

B.C. tree fruit industry dying at the roots

Orchardists are forced to sell below production cost, but solutions exist

Want to buy apples at 12 cents a pound? Then come to the James Bay Farmer's Market on Saturday. Members of the B.C. Fruit Growers Association will be there to serve you. That 12-cent price will be well below what you would pay in a store, and also well below what it costs us to produce those apples. And that's the point.

The problems in the fruit industry are invisible to most consumers. The average retail price seems to stay at \$1.29 a pound, but growers might receive 12 cents or 35. Those payments do not reflect the cost of production. The cash cost for growing a pound of apples, not including the farmer's own labour or fixed cost overhead, has been estimated at 22.2 cents a pound, but the average grower will receive just 12 cents from the 2009 crop. This is not sustainable.

B.C.'s tree fruit growers are in serious trouble. Saturday's apple sale in Victoria follows one we held in Kelowna in April. We were happy to see that most people weren't just there for a bargain, but understood the point. Most people don't find apples at \$1.29 to be unreasonably priced. They seem surprised that we got such a small share of the pie.

The Okanagan Valley once grew and packed about 10 million boxes of apples and pears every year, but today we are at 2.5 million and falling. Why, in this time of food security, locavores, consumer safety and positive health choices would our industry be in such peril?

Blame imports from Washington state -- imports available at low cost because of the Columbia River Treaty. Before the river was dammed, the fruit industries in Washington and B.C. were about the same size, on opposite sides of the border. The treaty provided American growers with an abundant, consistent flow of water, and cheap power to run the pumps that moved the water to the wastelands where thousand-acre orchards were developed. Before long, the American growers were producing more apples than they could sell domestically, and started looking for new markets around the world -- including Canada.

Whenever Washington produces more than 90 million boxes a year, we can expect chaos in our market. In recent years, Washington has been producing 105 million to 120 million boxes, and Canadian growers have suffered as a result. The provincial government recognized the potential for economic harm as a result of the treaty, but the growers in the Okanagan Valley were deemed not eligible for compensation.

While the supply of apples has grown, the number of major retailers in Canada has declined. This is done to achieve market clout and we are the cloutees. We are forced to match the pricing of our competitors.

We have a few advantages. Our more northerly climate with its proximity to the moderating effects of Lake Okanagan and the crisp cool fall nights allow us to produce apples with superior colour and crunch. Our agricultural researchers have developed many of the apple varieties

and most of the new cherry varieties grown worldwide. Our model of co-operation has allowed us to invent and implement a valley-wide insect control method using sterile insects to outnumber the destructive insect pests without using pesticides. Nearly half the acreage of the Similkameen Valley is certified organic and overall we probably produce fruit using the least amount of chemical inputs of any growing area in the world.

Those advantages will mean nothing if our industry does not survive. Only three groups of farmers seem to be consistently successful and financially secure. They are those who are able to sell direct to the consumer; those who get government subsidies, and those who have government protection. With milk and poultry products, subsidized imports are restricted, taxpayers are not involved and the farmer is paid a fair return based on the cost of production. This model would work well in the fruit industry, but orderly marketing rules are not an immediate solution.

Another strategy would be to re-establish anti-dumping tariffs, which would mean foreign apples could not be sold here below cost. But launching a trade action is expensive, the outcome is not certain, and a tariff would only be temporary. Besides, importers seem to find creative ways of avoiding tariffs.

Farmers need friends and consumer allies. If you are concerned where your food will come from, insist on B.C. products in stores, or shop where they are available. With public support, growers could insist on a fair price from the retail giants. Don't worry; I'm guessing the price would still be \$1.29. The store would still make money -- but now, the growers would, too.

Peter Simonsen is a fruit grower in Naramata, near Penticton.