



Ontario Tender Fruit Producers' Marketing Board

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July 15, 2011

Items in this newsletter:

- ✓ Tree Fruit Industry Revitalization Program Rejected
- ✓ Fresh Market Pricing – Code-a-Phone
- ✓ SDRM a Good Fit for Hort Sector
- ✓ Processing Sweet Cherry Prices
- ✓ Tart Cherry Prices
- ✓ Ontario Crop & Timing Outlook
- ✓ U.S. Peach Crop Forecast
- ✓ Marketing Support for Bulk Peaches
- ✓ Returnable Plastic Containers (RPC)
- ✓ PPV Management Program
- ✓ Canada's Fruit and Veg Tech X-Change

TREE FRUIT INDUSTRY REVITALIZATION PROPOSAL REJECTED

As you are aware, the tree fruit industry has gone through a Strategic Planning process funded through the Ontario and federal government as part of the Orchard & Vineyard Transition Program. The plan which was released over two years ago provided direction to the industry on fruit quality, product mix, packaging and storage. All good stuff! The industry has now made the necessary adjustments, at least those within their control, which included packaging and quality improvements. The remaining recommendations included improvements in storage, packing lines and orchard adjustments all of which would require considerable investments.

The Board presented a proposal to Agriculture Minister, Carol Mitchell in 2010 for an “Infrastructure Program” which would be cost-shared by producers. This proposal has been rejected. A request for reconsideration was also rejected stating that the proposal was well received but that the Ontario government was not able to provide funding. This is very difficult to accept when the Ontario government just announced a similar program for the grape industry. It makes one wonder why we went through the strategic planning process when the participants were not willing to do their share to ensure a positive outcome.

The question remains “does the Ontario government believe the Ontario Tender Fruit Industry is worth saving”? If so, what are they prepared to do to provide meaningful support to ensure it does. This is the question I believe our Board and our grower members need to ask each of the political parties during the fall election.

FRESH MARKET PRICING – CODE-A-PHONE – 905-708-6620

For current pricing information call 905-708-6620 and follow the prompts. This recording is normally updated on Fridays throughout the season. The pricing information will also be posted on the Board's website www.ontariotenderfruit.ca. Price Bulletin #1 – 2011 has now been posted. The price bulletins will also be emailed to those tender fruit growers on the Board's eblast distribution list. If you aren't already receiving our newsletters by email and wish to be included, please contact Sarah Marshall at Extension 232.

SDRM A GOOD FIT FOR HORTICULTURE SECTOR

The recently announced SDRM program for edible horticultural crops has been met with overwhelming approval from producers. The fact that it is an add-on to existing programs is a key selling point. Other advantages are:

1. There are no premiums.
2. No requirement to have crop insurance.
3. An annual payment regardless of market conditions.
4. Self-declared claim mechanism.
5. Predictable (Bankable).
6. No caps (although a declining % payment after \$2.5 million in sales).
7. Simple - Annual sales data obtained from Income Tax Returns.
8. Virtual accounts at Agricorp – no banks involved.
9. Growers continue to receive annual benefits from the AgriInvest Program.
10. Growers continue to receive benefits from the AgriStability Program (based on margin decline) but subject to a claw-back provision.
11. No requirement on the part of the Boards to maintain cost of production data.

Yes, there is a claw back against the Ontario Government's portion of AgStability Program claims but we knew that going in. And, yes, you will be required to participate in the AgriStability Program (for 2012 crop year and beyond – no requirement for 2011).

PROCESSING SWEET CHERRY PRICES

Chilled Pitted Cherries	90¢ per lb.
Juice & Distilling	30¢ per lb.
Licence Fee	\$10.00 per ton
Payment Date	December 1, 2011

TART CHERRY PRICING

The 2011 tart cherry price was settled at 23¢ per lb. for 92 score (20¢ - 2010). The following information was taken into consideration during pricing negotiations:

1. The U.S. crop is expected to be 270 million pounds (186 million – 2010).
2. U.S. stocks on hand as of June 1st were 92 million pounds (down from 175 million in 2010).
3. The Ontario crop is expected to be down sharply from 2010 due mainly to poor pollination conditions this spring.
4. Exchange rate was \$1.032 U.S. this year compared to \$.965 in 2010.

The 2011 pricing schedule is as follows:

- (a) For cherries graded 97, 98, 99 and 100 at the rate of \$505 per ton.
- (b) For cherries graded 95 and 96 at the rate of \$490 per ton.
- (c) For cherries graded 93 and 94 at the rate of \$475 per ton.
- (d) For cherries graded 92 at the rate of \$460 per ton.
- (e) For cherries graded 90 and 91 at the rate of \$450 per ton.
- (f) For cherries graded 88 and 89 at the rate of \$440 per ton.
- (g) For cherries graded 85, 86 and 87 at the rate of \$430 per ton.
- (h) For cherries graded 80, 81, 82, 83 and 84 at the rate of \$420 per ton.
- (i) For cherries graded 75, 76, 77, 78 and 79 at the rate of \$410 per ton.
- (j) For cherries graded 70, 71, 72, 73 and 74 at the rate of \$400 per ton.
- (k) For cherries graded 69 and below at the rate of \$390 per ton.
- (l) For juice and distilling \$460 per ton.

Terms & Conditions:

Payment Dates:

September 15, 2011	25%
December 15, 2011	25%
March 15, 2012	25%
June 15, 2012	25%

Chilled Pitted Promotion \$.25 per ton - Grower – Payable December 15, 2011
 \$.25 per ton - Processor – Payable December 15, 2011

Licence Fee - The Board has established a licence fee of \$10.00 per ton but will be recovering this amount from the reserve in the North American Cherry Promotion fund.

Chilled Pitted Cherry Promotion – Again for 2011, participating retailers were offered chilled-pitted cherry posters advertising the arrival of supplies to their stores, encouraging consumers to purchase. In addition, a Global TV segment is scheduled to air on Friday, July 22nd, with orchard and pitting operation footage at Cherry Country Connections and a recipe segment.

CROP & TIMING UPDATE

A sample of the information provided to our retail partners is attached. These bulletins are regularly sent to the trade to keep them up-to-date on crop availability, timing and anticipated volumes. This information is updated regularly and is also posted on the Board's website www.ontariotenderfruit.ca Regarding timing, we are about 7-8 days behind 2010 (or about normal) in the Queenston/St. Davids area and 9–10 days behind 2010 along the Lakeshore.

U.S. FRESH PEACH FORECAST

The U.S. fresh market peach crop is forecast to be down 2% from 2010. Significant state estimates are as follows:

State	Tons	% Change from 2010
California	385,000	same
South Carolina	90,000	-18%
Georgia	40,000	same
New Jersey	32,000	-11%
Pennsylvania	25,400	+20%
Michigan	20,000	+43%
Washington	14,000	same
TOTAL ALL STATES	718,300	- 2%

MARKETING SUPPORT FOR BULK PEACHES

With the 11% increase in this year's peach crop, Ontario must do all it can to replace imports. There are two reasons retailers purchase imported peaches; price and availability. Availability relates to having the right product, at the right time and of course at the right price. Size and colour are the main factors. The retailers are prepared to support Ontario if we can meet these parameters. Ontario now offers bulk peaches in both the 15 lb. tray (2 7/8") and the 25 lb. bulk (2 1/2") which are both acceptable provided the quality is right.

In 2010, the Board provided an added incentive (\$1.00 per carton) to encourage our major retail partners to switch to Ontario as soon as our growers had suitable product. This worked. The Board is prepared to do the same again this year if necessary. That determination will be made closer to the actual harvest when more information is available on import pricing.

RETURNABLE PLASTIC CONTAINERS (RPC)

It appears that at least one chain will require at least a test market project using returnable plastic containers (RPCs). The reasoning is to reduce waste, reduce loss due to damage and eventually reduce costs. Time will tell. The cartons are being sourced out of the U.S. and returned to the U.S. for cleaning after use. Rental and related costs (labeling, assemble, etc.) are yet to be determined. Stay tuned.

PLUM POX MANAGEMENT PROGRAM

Notice - I said "Management" not "Eradication". CFIA continues to pursue a Management Program initiative. Orchards within 1.5 K of the U.S. border and those along the periphery of the quarantine zones and beyond are being tested to determine the extent of the spread of the virus. This may satisfy the concerns of the U.S. who don't want to see the virus spread there but it does nothing for our growers. \$17 million has been earmarked over the next five years for the Management Program.

CFIA is also working on developing Best Management Practices for growers to use on their farms. This is expected to include aphid control measures and a "You see the symptoms, pull the tree" recommendation. Without the political will to change the direction back to Eradication, Management is what we will have.

CANADA'S FRUIT AND VEG TECH X-CHANGE

The *Tech X-Change* is an outdoor horticulture trade show where growers and consumers can experience the latest technology, products, services and information firsthand in an outdoor farmland setting. This event will be held at 1195 Front Rd., St. Williams, Ontario from September 1 - 3rd, 2011.

The enclosed coupon entitles Tender Fruit Board members to receive \$5 off the admission. For more information about the event please visit their website at [.fruitvegtechxchange](http://fruitvegtechxchange).

Yours truly,



Adrian Huisman
Manager



Sarah Marshall
Marketing Director

Enclosure



Ontario Tender Fruit Producers' Marketing Board

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July 11, 2011

TRADE NEWSLETTER #5 – 2011

Crop Outlook & Timing – Seasonal weather conditions prevail. We could use some rain but most growers have started to irrigate. Timing is still the big issue. Based on cherry harvest and anticipated harvest dates for Yellow Plums, Niagara is about nine days later than 2010 in the Queenston/St. Davids (the early area) and 10 to 12 days later along the lake (the later areas). More information is included in the following crop report. 2011 crop estimate and availability dates are attached.



Peaches – The crop is estimated to be up about 12% from 2010. There will be a few peaches (Spring Crest and PF1) harvested early next week but commercial harvest is not expected to start until July 23 with full production by July 28 through to at least the end of September. Commercial harvest is defined as the first day the appointed dealers collectively receive 10,000 6x3's per day.



Nectarines – No change here - a very good crop which is expected to be up by about 10% from last year. Most of the increases are expected at the front end as a result of heavier plantings of earlier varieties. Please contact your suppliers for availability dates but we do expect to start the harvest in early August and continue through to the end of September. See attached weekly receipt estimates.



Sour Cherries - Chilled Pitted Red Tart Cherries are expected to start by the end of this week with full deliveries no later than July 17. Supplies expected to be available for about two weeks. **Black Sweet Cherries** – Contact your supplier.



Yellow Plums – Volume about the same as 2010 - 130,000 10x1.5s. Harvest will start in the earliest areas by July 15 with full volume expected by July 18. Ontario should be able to support feature activity for four weeks starting with the ad week of July 21/22.

Blue Plums – Down about 35% to 35,000 10x1.5's (55,000 - 2010).



Grapes – Great crop potential with an increase of at least 12% expected over the somewhat smaller volumes harvested in 2010 (250,000 '11 vs 225,000 '10). Coronation grape harvest is expected to start about August 17/18 and be available until the end of September.



Bartlett Pears – Positive crop outlook again this year (similar to slightly above 2010). Harvest is expected to start August 29 with supplies available until the end of October.



Bosc Pears – Positive outlook with volume expected to increase by 10%.

Yours truly,

A handwritten signature in blue ink, appearing to read 'AH' with a long, sweeping underline.

Adrian Huisman
Manager

A handwritten signature in blue ink that reads 'Sarah Marshall' in a cursive style.

Sarah Marshall
Marketing Director

Enclosure – 2011 Crop Estimate

Weekly Periods (Tues. to following Mon.)	Yellow Plums 10x1.5L	Peaches 6x3L	Nectarines 8x2L	Blue Plums 10x1.5L	Grapes 8x2L	Bartlett 36lb Equiv.	Bosc 36lb Equiv.
July 12-18	10,000	0					
July 19-25	35,000	35,000	0				
July 26-Aug 1	45,000	150,000	5,000				
Aug 2-8	25,000	200,000	36,000	0	0		
Aug 9-15	15,000	230,000	28,000	2,000	2,000	0	
Aug 16-22	0	230,000	30,000	2,000	35,000	3,000	
Aug 23-29		230,000	27,000	8,000	70,000	10,000	
Aug 30-Sept 5		230,000	48,000	9,000	65,000	15,000	
Sept 6-12		180,000	43,000	9,000	50,000	15,000	
Sept 13-19		150,000	25,000	5,000	23,000	15,000	0
Sept 20-26		85,000	8,000	0	5,000	15,000	5,000
Sept 27-Oct 3		0	0		0	10,000	10,000
Oct 4 - 10						10,000	10,000
Oct 10 on						7,000	45,000
Total Estimate	130,000	1,700,000	250,000	35,000	250,000	100,000	70,000