# ANNUAL REPORT

Year Ending January 31st, 2019

Ontario Tender Fruit Growers

# Vision

Ontario Tender Fruit- Your orchard of choice, your partners in quality.

# Mission

To succeed as the Tender Fruit supplier of choice through innovation and competiveness by applying the best marketing, technology, and management.

# Chair's Report
# ONTARIO TENDER FRUIT GROWERS
# 2018 In Review

February 2019

The 2018 marketing season was quick and orderly with excellent quality fruit shipped to retailers across Canada for consumer enjoyment.

Sales data by commodity are included in the following pages. Overall fresh market volumes were down which resulted in a slight decrease in gross values, but net returns on many commodities were up compared to 2017 and versus the previous 5-year average.

Government funding through the Canadian Agricultural Partnership and partnerships with Vineland Research and Innovation, Universities of Guelph and Brock, as well as extension support through our OMAFRA specialists continue to make research initiatives possible. Summaries of research projects are enclosed.

Promotion funding support was provided through the Canadian Agricultural Partnership (CAP) to develop and distribute bilingual promotional material. This allowed us to increase consumer's awareness of the versatility of tender fruit in the Quebec marketplace. Additionally, support from Foodland Ontario including instore display bins, promotional material, sampling programs and instore support by field reps helped raise awareness of local across Ontario. Details of the promotion initiatives are included in the report.

Crop insurance continues to be a crucial risk management tool for our growers and we extend our thanks to Agricorp for implementing changes for 2019 to the plum plans to make them more responsive to grower needs.

With funding assistance from a tree planting program over the past two years, growers have been able to fill in gaps in production and diversify to more profitable varieties. As these plantings come into production there will be continued focus on expanding market share to other provinces and exploring export opportunities.

The North American tart cherry processing markets remain challenging. Pressure from imports, high inventories and competition from other processed fruits have resulted in an extreme reduction in grower returns. It is anticipated that some growers will decrease acreage as a result. However, processors have made significant investments in their facilities and are still committed to the long term to build new markets and increase sales.

I express my thanks to the board of directors, growers committee and staff for their continued support and dedication throughout this past year.

Respectfully submitted,

Phil Tregunno

# FORTIETH ANNUAL REPORT OF THE ONTARIO TENDER FRUIT GROWERS

Table 1 provides detailed information on crop volumes through appointed shipper-dealers and licensed growers. Values are based on gross FOB.

## TABLE I
## Tonnage and Gross FOB Value of Ontario Tender Fruit
## 2016 – 2018

| | 2016 | 2017 | 2018 | % | 2016 | 2017 | 2018 | % |
|---|---|---|---|---|---|---|---|---|
| | Volume | Volume | Volume | Change | Value | Value | Value | Change |
| | Tons | Tons | Tons | ’18 vs '17 | $ | $ | $ | ’18 vs '17 |
| **Fresh Market** | | | | | | | | |
| Peaches | 15,482 | 18,714 | 18,662 | 0% | 31,215,251 | 40,178,347 | 38,693,099 | -4% |
| Pears | 2,650 | 2,886 | 2,765 | -4% | 4,572,269 | 4,973,744 | 5,014,659 | 1% |
| Plums & Prunes | 1,402 | 2,500 | 2,077 | -17% | 3,883,453 | 6,983,018 | 5,957,583 | -15% |
| Nectarines | 3,328 | 3,933 | 4,140 | 5% | 7,947,688 | 9,676,582 | 10,834,398 | 12% |
| Apricots | 18 | 100 | 64 | -36% | 92,893 | 420,663 | 294,716 | -30% |
| **TOTAL** | **22,880** | **28,132** | **27,708** | **-2%** | **47,711,555** | **62,232,354** | **60,794,455** | **-2%** |
| | | | | | | | | |
| **Processing** | | | | | | | | |
| Sweet Cherries | 26 | 15 | 12 | -20% | 46,918 | 26,962 | 22,134 | -18% |
| Sour Cherries | 6,445 | 4,827 | 3,924 | -19% | 10,541,704 | 7,425,298 | 5,400,989 | -27% |
| Peaches | 946 | 837 | 789 | -6% | 643,851 | 589,474 | 430,161 | -27% |
| Pears | 239 | 345 | 293 | -15% | 167,035 | 241,533 | 204,893 | -15% |
| **TOTAL** | **7,656** | **6,024** | **5,018** | **-17%** | **11,399,508** | **8,283,267** | **6,058,177** | **-27%** |
| | | | | | | | | |
| **COMBINED** | **30,536** | **34,156** | **32,726** | **-4%** | **59,111,289** | **70,515,621** | **66,852,632** | **-5%** |

# PROCESSING SALES

**Tart Cherries –** There were 3,924 tons of tart cherries sold to processors in 2018 (4,827 - 2017). Growers received $5.4 million for their 2018 crop ($7.4 million – 2017). The negotiated price for 92 score cherries was $0.66 per pound including a processing fee ($0.78 - 2017). 19 growers delivered tart cherries to processors in 2018 (18 in 2017).

### TABLE II
### Reported Tart Cherries Sales Volumes for Processing
### 2014– 2018

| MARKET SEGMENT | 2014 Tons | 2015 Tons | 2016 Tons | 2017 Tons | 2018 Tons |
|---|---|---|---|---|---|
| Processed and Distilled | 4,325 | 4,070 | 6,445 | 4,827 | 3,924 |

**Sweet Cherries –** In 2018, 5 growers delivered 12 tons of sweet cherries for processing (15 tons - 2017).

### TABLE III
### Reported Sweet Cherries Sales Volumes for Processing
### 2014 – 2018

| MARKET SEGMENT | 2014 Tons | 2015 Tons | 2016 Tons | 2017 Tons | 2018 Tons |
|---|---|---|---|---|---|
| Freezing | 16 | 10 | 26 | 15 | 12 |

**Processing Peaches –** Processors purchased 789 tons of clingstone peaches in 2018 (837 – 2017). The minimum price for sales in Ontario was set at $550 for 2 ¾", $500 for 2 ½" per ton and splits for $200.

**Processing Pears –** Processors purchased 293 tons of pears for processing in 2018 (345 – 2017). The minimum price was set in Ontario at $700 including a processing fee.

### TABLE IV
### Reported Peaches and Pears Sales Volumes for Processing
### 2014 – 2018

| | 2014 Tons | 2015 Tons | 2016 Tons | 2017 Tons | 2018 Tons |
|---|---|---|---|---|---|
| **CLINGSTONE PEACHES** | 799 | 982 | 946 | 837 | 789 |
| **PEARS** | 273 | 193 | 239 | 345 | 293 |

### TABLE V
### Minimum Delivered Prices – Processing Crops
### 2014 – 2018

| CROP | 2014 $/ton | 2015 $/ton | 2016 $/ton | 2017 $/ton | 2018 $/ton |
|---|---|---|---|---|---|
| **Sweet Cherries** | | | | | |
| Freezing (Chilled Pitted Market) | 1,700 | 1,800 | 1,800 | 1,800 | 1,900 |
| Distilling | 1,700 | 1,800 | 1,800 | 1,800 | 1,900 |
| **Tart Cherries*** | | | | | |
| 97-100 Score | 1,785 | 1,885 | 1,685 | 1,605 | 1,405 |
| 92 Score | 1,740 | 1,840 | 1,640 | 1,560 | 1,360 |
| 69 & Under Score | 1,670 | 1,770 | 1,570 | 1,490 | 1,290 |
| **Peaches (2 3/4")** | 700 | 750 | 750 | 750 | 550 |
| **Pears*** | 600 | 700 | 700 | 700 | 700 |

The cherry processing fee for 2018 was set at $0.53/lb. The processing fee for pears was set at $0.22/lb.

# FRESH MARKET SALES THROUGH APPOINTED DEALERS

2018 sales of fresh market crops (including grapes) through appointed dealers were 28,005 tons.

Average net returns to producers selling through appointed dealers are shown after deducting shipper commissions, board fees and container costs. Packing or production costs have not been deducted.

**TABLE VI**
**Average Net Returns for Sales through Ontario Appointed Dealers**
**2014 - 2018**

| Crop | 2014 $/ton | 2015 $/ton | 2016 $/ton | 2017 $/ton | 2018 $/ton |
|---|---|---|---|---|---|
| **Peaches** | 1,220 | 1,241 | 1,450 | 1,554 | 1,498 |
| **Nectarines** | 1,640 | 1,755 | 1,820 | 1,828 | 1,969 |
| **Pears** | | | | | |
| Bartlett | 980 | 1,220 | 1,230 | 1,203 | 1,281 |
| Bosc | 1,360 | 1,571 | 1,432 | 1,423 | 1,516 |
| **Plums** | | | | | |
| Japanese | 1,920 | 1,870 | 2,669 | 2,023 | 2,023 |
| European | 1,960 | 2,160 | 1,908 | 2,631 | 2,667 |
| **Apricots** | | | 4,271 | 3,399 | 3,776 |

**TABLE VII**
**Reported Fresh Fruit Sales Volumes through Ontario Appointed Dealers**
**2014 - 2018**

| Crop | 2014 Tons | 2015 Tons | 2016 Tons | 2017 Tons | 2018 Tons | % Change ’18 vs.’17 |
|---|---|---|---|---|---|---|
| **Peaches** | 16,633 | 17,887 | 14,459 | 17,820 | 17,808 | 0% |
| **Pears** | | | | | | |
| Bartlett | 1,316 | 1,982 | 1,388 | 1,642 | 1,691 | 3% |
| Bosc | 531 | 799 | 909 | 816 | 660 | -19% |
| Other | 69 | 156 | 151 | 187 | 200 | 7% |
| **Pears Combined** | 1,916 | 2,937 | 2,448 | 2,645 | 2,551 | -4% |
| **Plums** | | | | | | |
| Early Golden | 1,275 | 1,215 | 346 | 1,857 | 1,135 | -39% |
| Shiro | 62 | 54 | 31 | 58 | 46 | -21% |
| **Total Yellow Plums** | 1,337 | 1,269 | 377 | 1,915 | 1,181 | -38% |
| Red | 3 | 25 | 2 | 16 | 26 | 63% |
| Blues & Prunes | 417 | 473 | 869 | 416 | 710 | 71% |
| **Plums Combined** | 1,757 | 1,767 | 1,248 | 2,347 | 1,917 | -18% |
| **Nectarines** | 2,430 | 2,626 | 3,210 | 3,843 | 4,025 | 5% |
| **Apricots** | | | 16 | 82 | 61 | -26% |
| **Grapes** | 1,861 | 1,847 | 1,403 | 1,961 | 1,643 | -16% |
| **TOTAL FRESH** | **24,597** | **27,064** | **22,784** | **28,698** | **28,005** | **-2%** |

# TOTAL REPORTED SALES VOLUMES

## TABLE VIII
## Reported Peach Sales Volumes for Fresh Market
## 2014 – 2018

| Marketer | 2014 Tons | 2015 Tons | 2016 Tons | 2017 Tons | 2018 Tons | % Change ’18 vs. ‘17 |
|---|---|---|---|---|---|---|
| Niagara Dealers | 16,633 | 17,711 | 14,055 | 17,463 | 17,557 | 1% |
| Southwestern Ontario Dealers | - | 176 | 404 | 357 | 251 | -30% |
| Other* | 789 | 1,064 | 1,023 | 894 | 854 | -4% |
| TOTALS | **17,422** | **18,951** | **15,482** | **18,714** | **18,662** | **0%** |

*Other includes reported sales other than through appointed dealers.

## TABLE IX
## Reported Pear Sales Volumes for Fresh Market
## 2014 – 2018

| Marketer | 2014 Tons | 2015 Tons | 2016 Tons | 2017 Tons | 2018 Tons | % Change ’18 vs. ‘17 |
|---|---|---|---|---|---|---|
| Niagara Dealers | 1,916 | 2,930 | 2,445 | 2,641 | 2,549 | -4% |
| Southwestern Ontario Dealers | 2 | 7 | 3 | 4 | 2 | -39% |
| Other* | 156 | 264 | 202 | 241 | 214 | -11% |
| TOTALS | **2074** | **3,201** | **2,650** | **2,886** | **2,765** | **-4%** |

*Other includes reported sales other than through appointed dealers.

## TABLE X
## Reported Plum & Prune Sales Volumes for Fresh Market
## 2014 – 2018

| Marketer | 2014 Tons | 2015 Tons | 2016 Tons | 2017 Tons | 2018 Tons | % Change ’18 vs. ‘17 |
|---|---|---|---|---|---|---|
| Niagara Dealers | 1,757 | 1,765 | 1,247 | 2,343 | 1,917 | -18% |
| Southwestern Ontario Dealers | - | 2 | 1 | 2 | - | -100% |
| Other* | 156 | 161 | 154 | 155 | 160 | 4% |
| TOTALS | **1,913** | **1,928** | **1,402** | **2,500** | **2,077** | **-17%** |

*Other includes reported sales other than through appointed dealers.

## TABLE XI
## Reported Nectarine Sales Volumes for Fresh Market
## 2014 – 2018

| Marketer | 2014 Tons | 2015 Tons | 2016 Tons | 2017 Tons | 2018 Tons | % Change ’18 vs. ‘17 |
|---|---|---|---|---|---|---|
| Niagara Dealers | 2,430 | 2,624 | 3,204 | 3,841 | 4,024 | 5% |
| Southwestern Ontario Dealers | - | 2 | 6 | 2 | 1 | -55% |
| Other* | 107 | 110 | 118 | 90 | 115 | 28% |
| TOTALS | **2,537** | **2,736** | **3,328** | **3,933** | **4,140** | **5%** |

*Other includes reported sales other than through appointed dealers.

## TABLE XII
## Reported Apricot Sales Volumes for Fresh Market
## 2016-2018

| Marketer | 2016 Tons | 2017 Tons | 2018 Tons | % Change '18 vs. '17 |
|---|---|---|---|---|
| Niagara Dealers | 16 | 81 | 61 | -25% |
| Southwestern Ontario Dealers | - | 1 | - | -100% |
| Other* | 2 | 18 | 3 | -84% |
| TOTALS | **18** | **100** | **64** | **-36%** |

*Other includes reported sales other than through appointed dealers.

## TABLE XIII
## Members of the Local Board
## 2014 – 2018

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| **Producers Selling to Processors** | | | | | |
| Sweet Cherries | 7 | 3 | 5 | 5 | 5 |
| Sour Cherries | 28 | 24 | 27 | 18 | 19 |
| Pears | 20 | 16 | 14 | 8 | 15 |
| Peaches | 7 | 10 | 13 | 13 | 11 |
| **Total Number of Producers Fresh and Processing Combined** | **277** | **257** | **253** | **206** | **214** |

## TABLE XIV
## Licence Fees– Processing Crops
## 2014 - 2018

| Crop | 2014 $/ton | 2015 $/ton | 2016 $/ton | 2017 $/ton | 2018 $/ton |
|---|---|---|---|---|---|
| Peaches | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Sweet Cherries | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Sour Cherries** | 20.00 | 22.50 | 20.00 | 20.00 | 20.00 |
| Pears | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

**The $20.00/ton licence fee for sour cherries includes fees for participation in the North American Tart Cherry Promotion Initiative of $10.00/ton.

## TABLE XV
## 2018 Licence Fees – Fresh Market Crops

| Crop | Adminis-tration $/ton | Research & Food Safety $/ton | Promotion $/ton | Incentives $/ton | Total 2018 $/ton | Total 2017 $/ton |
|---|---|---|---|---|---|---|
| Peaches | 14.00 | 3.00 | 4.00 | 54.73 | 75.73 | 74.00 |
| Nectarines | 14.00 | 3.00 | 4.00 | 60.81 | 81.81 | 80.00 |
| Yellow Plums | 14.00 | 3.00 | 4.00 | 50.00 | 71.00 | 51.00 |
| Blue Plums | 14.00 | 3.00 | 4.00 | 25.83 | 46.83 | 55.00 |
| Red Plums | 14.00 | 3.00 | 4.00 | 0.00 | 21.00 | 23.00 |
| Pears - Bartlett | 14.00 | 3.00 | 4.00 | 43.44 | 64.44 | 57.00 |
| Pears - Bosc | 14.00 | 3.00 | 4.00 | 32.80 | 53.80 | 57.00 |
| Pears - Other | 14.00 | 3.00 | 4.00 | 0.00 | 21.00 | 23.00 |
| Pears - Cold Snap* | 14.00 | 3.00 | 40.00 | 0.00 | 57.00 | 58.00 |
| Apricots | 14.00 | 3.00 | 4.00 | 0.00 | 21.00 | 23.00 |

*2018 promotion fee for Cold Snap was used for a specific market development initiative

# PRODUCTION INSURANCE
## TABLE XVI
## Ontario Production Insurance Results- 2018

| Commodity | Number of Accounts | Total Premium ($) | Grower Premium ($) | Total Approved Claims ($) |
|---|---|---|---|---|
| Peach & Nectarine | 77 | 980,593 | 400,860 | 161,250 |
| Pear | 36 | 179,893 | 72,265 | 14,017 |
| Sweet Cherry | 19 | 51,555 | 20,622 | 17,040 |
| Sour Cherry | 21 | 348,462 | 139,385 | 127,566 |
| Plum & Prune | 33 | 454,455 | 181,782 | 105,746 |

Data as of January 25, 2019 and is subject to change.

# 2018 PROMOTIONAL ACTIVITIES

The following 2018 promotion initiatives were made possible through Agricultural Adaptation Council and Canadian Agricultural Partnership:

- ✓ Distribution of 1,000 display bins for the Eastern and Quebec markets
- ✓ Accompanying retail sales kits which included bilingual care & handling posters and tearaway recipe cards with QR code directing consumer to website
- ✓ New recipe development and micro-videos with voice-over added to website and YouTube
- ✓ Instore sampling at major retailers – 139 stores executed

CANADIAN AGRICULTURAL PARTNERSHIP    Ontario Tender Fruit Growers    AAC agricultural adaptation council    Ontario    Canada

Additional promotion activities included:

- ✓ New tart cherry posters and postcards distributed to demonstrate new pail design and advertise availability. Tart cherry care and handling memo sent to retailers.
- ✓ Horizon Food & Drink Magazine cover feature and advertorial insert in July/August issue.
- ✓ Horizon Media video billboards in Toronto advertising fresh, local tender fruit availability.
- ✓ Social media contests held to boost followers and engagement in content and launch of Instagram page. Current stats: Facebook (3,760 followers), Twitter (1,154 followers), YouTube (2,204 video views), Pinterest (271 monthly views) *NEW* Instagram (213 followers).
- ✓ OPMA's Produce Made Simple tender fruit promotion in their newsletters and online throughout the season, along with TV recipe demonstrations.
- ✓ Ontario Summer Games – 3,900 participants. OTFG donated peaches for the athletes for all 3 days and received sponsor recognition at event and online.
- ✓ Foodland Ontario's "generic" display bins – 4,500 sent to Ontario retailers with peach, plum and pear tart recipe cards. Participation in retail display contest – 338 entries.
- ✓ Foodland Ontario Media Initiatives – tender fruit featured in calendars, recipe booklets, newsletters, TV recipe demos, radio ads, website and social media.


The Board is a contributing member and/or sponsor of a number of agricultural and trade organizations.

| **Memberships** | **$** |
|---|---:|
| Agricultural Adaptation Council | 150 |
| Ontario Agricultural Commodity Council | 1,000 |
| Ontario Federation of Agriculture | 500 |
| Farm and Food Care | 250 |
| President's Council | 300 |
| Canadian Horticultural Council* | |
| Canadian Produce Marketers Association | 1,290 |
| Ontario Produce Marketers Association | 400 |
| Quebec Produce Marketers Association | 408 |

* The OFVGA pay CHC fees on behalf of their member organizations through container tolls.

| **Sponsorships** | **$** |
|---|---:|
| OF&VC Sponsorship | 1,300 |
| OPMA Sponsorship* | 1,500 |
| CPMA Sponsorship* | 2,500 |
| Niagara on the Lake Peach Celebration | 2,500 |
| Niagara Regional Science and Engineering Fair | 500 |
| West Niagara Agricultural Society Sponsorship | 63 |
| OPMA 5 to 10 a Day Program** | $56,201 |

* Cost-shared with the Ontario Fresh Grape Board and appointed dealer-shippers in Niagara
** Cost-shared with Metro, Loblaw, Sobeys and Walmart – Ontario Divisions

# RESEARCH PRIORITIES AND ACTIVITIES

**The following are the current tender fruit research priorities:**

1) Increase labour and operational efficiencies:
   - Improved processes and systems that reduce impacts of and/or costs for:
     - pruning, thinning, harvesting and packing;
     - pest and disease management;
     - adverse weather management.

   Top 3 Diseases:
   Fire Blight, Black Knot, Bacterial Spot

2) New variety acquisition, development, and best management and commercialization processes that result in:
   - higher value varieties suited to Ontario growing conditions and marketplace needs;
   - an increase in organic production;
   - fast tracking of virus-free commercial production of promising varieties; and
   - disease resistance - especially to Fire Blight, Black Knot and Bacterial Spot.

3) Increase post-harvest quality:
   - optimal harvest timing, packing, and cold chain management systems and practices to increase quality and shelf life.

4) Irrigation, water and nutrient use:
   - processes and systems to maximize efficiencies.

5) Invasive species management:
   - strategies to combat new invasive species such as Brown Marmorated Stink Bug (BMSB) and Spotted Wing Drosophila (SWD).

**PPV MONITORING PROGRAM**

Results for the 2018 CFIA PPV Sampling Program:

- Total number of samples: 4034
- Detection of PPV: None of the samples tested were found to have detective results for PPV
- 19,716 residences (mix of homes and orchards) were visited to confirm compliance with the propagation ban.

The movement restrictions and propagation ban within the Niagara quarantine area remain in effect and will continue to be monitored by the CFIA. A "Notice of Prohibition" or "Restriction of an Activity Notice" is issued when evidence of propagation is found on a property. Individuals who have been issued such notices will be visited at an increased frequency to ensure they are in compliance with the propagation ban. If there is evidence to indicate they have violated the notice, enforcement action will be taken.

Penalties for violating notices range from $1,000 - $10,000.

**Crop Protection Report 2018**

In 2018, the industry obtained registration of several pesticides through the efforts of Jim Chaput, Minor Use Coordinator, OMAFRA, and Pest Management Regulatory Agency (PMRA). Dr. Wendy McFadden-Smith, OMAFRA, assisted with various pest management issues including those related to minor use registrations and represented tender fruit at the Minor Use Priority Setting Workshop in Gatineau to highlight priorities. Wendy also represented the industry at the Fruit Technical Working Group which is responsible for the inclusion of products in Publication 360 "Fruit Crop Protection Guide".

The following table lists new product registrations, label expansions and emergency registrations as of December 2018.

| Product | Active Ingredient (Pesticide Group) | Pest | Crop |
|---|---|---|---|
| **Disease Management** | | | |
| Luna Sensation | fluopyram + trifloxystrobin (7+11) | brown rot, scab, powdery mildew, leaf spot | all stone fruit |
| Oxidate | hydrogen peroxide + peroxyacetic actid (NC) | fire blight (partial suppression) | pear |
| Parasol flowable fungicide | copper hydroxide (M) | fire blight, blossom blast, peach leaf curl, bacterial canker | pear, cherries (sweet and tart), peach, nectarine |
| **Insect Management** | | | |
| Ambush 500 EC | permethrin (3) | plum curculio, oriental fruit moth | peach, nectarine, plum |
| Beleaf | flonicamid (20) | aphids | cherry |
| Delegate | spinetoram (5) | peach tree borer, lesser peach tree borer | all stone fruit |
| Harvanta | cyclaniliprole (28) | oriental fruit moth, codling moth, oblique banded leafroller, spotted wing drosophila, plum curculio (suppression) | pear, all stone fruit |
| Kopa | potassium salts of fatty acids (NC) | European red mite, two-spotted spider mite, aphids | pear, all stone fruit |
| Mako (emergency use) | cypermethrin (3) | spotted wing drosophila | all stone fruit |
| Malathion (emergency use) | malathion (1B) | spotted wing drosophila | all stone fruit |
| Minecto Pro | cyantraniliprole + abamectin (28+6) | codling moth, oriental fruit moth, tentiform leafminer, oblique-banded leafroller, two spotted spider mite, European red mite, pear rust mite, pear psylla, plum curculio (pear only) | pear, all stone fruit |
| Versys | afidopyropen (9D) | black cherry aphid | all stone fruit |
| XenTari WG | *Bacillus thuringiensis*, subsp. *aizawai*, Strain ABTS-1857 (11) | oblique banded leafroller, oriental fruit moth (suppression) | all stone fruit |
| **Herbicides and Plant Growth Regulators** | | | |
| Prism | Rimsulfuron (2) | grasses, red root pigweed, lambquarters (suppression) | cherries, plums |
| ReTain | aviglycine hydrochloride | improved fruit set | sweet cherry |

Several neonicotinoid insecticides are also under review for their potential impact on pollinators and aquatic organisms. PMRA is proposing a 3 to 5-year phase-out of insecticides containing imidacloprid (Admire and Alias) and the active ingredients of Clutch and Actara are under special review. The OTFG has provided input to the PMRA to try to ensure that we retain these insecticides as crucial tools for pest management.

Brown Marmorated Stink Bug is established and overwinters in Ontario. It has been found in pear trees and suspected injury has been detected. Typically, the injury occurs on fruit in the upper part of trees neighbouring bush areas. In 2018, pheromone trap-based monitoring focused on the Niagara region, where BMSB appears to be established with significant and potentially economically injurious populations. A total of 20 sites (apples, grapes, peaches, pears and hazelnuts) were monitored bi-weekly from beginning of June until end of October. Based on surveys and confirmed homeowner finds, BMSB has been detected in 24 counties across southern Ontario and is established in at least 12 of these areas, many of which have at-risk fruit crops.

The quarantine for European cherry fruit fly is still in effect. Cherries cannot move into the US unless they were documented to be frozen.

Spotted Lanternfly is the latest invasive species to hit North America. It has been detected in multiple counties in New York, Pennsylvania (in 2014), New Jersey, Delaware and Virginia. The pest targets ailanthus trees (tree of heaven), in particular, and attacks a wide variety of crops including grapes, hops, tree fruit and forest products. The Canadian Food Inspection Agency (CFIA) regulates for Spotted Lanternfly 2018 in an effort to prevent it from being introduced from infested areas to Canada. OMAFRA undertook a monitoring program during 2016 to survey for the insect prior to it being added to the CFIA's regulated pest list and repeated the survey during the 2018 season. Spotted Lanternfly is not considered to be in Canada at this time.

## 2018 TENDER FRUIT RESEARCH PROJECT UPDATES

### AgriScience Program- New Variety Development - (2018-2022)

Funding for this project has been received by Agriculture and AgriFood Canada to build on the success of our previous project (2014-2017 AIP). In partnership with University of Guelph, Vineland Research and Innovation and OMAFRA, the Ontario Tender Fruit Growers and Ontario Fresh Grape Growers are continuing the development, testing and evaluation of new tender fruit and fresh grape varieties towards improving Canadian fruit quality, selection and availability. Commercial releases of varieties advanced during the previous project will start to become available to growers, evaluations of selections in the pipeline will continue through the TFEC committee and now include post-harvest evaluations for select material. This project also includes research by University of Guelph to develop molecular markers for black knot resistance in plums.

Additional assistance for this project has been received from Niagara Peninsula Fruit and Vegetable Growers and in-kind support from Canadian Fruit Tree Nurseries, Vinetech and growers supporting on farm testing.

### Tree Fruit and Fresh Grape Economic Impact Study - (2018-2019)

In partnership with Ontario Apple Growers and the Ontario Fresh Grape Marketing Board, this project will result in a comprehensive report on the economic impact of the tree fruit and table grape industry in Ontario. This will be a valuable tool to inform industry stakeholders and farmer members of the total impact of all activities that enhance the value of these sectors beyond the farm gate.

### CropTracker Enterprise – (2018-2020)

In partnership with Ontario Apple Growers and the Ontario Fresh Grape Grower's Marketing Board, this project will result in a cloud-based system for the Ontario tree fruit and fresh grape industry to improve industry aggregate data collection and data flow and create efficiencies and support across the value chain.

The system will modernize the industries data management and provide a means by which virtually all data collected at the farm/packer/storage/shipper or processor level could be linked, collected and aggregated for industry-wide reporting and strategizing.

**Development of a novel method for quantifying spotted wing drosophila (SWD) in a monitoring program in stone fruit, grapes and berries and determination of impact on stone fruit and grape varieties (2018-2019)**

**Investigators:** Wendy McFadden-Smith, Justin Renkema, Shu Chen, Jay Subramanian

The SWD monitoring project is a collaboration with the Niagara Peninsula Fruit and Vegetable Growers' Association, Ontario Tender Fruit Growers, the Eastern Ontario Berry Growers, OMAFRA staff and private consultants. Site-specific weekly reports were sent to growers participating in the monitoring program in 2018 and will continue for 2019.

**Rapid Virus Indexing – Vineland Research and Innovation, CFIA (2017-2019)**

In partnership with NPF&VGA and CHC Apple Working Group this project aims to affect policy change within CFIA to use the technology to:

- Allow the rapid introduction of new fruit tree varieties into Canada by reducing time in quarantine at Sidney and;
- Give industry a definitive single-test for their own Gen 1/1A and 2 material.
- The project is on track to be completed by March 2019.

**Increasing Market Access for Tree Fruit and Fresh Grape Farmers**

With assistance from the Greenbelt Fund, this project provided cost share to tender fruit, apple and fresh grape growers to assist them in planting more profitable varieties and filling in production gaps.

# Independent Auditor's Report

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To the Members of
Ontario Tender Fruit Growers

## Opinion

We have audited the financial statements of Ontario Tender Fruit Growers, which comprise the statement of financial position as at January 31, 2019, and the statements of operations and unrestricted net assets, restricted net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at January 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

# Independent Auditor's Report (continued)

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton LLP

St. Catharines, Canada
February 25, 2019

Chartered Professional Accountants
Licensed Public Accountants

# Ontario Tender Fruit Growers
## Statement of Operations and Unrestricted Net Assets

| Year ended January 31 | 2019 | 2018 |
|---|---|---|
| **Revenues** | | |
| Licence fees, fresh market (Note 3) | **$ 1,992,286** | $ 1,960,718 |
| Appropriated to marketing incentive program (Note 4) | **(1,452,527)** | (1,327,205) |
| | **539,759** | 633,513 |
| Licence fees, processing (Note 3) | **50,242** | 60,231 |
| Government and industry funding | | |
| Research activities | **98,367** | 830,329 |
| Promotion activities | **124,009** | 120,821 |
| Interest and other income | **40,657** | 36,210 |
| | **853,034** | 1,681,104 |
| **Expenses** | | |
| Directors' fees, honoraria and benefits | **41,345** | 48,590 |
| Salaries and benefits (Note 5) | **303,129** | 279,739 |
| Travel | **24,522** | 29,962 |
| Meetings and conventions | **8,370** | 8,788 |
| Office supplies and expenses | **42,251** | 42,483 |
| Postage | **4,672** | 5,724 |
| Dues and subscriptions | **5,531** | 5,482 |
| Labour Issues Coordinating Committee | **4,200** | 4,200 |
| Research (Note 6) | | |
| Ontario Tender Fruit Growers funded portion | **77,345** | 131,116 |
| Government and industry funded portion | **98,367** | 830,329 |
| Promotion (Note 6) | | |
| Ontario Tender Fruit Growers funded portion | **66,801** | 113,459 |
| Government and industry funded portion | **124,009** | 120,821 |
| Professional fees (Note 7) | **13,017** | 12,209 |
| Utilities and maintenance | **24,400** | 23,317 |
| Telephone | **11,546** | 9,312 |
| Insurance and taxes | **12,967** | 12,837 |
| Amortization | **9,927** | 9,740 |
| Bad debts | **3,142** | - |
| Expense recoveries from other associations | **(32,912)** | (32,424) |
| | **842,629** | 1,655,684 |
| Excess of revenues over expenses | **10,405** | 25,420 |
| Fund balance, beginning of the year | **1,691,138** | 1,665,718 |
| Transfer to restricted net assets | **(143,920)** | - |
| Fund balance, end of the year | **$ 1,557,623** | $ 1,691,138 |



See accompanying notes to the financial statements.

# Ontario Tender Fruit Growers
# Statement of Restricted Net Assets

| Year ended January 31 | **2019** | 2018 |
|---|---|---|
| **Marketing incentive program (Note 4)** | | |
| Revenues | | |
| Licence fees, fresh market | **$ 1,452,527** | $ 1,327,205 |
| Expenses | | |
| Incentive program | **1,602,441** | 1,370,046 |
| Deficiency of revenues over expenses | **(149,914)** | (42,841) |
| Fund balance, beginning of the year | **90,271** | 133,112 |
| Transfer from unrestricted net assets | **140,000** | - |
| Fund balance, end of the year | **$ 80,357** | $ 90,271 |
| **Sour cherry chilled pitted promotion program** | | |
| Revenues | | |
| Sour cherry promotion fees | **$ -** | $ 9,682 |
| Expenses | | |
| Cherry promotion program | **1,601** | 11,578 |
| Deficiency of revenues over expenses | **(1,601)** | (1,896) |
| Fund balance, beginning of the year | **6,043** | 7,939 |
| Fund balance, end of year | **$ 4,442** | $ 6,043 |
| **Red tart sour cherry market development** | | |
| Revenues | | |
| Grower fees | **$ 39,242** | $ 48,266 |
| Expenses | | |
| North American cherry initiative | **39,242** | 50,000 |
| Deficiency of revenues over expenses | **-** | (1,734) |
| Fund balance, beginning of the year | **193** | 1,927 |
| Transfer from unrestricted net assets | **3,920** | - |
| Fund balance, end of the year | **$ 4,113** | $ 193 |
| **Fruit testing research program** | | |
| Revenues | **$ -** | $ - |
| Expenses | | |
| Fruit testing research | **14,119** | 4,555 |
| Deficiency of revenues over expenses | **(14,119)** | (4,555) |
| Fund balance, beginning of the year | **28,897** | 33,452 |
| Fund balance, end of year | **$ 14,778** | $ 28,897 |


See accompanying notes to the financial statements.

# Ontario Tender Fruit Growers
# Statement of Financial Position

| January 31 | 2019 | 2018 |
|---|---|---|
| **Assets** | | |
| Current | | |
| Cash | **$ 476,711** | $ 509,363 |
| Guaranteed investment certificates (Note 8) | **1,064,215** | 948,751 |
| Accounts receivable (Note 9) | **24,694** | 47,076 |
| Research and promotion contributions receivable (Note 6) | **97,445** | 111,541 |
| Prepaid expenses | **8,617** | 10,084 |
| | **1,671,682** | 1,626,815 |
| Long-term | | |
| Due from related parties (Note 10) | **99,665** | 104,207 |
| Investments (Note 11) | **286,353** | 286,353 |
| | **386,018** | 390,560 |
| | **$ 2,057,700** | $ 2,017,375 |

| | 2019 | 2018 |
|---|---|---|
| **Liabilities** | | |
| Current | | |
| Accounts payable and accrued liabilities | **$ 55,257** | $ 44,576 |
| Government remittances payable | **22,736** | 26,815 |
| Deposits, licence fees | **1,431** | 1,431 |
| Deferred research and promotion contributions (Note 6) | **316,963** | 128,011 |
| | **396,387** | 200,833 |
| **Net assets** | | |
| Unrestricted | **1,557,623** | 1,691,138 |
| Restricted | | |
| Marketing incentive program (Page 4) | **80,357** | 90,271 |
| Sour cherry chilled pitted promotion program (Page 4) | **4,442** | 6,043 |
| Red tart sour cherry market development (Page 4) | **4,113** | 193 |
| Fruit testing research program (Page 4) | **14,778** | 28,897 |
| | **103,690** | 125,404 |
| | **1,661,313** | 1,816,542 |
| | **$ 2,057,700** | $ 2,017,375 |

On behalf of the board

_______________ Director _______________ Director



See accompanying notes to the financial statements.

# Ontario Tender Fruit Growers
# Statement of Cash Flows

| Year ended January 31 | **2019** | 2018 |
|---|---|---|
| Increase (decrease) in cash | | |
| **Operating** | | |
| (Deficiency) excess of revenues over expenses for the year: | | |
| Unrestricted net assets | **$ 10,405** | $ 25,420 |
| Marketing incentive program | **(149,914)** | (42,841) |
| Sour cherry chilled pitted promotion program | **(1,601)** | (1,896) |
| Red tart sour cherry market development | **-** | (1,734) |
| Fruit testing research program | **(14,119)** | (4,555) |
| Changes in non-cash working capital | | |
| Accounts receivable | **22,382** | (21,060) |
| Research and promotion contributions receivable | **203,048** | 10,971 |
| Interest receivable | **(21,979)** | 10,059 |
| Prepaid expenses | **1,467** | (2,242) |
| Accounts payable and accrued liabilities | **10,681** | 14,027 |
| Government remittances payable | **(4,079)** | 13,012 |
| Deposits, licence fees | **-** | (148) |
| | **56,291** | (987) |
| **Investing** | | |
| Advances from related parties | **4,542** | 9,301 |
| Purchase of guaranteed investment certificates | **(1,302,409)** | (383,675) |
| Proceeds of guaranteed investment certificates | **1,208,924** | 353,309 |
| | **(88,943)** | (21,065) |
| (Decrease) increase in cash | **(32,652)** | (22,052) |
| Beginning of year | **509,363** | 531,415 |
| End of year | **$ 476,711** | $ 509,363 |



See accompanying notes to the financial statements.

## 1. Nature of operations

The board was established to regulate prices and conditions of sale for tender fruit, as well as for the purposes of marketing and promoting tender fruit. It is incorporated by Letters Patent as a corporation without share capital under the laws of Ontario, and is exempt from income taxes under the Income Tax Act.

## 2. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CICA Handbook and include the following significant accounting policies:

### Financial instruments

Measurement

The board initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions with a person or entity whose sole relationship with the board is in the capacity of management are accounted for in accordance with financial instruments.

The board subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are not quoted in an active market which are measured at cost less any reduction for impairment.

Financial assets and liabilities measured at amortized cost include cash, guaranteed investment certificates, accounts receivable, contributions receivable, amounts due from related parties, accounts payable and accrued liabilities, government remittances payable, deposits and deferred contributions.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenues over expenses for the year.

### Fund accounting

The board follows the restricted fund method of accounting for contributions. Revenues and expenses related to the Marketing Incentive, Sour Cherry Chilled Pitted Promotion, Red Tart Sour Cherry Market Development, and Fruit Testing Research Programs are reported in these restricted funds. All other revenues and expenses are reported in the unrestricted fund.

**Revenue recognition**

Restricted contributions related to marketing operations are recognized as revenue in unrestricted net assets in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue in restricted net assets.

Unrestricted contributions are recognized as revenue in unrestricted net assets in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**Investments**

Investments in joint ventures and significantly influenced investees are accounted for using the equity method.

The equity method is a basis of accounting for investments whereby the investment is initially recorded at cost and the carrying value, adjusted thereafter to include the investor's pro-rata share of post-acquisition earnings of the investee, computed by the consolidation method. Profit distributions received or receivable from an investee reduce the carrying value of the investment.

**Amortization**

Property and equipment which are shared with other related marketing boards are capitalized by Grape and Tender Fruit (Ontario) Limited. The amortization charge for property and equipment is reported according to the cost sharing arrangement by each benefiting board.

**Use of estimates**

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses as appropriate in the year they become known.

## 3. Licence fees

| | 2019 | 2018 |
|---|---|---|
| Licence fees, fresh market | | |
| peaches | **$1,360,811** | $1,347,390 |
| pears | **162,495** | 155,936 |
| plums and prunes | **128,805** | 130,470 |
| nectarines | **335,218** | 320,468 |
| apricots | **1,557** | 3,254 |
| voluntary | **3,400** | 3,200 |
| | **$1,992,286** | $1,960,718 |
| Licence fees, processing | | |
| sour cherries | **$ 39,242** | $ 48,265 |
| sweet cherries | **117** | 150 |
| peaches | **7,893** | 8,365 |
| pears | **2,990** | 3,451 |
| | **$ 50,242** | $ 60,231 |

## 4. Marketing incentive program

The funds raised for this program in 2019 in the amount of $1,452,527 (2018 - $1,327,205) were generated by a levy on producers included in licence fees. The $1,602,441 (2018 - $1,370,046) marketing incentive expenditures were paid out to qualifying retailers in Ontario, Quebec and the Atlantic and Western Provinces to encourage sales through additional features.

A summary of the incentive program by crop as reported on the statement of unrestricted and restricted net assets is as follows:

| | Peaches | Nectarines | Pears | Plums | **Total** |
|---|---|---|---|---|---|
| Balance, beginning of year | $ 42,429 | $ 31,243 | $ 12,021 | $ 4,578 | **$ 90,271** |
| Transfer from unrestricted fund | 140,000 | - | - | - | **140,000** |
| Transfer from licence fees, fresh market | 1,016,504 | 251,149 | 101,385 | 83,489 | **1,452,527** |
| Incentive program expense | (1,239,640) | (257,760) | (63,160) | (41,881) | **(1,602,441)** |
| Balance, end of year | $ (40,707) | $ 24,632 | $ 50,246 | $ 46,186 | **$ 80,357** |

## 5. Salaries and benefits

| | **2019** | 2018 |
|---|---|---|
| Total salaries and benefits | **$ 356,535** | $ 332,271 |
| Recoveries: | | |
| Ontario Apple Growers | **(26,849)** | (26,291) |
| Ontario Fresh Grape Growers Marketing Board | **(12,000)** | (12,000) |
| Advancing the tree fruit & fresh grape sectors | **(4,500)** | (5,500) |
| Niagara Peninsula Fruit & Vegetable Growers Association | **(2,350)** | (2,350) |
| Project management | **(7,707)** | (6,391) |
| | **$ 303,129** | $ 279,739 |

### 6. Deferred contributions, research and promotion activities

| | (Deferred) Receivable Contributions February 1, 2018 | Government/ Industry Contributions 2019 | Expenses 2019 | Board Funded Expenses 2019 | (Deferred) Receivable Contributions January 31, 2019 |
|---|---|---|---|---|---|
| Grant funded research projects | | | | | |
| AIP - Advancing the tree fruit & fresh grape sectors | $ 33,014 | 47,223 | 18,954 | 4,745 | **$ -** |
| ASP - Enhancing the Ontario tree fruit & fresh grape sectors | - | 5,110 | 4,872 | 30,000 | **(30,238)** |
| CAP - Ontario tree fruit and fresh grape economic impact study | - | 2,000 | 20,000 | 8,100 | **9,900** |
| GF2 - Ontario stone fruit cold chain best management practices | 78,527 | 78,527 | - | - | **-** |
| Tender fruit clean plant initiatives | (19,846) | - | 4,900 | - | **(14,946)** |
| Ontario fruit tree and vine grant program | - | 250,000 | 76,183 | - | **(173,817)** |
| Optimizing fertilizer recommendations for peaches | - | 1,500 | 1,397 | - | **(103)** |
| High density orchard management demonstration tour | - | 650 | - | - | **(650)** |
| Tree fruit & fresh grape worker health & safety | (1,951) | - | - | - | **(1,951)** |
| Pesticide initiative | (19,692) | - | 7,000 | - | **(12,692)** |
| Post-harvest initiatives | (86,522) | 3,950 | 7,906 | - | **(82,566)** |
| | $ (16,470) | 388,960 | 141,212 | 42,845 | **$ (307,063)** |
| Less board funded expenses | | | (42,845) | | |
| Government and industry funded portion | | | 98,367 | | |
| Other research project contributions | | | | 34,500 | |
| OTFG portion of research activities | | | | 77,345 | |
| Grant funded promotion projects | | | | | |
| CAP - Ontario tender fruit export market development | - | 12,000 | 153,640 | 54,095 | **87,545** |
| Cold snap pear promotion program | - | 5,988 | 5,988 | - | **-** |
| OFVGA Promotion | - | 18,476 | - | (18,476) | **-** |
| | - | 36,464 | 159,628 | 35,619 | **87,545** |
| Less board funded expenses | | | (35,619) | | |
| Government and industry funded portion | | | 124,009 | | |
| Other promotion expenditures | | | | 31,182 | |
| OTFG portion of promotion activities | | | | 66,801 | |
| | $ (16,470) | | | | **$ (219,518)** |
| Reported as: | | | | | |
| Research and food safety contributions receivable | $ 111,541 | | | | **$ 97,445** |
| Deferred research and food safety contributions | (128,011) | | | | **(316,963)** |
| | $ (16,470) | | | | **$ (219,518)** |

### 7. Professional fees

| | | 2019 | | 2018 |
|---|---|---|---|---|
| Audit | $ | **11,428** | $ | 10,750 |
| Legal | | **-** | | 1,202 |
| Consulting | | **1,589** | | 257 |
| | $ | **13,017** | $ | 12,209 |

### 8. Guaranteed investment certificates

The board has guaranteed investment certificates that mature between 2019 and 2020 and earn interest between 2.40% and 2.91% (2018 - 1.90% and 2.80%)

### 9. Accounts receivable

| | | 2019 | | 2018 |
|---|---|---|---|---|
| Producer licence fees | $ | **29,713** | $ | 23,686 |
| Dealer shipper licence fees | | **-** | | 13,303 |
| Industry contributions | | **-** | | 10,000 |
| Other receivables | | **-** | | 87 |
| Less: Allowance for doubtful accounts | | **(5,019)** | | - |
| | $ | **24,694** | $ | 47,076 |

### 10. Related party transactions

The board is related to Grape & Tender Fruit (Ontario) Limited (GTFOL), a jointly controlled enterprise who operates the marketing boards' shared offices and who owns the shared land and building.

The boards proportionate share of GTFOL is as follows:

| | **2019** | 2018 |
|---|---|---|
| Assets | **$ 411,541** | $ 416,016 |
| Liabilities | **125,188** | 129,663 |
| Net Assets | **$ 286,353** | $ 286,353 |

Expenses include a $129,042 (2018 - $121,801) charge for the board's share (50% (2018 - 50%) ) of management operation costs incurred during the year by Grape & Tender Fruit (Ontario) Limited. These costs have been allocated to the relevant individual expense accounts.

Amounts due from related parties:

| | **2019** | 2018 |
|---|---|---|
| Grape & Tender Fruit (Ontario) Limited | **$ 99,665** | $ 104,207 |

### 11. Investments

| | **2019** | 2018 |
|---|---|---|
| Grape & Tender Fruit (Ontario) Limited: | | |
| 106 common shares (53% interest) | **53** | 53 |
| 2,863 special shares (60% interest) | **286,300** | 286,300 |
| | **$ 286,353** | $ 286,353 |

The investment in Grape & Tender Fruit (Ontario) Limited represents the board's share of the equity of Grape & Tender Fruit (Ontario) Limited whose primary purpose is to operate the marketing board's shared offices and whose major asset is the land and building shared by the marketing boards.

### 12. Financial instruments

The board is exposed to various risks through its financial instruments. The following analysis provides a measure of the board's risk exposures and concentrations at January 31, 2019:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The board's main credit risk relates to its accounts receivable. The entity provides credit to its growers in the normal course of operations.

Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The board is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The board is exposed to interest rate risk with respect to its fixed rate guaranteed investment certificates. Given the composition of financial instruments, the board is subject to a fair value risk.

# Notes

**CHAIR: Phil Tregunno**
**VICE CHAIR: John Thwaites**

**DIRECTORS:**
Brock Puddicombe
Dave Enns
David Hipple
Fred Meyers
Leo Devries
Rusty Smith
Ryan Schuyler

**MANAGER: Sarah Marshall**

**PROJECT MANAGER: Larissa Osborne**
**TREASURER: Maureen Connell**
**MARKETING COORDINATOR: Kelle Neufeld**
**ACCOUNTS: Sylvana Lagrotteria**

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**DELEGATES:**
CHC - Phil Tregunno (John Thwaites, alt.)
FARMS - Phil Tregunno
LICC - Phil Tregunno
NPF & VGA - Sarah Marshall
OFVGA - John Thwaites (Dave Enns, alt.)
OFA - PAC - Ryan Schuyler
OACC - Phil Tregunno, Sarah Marshall (Dave Hipple, alt.)
OACC Technical Committee - Sarah Marshall, Phil Tregunno