



The BC Tree Fruit Industry

Budget Day Information

February 19, 2013

Introduction

The BCFGAs represent 540 commercial tree fruit growers. Our mission is

To create a healthy food system for the long-term prosperity of the tree fruit industry.

Industry Competitiveness

1. The competitive advantage of the tree fruit industry is our intensive management and the dry, northern climate.
2. New varieties of apples and cherries, developed at the federal research station in Summerland, are gaining widespread acceptance throughout the world. It is estimated that 80 percent of new cherry plantings in the world are of Summerland varieties.
3. The industry generates \$130 million in wholesale revenue with an economic contribution of \$270 million to the local economy.
4. The industry directly employs approximately 1,500 person years of employment, at the grower, packer and processor level.
5. Environmentally, our industry is advanced - we utilize highly-efficient irrigation systems to conserve and manage water, Integrated Pest Management and other innovations such as area-wide programs for codling moth and starling control. The tree fruit industry is among the lead agricultural crops in adopting Environmental Farm Plans.
6. The BC tree fruit sector is challenged by the immense increase in production in Washington State apple and cherry production. The BC industry has survived by replanting to new varieties and producing products in which BC has a natural advantage. Even so, all boats rise and fall with the tide, and Washington State production determines the tide.

Industry Strategy

The BC Tree Fruit Industry strategy was adopted in January 2007. An Industry Accord commits tree fruit industry organizations to work together on the five 'pillars' in the Industry Strategy:

- Restructuring the cooperative system,
- Quality,
- Markets,
- Labour and
- New varieties.

The 2007 strategy is considered complete:

- Four tree fruit cooperatives were merged into one in June 2008. Work continues in capitalizing on the opportunities and strategies related to the restructuring.
- The food safety programs are widely adopted.
- The industry is actively investigating the designation of the Okanagan-Similkameen as an Area of Low Pest Prevalence (ALPP), which is an internationally recognized scientific designation and a first for tree fruit production in the world. This is made possible by the Sterile Insect Release (SIR) Program, the first program in the world to use sterile insect technology to control pest moths.
- A labour orientation and training certification project for cherry harvesters (mainly Quebec college students) has been conducted from 2007 to 2011.
- A new variety commercialization strategy has been developed and \$2.8 million in *federal* investment is being accessed to fund this work.
- Replant and Innovation programs have helped industry to keep pace.

New Strategic Studies – completed in 2012

1. Focus on domestic markets ahead of exports. Consumer research is important.
2. Market access and developing new export markets will remain important.
3. Invest strategically in production and packing efficiencies.
4. Replant to premium varieties.
5. Improve horticultural practices.

Cost of Programs

1. Domestic markets – BC buy local program and federal funding in place.
2. Export markets – federal funding in place.
3. Packinghouse infrastructure – federal Innovation Programs to be introduced.
4. Replant Program – requires ongoing commitment of \$2.0 million per year.
5. Environmental Programs – needs enhancement of Growing Forward 2 with provincial funds: Integrated Pest Management (Area-wide), Deer Fencing, Worker Sanitary Facilities) – an investment of \$1.5 million per year.

In time, we hope to fund these and other programs from a share of the increased Columbia River Treaty payments to BC, as BC provides improved flows of water for new irrigation projects in Washington State. The BCFGAs are working to conduct an assessment of the value of that water, for negotiations which begin in September 2013. However, in the interim the province will need to directly fund the requested programs.

The requested programs are reasonable - the Replant Program alone was \$5 million per year in 1998. The requested programs from the province will be \$3.5 million per year, starting immediately with the 2013-2014 Provincial Budget.