



## Tree Fruit Industry Meets To Seek Way Forward Through Third Year Of Poor Returns

**Kelowna** –The Okanagan Tree Fruit Cooperative (OTFC) and the BC Fruit Growers' Association (BCFGA) held an emergency meeting of their Boards of Directors on February 7th to discuss the current disastrous market returns for apples. The low returns are caused primarily by a large crop size in Washington State, increasing bargaining power of retailers as further consolidation of food stores occurs, the strong Canadian dollar, a lack of competitive strategy and agricultural food policy from the federal and provincial governments, and the failure of governmental agricultural programs to protect BC apple growers from an unfairly subsidized competition.

The Boards identified several short term projects, including an expansion of the School Fruit and Vegetable Nutrition Program; seeking fair trade, and local procurement policies from Hotel-Restaurant-Institutional (HRI) clients. "It is hard to believe that a person cannot buy a BC grown apple on a BC ferry, and that BC apples are not featured in our hospitals, colleges and universities. As an industry, we need to come up with positive ideas and solutions to this problem, and work with government, institutions and schools to get high quality, locally produced apples to our youth, to our visitors and to all who use our public institutions," said Joe Sardinha, President of the BC Fruit Growers' Association. The growers on the Boards resolved to create opportunities and to work with the HRI sector to allow consumers to choose BC apples at institutions and restaurants.

Some of the noted competitive strengths of the industry include:

- Best in world quality for apple varieties such as Gala, Ambrosia, and Spartan apples.
- Strong support for local production from consumers and retailers.

Several other strategies, in addition to the recently completed amalgamation of the 4 cooperatives into the OTFC, were discussed. Further change in the organization of packing facilities is underway and the OTFC Board and senior management is developing a strategic plan.

"Growers, myself included, are naturally upset that the work they love and the investment of their time and effort are not being rewarded in the marketplace. We are looking at all options and appreciate the support of the BCFGA in our efforts," said Jim Elliot, President of OTFC. The packinghouse Board of Directors is planning grower meetings to further discuss the market situation and direction of the industry. The meetings will be held early March and will include attendance from the BCFGA.

The apple crop harvested in September and October 2010 is stored and sold over approximately 8 to 10 months. The sale of apples from regular refrigerated storage is now complete. The apples now being sold are from long-term controlled atmosphere (low Oxygen) storage, in which natural metabolism of apples is slowed down to extend storage life.

OTFC receives, stores, grades and packs over 97,000 tons of tree fruits consisting of conventional and organic apples, pears, cherries, peaches, nectarines, apricots, crabapples, prunes, plums and grapes. The wholesale value of fruit packed by OTFC was approximately \$90 million in 2010, with shipments to Western & Eastern Canada, USA, Mexico, Latin America, Dominican Republic, Europe, South East Asia and Saudi Arabia. The Okanagan Tree Fruit Cooperative was established June 2nd, 2008 in an amalgamation of 4 cooperative packinghouses in the Okanagan. The cooperative currently owns and operates 4 packing facilities, in addition to 9 satellite locations with storage or warehousing. Okanagan Tree Fruit Cooperative also owns BC Tree Fruits Ltd (a sales broker) and Growers Supply Company Limited (a farm and irrigation supplies store).

All growers who hold shares in Okanagan Tree Fruit Cooperative are members of the BC Fruit Growers' Association which represents commercial orchards in BC, with a mandate "to foster a healthy food system for the long-term prosperity of BC tree fruit growers".

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