The project was guided by a Steering Committee with participants from CPC member organizations. The Steering Committee engaged the services of the Intersol Group to conduct the feasibility study. A background research paper was completed as the first phase of the project to determine if the creation of a NPRA is possible, and what conditions must be present for the successful creation of a NPRA. A series of meetings with provincial potato organizations were conducted during November and early December to present background information and options. The final report including recommendations on the feasibility of a NPRA was completed by the end of December 2013. Partial funding for the feasibility study was provided by Agriculture and Agri-Food Canada through the Prince Edward Island ADAPT Council.

The priorities of a NPRA for potatoes would be guided by the *National Marketing and Promotion Strategy* developed in April 2013 by the CPC Marketing and Promotion Working Group and the *National Research and Innovation Strategy* developed by the CPC Research Working Group in November 2012.

Potato Breeding Strategy

Funding has been approved from AAFC under AgriMarketing 2 to assist with the development of a Potato Breeding Strategy for Canada.

A CPC Breeding Working Group with representation from provincial organizations and AAFC, university and private breeders was formed to consider the future direction and funding of potato breeding in Canada that will meet the needs of the industry into the future. This project will be concluded by March 2015.



Seed Export Market Challenges

This past year the seed potato industry has had significant challenges in maintaining access to the United States (US) market which represents 74% of total Canadian seed potato exports. The Seed Potato Tuber Quality Management Program (SPTQMP) and Potato Cyst Nematode (PCN) Guidelines both impact seed exports and have required significant application of effort by CPC members.

Most seed potato growers in western Canada are voluntary participants in the SPTQMP which authorizes licenced establishments to conduct seed tuber inspections issue seed tags for seed destined for commercial planting in Canada and for export to the US. Without prior consultation, the CFIA announced in August 2012 that as of April 1, 2014, the SPTQMP would be expanded to include mandatory participation for all seed potato growers (CFIA will no longer provide tuber inspection services) and would also include seed destined for re-certification purposes. Immediately, Canadian industry strongly objected to implementation without any prior consultation with US industry or US State Seed Certification Agencies fearing the US export market was being placed at risk. Responding to a public consultation in September 2013, the US industry and USDA shared the view that the CFIA had not adequately demonstrated equivalency of the SPTQMP to the US seed certification system that requires third-party inspection, placing all seed shipments to the US in jeopardy. In response to continued demands from Canadian industry to address the risk to market access faced by seed potato exporters, the CFIA announced early in 2014, that seed destined for export to the US would have tuber inspection conducted by the CFIA for this shipping season. Considerable work remains to gain acceptance by the US of the equivalency of the SPTQMP to seed certification requirements in the US. Domestic seed shipments will continue under the SPTQMP.

All fields producing seed potatoes for trade between Canada and the US requires soil testing for the presence of Potato Cyst Nematodes (PCN), a quarantine pest. In September 2012, the CFIA announced that cost recovery for testing will be implemented for the 2013 crop and be at full cost recovery for the 2014 crop (\$99.75 per acre).



Meeting of the Potato Cyst Nematode Working Group in Greenbelt, MD (September 2013)

From 2006 to 2012, 214,755 soil samples were tested in Canada with zero detections of PCN. This testing represented 77% of the certified seed acreage in Canada. PCN testing fees are a significant barrier to the export of Canadian seed potatoes to the industry's largest market in the US.

Canadian industry continues to be active in the renegotiation of the PCN testing guidelines to reflect science-based requirements based on the extensive testing data available at this point in time. A Working Group with participation from the CPC, US National Potato Council, CFIA and the USDA has been in discussions since September 2013 to amend the guidelines to reflect reduced, science-based testing requirements for PCN.

AgriMarketing

Funding was approved for the next two fiscal years from AAFC under the AgriMarketing Program to support CPC and Potatoes Canada marketing activities. All activities related to market access to the US, were unfortunately not approved even though the US represents 79% of total Canadian table potato exports. Thirty percent of the requested funding for the two fiscal years was approved.

Response to PMRA Proposed Re-Evaluation Decisions

The CPC has continued to contribute to responses to PMRA consultations on proposed re-evaluation decisions, with a submission for mancozeb. The proposed phase-out of mancozeb seed potato treatments would have a significant impact on the management of seed-borne late blight and the limitation to one aerial application per season would negatively impact late blight resistance management in potatoes grown under irrigation. Information gathered from provincial organizations on frequency of application, use rates, seed treated per day, effectiveness of chemical and non-chemical alternatives and role of mancozeb in resistance management will assist the PMRA in refining their risk assessments for human health and protection of the environment.

Amendment of *Plant Breeders' Rights Act*

The potato industry was encouraged by the introduction of Bill C-18, *Agricultural Growth Act* that includes proposed amendments to the *Plant Breeders' Rights Act* to comply with *International Union for the Protection of New Varieties of Plants (UPOV) Convention*, 1991 standards. These amendments will better align Canada internationally encouraging access to new foreign potato varieties and encourage potato breeding efforts within Canada.

Deregulation of Standard Containers

The CPC continued to advocate against the deregulation of standard containers and supported provincial organizations in submissions to AAFC/CFIA consultations conducted across the country in September 2013.

Changes to the Canadian Partners in Quality (C-PIQ) Program

The C-PIQ program is an integrated inspection system, which provides an alternative to inspection by the CFIA for table stock potatoes exported to the United States. The CPC Quality Assurance Working Group worked closely with the CFIA to successfully amend the C-PIQ program to improve efficiencies for both industry and government. Amendments included removal of a start-up audit following a 30-day shutdown, removing accumulated unsatisfactory audits and the implementation of an 18-month pilot for lot verification of product originally destined for domestic shipment.

Seed Potato Sub Committee (SPSC)

Members of the SPSC have been involved in many activities over the past year representing the CPC on seed issues. The SPSC is represented at the Potato Association of America meetings where linkages with US sate seed certification agencies are maintained. Members of the SPSC have provided input and advice to the CFIA in many areas including Canada-Mexico seed potato trade issues, alternative regulatory approaches to unregistered varieties (and linkage to garden varieties) Canada/US Management Plan for Potato Viruses that Cause Tuber Necrosis SPTQMP and PCN. The SPSC is also represented on the Seed Sector Value Chain Roundtable. The SPSC has a continuing role in in identifying priority seed related research projects such as Potato virus Y for funding opportunities.

Vegetables

A Vegetable Working Group is now in place and meets quarterly by conference call to exchange information of the status of crop production and storage, market challenges and opportunities and the need to address the lack of availability of timely and accurate market information.

A number of projects are underway through the Horticulture Value Chain Roundtable which are promising and may well result in a means to address the needs. The Market Development Working Group (MDWG) is engaged in a Supply Chain Communication Tools Initiative to investigate a platform for a Supply Chain Communication Tool project and proceed with the implementation of the pilot project.

Canadian Farm Gate Value (FGV) of vegetables by commodity (\$/1,000)								
Commodity	2008	2009	2010	2011	2012	Change 1 Yr	Change 5 Yrs	% of 2012 total
Carrots ²	66,975	84,195	97,071	95,491	92,483	-3.2%	38.1%	11.4%
Tomatoes	75,915	86,856	76,500	80,831	81,651	1.0%	7.6%	10.1%
Corn	61,258	73,690	63,765	70,493	71,979	2.1%	17.5%	8.9%
Dry onions	53,305	59,369	73,515	65,242	65,452	0.3%	22.8%	8.1%
Cabbage ¹	42,178	42,849	47,653	60,415	62,533	3.5%	48.3%	7.7%
Lettuce ³	46,425	60,961	59,431	48,248	51,287	6.3%	10.5%	6.3%
Broccoli	33,735	39,717	35,594	33,492	40,241	20.2%	19.3%	5.0%
Peppers	25,425	28,268	32,866	33,782	39,170	15.9%	54.1%	4.8%
Beans	27,442	26,886	31,300	30,295	31,968	5.5%	16.5%	3.9%
Cucumbers	19,001	32,862	26,020	23,130	29,598	28.0%	55.8%	3.7%
Squash and zucchinis	15,935	20,483	20,998	26,955	26,025	-3.5%	63.3%	3.2%
Cauliflower	22,295	23,172	24,183	22,333	23,857	6.8%	7.0%	2.9%
Asparagus	14,085	24,136	21,465	22,392	22,887	2.2%	62.5%	2.8%
Rutabagas and turnips	14,770	21,719	18,532	22,024	21,495	-2.4%	45.5%	2.7%
Peas	23,608	24,056	16,346	17,327	20,111	16.1%	-14.8%	2.5%
Pumpkins	12,345	15,277	15,339	16,956	17,586	3.7%	42.5%	2.2%
Shallots	20,225	24,225	14,301	15,907	15,938	0.2%	-21.2%	2.0%
Celery	13,852	13,382	15,562	12,369	14,587	17.9%	5.3%	1.8%
Beets	6,653	9,430	9,517	13,922	12,189	-12.4%	83.2%	1.5%
Radishes	9,865	11,578	11,481	10,739	10,839	0.9%	9.9%	1.3%
Spinach	5,280	7,512	8,015	6,681	8,712	30.4%	65.0%	1.1%
Leeks	5,135	7,786	7,217	7,953	7,541	-5.2%	46.9%	0.9%
Brussels sprouts	7,385	6,950	n/a	7,331	7,475	2.0%	1.2%	0.9%
Other melons	6,360	7,013	7,114	6,250	7,469	19.5%	17.4%	0.9%
Watermelon	3,545	5,361	7,242	7,409	6,901	-6.9%	94.7%	0.9%
Garlic	2,255	2,989	2,617	6,190	6,593	6.5%	192.4%	0.8%
Parsnips	3,270	3,929	4,752	5,966	6,574	10.2%	101.0%	0.8%
Parsley	2,125	3,218	3,155	2,820	3,430	21.6%	61.4%	0.4%
Rhubarb	1,310	1,670	1,797	2,194	2,760	25.8%	110.7%	0.3%
Total	641,957	769,539	753,348	775,137	809,331	4.4%	26.1%	
Source: Statistics Canada. Table001-0013 - Area, production and farm gate value of vegetables, annual, CANSIM (database). (accessed: 2014-01-07)								
1. Includes Chinese cabbage and regular cabbage.								
2. Includes baby carrots and regular carrots.								
3. Includes leaf lettuce and head lettuce.								

Crop, Plant Protection and the Environment

In his first year as the Crop, Plant Protection and the Environment Chair, Charles Stevens has guided the many activities within this group's purview. The Crop Protection Advisory Committee has been particularly active over the course of the year focusing on issues of importance to all members and growers and has also spent much time developing those vital relationships that allow for furtherance of the CHC's mandate and vision within the crop protection environment. Some of the many issues addressed follows.

Grower Registered Own Use (GROU) Program

GROU is expected to be entered into regulations this spring and it is thought that this may increase participation. The GROU Nomination Committee is called upon to determine which products should move forward to PMRA under this program. During meetings with CPAC it was recognized that an increased and broader awareness and understanding of the program would be helpful to show companies that growers are interested in their participation. Adding to the dynamic is the potential effect of the recently released federal government U.S.-Canada price discrimination commitment included in the February 11, 2014 budget. CPAC continues to monitor the progress of this program and will be prepared to coordinate the submission of comments to the regulations when they eventually come out.

CPAC continues its discussions with PMRA and others around the concept of "Harmonization". The term is very broad and includes both regulatory-driven and policy-driven issues, so if advancement is to continue in the areas most important to CHC members a distinct effort is needed to break the issues down into well-defined and achievable objectives. To this end an itemized inventory is being developed of where CHC believes there are outstanding registration process differences between Canada and the US. The NAFTA Technical Working Group on Pesticides and the Regulatory Cooperation Council (RCC) are forums where CPAC is constantly present to ensure the interests of members.

Invasive Alien Species (IAS)

In order to encourage research, outreach, and communications between levels of government and industry for all regions in Canada affected by Invasive Alien Species, the CHC: AAFC-PMC Invasive Alien Species Coordination Group (IAS CG) through its two Technical Working Groups (Brown Marmorated Stink Bug (BMSB) and Spotted Wing Drosophila (SWD)) established frameworks for exchange of information shortly following last year's AGM. These species continue to pre-occupy growers and continued effort is needed. The mandates of the TWGs are to provide sound scientific and technical advice to the Coordination Group and to that end both groups are currently updating their databases with information from the 2013 season in preparation for an upcoming meeting of the Coordination Group planned for March 2014.



Emerging pest issues within the Canadian horticultural sector continue with numerous emerging pests, including the brown marmorated stink bug and the spotted wing drosophila, gaining presence in Canada. Along with this are ongoing insect (wire worms - carrots and potatoes), viral (e.g.: shock and scorch viruses in highbush blueberry), disease (e.g.: apple scab) and weed (i.e.: tolerance to triazole and glyphosate herbicides) that reinforce the need for pest management expertise in Canada that can generate efficient, safe and cost effective pest management solutions.

In addition, there is still an ongoing need to find suitable soil fumigation replacement options for the root crop and other applicable industries (e.g.: tree fruit).

CHC represents producers on proposed product re-evaluations

The CHC team approach, process and extensive outreach to address proposed re-evaluations as they come forward is, in effect, a form of crisis management on behalf of producers. The potential loss of a number of these products is a threat.

PMRA publishes Consultation on Linuron, Proposed Re-evaluation Decision PRVD2012-02 Consultation open for comment from 27 July 2012, to 25 September 2012 (60 calendar days)	
CHC Response Plan is Activated	<ul style="list-style-type: none"> ▪ Internal review of Proposed Re-evaluation Decision document for gaps ▪ Initial outreach to industry and implicated stakeholders
Outreach and Research	<ul style="list-style-type: none"> ▪ Develop and disseminate surveys to affected commodity groups ▪ Review, analyze and collate data received
Consult Experts	<ul style="list-style-type: none"> ▪ Reference expert opinions from pathologists
Interaction with PMRA	<ul style="list-style-type: none"> ▪ CHC submits response package to the PMRA Consultation Proposed Re-evaluation Decision PRVD2013-01, Mancozeb
	<ul style="list-style-type: none"> ▪ CHC formal presentation of data and findings to the PMRA Value Assessment and Re-evaluation Management Directorate

Mancozeb

PMRA PRVD 2013-01 Proposed Re-evaluation Decision for Mancozeb

In September 2013 CHC delivered a substantive submission was delivered to PMRA in response to their proposed re-evaluation decision for Mancozeb. The document demonstrated the importance of Mancozeb use in horticultural production in Canada for those uses impacted by the proposed PMRA re-evaluation decision and was based on grower use information provided by provincial grower organizations in the context of current production practices in Canada. Field level information on the use of Mancozeb in potatoes in Canada including the extent of use, typical use rates, tank mixtures, aerial application, and key benefits were reported. As a follow-up to this submission, and as a demonstrated expression of the close working relationship that CHC has developed with PMRA, CPAC members provided an in-person Mancozeb presentation to PMRA during their bi-annual meetings in November 2013.

A key take away from the meeting was a willingness to receive feedback and facts on how active ingredients are used in actual practice. PMRA acknowledged that products such as Mancozeb and Captan present issues to the regulator but also acknowledged their importance to industry. It is expected that upcoming reevaluations will be of particular interest and preparations for the expected Captan re-evaluation are already underway.

Over time, improvements in the operations of the Pest Management Center (PMC) have not gone unnoticed. The removal of backlog projects is impressive, and there has been a more proactive and interactive approach apparent with the evaluation and registration of new products.

The biggest concern facing the Canadian horticultural sector with respect to the PMC is a fear of funding reduction. This has the 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. If this materializes, the impact on the Canadian horticultural sector will be negative and apparent at stages in the food supply chain.

Human Resources

Access to affordable, reliable labour has been and always will be a top priority for most of our producers.

The Canadian Horticultural Council (CHC) plays a dual role for the industry when it comes to labour issues. We act as both the national coordinator to reach consensus on our industry's needs and then the national voice to the Canadian government and foreign governments on those issues. Labour is one of the top issues for our membership because the availability of reliable labour is critical to our success and this is the message we try to convey to those who impact our sector with their decisions regarding labour and labour programs.

To address horticulture's labour needs and reduce our vulnerability, we are fortunate to have access to three sources of labour. Canadian labour is vital to the sustainability of many of our farms, processing, packing and storage facilities, but the volume of reliable labour that is required by our sector during peak operations is often not available from this source. We are very fortunate to also have access to the Seasonal Agricultural Worker Program (SAWP) and Temporary Foreign Worker Program (TFW) to help bridge the gaps in labour availability. The CHC has played and continues play a leadership role in the development and maintenance of these programs.

The critical need for workers continues to grow and with it, the all-important need for managing the details associated with ensuring the flow of workers to our farms. We are fortunate in this regard to have F.A.R.M.S. (Foreign Agricultural Resource Management Services) and FERME (Fondation des Entreprises en Recrutement de Main-d'œuvre agricole Étrangère) complementing the CHC's role.

With a combined experience of working with producers exceeding 65 years (40 years and 25 years respectively) these groups understand and coordinate all aspects pertaining to administration and logistics ensuring that the programs function in the best interest of all. Their input in managing these details along with their contributions to the negotiation process is absolutely invaluable.

Risk Management

Managing risk so as to ensure profitability remains the top of mind issue for producers. Forward 2.

AgriStability

2013 is the first year of GF 2 and the substantial cuts to the AgriStability program. As growers nationally file over the coming months for last year, the impact of changes will become evident. The likely result will be less participation in the future, which of course leads to less available support. A program review is planned during GF 2, but this will not likely begin until 2015. With continued emphasis of budget tightening there is likely little resolve to put money back into the programs.

AgriInvest

This program which growers were able to use at no cost was also a victim of budget cuts. It now allows a producer to contribute only 1% of the previous year ANS instead of 1.5%; funding has been reduced by 33%.

Crop Insurance

There have been some changes and improvements to some programs, in some provinces. The Apple and other Tree Fruit programs (Ontario) saw massive premium rates increases for the coming years as a result of the devastating frosts in 2013. There still is overall not sufficient program coverage for the range of Horticulture crops that our members produce. Changes here are a long slow process and generally must originate at the Provincial or Commodity level. Processing vegetable crops tend to have well designed programs with high uptake rates by growers. There are still only a few provinces with Fresh Vegetable Acreage loss programs and these have much lower uptake levels. As our weather patterns become more erratic and extreme the need will continue to increase for more programs and better designed programs to help growers deal with weather and pest and disease issues.

Alternative Risk Management (ARM)

This is the latest concept being promoted at the federal level. The essential concept is that growers will pay the full cost of having private Risk Management programs, with no government funding to support payments. Under GF 2 there is funding to research and develop these programs but no commitment to participate in supporting payouts.

There have been many changes to programming and no doubt, more will follow. We look to our US colleagues and the recent signing of a new Farm Bill and the prominence given to “special crops”, or horticulture as we know it here.

Outreach and Communication

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 issues a semi-annual publication, Fresh Thinking, as well as periodic HortShorts and Member Notes and frequent “one-off” email messages of a subject specific nature.



The CHC Board of Directors travelled to PEI for the summer meeting held on July 25-26. In addition to their regular business, the board met with members of the CHC's PEI Caucus in a special session dedicated to hearing of the importance of horticultural production to the economy and way of life on the Island.

PEI Potato Board General Manager, Greg Donald, provided a comprehensive and enlightening presentation on the potato industry and other aspects of Island agriculture.



A highlight of the summer meeting is the tour and opportunity to visit CHC members and their operations in order to gain a better insight and understanding of regional issues and particular challenges. The tour included stops at:

Mackenzie Produce (Stratford): produce 60 acres of cabbage for the fresh and processing markets, 15 acres of broccoli, 15 acres of turnips, as well as cauliflower, two types of Chinese cabbage, cucumber, pumpkins and gourds.

Vanco Farms Ltd (Mt. Albion): potatoes and tulips and their products are available across Canada and in the eastern USA. Three lines of fresh produce are available: Pure Organics potatoes, Vanco Farms potatoes and Vanco Farms tulips.

Canada's Smartest Kitchen, Holland College, Charlottetown
The facility evolved from the incredible success of the Culinary Institute of Canada. The "Kitchen" offers a complete range of culinary food product development and marketing and promotional services to a broad range of clients from PEI and beyond. The PEI Potato Board hosted a dinner for CHC Board members and invited guests. Potato Board Chairman, Gary Linkletter, thanked the CHC for visiting PEI and stressed the importance and relevance of the CHC and its work and the importance of "getting the messages out".

Wyman's of Maine (Morrell) grows wild blueberries on more than 10,000 acres in Maine, New Brunswick, Nova Scotia and Prince Edward Island. Wyman's is over doubling its PEI processing plant, and will increase production at the site from eight million to 20 million pounds a year.

Brookfield Gardens (Brookfield) grows almost 300 acres, most of which are carrots. Other crops include Green and Yellow Beans, Corn, Beets, Cucumbers, Broccoli, Iceberg and Romaine Lettuce, Green and Red Cabbage, Green and Red Leaf Lettuce, Parsnips, Cauliflower, and Turnips. Their produce can be found in nearly every supermarket on PEI. They also sell to a number of local wholesalers, who then redistribute it to restaurants and food service vendors across PEI and their vegetables are sold around Atlantic Canada and overseas.

The group also stopped at an equipment manufacturing site owned and operated by Elwood Lawton, who was featured in a previous edition of *The Grower*. The group witnessed firsthand the innovation and entrepreneurship which led to the development of mechanization in harvesting wild blueberries.

Collaboration and liaison

The CHC is actively engaged with a number of like-minded, common interest groups. These include:

- CropLife GrowCanada® Partnership
- Partners in Innovation
- United Fresh
- International Federation for Produce Standards
- SAI Platform
- Canadian Produce Marketing Association
- Dispute Resolution Corporation

The CHC is a founding member of the Grow Canada Partnership, 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.

Collective effort focus on:

Innovation: science based policies and regulations that enable innovation.

Sustainability: The production of food, feed, fibre, fuel and other bio-based products in an environmentally, economically and socially sustainable way.

Attracting talent to agriculture: Creating an industry that is attractive to the brightest and best that Canada and the world have to offer.

Positive sector image: Fostering trust and acceptance of modern agriculture and our contributions in Canada and abroad.

Joint activities include:

Organizing an annual world-class conference

- Networking and information sharing

- Joint outreach on issues where there is a high degree of alignment with the objectives

- Government outreach through joint parliamentary receptions and roundtables

In 2013 the CHC partnered with a group of leading Canadian farmer and agricultural organizations to support Canadian government legislation intended to improve Plant Breeders' Rights in Canada.



www.partnersininnovation.ca

Partners in Innovation participants include:

Barley Council of Canada
Alberta Barley Commission
Canadian Horticultural Council
Canadian Ornamental Horticulture Alliance
Canadian Potato Council
Canadian Seed Trade Association
Western Canadian Wheat Growers Association

Fédération des Producteurs de Cultures
Commerciales du Québec
Grain Farmers of Ontario
Grain Growers of Canada
Manitoba Pulse Growers Association
The Prairie Oat Growers Association