

May  
2007

# Commission Report

BC Vegetable Marketing Commission Newsletter  
15252 32<sup>nd</sup> Ave Surrey BC V3S 0R7 Ph 604 542 9734

Water levels predicted to rise for a few days – then retreat quickly

5% price increase after tough negotiations

US producers call on the government

## ***Flood Risk Update***

As of May 31 the Fraser River in the Lower Valley was at about normal levels for this time of the year. The expected warm weather during the first week of June should result in a significant flush but officials are not predicting serious flooding at this

time. If as expected, cooler weather follows in the second week of June, river levels are predicted to recede at that time. Predictions on weather and river levels for later in the month have not yet been made.

## ***Strawberry Negotiations - 2007***

It took 2 days of negotiations to reach agreement this year but producers and processors completed a strawberry contract for 2007. Negotiations were particularly difficult because grower prices have not kept pace with increasing costs while processors have access to foreign fruit at lower prices. Weak producer prices and tough competition for processors have lead to successive declines in annual production.

At the end of the first day it appeared that reaching a settlement may require a mediator however the second day produced a result all could live with. Grower prices increased to 74 cents per pound (2006 grower price was 70.5 cents).

## ***USA Food Safety Programs***

Two major USA producer organizations *The Produce Marketing Association* and *United Fresh Produce Association* have now called for federal food safety regulations. They apparently took this step as a way to strengthen public confidence in the safety of the food supply in light of several recent well-publicized incidents.

The organizations are asking the US Food and Drug administration to

implement national “risk-based commodity specific” regulations.

It is not yet known how the US Government will respond. This request contrasts with the Canadian approach where industry is establishing the programs with approval of the CFIA. The US approach, if adopted, could have implications for Canadian produce exported to the USA.

## **Food Safety – Loblaws**

Loblaws has signalled to produce suppliers that beginning this year they will require an independent third party review of food safety programs.

Loblaws identifies “Good Agricultural Practices” and HACCP-based food safety programs as being capable of meeting their requirements. Reports from the third party reviews are to be submitted directly to Loblaws. Loblaws names three firms: Guelph Food Technology; SGS; and Steritech that may undertake the independent review.

Loblaws endorses and encourages growers and packers to follow the Canadian Horticultural Council’s (CHC) food safety program.

All BC storage crop producers have been using the CHC manuals and checklists for the past two years and internal BCVMC reports from our Food Safety advisors indicate that as a Province we should have little difficulty in satisfying the Loblaw’s requirements.

One of the major expected benefits of proceeding with an industry developed food safety program was to build a system with sufficient credibility so that each customer would use it and not implement their own individual programs. A credible producer program would negate the risk of trying to satisfy a multitude of standards. The Loblaw’s announcement confirms the validity of that approach.

## **Contact CAIS**

CAIS announces an improved phone system to receive program information or to talk to an information officer. Their new service is at 1 866 367 8506.

## **Potato Production Estimates**

The Canadian Horticultural Council, the national producers’ organization, asked Statistics Canada to improve its annual production estimates for potatoes by limiting the numbers to “marketable production”. Estimating a total crop which includes un-marketable culls creates a misleading impression of the supply of potatoes that may become available and may have a dampening effect on producer prices.

Statistics Canada agrees and will conduct a 2007 pilot question in the PEI and Manitoba surveys asking how much of the expected crop will be lost due to shrinkage, cullage and waste.

If the pilot is successful it will be expanded to other Provinces in 2008 and the report for that year would only cover marketable product.

Storage Crop agencies / producers must have third party audit

Program and personal information

Crop volume estimates too high – could be depressing prices