

April
2006

Commission Report

BC Vegetable Marketing Commission Newsletter

Policy development and consultation processes completed, decisions now to be made

Canadian potato growers follow lead of US counterparts

Greenhouse Regulatory Policy

The series of regional greenhouse industry meetings discussing options for regulatory changes has now been completed. The Commission reviewed potential changes to the production allocation policies; designated agencies, licensed sellers and buyers, and exemption policies; and district boundary policies.

Because of the significance of the issue, the Farm Industry Review Board (FIRB) will be exercising its supervisory role. Prior to the completion of the process the Commission will make recommendations on the changes it believes will be in the best long term

interests of the BC greenhouse vegetable industry. The FIRB has attended all of the regional meetings and producers are invited to send written comments to FIRB. Comments must be made to FIRB by May 5 by email to firb@gov.bc.ca or by FAX to 250 356 5131.

The Commission will be making its recommendations on May 9 and expects to receive the new implementation directive by May 15th. The Commission intends to amend its General Orders by the end of May.

United Potato Growers of Canada

The new organization is now functioning with the participation of 96% of Canadian potato acreage. In the short term it will share market and production information among provinces and with the UPG of America, recommend production levels and implement programs to maximize consumption of potatoes. Gary Sloik of Manitoba is the organization's Chair. BC has expressed support and interest but has not made a formal decision on membership.

UPGC is encouraging Canadian potato growers to reduce acreage by 5% from 2005 levels. It notes that potato consumption will likely continue to decline due to demographics and eating habits and that trend line yields are increasing every year. US production decreased by 7% in 2005 which helped strengthen prices.

Storage Crop Policy Recommendations

The Working Group is developing policy recommendations on delivery allocations by type; district boundaries; allocations after 100% is reached; the delivery allocation bank and the new entrant policy.

Highlights of some of the Working Group's recommendations:

- Potato delivery allocations be split into russets and "all others" implemented in 2007
- Growers should have the ability to grow in any District and market through the agency in their "home" district. To sustain an agency's ability to continue to market to their local customers the Committee recommends there be a prohibition against direct shipments on "out of home District production" to customers in that district. In other words if a grower who's home farm is in District I, grew potatoes in District III, the Agency (in this case LMVDI) would not be permitted to make a direct shipment from that farm in District III to a customer in District III.
- A return to the "ton for ton" policy after 100% of deliveries with a proviso that the policy be monitored for fairness.

At this time the Commission has received the recommendations but no decisions have been made. As yet no changes have not been made to the General Orders.

Producer Licenses

Producer Licenses for the Processing Crop and Storage Crop sectors are due by May 14- all growers will have received a notice and a reminder by now. Please make sure your license application and license fee are paid by this date as overdue applications are now issued on a Class II basis with a fee of \$100 plus GST.

Strawberry Negotiations

The final round of the 2006 processing crop negotiations will be held on May 10 when producers and processors set the terms and conditions of the 2006 processing strawberry contract.

In 2005, with prices unchanged from 2004 at 67 cents a pound, production decreased from just under 4 million pounds in 2004 to just over 2.5 million pounds, a year over year decrease of 37%.

New policies proposed for the Storage Crop sector

License deadline quickly approaching

2006 Processing Crop negotiations