



## The British Columbia Fruit Growers' Association

1473 Water Street, Kelowna, BC V1Y 1J6  
Ph: (250) 762 – 5226 • Fax (250) 861 – 9089  
e-mail • [info@bcfga.com](mailto:info@bcfga.com)

### Newsletter *Happy New Year!*

January 16, 2014

#### *A note from the BCFGAs President*

The BCFGAs has had an active year. In this note, I would like to address some of the changes at the Okanagan Plant Improvement Corporation (PICO), which is our wholly-owned subsidiary.

- On July 9, 2013, PICO responded to BCFGAs concerns about PICO operational expenses and terminated the previous PICO General Manager's employment. The PICO restructuring, along with the cost-sharing of some staff resources, led to a savings of over \$200,000 per year.
- Recently, PICO directors approved (as is currently allowed in their Articles of Incorporation) an increase in their remuneration. I received many calls expressing concern about this increase.
- I contacted the Chair of PICO and several directors to express concern and discuss increase in their remuneration. The increase has now been rescinded by the PICO Board. The PICO Board plans to appoint an independent committee to review their remuneration.
- PICO is having positive financial results, and so has provided a benefit to BCFGAs growers:
  - o In previous years, PICO paid the attendance fee for BCFGAs growers at the BC Tree Fruit Horticultural Symposium. The total annual cost is about \$15,000.
  - o PICO has agreed to provide funding for the BCFGAs's Columbia River Treaty initiative and has granted up to \$85,000 towards BCFGAs's 125<sup>th</sup> Anniversary in 2014.
  - o PICO will provide a \$125,000 dividend annually to the BCFGAs, beginning with 2013. The BCFGAs Executive intends to use this dividend for the benefit of growers, possibly with a reduction or rebate of fees, or some other projects which benefit all growers.

I will also be providing an update on PICO in the Convention Portfolio. We are looking forward to the 125<sup>th</sup> BCFGAs Annual Convention being held in Kelowna on February 14 and 15, 2014.

Sincerely,

Jeet Dukhia  
President

**BCFGA Annual Meeting, Friday and Saturday, February 14-15, 2014  
Laurel Packinghouse and Delta Grand Okanagan Hotel, Kelowna, BC**

**AGENDA**

<b>FRIDAY, February 14</b>	<b>LAUREL PACKINGHOUSE, KELOWNA</b>	
<b>Time</b>	<b>Agenda Item</b>	<b>Resolutions</b>
11:30 am– 12:30 pm	Delegate Lunch (at Delta Okanagan Grand)	
1:00 pm	<b>Business session begins (at Laurel Packinghouse)</b>	
	Opening <ul style="list-style-type: none"> <li>- Introduction and Welcome, Notice</li> <li>- Welcome from Kelowna Mayor Walter Gray</li> <li>- Remembrance</li> </ul>	
	Credentials	To approve
	Agenda and meeting guidelines	To approve 1, 2
	Minutes <ul style="list-style-type: none"> <li>- January 19, 2013 AGM minutes</li> <li>- November 4, 2013 SGM minutes</li> <li>- Report on Resolutions 2013</li> </ul>	To approve To approve To receive
	Financial Statements and Budget <ul style="list-style-type: none"> <li>- F/S and Financial Update</li> <li>- Auditor</li> <li>- Honorarium Committee</li> </ul>	To approve To tender To adopt
	General Manager's Report <ul style="list-style-type: none"> <li>- Budget</li> </ul>	To receive To approve
	Resolutions Committee <ul style="list-style-type: none"> <li>- Late resolution policy</li> </ul>	To receive To adopt
2:00 pm	Production Insurance – information session	3, 4, 5, 6
2:30 pm	Environment and Water	To receive 20, 21
3:00 pm	<b>Break</b>	
3:30 pm	BCFGA Companies Panel PICO, BCFGAR&D Orchard Ltd. Future of Test Orchard	To approve
	Member Services	To receive
	Public Relations	To receive
<b>4:30 pm</b>	<b>Adjourn to Saturday</b>	

<b>FRIDAY, February 14</b>	<b>LAUREL PACKINGHOUSE, KELOWNA</b>	
<b>125<sup>th</sup> Anniversary Reception</b>		
6:00 – 8:00 pm	Official greeting - Lieutenant Governor of BC, Her Honour Judith Guichon Awards	

<b>SATURDAY, February 15</b>	<b>DELTA GRAND OKANAGAN HOTEL, KELOWNA</b>	
<b>Time</b>	<b>Agenda Item</b>	<b>Resolutions</b>
7:00 – 8:00 am	Delegate Breakfast	
	<b>Policy Session</b>	
8:30 am	Reconvene, credentials	To approve
	Executive Report	To receive 9, 10
9:00 am	Federal update, MP Ron Cannan	
9:15 am	Financial Programs Report Industry Updates Panel - CHC, CFA, BCAC	To receive 7, 8 11,12
10:00 am	Break, deadline for late resolutions is 11:00 am	
10:30 am	Alex Atamanenko, MP, greetings Crop Protection, Research, SIR	To receive 13, 14, 15, 16, 17
11:00 am	Provincial update, presented by Hon. Steve Thomson in place of Minister of Agriculture	
11:30 am	Labour	To receive 18, 19
noon	<b>125<sup>th</sup> Anniversary Luncheon</b> - All BCFGAs members and industry guests welcome - Guest Speaker: Prof. David Dendy, Okanagan College	
1:30pm	Apple Research and Promotion Agency	
2:00 pm	Elections and ARPA voting - Procedure - Candidate presentations - Balloting	
	Outstanding Resolutions	
<b>3:30 pm</b>	<b>Adjourn</b>	

### **BC Fruit Growers' Association Convention**

Plans for the 125<sup>th</sup> Anniversary Convention are proceeding well. Here are some updates:

- The first day of the Convention will be at the Laurel Packinghouse.
- **We are very pleased that the Lieutenant Governor, Her Honour Judith Guichon, will be attending the Friday evening Reception (6-8 pm at the Laurel Packinghouse). We anticipate a good attendance of local MLAs, so come out to meet and greet our provincial leaders, and enjoy some 125<sup>th</sup> Anniversary hospitality.**
- Parking downtown Kelowna is a challenge. BCFGAs will reimburse your parking fee –bring your parking receipt into the meeting or mail it to us after the meeting:
  - For the Friday Reception (6-8 pm), parking is at Prospera Place, across from Ellis on Cawston, or in parkades at the library or Delta Grand Okanagan Hotel. Arrive early – there is a hockey game that night and parking spaces will be limited.
  - For the rest of the Convention, use the parking lot at Prospera Place on Cawston Avenue, between Ellis and Water) or the parkade at the Delta Grand Okanagan Hotel.

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## **Apple Research and Promotion Agency –Proposal INFORMATION SESSIONS (all growers welcome)**

Apple growers are voting on a proposal to form a provincial apple council, called the Apple Research and Promotion Agency, or ARPA. If approved by 65% of growers, the council will do similar work as the Ambrosia Council, but for all apples.

Registered growers (those with over 2 acres of apples) have received the full proposal and voting package in the mail. The proposal and updates are available at [www.bcapplecouncil.org](http://www.bcapplecouncil.org) About 150 have voted so far (ballots will not be opened by the registrar until the February 15 deadline to vote). About 300 completed ballots are required to make the vote official.

Two information sessions are being held (details below). At each session, Farid Makki, Sector Specialist for Fruit, Agriculture and Agri-Food Canada, will make a presentation on Competitive Benchmarking Study for Apples, a recent national study. Peter Simonson will provide a program overview and report on recent developments at the national Apple Working Group meeting to develop a proposal for a national apple council (which allows a levy to be collected on imported apples). Questions and comments are welcome.

## **Apple Research and Promotion Agency –Proposal INFORMATION SESSIONS (all growers welcome)**

### **South**

Time: 2:00 – 3:30 pm  
Date: Tuesday, January 21, 2014  
Place: Best Western, Osoyoos  
5506 Main Street (HWY 3),  
Osoyoos

### **North**

Time: 2:00 – 3:30 pm  
Date: Friday, January 24, 2014  
Place: Coast Capri, Kelowna  
1171 Harvey Ave (HWY 97),  
Kelowna

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### **Seasonal Agriculture Worker Program**

National meetings have been held between industry, Service Canada and the foreign governments of Mexico and Caribbean countries. BCFGPA President Jeet Dukhia and Vice-President and Labour Committee Chair Pinder Dhaliwal attended the Caribbean SAWP national meeting. The meetings established the details for the new agreements.

The 2014 hourly rates for the SAWP program increase to \$10.33 per hour. Make sure that employment ads, required to be eligible for the program, have the current rate. Many recent employment ads have had the old rate (\$10.25) and Service Canada may require these ads to be re-run.

## **SAWP (continued)**

Here is a summary of the changes for 2014:

- Mexico - the new housing rate not to exceed \$826 per worker for the season and the meal rate goes to \$12.00 per day for three full meals provided by the grower.
- Caribbean - housing not to exceed \$682 per worker for the season and no change in the daily meal rate.
- Please refer to the SAWP contract for complete details and requirements. We have been promised that the Mexican SAWP agreement will be available by January 17.

Growers please note that the Immigration Canada visa application process in Mexico is expected to take longer, and growers are advised to ***apply for SAWP workers at least 12 weeks prior to expected hire date.***

There are new housing guidelines available on our website:

[Housing Inspection Form](#)

If you have trouble downloading the form, please call us at 250-762-5226, ext. 23.

## **SunRype**

If you have SunRype shares, the company recently received approval to 'take the company private', so that all shares will be re-purchased. Contact the following to convert your shares to cash:

### ***Registrar and Transfer Agent***

Valiant Trust Company  
600-750 Cambie Street  
Vancouver, V6B 0A2

Registered shareholder inquiries:  
toll free 1-866-313-1872  
email [inquiries@valianttrust.com](mailto:inquiries@valianttrust.com)

## **District Council Annual Meetings**

Delegates have been contacted to attend District Council Annual Meetings in January, at which the BCFGAs budget will be reviewed, and an update on BCFGAs activity provided, and the District Council Executive members elected. All BCFGAs members are welcome to attend – please let us know you are attending so we can order you a soup and sandwich lunch (call 250-762-5226 ext. 21).

### **District Council Meetings**

#### **South District Council Annual Meeting**

Time: 10:30 am – 2:00 pm  
Date: Tuesday, January 21, 2014  
Place: Best Western, Osoyoos  
5506 Main Street (HWY 3),

#### **North District Council Annual Meeting**

10:30 am – 2:00 pm  
Friday, January 24, 2014  
Coast Capri, Kelowna  
1171 Harvey Avenue (HWY 97),

## **Apple Research and Promotion Agency (ARPA)**

The BCFGA is putting forward a proposal on a research and promotion levy. Information on the proposed ARPA is available at [www.bcapplecouncil.org](http://www.bcapplecouncil.org)

Here are some answers to frequently asked questions:

### **Why support ARPA?**

- A high return on investment. The levy will support research and promotion - the benefits of research and promotion projects are estimated to have a cost-benefit ratio of 4.7 to 9.1 for the Canadian fresh produce sector (Conference Board of Canada, September 30, 2013).
- Accessing Government and Import Levy Funds. ARPA will be able to leverage government research funding, Scientific Research and Experimental Development tax credits, and (when a national levy is in place) a levy on imported apples.
- Enhancing Government Support for the Sector. Industry initiatives to gain government support will be considered in a more favourable light, since the industry is investing the levy funds in its own future, which provides government with increased confidence in the sector which is the basis for any government assistance.
- More Transparency. An independent board, composed primarily of growers, will develop and regularly evaluate and report on effectiveness and on the use of levy funds by researchers and marketers.

### **Why now?**

- There is a current trend for government research funding changing to a matching formula, so industry resources are required to attract government funds for research and marketing projects.
- After several years of discussion, BCFGA Delegates (at the January 2013 Annual Convention) directed that a proposal be developed.
- A national committee has been formed which includes all apple producing provinces. The group met on January 7 to begin planning for a national levy and a levy on imported apples. BC must have a provincial apple levy to make a national levy and a levy on imports possible.

### **Is this another tax?**

The ARPA levy is not a tax (e.g. controlled by government), it is an industry fund controlled by growers for the benefit of growers.

The ARPA levy will generate other funds for industry research and promotion, including federal-provincial funding for research and promotion projects. The levy stays in the industry and generates additional government funding for the industry.

### **Will ARPA duplicate current efforts?**

ARPA funds will be used for research and to promote consumption of apples. The ARPA Board will seek to eliminate duplication in any projects it approves. We hope that the multitude of research and promotion projects undertaken by various organizations in the tree fruit sector will first come to ARPA to seek funding. ARPA will then approve funding for industry priorities, but also avoid funding duplicate projects. Overall, we hope that ARPA will reduce duplication that may be happening in industry now, without the coordinating effort of ARPA.

## **What types of projects will be supported?**

ARPA will fund research on apple horticulture and storage, as well as funding projects to promote apple consumption. There is limited generic promotion of apple consumption at present – for example, the BCFGa occasionally supports events which generate interest in BC apples, but this effort is very limited. Effort by brokers are traditional and generally aimed at retailers, and these are linked to brands and specific retail channels. These types of promotions are expected to continue. ARPA promotion projects will seek to increase demand for all BC apples through increased awareness of taste, health and diet benefits directly to consumers. Due to the ‘buy local’ phenomenon, it is expected that increases in apple consumption will disproportionately benefit local growers. The key is to increase apple consumption, which will drive improved demand and pricing.

The research funding that ARPA provides for apple storage and horticultural knowledge will be small in comparison to total industry research. The investment by growers will help to direct research to the highest-returning research: apple storage and crop load management. Also, a process will be put in place to set research priorities and there will be greater transparency in what research is supported by industry, as ARPA will have to report to growers to maintain support for the apple council.

Ambrosia apples are currently levied, for another 3 years. The plan establishes for a rebate of the general levy to Ambrosia growers. It is important to point out the benefits that the Ambrosia variety gained from the Ambrosia Council’s work: storage improvements (Ambrosia went from a ‘December apple’ to one of the best-storing apples on the market), improvements in ripeness testing, and promotion efforts to introduce the apple. These are the types of improvements ARPA will seek for all apples, which will benefit growers by 4.7 to 9.1 times for every dollar invested.

## **Will ARPA be more bureaucracy?**

ARPA will not have its own office or staff. About 10% is allocated to administration – low by government standards and typical for agriculture associations – and use existing organizations for administration.

ARPA will have a public planning session to set priorities. Based on this plan, ARPA will invite industry organizations and individuals to bid on the priorities. ARPA will not conduct projects itself, so administration will be limited to setting priorities, encouraging project applications, selecting projects to fund, and accounting for levy funds.

## **Who approves ARPA?**

If a minimum of 40% of growers vote, and 65% of those voting are in favour of ARPA, then ARPA will be considered for approval by the Minister of Agriculture. The plan can be cancelled by a referendum called by the Minister, with one year’s notice required.

## **Who sets the levy and for how long?**

The levy is established in the plan, for the next 5 years.

The plan is to establish ARPA as an ongoing apple council, with the levy set at \$0.002 per pound, or \$0.08 per 40 pound box for the first 5 years. A typical 15 acre apple orchard will contribute a levy of about \$840 per year and expect a benefit (improved demand and price, reduced cost of production) of \$3,950 to \$7,650 per year, based on the Conference Board of Canada report. Processed apples will be levied at a lower rate, \$0.0002 per pound, or \$0.16 per 800 pound bin. After 5 years, the levy rate may be set by ARPA at its Annual Meeting. It is clear that the ongoing support of growers will be needed for ARPA to continue beyond its first five years. This will motivate the ARPA Board to regularly evaluate and report to growers on ARPA effectiveness.

**How can I find out more about the Apple Research and Promotion Agency  
and how can I find out how to vote?**

1. Visit the website [www.bcapplecouncil.org](http://www.bcapplecouncil.org)
2. Attend an information session, as follows.

**Apple Research and Promotion (ARPA)  
INFORMATION SESSIONS (all growers welcome)**

[www.bcapplecouncil.org](http://www.bcapplecouncil.org)

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**Executive Nominations 2014**

Nominating Region	Executive position to be elected		
	President	Vice-President	District Representatives (elect 3 per region)
<b>South</b>	Jeet Dukhia	Pinder Dhaliwal	Ravinder Bains Peter Simonsen Sukhdeep (Deep) Brar
<b>North</b>	Jeet Dukhia	Pinder Dhaliwal	Surjit Nagra Jora Dhaliwal Niel Dendy Sukhdev Goraya

(further nominations from the floor of the Convention are possible)

Executive members Nirmal Dhaliwal, Amarjit Lalli, Denise MacDonald, and Madeleine van Roechooldt decided to not put their names forward for Executive positions at the Regional Annual Meetings. Thanks to these directors for their contribution to the betterment of the tree fruit industry.

## Trade Payments – rules being reviewed on getting paid for your product

Currently, interprovincial and international dealers of fresh fruit and vegetables operating in Canada must be licensed by the Canadian Food Inspection Agency (CFIA) under the Licensing and Arbitration Regulations, unless they are a member of the Fruit and Vegetable Dispute Resolution Corporation (DRC).

The Government of Canada is proposing that the fresh produce sector should gain access to a more efficient and effective approach for managing industry trading practices and is seeking input on enhancing trading practices and financial risk mitigation for the Canadian fresh produce sector.

You are invited to attend a discussion on Enhancing Financial Risk Mitigation Tools for Canadian Fresh Produce Sector on January 22nd at the Pacific Agri-Food Research Centre (PARC) in Summerland or on January 23rd at the UBC Okanagan Campus (UBCO) in Kelowna. This discussion is to examine more closely the provisions of a single dispute resolution body, such as membership, contract requirements, process for arbitration and financial security requirements. Growers, packers and brokers are invited to attend one of the following consultation sessions:

	<b>South Okanagan</b>	<b>North Okanagan</b>
Time:	1:00pm - 4:00pm	2:00pm - 5:00pm
Date:	January 22, 2014	January 23, 2014
Place:	Pacific AgriFood Research Centre 4200 Highway #97 South Summerland, BC	UBC - Okanagan -Room EME 1151 1137 Alumni Ave Kelowna, BC

## Newsletter Format

We now email this newsletter to members. Growers without email will receive a printed copy in the mail. Throughout, this newsletter contains links (underlined words) to information that is available on our website or on internet. When members receive this newsletter by email, they may open the newsletter and access a link by selecting the underlined words with the mouse. Growers without internet access may go to a regional library to access the newsletter on internet at [www.bcfga.com](http://www.bcfga.com) and hopefully a librarian or short course is available to introduce you to the internet in case you are unfamiliar with 'the web'.

The BCFGAs website features a [calendar of events](#). It is currently being updated with events and will be a convenient way to check on industry meetings. You may access the calendar on the front page of the BCFGAs website, [www.bcfga.com](http://www.bcfga.com)

<b>BCFGA Executive Contacts</b>	<b>TELEPHONE</b>
Jeet Dukhia (President)	Cell 309-2096
Bhupinder Dhaliwal (VP)	Cell 490-7198
Amarjit Lalli	Cell: 869-6122
Madeleine Van Roehoudt	Cell: 864-9147
Denise MacDonald	Cell: 488-5814
Peter Simonsen	Cell: 488-0363
Nirmal Dhaliwal	Cell: 689-1111
Jora Dhaliwal	Cell 488-1733