

Berry Growers of Ontario

Joint Proposal and Request to the
Farm Products Marketing
Commission

A Summary for Growers
October 2016

Berry Growers of Ontario

- Ontario Berry Growers Association (OBGA) and Ontario Highbush Blueberry Growers Association (OHBGA) have presented a joint proposal to the Farm Products Marketing Commission (FPMC)
- Strawberries, Blueberries and Raspberries have been included
- The Commission viewed and accepted the proposal and grower voting is about to take place
- The purpose of this presentation is to further inform growers

Ontario Berry Industry is seeking establishment of a marketing board for the following reasons:

- Mandatory licence fees will give financial stability and predictability
- All growers who derive benefit will be contributing – this leads to an expanded budget and a greater capacity to address the needs of the industry
- Stronger representation of the industry's needs at the national level
- Better information on the industry can be obtained
- Greater representation can be provided when all commercial scale growers are members
- Can enhance collective efforts to advance food safety and security
- Important information can be disseminated to all growers in a timely manner
- Ensures a long term voice for the Berry Industry in Ontario

Proposed Licence Fees

- The proposed license fee structure is an acreage fee paid on every eligible acre.
- Growers with under 2 acres of combined fruit production will be exempt.
- Growers that have production of 2-5 acres will be assessed a base fee of \$250.
- The base fee of \$250 will be based on five times the per acre fee, which is \$50 per acre in this proposal, and is similar to what grower members now pay.
- Growers which exceed 5 acres will pay a \$50 per acre fee for each eligible acre.

Examples of Fees to be Assessed to Growers

Grower Size	Acres				Fee/Acre	Total Annual Fees
	Strawberry	Raspberry	Blueberry	Total		
Small	4	0	0	4	Base Fee	\$250
	1	0.5	0.5	2	Base Fee	\$250
	1	0.25	0.25	1.5	Exempt	\$0
	3	1	1	5	\$50	\$250
Medium	6	2	0	8	\$50	\$400
	8	2	2	12	\$50	\$600
	0	0	10	10	\$50	\$500
	15	0	0	15	\$50	\$750
Large	35	0	0	35	\$50	\$1,750
	0	0	30	30	\$50	\$1,500
	30	10	10	50	\$50	\$2,500
	60	0	0	60	\$50	\$3,000
	65	15	10	90	\$50	\$4,500

Newly Established Plantings

Crop	Years from planting until first commercial production	Recommended frequency of replanting to renew vitality in years	Proposed number of years from planting until licence fees are assessed
Blueberries	5	20	5
Raspberries	2	10	2
Strawberries (June bearing)	1	3	1
Ever-bearing Strawberries	0	1	0

Proposed Collection Procedure

- By March 1 of every year growers will be asked to self-declare their eligible acres
- Random samples of grower declarations will be assigned to a third party field service for verification
- Acres will be measured to the nearest tenth of the acre
- April and May will be used for field audit verification

Proposed Authorities for BGO

- the ability to license producers
- the ability to fix and collect license fees
- grant exemptions from board regulations such as mandatory license fees
- collect acreage declarations from growers related to the crop
- assess interest on overdue payments and other penalties for non-compliance including prohibiting production or marketing
- access members' farms in order to measure acreage
- Participate in an industry advisory committee chaired by a member of FPMC

Financial Projections

- The license fee revenue projection arising from acreage is \$177,400 per year
- \$151,350 strawberries, \$34,750 raspberries, \$35,500 blueberries
- A reduction of 20% for nonbearing and non-existing acres has been used

Revenue Summary		
License fees assessed on acreage	\$221,750	
Reduction of 20%	\$44,350	
Total projected revenues	\$177,400	

Financial Projections

Cost Summary		
Administrative Services	Staff positions (General Manager and part-time book-keeper)	\$70,000
	Telephone/Internet	\$1,500
	Website hosting	\$500
	Out-sourced communications (Website design, newsletter layout, etc.)	\$1,000
Board Operations	Travel reimbursement. 8 meetings @\$1000 in mileage based	\$8,000
	Meeting facilities (meals) 8 meetings @\$125.00	\$1,000
	Teleconference charges	\$500
	Annual General Meeting	\$1,000
Out-sourced third party services	Field inspection audits	\$12,500
	Financial audit	\$4,500
	Legal costs (advice, prosecutions)	\$3,000
	Insurance (directors, E&O)	\$2,500
Total Non-Project Spending		\$106,000
Project Spending	Research	\$38,000
	Market Development	\$25,000
Total Projected Discretionary Spending		\$169,000
Projected surplus to build reserve and cover contingencies		\$8,400

Allocation of Funds for Research & Marketing

- Funds will be allocated to Research and Marketing Projects by the amount of funds brought in by blueberries, strawberries and raspberries
- The committee representing each of these three commodities will then provide recommendations to the board of directors as to what projects the funds will be apportioned to
- These funds can be widely leveraged with other programs to enable producers dollars to generate more results

Board Governance

- Board of Directors will be made up of 9 directors
- Board director terms will be three years, with one position for each berry up for election each year
- No director can serve more than two consecutive terms
- All directors will represent the interests of all berry growers
- A nominating committee will be established and will endeavor to ensure that all areas of the Province have balance representation
- Producers will vote for the directors for each of the berries that they grow
- The initial board will be appointed by the FPMC

Committees

- The board will establish three committees – Blueberry, Strawberry and Raspberry
- These committees will establish priorities for both research and promotion projects for their commodity and make recommendations to the board of directors
- Committees will be made up of board members and two additional members of BGO
- Any experts deemed required by the committee may attend committee meetings as well

Benefits of BGO

- More stable cash flow and greater fairness as all growers deriving benefit from the work of Berry Growers of Ontario pay a share of the cost of the organization
- Stronger voice for representation at the national level with other provincial associations and greater scope for participation in national initiatives that benefit Ontario
- More funding available for research and development projects with greater predictability and the ability to make multi-year commitments
- More capacity to leverage dollars from government programs to accomplish more results in research and/or marketing

Benefits of BGO

- More impact in dealing with government agencies such as Foodland Ontario and CFIA
- Ability to hire and retain effective staff as a valuable resource for the sector
- Ability to develop policy and represent berry growers' interests in government forums (for example – minimum wage, pre-budget consultations, etc.)
- Ability to disseminate more information to growers making them better informed
- Increased capacity to address food safety and biosecurity issues as a result of having all commercial scale growers as members

Next Steps

- Voting packages have been mailed today
- Voting ballots are due back, post-marked no later than November 14th
- To be successful a minimum of 66 % of the growers and 50% of the eligible acres must be in favor
- The Commission will tabulate ballots in late November and make a recommendation to the commission in December
- If the vote is in favor, filing would take place July 1st and regulations will be put in place at that time
- Mandatory licence fees would not be collected or assessed before January 1st, 2018

Questions can be directed to:

Kevin Schooley

kevinschooley@bell.net

Jenn VanDeVelde

jenn@wholesomepickins.ca

Steve Kustermans

steve@kustermans.ca