

**FRAMEWORK SUMMARIZING THE TREE FRUIT INDUSTRY  
DEVELOPMENT STRATEGY FOR BRITISH COLUMBIA**

<b>Vision</b>	The tree fruit industry in BC is widely recognized as a vibrant, economically healthy and sustainable industry that enjoys a strong market position based on products that are clearly differentiated and of consistently high quality				
<b>Primary Focus</b>	<b>INDUSTRY GROWTH</b> To ensure that the industry strengthens its critical mass by achieving sales increases in domestic and export markets			<b>PROFITABILITY</b> To ensure that grower profitability is sufficient to maintain operations and attract new entrants into the industry on an on-going basis	
<b>Pillars and Goals</b>	<b>STRUCTURE</b> <i>We will have an industry structure that provides leadership and promotes development and profitability</i>	<b>QUALITY PRODUCTION</b> <i>We will produce consistently high quality products that fully meet the expectations of our customers</i>	<b>MARKETS</b> <i>We will strengthen the position of our products in the markets we serve</i>	<b>PEOPLE</b> <i>We will attract, develop and retain the human resources that we need at all levels of the industry</i>	<b>NEW VARIETIES</b> <i>We will successfully develop and commercialize new varieties on an on-going basis</i>
<b>Objectives</b>	<ul style="list-style-type: none"> <li>• Farm gate receipts and grower net income will grow faster than the rate of inflation, providing a return on investment sufficient to maintain operations and attract new entrants into the industry on an on-going basis</li> <li>• The industry will be highly integrated, with the cooperative packinghouses and coming together to form a single integrated entity whose activities are closely integrated with those of PICO and BCFGA</li> <li>• By 2012, the quality of tree fruit production will improve such that 75% of industry production will be in the highest grade categories, quality will not vary by more than 5% year to year, and claims will be under 1.75% for apples and 6.0% for cherries by volume. Retailers and wholesalers will rate the BC products at least equal in quality to those produced in competing regions</li> <li>• Average prices for British Columbia tree fruits will increase at greater than the rate of inflation and the price of 80% of varieties by volume will equal or exceed those generated in Washington State by 2008. To help achieve these higher average prices, British Columbia will move away from commodity markets and focus more on niche markets by generating at least 20% of our revenues from specialty varieties, specialty packs, and organics by 2012</li> <li>• By 2009, no fruit picking or packing will be delayed through lack of labour, 80% of workers will be returning experienced workers, and sufficient, suitable housing will be available to meet the needs of guest workers</li> <li>• By 2015, at least 10% of sales revenues will be generated from varieties commercialized within the previous 10 years. To help drive the commercialization of new varieties, at least 3 new varieties will be under market development at any given time involving 50 or more acres in test production</li> </ul>				

<b>Examples of Key Performance Measures</b>	<b>BCMAL Annual Production Data</b>	<ul style="list-style-type: none"> <li>• Farm gate receipts</li> <li>• Volume and value of sales by tree fruit and type of sale (fresh wholesale, roadside, and processed)</li> <li>• Average prices</li> <li>• Revenues generated from new varieties</li> </ul>			
	<b>Annual Survey of Growers and workers</b>	<ul style="list-style-type: none"> <li>• Grower net income</li> <li>• Ratings regarding access to picking labour</li> <li>• Percent of workers returning experienced workers</li> <li>• Access to suitable housing for guest workers</li> </ul>			
	<b>Statistics Canada</b>	<ul style="list-style-type: none"> <li>• Grower net income and Return on Investment</li> <li>• Data on the rate of inflation</li> </ul>			
	<b>Marketing and packing records of Industry Organization</b>	<ul style="list-style-type: none"> <li>• Progress made towards industry integration</li> <li>• Number of varieties under development</li> <li>• Acreage in test production</li> <li>• Industry production by tree fruit by grade</li> <li>• Claims data</li> <li>• Percent of revenues generated from specialty varieties, specialty packs, and organics</li> </ul>			
	<b>Other</b>	<ul style="list-style-type: none"> <li>• Average prices by tree fruit in other jurisdictions (from other jurisdictions)</li> <li>• Retailer and wholesaler ratings re: quality (from periodic market research)</li> </ul>			
<b>Goals</b>	<b>STRUCTURE</b>	<b>QUALITY PRODUCTION</b>	<b>MARKETS</b>	<b>PEOPLE</b>	<b>NEW VARIETIES</b>
<b>Strategies</b>	<ul style="list-style-type: none"> <li>• Facilitate further integration of industry operations</li> <li>• Monitor the progress made in implementing the strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Upgrade packing and grading technologies and processes within the packinghouses</li> <li>• Upgrade the quality, efficiency, and effectiveness of production at the farm level</li> </ul>	<ul style="list-style-type: none"> <li>• Increase demand for BC tree fruits in BC and increase access to markets outside of British Columbia</li> <li>• Respond to the rising demand for organic products and safety assurance</li> </ul>	<ul style="list-style-type: none"> <li>• Increase access to seasonal workers</li> <li>• Identify and address other key human resource gaps and shortages facing the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen research and development activities related to tree fruits</li> <li>• Implement a coordinated and collaborative approach to the commercialization of new varieties</li> </ul>

**SUMMARY OF STRATEGIES AND ACTIONS RECOMMENDED  
UNDER THE TREE FRUIT INDUSTRY DEVELOPMENT STRATEGY FOR BRITISH COLUMBIA**

<b>STRUCTURE</b>	<i>To have an industry structure that provides leadership and promotes development and profitability</i>
	<p><b>Facilitate further integration of industry operations</b></p> <ul style="list-style-type: none"> <li>• <b>Develop and obtain stakeholder agreement on an integration plan</b> that incorporates an organizational study designed to assess the full amalgamation the packinghouses and the BCTF and integrates PICO and BCFGa activities with the new entity, a business plan and budget that describes the operation of a fully integrated unit, and a transition plan to ensure efficiencies are achieved through rationalization of assets and operations</li> <li>• <b>Implement the integration plan</b></li> </ul>
	<p><b>Monitor the progress made in implementing the strategy</b></p> <ul style="list-style-type: none"> <li>• <b>Establish an on-going structure to monitor the progress made</b> in implementing the development strategy, track the impact on the industry, and adjust and update the development strategy as needed</li> </ul>
<b>QUALITY PRODUCTION</b>	<i>To produce consistently high quality products that fully meet the expectations of our customers</i>
	<p><b>Upgrade packing and grading technologies and processes within the packinghouses</b></p> <ul style="list-style-type: none"> <li>• <b>Form a Tree Fruit Innovation Council</b> which includes representatives from industry, UBC, PARC and other key stakeholders and works to strengthen research efforts through defining research needs, sharing information, and promoting research projects, students internships and coops, and other initiatives</li> <li>• <b>Establish a strategic innovation fund</b> for the tree fruit industry to support research, development and technology transfer activities. The fund will be used to support technology and knowledge transfer activities, support an OUC chair in tree fruit, and increase funding for PARC projects and IPM research</li> <li>• <b>Introduce a revised grading system</b> at the packinghouses that focuses more specifically on maturity</li> <li>• <b>Adopt pooling practices that reward picking at optimal maturity</b></li> <li>• <b>Upgrade equipment and technology used by the packinghouses</b> to improve the efficiency and effectiveness of processing operations while facilitating implementation of an improved grading system</li> </ul>
	<p><b>Upgrade the quality, efficiency, and effectiveness of production at the farm level</b></p> <ul style="list-style-type: none"> <li>• <b>Increase the use of automation in labour intensive on-farm</b> operations (e.g. the use of picking platforms and mechanized harvesting)</li> <li>• <b>Extend the replanting program for five years</b> to encourage grower adoption of newer varieties and high-density trees</li> <li>• <b>Strengthen and coordinate the extension services</b> available to promote efficient and effective horticultural practices among growers, particularly growers new to the industry</li> <li>• <b>Increase the level of interaction between the industry and educational &amp; research institutions</b> to ensure that institutional activities reflect industry needs and priorities. Interaction will be facilitated through the use of industry advisory committees, workshops designed to identify research priorities, and the use of student coop and internship programs</li> </ul>

*To strengthen the position of our products in the markets we serve*

MARKETS

**Increase the demand for BC tree fruits and increase access to markets outside of BC**

- **Form a Tree Fruit Marketing Council** to research, develop and implement an industry-wide marketing program for tree fruits
- Implement an industry-wide marketing program. Key components of the promotion program may be to:
  - **Support generic promotional programs targeted at BC consumers, leveraging the activities of the School Health Snack Program;**
  - **Explore varied packaging;**
  - **Develop institutional markets** (e.g. schools, hospitals, prisons and other public facilities) including opportunities to place fruit vending machines in institutional settings
  - **Develop an export opportunities program**
- **Encourage the development of value-added enterprises** to meet market demand through market research and education

**Respond to the rising consumer demand for organic products and safety assurance**

- **Support the implementation of food safety programs on-farm**
- **Support the implementation of food safety programs within the packinghouses**
- **Provide information to growers regarding the opportunities and constraints associated with organic production**, covering issues such as suitable locations, transition costs and time, market potential, premium possibilities, and government support programs
- **Research the feasibility of establishing an organic/SIR quarantine area**

**To attract, develop and retain the workers that we need at all levels of the industry**

PEOPLE

**Increase access to workers**

- **Work with municipalities regarding related housing bylaws** to encourage less restrictive farm worker housing by-laws and seasonal septic requirements as well as a coordinate approach to housing inspection
- **Initiate a worker-housing program** that will provide suitable accommodation for seasonal workers through assistance to growers infrastructure costs
- **Allow workers from one farm to work temporarily on another** by modifying existing regulations
- **Increase awareness of seasonal opportunities amongst local residents** by undertaking promotional programs targeted at key groups including students, natives and retirees, developing an employment website and working through local agencies
- Work with the Federal Government to **introduce a vacationers as pickers program**

**Identify and address other key human resource gaps and shortages facing the industry**

- **Undertake a labour market analysis** to determine labour market needs, skill requirements, and skill gaps at all levels of the industry including seasonal workers, farmers and permanent farm staff, small business operators and managers
- **Develop education and training programs, workshops and other initiatives** needed to address the critical skill gaps and shortages facing the industry

**NEW  
VARIETIES**

*To be continuously developing and commercializing new varieties*

**Facilitate a coordinated and collaborative approach to the commercialization of new varieties**

- **Establish a coordinating body consisting of representatives from PARC, PICO, packinghouses, marketers, growers and other stakeholders** to oversee the commercialization of new varieties
- **Develop and implement a strategy and action plan** to ensure a strategic approach to new variety development and commercialization
- Research the business case for joint ventures and, where warranted, **develop more partnerships with others to develop new cultivars and access other varieties**
- **Designate expanded test acreage for new variety trials**



## ACTION PLAN FOR THE TREE FRUIT INDUSTRY DEVELOPMENT STRATEGY

Actions	Steps	Target Dates	Responsible Organizations	Resources
<b>STRUCTURE: To have an industry structure that provides leadership and promotes development and profitability</b>				
<b>Develop and obtain stakeholder agreement on an integration plan</b>	Commission an organizational study to address issues related to governance and operations	February 2007	Packinghouse Cooperatives,	Cost of the development plan will be funded under the TFIDF (approximately \$50,000)
	Develop a Business Plan and Transition Plan	February 2007		
	Undertake negotiations with all parties to ensure that historical and political issues are dealt with and obtain stakeholder agreement	December 2007		
<b>Implement the integration plan</b>	Implement the integration plan as outlined in the transition plan and agreed to by the stakeholders	March 2008	Packinghouse Cooperatives,	Implementation of key elements will be funded by asset sales
<b>Monitor the progress made</b>	Establish an Industry Management Committee of senior staff of involved organizations and continue the Steering Committee	February 2007	Steering Committee	\$75,000 annually Industry Innovation Fund
	Annual Evaluation and Report on State of the Industry and Strategy Progress	Quarterly	Steering Committee	
<b>QUALITY: To produce consistently high quality products that fully meet the expectations of our customers</b>				
<b>Form a Tree Fruit Innovation Council</b>	Select members	March 2007	BCFGA and other industry associations	---
	Determine priorities	July 2007		
	Identify key sources of funding	December 2007		
<b>Establish a strategic innovation fund</b>	Develop proposal and seek approval for an innovation fund	December 2007	All industry organizations, led by the BCFGAs	Target \$6.5 million in funding from BCIAF and BCMAL
<b>Introduce a revised grading system that focuses on maturity</b>	Benchmark against competitor standards	December 2007	Cooperatives and other industry organizations	TFIDF will fund planning and Strategic Innovation Fund will fund implementation
	Conduct an internal assessment	December 2007		
	Implement the revised system	January 2008		

**ACTION PLAN FOR THE  
TREE FRUIT INDUSTRY DEVELOPMENT STRATEGY**

Actions	Steps	Target Dates	Responsible Organizations	Resources
<b>QUALITY (continued): To produce consistently high quality products that fully meet the expectations of our customers</b>				
<b>Adopt pooling practices that reward picking at optimal maturity</b>	Benchmark against competitor standards	December 2007	Cooperatives and other industry organizations	TFIDF and Strategic Innovation Fund
	Conduct an internal assessment	December 2007		
	Implement the revised system	January 2008		
<b>Upgrade equipment and technology used by the packinghouses</b>	Develop a technology roadmap	July 2007	Cooperatives and other organizations	TFIDF and Strategic Innovation Fund
	Develop budget priorities	December 2007		
	Develop business plan and Implementation schedule	January 2008		
<b>Increase the use of automation in labour intensive on-farm operations</b>	Research best practices	Summer 2007	Cooperatives and other industry organizations	ALMSDI and CAHRC funding will help facilitate
	Provide Information to growers	October 2007		
	Demonstration projects	October 2007		
<b>Extend the replanting program for five years</b>	Draft and submit proposal including Grafting element	January 2007	BCFGA	Target funding is \$5 million annually (\$25 million endowment from AAFC/BCMAL)
	Federal decision on 5 year program	July 2007		
	Provincial decision on 5 year program	January 2008		
<b>Strengthen and coordinate the extension services</b>	Identify needs and priorities	January 2007	BCFGA, Okanagan Packinghouse Fieldmens Group	TFIDF and MAL \$50,000
	Redesign extension services as part of the industry integration plan	February 2007		
	Lobby for resource requirements	April 2007		
<b>Increase the level of interaction between industry and educational &amp; research institutions</b>	Prepare a research roadmap and participate in national apple research needs conference hosted by the Canadian Horticulture Council	January 2007	Cooperative Packinghouses and BCFGAs	\$20,000 from TFIDF for roadmap Projects: \$150,000 from IRAP/WD/Minor Use and Pesticide Risk Reduction Programs/BCIAF/AFFF
	Identify research priorities for BC, design and assign projects for short-term funding	July 2007		
	Obtain funding for up to 7 short-term, priority projects	September 2007		

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<b>MARKETS: To strengthen the position of our products in the markets we serve</b>				
<b>Form a Tree Fruit Marketing Council</b>	Select members	February 2007	BCTF and other marketing organizations	
	Lobby for a Market Development Fund	March 2007		
<b>Support generic promotional programs targeted at BC consumers, leveraging the activities of the School Health Snack Program</b>	Design 2 year promotion program	April 2007	All industry organizations, led by the BCFGA	ACT NOW/TFIDF/MAL \$100,000 for design 10 yr \$2.6 million annual Market Development Fund \$25 million endowment BCMAL/AAFC/Industry 1/3 each
	Proposal to government	July 2007		
	Deliver program	September 2007		
	Submit proposal to expand school program	July 2008		
<b>Explore varied packaging</b>	Research packaging options	March 2007	Cooperatives, BCTF, and other industry organizations	ACAAF \$50,000 Inter-provincial collaboration and Market Development Fund
	Test market packaging	October 2007		
<b>Develop institutional markets</b>	Research purchasing procedures	March 2007	Cooperatives, BCTF, BCFGA, and BCAC	TFIDF \$10,000 and Market Development Fund
	Proposal to government for policy modifications	September 2007		
<b>Encourage the development of value-added enterprises to meet market demand through market research and education</b>	Determine market potential	June 2007	BCFGA and other industry associations	MAL/IRAP/WD \$20,000 Surplus buildings from integration and Market Development Fund
	Obtain funding for studies	February 2008		
	Present opportunities and identify possible new ventures	September 2008		
<b>Develop an export opportunities program</b>	Identify potential markets	July 2007	BCTF and other marketing agents	Canadian Agri-food export program \$50,000 And Market Development Fund
	Identify priorities	September 2007		
	Write and submit business plan	March 2008		

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Actions	Steps	Target Dates	Responsible Organizations	Resources
<b>MARKETS (continued): To strengthen the position of our products in the markets we serve</b>				
<b>Support the implementation of food safety programs on-farm</b>	Determine priorities	March 2007	IAF, AFFF and Canadian Hort Council	Target: \$1.3 million for farm training and \$5 million for compliance from the Agri-Food Futures Fund and National On Farm Food Safety Program
	Determine implementation plan and schedule	July 2007		
	Obtain funding	Sept 2008		
	Implement	Within 3 years		
<b>Support the implementation of food safety programs within the packinghouses</b>	Determine priorities	March 2007	Cooperatives, BC Tree Fruits and BCFGA	Target \$3.25 million from packing house asset re-allocation, AFFF and National On-Farm Food Safety Program
	Determine implementation plan and schedule	July 2007		
	Obtain funding	September 2008		
	Implement	Within 3 years		
<b>Provide information to growers regarding the opportunities and constraints associated with organic production</b>	Determine market potential	June 2007	Organic Association and BCFGA	MAL/IRAP/WD \$20,000 Surplus buildings from integration and Market Development Fund
	Obtain funding for studies	February 2008		
	Present opportunities and identify possible new ventures	September 2008		
<b>Research the feasibility of establishing an organic/SIR quarantine area</b>	Research feasibility	November 2007	SIR, BCTF and Organic Association	TFIDF\$50,000
	Research market impact	November 2007		
	Design implementation plan	December 2007		
	Implement	February 2008		
	Promote the benefits	July 2008		

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Actions	Steps	Target Dates	Responsible Organizations	Resources
<b>PEOPLE: To attract, develop and retain the human resources that we need at all levels of the industry</b>				
<b>Work with municipalities regarding related housing bylaws</b>	Prepare proposal	March 2007	BCFGA and Regional Districts	MAL assistance \$20,000 AFFF Labour Fund BCFGA matching 1/3
	Submit Proposal to Municipalities & RDs	May 2007		
<b>Initiate a worker-housing program</b>	Prepare proposal	April 2007	BCAC and Western Ag. Labour Initiative (WALI)	MAL \$20,000 AFFF Labour Fund FARMS BC matching 1/3
	Submit proposal	March 2008		
	Launch program	May 2008		
<b>Allow workers from one farm to work temporarily on another</b>	Propose regulatory changes on labour contractors	May 2007	BCAC and WALI	MAL assistance \$5,000
	Propose regulatory changes for transfers under SAWP	March 2008		
<b>Increase awareness of seasonal opportunities amongst local residents by undertaking promotional programs</b>	Liase with employment centres	March 2007	BCFGA, Canada Employment Centres, BCAC, and WALI	\$15,000 annually for 5 years from First Citizens Fund and HRSDC
	Implement promotional campaign	April 2007		
<b>Introduce a vacationers as pickers program</b>	Research regulations	April 2007	BCAC and WALI	\$5,000 National Sector Council of Agriculture Labour
	Prepare proposal	May 2007		
	Submit proposal	June 2007		
<b>Undertake a labour market analysis to determine labour market needs, skill requirements, and skill gaps</b>	Develop methodology and produce working model updated annually	March 2008	BCFGA and WALI	\$20,000 annually for 5 years AFFF Labour Fund BCFGA matching 1/3
<b>Develop education and training programs, workshops and other initiatives</b>	Identify priority skills	June 2007	BCFGA, Universities, Colleges and Training Organizations	Existing funding programs
	Identify skill gaps	Sept 2007		
	Design programs	December 2007		
	Secure funding	December 2007		

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Actions	Steps	Target Dates	Responsible Organizations	Resources
<b>NEW VARIETIES: <i>To be continuously developing and commercializing new varieties</i></b>				
<b>Establish a coordinating body consisting of representatives from PARC, PICO, packinghouses, marketers, growers and other stakeholders</b>	Select members	March 2007	Okanagan Packinghouse Fieldmens Group, BCTF and PICO	Market Development Fund
	<b>Develop and implement a strategy and action plan</b>	Develop a strategy and action plan		
Implement		October 2007		
<b>Develop more partnerships with others to develop new cultivars and access other varieties</b>	Develop business case	October 2007		
	Contact potential partners	February 2008		
	Partnership agreement	September 2008		
<b>Designate expanded test acreage for new variety trials</b>	Determine current acreage testing cultivars	May 2007	Okanagan Packinghouse Fieldmens Group, BCTF and PICO	TFIDF/PICO \$15,000 and Market Development Fund
	Secure additional acreage for testing	September 2007		
	Provide trees to growers for sufficient test areas	December 2007		