

October 22, 2018

Dear Member,

2018 has been extremely busy with government consultations and the USMCA (previous NAFTA) negotiations. CHC staff are well aware that the onslaught of these consultations has no doubt taken you a lot of time to answer, and we greatly appreciate the feedback that you have provided us, as that helps us to relay your needs and concerns to the government.

The enclosed **Interim Report to Members** reflects this activity, and we are pleased to provide it to you on behalf of the Canadian Horticultural Council Board of Directors. Similar to what was done in the past, the interim report includes a few highlights and the full financial update for the period ended September 30, 2018.

I would also like to take this time to remind you that Fall Harvest (November 5-7) is a perfect opportunity for you to make your concerns known to the government. Please also mark your calendars for the 2019 CHC Annual General Meeting, set to take place March 5-7, 2019, at the Westin Hotel in Halifax, Nova Scotia. More details on the AGM will be made available in upcoming weeks.

If you have any questions or concerns, please feel free to contact our Executive Director, Rebecca Lee ([rlee@hortcouncil.ca](mailto:rlee@hortcouncil.ca)), myself or your representative to the Board of Directors.

In closing, and on behalf of the CHC Board of Directors, I want to thank you for your support and wish you a safe and bountiful harvest.

Sincerely,



Brian Gilroy  
President



## Interim Report to Members

March 19 – September 30, 2018

### Submissions to government consultations

Please contact CHC for a copy of the written submissions.

- RCC Work Planning Consultation-March 28
- ECCC Carbon Pricing Regulatory Framework - April 9
- Canada-European Union Comprehensive Economic and Trade Agreement Regulatory Cooperation Forum - April 11
- Healthy Eating - Front of Pack Labelling - April 24
- ECCC Legislative Changes to Carbon Pricing System - June 6
- US Trade Tariffs – CHC Response to Finance Canada - June 14
- ECCC Carbon Pricing Compliance OBPS - July 6
- Survey: Design of a Migrant Worker Support Network Pilot in British Columbia – July 6
- Primary Agricultural Stream Review- July 27
- US Trade Tariffs – CHC Follow Up to Finance Canada – July 31
- US Trade Tariffs – CHC Response to CIIT – July 31
- Pre-Budget Consultation to FINA | Advance of the 2019 Budget - August 3
- Comments on Federal Government Regulatory Review – Sept 14
- Greenhouse Vegetable- Letter to Regulatory Modernization – Sept 14

### Trade Specific Consultations (ongoing):

- [MERCOSUR](#) (Argentina, Brazil, Paraguay and Uruguay)
- [ASEAN](#) Canada and the Association of South East Asian Nations (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam)
- [China](#) (Canada-China)
- [NAFTA](#) (Canada-US-Mexico)
- [Pacific Alliance](#) (Chile, Colombia, Mexico and Peru)

### CHC responses to PMRA

#### Proposed Re-evaluation Decisions and Proposed Special Review Decisions

- Quinoxifen: February 16
- Dichlorvos – DDVP: March 5
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- Clothianidin (pollinators) – Clutch: March 19
- Thiamethoxam (pollinators) – Cruiser, Actara: March 19
- Ethephon – Ethrel: April 26
- Folpet – Folpan: June 11
- Imidacloprid (pollinators) – Admire: August 29



### Final Re-evaluation Decisions

- Chlorothalonil – Bravo: May 10
- Captan: May 10
- Metiram – Polyram: June 21
- Mancozeb – Dithane: June 21
- Iprodione – Rovral: June 21
- Quinoxifen: June 29

### **Direct lobbying activities**

- Small Business Deduction Meeting – Finance Canada - Director of Tax Legislation – April 10
- NAFTA – Minister Freeland's Office - April 18
- Ag, Labour, Trade – Senator Black - April 18
- AAFC – Minister MacAulay - May 1
- House of Commons, Finance Committee Chair – Wayne Easter MP - May 1
- Farm to Plate Dinner (CHC and CPMA hosted for MPs and industry), May 1, 2018
- Labour – Alistair MacGregor MP – May 2
- Labour – Rodger Cuzner – ESDC – May 11
- Carbon pricing, Bill C-74 and Small Business Deduction – Finance, AAFC officials – Minister Morneau's Office – May 31
- Carbon pricing, Draft regulations of the Greenhouse Gas Pollution Pricing Act – ECCC, AAFC officials – Minister McKenna's Office – June 20
- PACA – Technical Meeting with AAFC – July 3
- CHC Summer Tour – Jean - Claude Poissant, Luc Berthold – July 5
- PACA - Innovation, Science and Economic Development Canada and AAFC, Frederic Seppey - July 12
- Carbon pricing, Farming Exemptions/Relief for Greenhouse Sector (conference call) – ECCC, Clare Demerse - Aug 1
- Carbon pricing, Competitiveness issues (Greenhouse Vegetables, Flowers Canada) Finance, ECCC, AAFC officials – Finance Canada – August 27
- China trade – NAFTA – Betti - Jo Ruston – AAFC – Aug 2
- Crop Protection – EBDC Fungicides (mancozeb and metiram) – PMRA – Aug 10
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### CHC Witness Appearances at Parliamentary and Senate committees

- 2018-05-10 CHC to Senate AGFO on Bill C-74 Part 5 carbon pricing
- 2018-09-20 Standing Senate Committee on Agriculture and Forestry - Study on how the value-added food sector can be more competitive in global markets
- 2018- 09-27 House of Commons Standing Committee on Finance. Pre-Budget Consultations in Advance of the 2019 Budget



## Proposals approved for Canadian Agricultural Partnership (CAP)

Under the guise of the Canadian Agri-Science Cluster for Horticulture 3, and based on 2018 commodity research strategies and priorities, CHC received approval from AAFC for the following number of activities. Full details will be released upon the Minister's official announcement (date TBD)

- Apple – 2 activities
- Berry (blueberry, strawberry, raspberry) – 1 activity
- Greenhouse – 3 activities
- Vegetable – 2 activities
- Potato – 7 activities

## Notable references to CHC in the press

- Canadian-made, science-based innovation in sustainable agriculture (The Hill Times – March 2018)
- Tariffs, agriculture safety, pest and pesticides (iPolitics.ca – March 2018)
- BC Fresh CEO named Canadian Produce Person of the Year (The Packer- April 2018)
- Ken Forth to receive honorary Doctor of Laws from University of Guelph (ipolitics.ca - July24, 2018)
- Health Canada still on track for phasing out imidacloprid (Manitoba Co-operator – July 2018)

## Member Notes Issued

28 [Member Notes](#) were issued between April 1 – Sept 30, 2018:

- 2018-04-04: BRM Engagement Session
- 2018-04-24: Reminder: Questionnaire about employer-provided housing inspections
- 2018-04-27: Updated Canadian Organic Standards
- 2018-05-03: Urgent – Delays in getting international farm workers
- 2018-05-07: Week of high-level meetings to address labour crisis
- 2018-05-08: CPMA Food Safety Forum Halifax May 29
- 2018-05-10: E. coli and Romaine Outbreak
- 2018-05-11: CHC and CPMA host successful Farm to Plate Parliamentarian Dinner
- 2018-05-14: Reminder: TFWP Primary Agriculture Review Consultations
- 2018-05-17: Bringing horticulture to the table for the 2019 federal election
- 2018-05-23: Introducing CHC's new administrative assistant
- 2018-05-25: Final PMRA decisions on Captan and Chlorothalonil (Bravo)
- 2018-06-01: Canada's proposed US Tariffs List
- 2018-06-04: The Farm Game comic
- 2018-06-20: Safe Food for Canadian Regulations Announced



- 2018-06-25: Join AAFC's China Ministerial Mission Trip in November
- 2018-06-28: PMRA Final Decision: Mancozeb (Dithane) and Metiram (Polyram)
- 2018-06-28: What are your priorities for the Federal 2019 Budget?
- 2018-07-09: Please send this letter to your provincial AG minister
- 2018-07-10: Date of Primary Agricultural Review Teleconference/WebEx Consultation
- 2018-08-09: Deadline extended for commenting on TFWP Primary Agriculture Review
- 2018-08-14: Notice of Ottawa Event with Chinese Ministry of Agriculture and Rural Affairs
- 2018-08-16: Guidance document to Understand the Safe Food for Canadian Regulations
- 2018-08-27: Staffing update: Manager Policy Research and Development 2018-09-10  
Registration open for Fall Harvest
- 2018-09-14 Media issue about Mexican Temporary Farm Workers
- 2018-09-25 Sponsor and be visible to an audience that matters at Fall Harvest 2018
- 2018-09-27 Act NOW – New Biometrics process to include ALL international farm workers

### **CHC staff and/or Board visits to members and Farm Tours**

- BC Fruit Growers' Association Annual Convention – Kelowna, BC (February 15 & 16)
- PEI Grower Potato Day – Summerside, PE (February 15)
- United Potato Growers of Canada Meeting – Winnipeg, MB (March 13)
- BC Greenhouse Grower's Association AGM (April 20)
- Farm visits in BC (April 20-22)
- Dinner with BC Strawberry Growers Association, BC Raspberry Industry Development Council and BC Blueberry Council (April 20)
- OGVG hosts BCGGA – Leamington, ON (May 23-25)
- Ontario Food Terminal Tour – (May 24)
- CHC Summer Board Tour – Québec City – Île d'Orléans (July 6)
- Mid-Summer Apple Meeting & Farm Tour – Summerland, BC (July 17 & 18)
- Quebec Produce Marketing Association Meeting – La Malbaie, QC (August 16-18)
- PMRA Minor Use Tour – Moncton, NB (September 10-12)
- Grape Growers of Ontario – St. Catharines, ON (September 12)

### **CHC presence at agricultural events**

- Canadian Produce and Marketing Association (CPMA) Convention and Trade Show – Vancouver, BC (April 23-26)
- International Federation of Produce Standards (IFPS) Meeting and Tour at PMA Australia (June 18-22)
- CPMA Government Issues Management Working Group Meeting – Ottawa, ON (May 24-25)
- Farm & Food Care - Farm Environment and Animal Care Advisory Councils Joint Meeting – Guelph, ON (June 13)
- CPMA Semi-Annual Meeting, Niagara-on-the-Lake, ON (Sept 13-15)
- United Fresh Washington Conference, Washington, DC (September 18-20)



- NAFTA Stakeholder Updates, Ottawa (August 22)
- Breakfast on the Farm, North Gower (September 2018)

### **Staff changes**

- Bev Appleby joined CHC in May, 2018 as Administrative Assistant.
- Jennifer Babcock resigned from the position of Manager, Policy Research and Development, on August 31, 2018.
- Robyn McKee joined CHC on October 2, to assume the role of Manager, Policy Research and Development.

### **Highlights of the Financial Report Below**

- At the 2018 AGM, members were provided with a forecast for the current fiscal year. This information is summarized in the report below under the titles highlighted in blue. Our current forecast is included under the titles highlighted in green.
- Although we were forecasting total revenue of \$1,312,589, we are now forecasting total revenue of \$1,367,870, an increase of \$55,281. This is mainly due to the following items:
  - The forecast for Project Revenue – Science Cluster Admin. Fees is now \$67,450 which is \$22,780 higher than we originally anticipated.
  - The forecast for Project Revenue – Other has increased by \$20,000.
  - Both of these increases are due to the approval of the Science Research Cluster project. The final budget numbers and impact on our Income Statement are now known.
- Our current forecast for total Expenses is now \$1,325,603, an increase of about \$19,200 over the forecast provided at the 2018 AGM. This is due to the following items:
  - Professional Fees – Other Activities – we engaged a Crop Protection consultant to help with the PMRA minor use re-evaluation work.
  - AGM expenses were \$5,000 over budget.
- The combined forecasted surplus for the current fiscal year is \$42,267



The Canadian Horticultural Council  
Statement of Operations and Statement of Changes in Fund Balances - General and Legacy Funds

	As approved at 2018 AGM - FY2018 Revised Forecast			FY2018 - Current forecast as of September 17, 2018			FY2017 - Audited Income Statement - Combined Funds
	General Fund	Legacy Fund	Combined	General Fund Revised Forecast for FY2018	Legacy Fund Forecast for FY2018	Combined Forecast for FY2018	
<b>Revenues</b>							
Membership Fees	\$ 634,773		\$ 634,773	\$ 634,773	\$ -	\$ 634,773	\$ 598,758
Project revenue							
Cluster Admin Fee Revenue from Ind. Funders	44,670		44,670	67,450	-	67,450	30,903
Crop Profiles Project Revenue	75,867		75,867	75,867	-	75,867	74,989
Projects - Other	123,280		123,280	143,280	-	143,280	185,066
Service charge - Restricted funds	17,000		17,000	17,000	-	17,000	22,287
Contributions:							
- Farm Credit Canada and Croplife	25,000		25,000	15,000	-	15,000	25,000
- Legacy Fund	-	106,000	106,000	-	106,000	106,000	10,000
AGM Revenue	150,000		150,000	147,500	-	147,500	165,542
On Farm Food Safety Fees	131,000		131,000	131,000	-	131,000	122,204
Sundry	4,500		4,500	25,500	-	25,500	16,873
Interest	500		500	4,500	-	4,500	5,913
<b>Total Revenues</b>	<b>1,206,589</b>	<b>106,000</b>	<b>1,312,589</b>	<b>1,261,870</b>	<b>106,000</b>	<b>1,367,870</b>	<b>1,257,535</b>
<b>Expenses</b>							
Salaries and benefits:							
- General	505,600		505,600	505,600	-	505,600	399,296
- Project specific	167,850		167,850	167,850	-	167,850	165,054
President's honorarium	10,000		10,000	10,000	-	10,000	10,000
Travel							
Directors & Committees	79,968	3,855	83,823	79,968	3,855	83,823	83,907
Staff	64,900		64,900	64,900	-	64,900	44,566
Membership fees	3,770		3,770	3,770	-	3,770	3,100
Crop Profiles Project Expenses	37,000		37,000	36,000	-	36,000	34,539
Operational expenses	52,000		52,000	52,000	-	52,000	52,322
Communication	12,000		12,000	12,000	-	12,000	11,877
Postage	1,330		1,330	1,330	-	1,330	659
Courier	800		800	800	-	800	1,058
Stationery and supplies	9,000		9,000	10,000	-	10,000	8,783
Publications and subscriptions	1,840		1,840	1,840	-	1,840	1,684
Computer support and maintenance	13,260		13,260	13,260	-	13,260	10,261
Equipment rental	8,700		8,700	8,700	-	8,700	8,759
Professional Fees:							
Audit & Legal	16,200		16,200	16,200	-	16,200	18,548
Other Activities	25,000		25,000	40,000	-	40,000	34,677
Government Relations	-	113,500	113,500	-	113,500	113,500	23,390
Translation	15,240		15,240	15,240	-	15,240	15,837
Insurance	11,730		11,730	11,730	-	11,730	11,457
Website maintenance	1,000		1,000	1,000	-	1,000	1,455
Bank charges and interest	1,020		1,020	1,020	-	1,020	4,174
General office	1,000		1,000	20	-	20	20
Contingency Fund Balance	20,000		20,000	20,000	-	20,000	-
AGM Expenses	105,080		105,080	110,280	-	110,280	111,320
Amortization expense (Property & Equipment)	28,000		28,000	28,000	-	28,000	25,501
Deferred contributions (Building fund)	(3,260)		(3,260)	(3,260)	-	(3,260)	(3,257)
<b>Total Expenses</b>	<b>1,189,028</b>	<b>117,355</b>	<b>1,306,383</b>	<b>1,208,248</b>	<b>117,355</b>	<b>1,325,603</b>	<b>1,078,987</b>
<b>Net Surplus (Deficit)</b>	<b>17,561</b>	<b>(11,355)</b>	<b>6,206</b>	<b>53,622</b>	<b>(11,355)</b>	<b>42,267</b>	<b>178,548</b>
Fund Balance, Beg. of Year	888,685	38,810	927,495	888,685	38,810	927,495	748,947
Fund Balance, End of Year	\$ 906,246	\$ 27,455	\$ 933,701	\$ 942,307	\$ 27,455	\$ 969,762	\$ 927,495