



## **The Path Forward: A Blueprint for B.C.'s Tree Fruit Industry** **(Tree Fruit Industry Stabilization Plan)**

### **Project Update**

**June 10, 2022**

#### ***What is the Tree Fruit Industry Stabilization Plan?***

B.C.'s Minister of Agriculture and Food announced and released *The Path Forward: A Blueprint for B.C.'s Tree Fruit Industry*, also known as the Tree Fruit Industry Stabilization Plan (TFISP) on November 12, 2021. The Stabilization Plan, the accompanying reports and analyses, and the previous Project Update can be found at:

<https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/animals-and-crops/crop-production/tree-fruits>

#### ***What is the status of the Stabilization Plan?***

The Stabilization Plan and its 19 recommendations have been received and accepted by the B.C. government. Implementation of several foundational recommendations has begun. An industry based Steering Committee (led by the Ministry of Agriculture and Food) supported development of the Stabilization Plan, has unanimously endorsed it, and is actively engaged in implementation.

To support implementation, the membership of the Steering Committee has been expanded to include staff in industry associations and organizations that are active in day-to-day initiatives and the commercial packinghouses. Further, a sub-committee structure has been implemented to support each recommendation (including appropriate Steering Committee members and other persons with knowledge and experience relevant to a topic. To ensure continuous progress, sub-committees report regularly to the Steering Committee on progress, challenges, and opportunities.

#### ***Which Recommendations Have Been Completed?***

*#10 It is recommended an assessment of the Okanagan-Kootenay Sterile Insect Release Program be conducted to determine the value the Program provides to the apple industry. If the Program is determined to be critical to the success of the industry and its viability is at risk, funding models that could be put in place to support the producer portion of Program costs should be considered.*



An evaluation of the economic and qualitative benefits of the Okanagan-Kootenay Sterile Insect Release Program (OKSIR) to growers and the public was completed by Cascadia Partners. The report has been published by the Ministry and can be found on the Ministry's Tree Fruit website at the link included above.

The report shows the program's financial benefits to apple producers, the environment, and B.C.'s economy (including an indirect impact on B.C.'s cherry exports). It concluded that the survival of the apple industry would be increasingly challenging without the OKSIR program, especially the organic sector.

Based on that report, OKSIR is evaluating options, has Cascadia Partners preparing a business case, and will determine next steps regarding the need for predictable long-term and sustainable funding (e.g.: a public/private partnership).

*#14 It is recommended the Ministry of Agriculture and Food ensure any expenditures from the Tree Fruit Competitiveness Program (TFCP) reflect key elements of the Tree Fruit Industry Stabilization Plan. Financial contributions from the Fund should support initiatives that have sound business rationale (as defined above) and whole sector benefits.*

The Ministry has determined to proceed with this recommendation by reallocating unused funds in the Tree Fruit Competitiveness Fund (TFCF) to support implementation of the Stabilization Plan.

The purpose of the TFCF (established in November 2018) was to increase the overall competitiveness of B.C.'s tree fruit industry by providing funding to industry led projects that support infrastructure, marketing, and research. For a period, the TFCF was also available to top-up the Tree Fruit Replant Program.

In December 2020, the Ministry paused applications to the TFCF and initiated a third-party performance assessment. The assessment created the opportunity to reprioritize how the TFCF is used to support the sector and review the impact of the financial expenditure. The final assessment can be found on the Ministry's Tree Fruit website at the link included above.

The objectives of the Stabilization Plan support the purposes for which the TFCF was originally established and were developed through consultation with industry. Several recommendations in the Stabilization Plan address industry priorities identified by the TFCF, including marketing, market access and industry competitiveness.



Reallocation of these funds was endorsed by the Industry Steering Committee on May 12, 2022. The final approach and the specific allocations of those funds were endorsed on May 26, 2022.

To supplement the funds reallocated from the TFCF, the Ministry has allocated or is identifying other amounts to support the implementation of Stabilization Plan recommendations the Ministry is leading and/or which only involve Ministry programs.

### ***What Recommendations are Currently Underway?***

*#1 It is recommended a new industry agency be established to provide leadership, governance, and planning for the industry. The agency should be governed by board members appointed from key industry organizations and independent members with relevant skills and experience identified by the Ministry of Agriculture and Food.*

Work on some aspects of this recommendation has begun. Four discussions focused on roles and responsibilities of the key industry organizations (BCFGA, BCCA, BCGA, NTFVDC, SVC, and OKSIR) were facilitated by the OKSIR program and only involved those organizations.

On May 17, 2022, the Ministry joined, and is now chairing, the meetings. That discussion outlined the leadership and governance challenges facing the industry, the solution proposed in the Stabilization Plan, and the gap between that solution and the group's previous discussions.

A process has been proposed for the group to engage in which should lead to consensus about how to address the leadership challenges (there is already near consensus on the need for change but not the approach). These developments were discussed at the May 26, 2022, and June 9, 2022, meetings of the Industry Steering Committee.

The next steps include an independent assessment of the missing elements of leadership, a gap analysis relative to existing organizations, and recommended possible approaches to deliver what is missing and can't be addressed today.

This work must question the status quo to ensure industry challenges are addressed. These discussions will ultimately lead to a new leadership and governance organization.

*#2 It is recommended the Ministry of Agriculture and Food facilitate the development and implementation of a data strategy for the tree fruit sector.*



This work is being led by the Ministry and the sub-committee includes the BCTF Cooperative, NTFVDC, BCWGC, and BCGA. The sub-committee has had more than ten meetings to date.

Work to date has included discussions with AAFC about data collection and data sharing, a request to Statistics Canada for additional data collection, and an evaluation and cataloguing of existing sources of industry data, and identification of the data gaps. An analysis of existing data and data needs is currently in progress. Other elements of the strategy to be implemented shortly include revisions to the Ministry's internal data collection and sharing processes to facilitate opportunities for new data analysis to help policy and decision-making.

The sub-committee has identified a variety of initiatives to address data gaps. In support of the apple marketing discussions, the group is drafting a plan to provide short-term and long-term solutions for a data repository to report apple pricing from packers and will be having discussions with industry partners in that effort.

*#3 It is recommended the Ministry of Agriculture and Food develop a comprehensive agriculture-centric labour strategy, make its expertise more accessible to industry and decision makers, and support the industry's efforts to access labour pools.*

There are two complementary elements to the labour work. The BCFGGA continues its advocacy and lobbying regarding the supply of foreign labour through the Western Agriculture Labour Initiative (WALI). The BCFGGA and WALI are considering ways to enhance labour opportunities from other jurisdictions (a complicated challenge involving many agencies in different countries). The BCFGGA prepared a Framework for Farm Labour (25 "action items") for the Steering Committee as part of this work. Work on several of the action items has been initiated or completed.

A labour sub-committee (facilitated by the Ministry and including the BCGA, BCCA, BCFGGA and the BCTF Cooperative) has met nine times to address more immediate domestic labour challenges. The initial focus is on the need to secure a domestic labour supply, including individuals who perform seasonal work in other B.C. industries that might be interested in working in the tree fruit industry during the off season of their other employment.

The Ministry has funded three contractors with different specializations (i.e.: scheduling software, human resources, and strategic planning and communications) who are dedicated to support local efforts to address regional labour issues for the 2022 harvest by accessing domestic workers. Some sub-committee members have met an additional



three times to facilitate the work of the contractors. Internal communications channels have been established to ensure the sub-committee receives regular updates on progress.

The sub-committee will also consider a longer-term strategy and will work alongside WALI to ensure an integrated labour strategy.

*#4 It is recommended the Ministry of Agriculture and Food enhance its support of, and contribution to, horticulture and extension services.*

OKSIR and AAFC are co-leading this work (which also includes the Ministry, BCTF Cooperative, OHAG, and the BCFGAs). This sub-committee has had three formal meetings plus a variety of meetings with industry groups, the Okanagan Horticulture Advisor's Group (OHAG), etc. For instance, discussions with OHAG have addressed interest in participating in a broader approach to extension.

The sub-committee's initial work includes surveying growers and other relevant parties about extension services and performing a scan of successful extension models in other jurisdictions. The work has indicated that BCDAS has the potential to play a more substantive role in extension.

The grower survey has been completed and has been distributed for completion and return by growers. As of June 9, 2022, over 100 responses have been received. The members of the Industry Steering Committee committed to make growers aware of the survey and encourage participation.

There has been some discussion about a collaborative horticulture event but no decisions to date.

*#5 It is recommended that industry leadership collectively establish a comprehensive process to support the acquisition, development, commercialization, and marketing of new varieties and new value-added products.*

SVC is leading this work and has completed an initial data collection phase. The sub-committee (including the Ministry, BCFGAs, NTFVDC, and apple packer/marketer representatives) will now be actioned. The sub-committee will gather input and concerns from B.C. packers and will produce a list of available branded apple varieties by the end of May 2022. Once selected, trial varieties will be imported for regional testing.

An additional element of this recommendation focuses on access to rootstock and plant material from nurseries outside of B.C. There have been four discussions involving the



Ministry, AAFC, BCFG, and Pearl Agricultural Consulting Inc. A framework for the ongoing work will be developed to inform the next steps with the CFIA.

*#6 It is recommended that Ministry of Agriculture and Food work with industry to develop and implement a coordinated 5-to-10-year Market Development Strategy for B.C. produced tree fruit(s). This strategy would identify priority markets for market access, development, and maintenance and include a rolling 2–3-year industry marketing and sales plan.*

A sub-committee, chaired by the Ministry and involving commercial packinghouses in the Okanagan and Similkameen Valleys and the Kootenays that provide apple packing and marketing services to most B.C. apple growers, has met four times.

Building on the successful model in B.C.'s cherry sector, participants agreed to work collaboratively on opportunities that could benefit the full industry. These include ensuring packinghouse quality standards are clear and upheld, increasing access to key, high return export markets, and promoting apple consumption to improve domestic market access.

Discussions have included A&M Orchards Ltd., BC Tree Fruits Cooperative, Blossom River Organics Ltd., Cawston Cold Storage, Consolidated Fruit Packers Ltd., Fairview Orchards, Harker's Organics, Lasser Produce, Lidder Produce, Okanagan Sunshine Fresh, Ralph's Produce, Sandhers Fruit Packers, Sunny Valley Fruit, and World Fresh Exports.

The packinghouses circulated a common message concerning their commitment and collaboration to work together in the best interests of the industry (signed by all commercial packinghouses) to all B.C. apple growers the week of May 16. A focus of the group's work is finding ways to improve returns to growers.

More recently, the group finalized a Terms of Reference for their work and considered the overlap and relationship between the matters on which they have agreed to collaborate with the potential powers of the Apple Marketing Commission (as proposed by the New Tree Fruit Varieties Development Council) at the May 31 meeting. As a result, the Group and NTFVDC grower representatives will meet in mid June 2022 to consider the impasse regarding the proposed Commission and the packers' alternative approach to improve market access and grower returns.

The group is also considering collaborating on other ways to improve returns to growers, including a second common communication to all B.C. apple growers re: apple quality standards and an approach to sharing confidential, anonymous sales data among participating packinghouses.



*#7 It is recommended the Ministry of Agriculture and Food continue to work with its federal, provincial, and territorial counterparts to implement a retail code of practice.*

There is no formal sub-committee working on this recommendation. Rather, this work is ongoing and part of the discussions between all provincial, territorial, and the federal Ministers of Agriculture.

At their November 2021 meeting, Ministers reiterated the need for industry to develop a retail fee code of conduct or practice that improves transparency, predictability, and respect for the principles of fair dealing. Updates were provided on industry's work with an independent facilitator. Ministers called on industry to provide a report on progress in December followed with a concrete proposal for a code of conduct or practice and a dispute resolution framework in March 2022.

*#9 It is recommended the industry determine and act on ways that innovation and technology can support the sector.*

While there is no formal sub-committee working on innovation and technology, the Ministry has announced a three-year \$375,000 funding commitment of the BC Decision Aid System (BCDAS) and the related weather stations. This includes an expansion of the Province's weather network into the Creston Valley allowing for tree fruit producers in the Kootenays to access BCDAS.

The stability of multi-year funding will provide opportunities to add new models and new crop types to the tool. The online BCDAS calendar will be utilized as a central hub for industry events and will offer increased opportunities for collaboration amongst industry stakeholders.

The Steering Committee will identify other important activities in support of this recommendation.

### ***Which Recommendations are Scheduled for Later Implementation?***

Appendix 2 lists the recommendations scheduled for implementation later in 2022.

Questions? Please reach out to the Tree Fruit Industry Specialist:

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## **Appendix 1** **List Of Acronyms**

AAFC	Agriculture and Agri-Food Canada
AF	B.C. Ministry of Agriculture and Food
ALC	Agricultural Land Commission
ALR	Agricultural Land Reserve
ALCA	Agricultural Land Commission Act
BCAC	BC Agriculture Council
BCCA	BC Cherry Association
BCDAS	BC Decision Aid System
BCFGA	BC Fruit Growers' Association
BCGA	BC Grapegrowers Association
BCTF	BC Tree Fruits Cooperative
BCWGC	BC Wine Grape Council
BRM	Business Risk Management (insurance) programs
CFIA	Canadian Food Inspection Agency
FPT	Federal-Provincial-Territorial Ministers of Agriculture
IPSC	Implementation Plan Steering Committee
LEAN	Methodology to optimize an organization's people, resources, effort, and energy
LGA	Local Government Act
Ministry	Ministry of Agriculture and Food
NTFVCD	New Tree Fruit Varieties Development Council
OHAG	Okanagan Horticulture Advisor's Group
OKSIR	Okanagan-Kootenay Sterile Insect Release Program
SVC	Summerland Varieties Corporation
TB	Treasury Board
TFCF	Tree Fruit Competitiveness fund
TFISP	Tree Fruit Industry Stabilization Plan
TFRP	Tree Fruit Replant Program
TFW	Temporary Foreign Workers
VQA	Vintners Quality Alliance (the appellation of origin and quality standard for BC)
WALI	Western Agriculture Labour Initiative





## **Appendix 2**

### **Recommendations Scheduled for Consideration or Implementation Later in 2022**

- #8 *It is recommended that globally competitive and consistent fruit quality standards and criteria be developed by industry, with a supporting marketing strategy.*
- #11 *It is recommended the Ministry of Agriculture and Food, in partnership with other agencies, develop a program to support the development of local irrigation systems to accommodate the impact of drought, climate change, and water shortages on B.C.'s agriculture industry (including the tree fruit sector).*
- #12 *It is recommended the Ministry of Agriculture and Food investigate opportunities to provide one-time support to farmers experiencing difficult financial circumstances.*
- #13 *It is recommended the Ministry of Agriculture and Food realign the way it provides financial contributions to the tree fruit industry or individual farmers in support of sound business management practices.*
- #15 *It is recommended the Ministry of Agriculture and Food consider some form of program focused on supporting industry efforts to plant commodities that are commercially viable and include modern varieties, proven to grow well under local climactic conditions and offer significant and reasonable market opportunities for B.C. farmers.*
- #16 *It is recommended the Ministry of Agriculture and Food improve understanding and application of several Ministry programs that will benefit the full agriculture industry.*
- #17 *It is recommended the Ministry of Agriculture and Food establish a method to distinguish persons who are actively farming and producing agricultural products from persons who own land which is generally used for non-agriculture purposes (especially as it relates to land in the Agricultural Land Reserve (ALR)).*
- #18 *It is recommended that the Ministry of Agriculture and Food work with the Agricultural Land Commission to achieve the Commission's stated objective to ensure agricultural production remains the primary use of the Agricultural Land Reserve while supporting economic opportunities for farmers to be financially viable.*
- #19 *It is recommended the Ministry of Agriculture and Food work with local governments to coordinate approaches to the industry.*