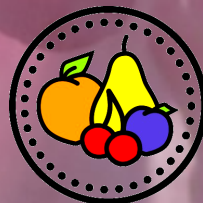


# ANNUAL REPORT

AND FINANCIALS FOR YEAR ENDING  
JANUARY 31, 2016



**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 competitiveness by applying the best marketing, technology, and management.



## **Chair's Report ONTARIO TENDER FRUIT GROWERS 2015 In Review**

February 2016

After a very late spring frost in 2015, many in the industry expected significant damage to tender fruit crops. Even at the first estimate in July we projected far less of a peach crop than we ended up with. The main producing area in Niagara had a good sized crop with some damage in the outer areas, but at the end of the season fresh and processing crop volumes were up overall by 9% vs. 2014 and I am pleased to report gross values were up 15%.

2015 was the last year of our promotional funding through the Local Food Fund and with this we were able to execute a number of in-store campaigns as well as social media and traditional advertising on television, in subway cars and magazines. This funding, combined with the additional advertising and in-store support provided by Foodland Ontario, was greatly appreciated and, we believe, crucial in increasing consumer awareness of locally grown fruit.

Sales data by commodity are included in the following pages. The numbers are only a small indication of the overall success of the season. Great quality and support from consumers and retail partners alike resulted in a brisk sales cycle.

Research and access to new varieties continues to be an important part of our board's mandate, with emphasis on results that growers can implement on farm to help increase tree health, productivity and efficiency of operations. Government funding through Growing Forward 2 and Partnerships with Vineland Research and Innovation, Universities of Guelph and Brock, as well as extension support through our OMAFRA specialists, make these initiatives possible. Our research activities for 2015 included:

- Expansion of the FruitTracker management system to include worker health and safety programs, cost of production, automated soil moisture monitoring, and quality and cold storage tracking modules;
- Tender Fruit Alert – provides industry with current weather, alerts for potential bud damage, bud hardiness and survival information. [www.tenderfruitalert.ca](http://www.tenderfruitalert.ca);
- Black knot – evaluation of fungicides, variety susceptibility and environmental influences on infections (temperature, wetness duration);
- Reducing chilling injury in peaches and nectarines – investigating effects of temperature and harvest maturity on main varieties;
- New variety development – continuation of evaluation and commercialization of varieties through the Tender Fruit Evaluation Committee in partnership with Vineland Research and Innovation Centre and University of Guelph;
- Cost of production – in partnership with Ontario Apple Growers - developing a system for growers to track production costs in FruitTracker and benchmark with industry average;
- Cold chain management – investigating various cold chain systems and effects on quality of peaches;
- Biosecurity initiative – establishing an elite mother block of virus-free plant material for existing and new varieties; and
- Worker health and safety – in partnership with Ontario Apple Growers and Grape Growers of Ontario - development of a comprehensive health and safety program for growers including downloadable customizable manuals and holding workshops for growers to obtain their mandatory supervisor awareness training certificates.

Crop insurance is a crucial risk management tool for our growers. We have been working with Agricorp over the past few years on analyzing coverage and implementing changes that make crop insurance plans more effective for our growers. These changes to date include:

- Yield buffering to lessen impact of extreme yields;
- In-season pricing for sour cherries;
- Fixed claim prices for peaches/nectarines, pears, plums, and sweet cherries using a 3-year average instead of a 5-year;
- Separating peach and nectarine plans to allow for separate claims; and
- Working towards a tree mortality plan for 2017.

I express my thanks to Sarah Marshall, Larissa Osborne and the staff of Grape & Tender Fruit for their continued support and dedication throughout this past year.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'PT', followed by a long, horizontal, wavy line that extends to the right.

Phil Tregunno



## THIRTY-SEVENTH 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**  
**2013 – 2015**

	2013	2014	2015		2013	2014	2015	
	Volume	Volume	Volume	% Change	Value	Value	Value	% Change
	Tons	Tons	Tons	'15 vs. '14	\$	\$	\$	'15 vs. '14
<b>Fresh Market</b>								
Peaches	18,388	17,422	18,951	9%	27,491,431	27,875,200	31,838,011	14%
Pears	3,054	2,074	3,201	54%	3,811,464	2,626,734	4,639,863	77%
Plums & Prunes	2,506	1,913	1,928	1%	5,641,296	4,628,791	4,826,665	4%
Nectarines	2,574	2,537	2,736	8%	4,761,626	5,331,800	6,397,543	20%
<b>TOTAL</b>	26,522	23,944	26,817	12%	41,705,817	40,462,525	47,702,082	18%
<b>Processing</b>								
Sweet Cherries	16	16	10	-38%	29,117	27,451	17,848	-35%
Tart Cherries	6,039	4,325	4,070	-6%	9,898,272	7,515,136	7,413,618	-1%
Peaches	1,662	799	982	23%	994,827	551,419	688,460	25%
Pears	496	273	193	-29%	297,771	163,880	134,791	-18%
<b>TOTAL</b>	8,213	5,413	5,255	-3%	11,219,987	8,257,886	8,254,857	-
<b>COMBINED</b>	<b>34,735</b>	<b>29,357</b>	<b>32,072</b>	<b>9%</b>	<b>52,925,804</b>	<b>48,720,411</b>	<b>55,956,799</b>	<b>15%</b>

### PROCESSING SALES

**Tart Cherries** – There were 4,070 tons of tart cherries sold to processors in 2015 (4,325 - 2014). Growers received \$7.4 million for their 2015 crop (\$7.5 million – 2014). The negotiated price for 92 score cherries was \$0.92 per pound including a processing fee (\$0.87 - 2014). 24 growers delivered tart cherries to processors in 2015 (28 in 2014).

**TABLE II**  
**Reported Tart Cherries Sales Volumes for Processing**  
**2011– 2015**

MARKET SEGMENT	2011 Tons	2012 Tons	2013 Tons	2014 Tons	2015 Tons
Processed and Distilled	2,190	1,233	6,039	4,325	4,070

**Sweet Cherries** – In 2015, 3 growers delivered 10 tons of sweet cherries for processing (16 tons - 2014).

**TABLE III**  
**Reported Sweet Cherries Sales Volumes for Processing**  
**2011 – 2015**

MARKET SEGMENT	2011 Tons	2012 Tons	2013 Tons	2014 Tons	2015 Tons
Freezing	35	-	16	16	10

**Processing Peaches** – Processors purchased 982 tons of clingstone peaches in 2015 (799 – 2014). The minimum price for sales in Ontario was set at \$750 for 2 ¾", \$600 for 2 ½" per ton and splits for \$200.

**Processing Pears** – Processors purchased 193 tons of pears for processing in 2015 (273 – 2014). The minimum price was set in Ontario at \$0.35 cents per lb. including a processing fee.

**TABLE IV**  
**Reported Peaches and Pears Sales Volumes for Processing**  
**2011 – 2015**

	2011 Tons	2012 Tons	2013 Tons	2014 Tons	2015 Tons
<b>CLINGSTONE PEACHES</b>	1,471	801	1,662	799	982
<b>PEARS</b>	-	-	496	273	193

**TABLE V**  
**Minimum Delivered Prices – Processing Crops**  
**2011 – 2015**

CROP	2011 \$/ton	2012 \$/ton	2013 \$/ton	2014 \$/ton	2015 \$/ton
<b>Sweet Cherries</b>					
Freezing (Chilled Pitted Market)	1,800	n/a	1,500	1,700	1,800
Distilling	600	n/a	600	1,700	1,800
<b>Tart Cherries*</b>					
97-100 Score	505	3,745	1,705	1,785	1,885
92 Score	460	3,700	1,660	1,740	1,840
69 & Under Score	390	3,630	1,590	1,670	1,770
<b>Peaches (2 3/4")</b>	600	600	600	700	750
<b>Pears*</b>	-	-	600	600	700

\*The 2012 -2015 tart cherry and pear price per ton includes a processing fee. The processing fee for 2015 was set at \$0.53/lb. (\$0.53- 2014). Processing fee for pears was set at \$0.23/lb.

## FRESH MARKET SALES THROUGH APPOINTED DEALERS

2015 sales of fresh market crops (including grapes) through appointed dealers were up 10% to 27,064 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**  
**2011 - 2015**

<b>Crop</b>	<b>2011 \$/ton</b>	<b>2012 \$/ton</b>	<b>2013 \$/ton</b>	<b>2014 \$/ton</b>	<b>2015 \$/ton</b>
<b>Peaches</b>	1,018	1,340	1,120	1,220	1,241
<b>Nectarines</b>	1,500	1,720	1,320	1,640	1,755
<b>Pears</b>					
Bartlett	1,046	1,200	860	980	1,220
Bosc	1,196	1,520	1,360	1,360	1,571
<b>Plums</b>					
Early Golden	1,530	2,760	1,860	1,920	1,870
Shiro	1,514	2,760	1,860	1,920	1,870
Blue Plums & Prunes	1,600	2,740	1,640	1,960	2,160
<b>Grapes</b>					
Coronation	1,310	1,440	1,463	1,560	1,542

**TABLE VII**  
**Reported Fresh Fruit Sales Volumes through Ontario Appointed Dealers**  
**2011 - 2015**

<b>Crop</b>	<b>2011 Tons</b>	<b>2012 Tons</b>	<b>2013 Tons</b>	<b>2014 Tons</b>	<b>2015 Tons</b>	<b>% Change '15 vs. '14</b>
<b>Peaches</b>	18,150	15,188	17,330	16,633	17,887	8%
<b>Pears</b>						
Clapp	30	11	19	14	11	-20%
Bartlett	1,350	746	1,627	1,316	1,982	51%
Bosc	1,020	243	1,103	531	799	51%
Other (Flemish & HW)	40	33	101	55	145	165%
<b>Pears Combined</b>	2,440	1,033	2,850	1,916	2,937	53%
<b>Plums</b>						
Early Golden	800	609	1,712	1,275	1,215	-5%
Shiro	300	92	36	62	54	-13%
<b>Total Yellow Plums</b>	1,100	701	1,747	1,337	1,269	-5%
Red	25	3	15	3	25	839%
Blues & Prunes	375	284	552	417	473	13%
<b>Plums Combined</b>	1,500	988	2,314	1,757	1,767	1%
<b>Nectarines</b>	1,800	1,552	2,506	2,430	2,626	8%
<b>Grapes</b>	1,952	1,483	1,915	1,861	1,847	-1%
<b>TOTAL FRESH</b>	<b>25,842</b>	<b>20,244</b>	<b>26,916</b>	<b>24,597</b>	<b>27,064</b>	<b>10%</b>

## TOTAL REPORTED SALES VOLUMES

**TABLE VIII**  
**Reported Peach Sales Volumes for Fresh Market**  
**2011 – 2015**

<b>Marketer</b>	<b>2011 Tons</b>	<b>2012 Tons</b>	<b>2013 Tons</b>	<b>2014 Tons</b>	<b>2015 Tons</b>	<b>% Change '15 vs. '14</b>
Niagara Dealers	17,620	15,057	16,876	16,633	17,711	6%
Southwestern Ontario Dealers	530	131	454	-	176	>100%
Other*	1,050	388	1,058	789	1,064	35%
<b>TOTALS</b>	<b>19,200</b>	<b>15,576</b>	<b>18,388</b>	<b>17,422</b>	<b>18,951</b>	<b>9%</b>

\*Other includes reported sales other than through appointed dealers.

**TABLE IX**  
**Reported Pear Sales Volumes for Fresh Market**  
**2011 – 2015**

<b>Marketer</b>	<b>2011 Tons</b>	<b>2012 Tons</b>	<b>2013 Tons</b>	<b>2014 Tons</b>	<b>2015 Tons</b>	<b>% Change '15 vs. '14</b>
Niagara Dealers	2,440	1,033	2,847	1,916	2,930	53%
Southwestern Ontario Dealers	-	-	3	2	7	250%
Other*	270	141	204	156	264	70%
<b>TOTALS</b>	<b>2,710</b>	<b>1,174</b>	<b>3,054</b>	<b>2,074</b>	<b>3,201</b>	<b>54%</b>

\*Other includes reported sales other than through appointed dealers.

**TABLE X**  
**Reported Plum & Prune Sales Volumes for Fresh Market**  
**2011 – 2015**

<b>Marketer</b>	<b>2011 Tons</b>	<b>2012 Tons</b>	<b>2013 Tons</b>	<b>2014 Tons</b>	<b>2015 Tons</b>	<b>% Change '15 vs. '14</b>
Niagara Dealers	1,500	989	2,309	1,757	1,765	0%
Southwestern Ontario Dealers	10	-	5	-	2	>100%
Other*	110	89	192	156	161	3%
<b>TOTALS</b>	<b>1,620</b>	<b>1,078</b>	<b>2,506</b>	<b>1,913</b>	<b>1,928</b>	<b>1%</b>

\*Other includes reported sales other than through appointed dealers.

**TABLE XI**  
**Reported Nectarine Sales Volumes for Fresh Market**  
**2011 – 2015**

<b>Marketer</b>	<b>2011 Tons</b>	<b>2012 Tons</b>	<b>2013 Tons</b>	<b>2014 Tons</b>	<b>2015 Tons</b>	<b>% Change '15 vs. '14</b>
Niagara Dealers	1,800	1,552	2,550	2,430	2,624	8%
Southwestern Ontario Dealers	-	-	1	-	2	>100%
Other*	40	28	68	107	110	3%
<b>TOTALS</b>	<b>1,840</b>	<b>1,580</b>	<b>2,619</b>	<b>2,537</b>	<b>2,736</b>	<b>8%</b>

\*Other includes reported sales other than through appointed dealers.

**TABLE XII**  
**Members of the Local Board**  
**2011 – 2015**

	2011	2012	2013	2014	2015
<b>Producers Selling to Processors</b>					
Sweet Cherries	9	-	6	7	3
Sour Cherries	33	19	28	28	24
Pears	-	-	37	20	16
Peaches	20	9	20	7	10
<b>Total Number of Producers Fresh and Processing Combined</b>	<b>357</b>	<b>296</b>	<b>274</b>	<b>277</b>	<b>257</b>

**TABLE XIII**  
**Licence Fees– Processing Crops – 2011 - 2015**

<b>Crop</b>	<b>2011 \$/ton</b>	<b>2012 \$/ton</b>	<b>2013 \$/ton</b>	<b>2014 \$/ton</b>	<b>2015 \$/ton</b>
Peaches	10.00	21.00	10.00	10.00	10.00
Sweet Cherries	10.00	21.00	10.00	10.00	10.00
Sour Cherries**	10.00	21.00	15.00	20.00	22.50
Pears	-	-	-	10.00	10.00

\*\*Rates do not include the 25¢ per ton chilled pitted cherry promotion check-off grower and processor. For 2015, the \$22.50/ton licence fee for sour cherries includes fees for participation in the North American Tart Cherry Promotion Initiative of \$12.50/ton.

**TABLE XIV**  
**Licence Fees– Fresh Market Crops – 2015**

<b>Crop</b>	<b>Adminis- tration \$/ton</b>	<b>Research &amp; Food Safety \$/ton</b>	<b>Promotion \$/ton</b>	<b>Incentives \$/ton</b>	<b>Total 2015 \$/ton</b>	<b>Total 2014 \$/ton</b>
Peaches	16.00	3.00	8.00	56.00	83.00	79.00
Nectarines	16.00	3.00	8.00	56.00	83.00	30.00
Yellow Plums	16.00	3.00	8.00	21.00	48.00	36.00
Blue Plums	16.00	3.00	8.00	1.00	28.00	38.00
Red Plums	16.00	3.00	8.00	0.00	27.00	24.00
Pears - Bartlett	16.00	3.00	8.00	11.00	38.00	27.00
Pears - Bosc	16.00	3.00	8.00	9.00	36.00	28.00
Pears - Other	16.00	3.00	8.00	0.00	27.00	27.00
Pears - Cold Snap	16.00	3.00	38.00*	0.00	57.00	27.00

\*2015 promotion fee for Cold Snap was used for a specific market development initiative



# PRODUCTION INSURANCE

**TABLE XV**  
**Ontario Production Insurance Results**  
**2015**

Commodity	Number of Accounts	Total Premium (\$)	Grower Premium (\$)	Total Approved Claims (\$)
Peach & Nectarine	80	758,371	310,101	500,234
Pear	31	105,856	42,342	45,486
Sweet Cherry	17	38,506	15,403	12,865
Sour Cherry	23	373,864	149,546	397,032
Plum & Prune	26	367,417	146,967	378,887

Note: Data is as of January 22, 2016 and subject to change.

## 2015 PROMOTIONAL ACTIVITIES



2015 promotion initiatives were made possible through the Local Food Fund which provided a 50/50 cost share on the following activities:

1. Celebrate the Bloom – launch of the season with stakeholders to bring together growers, shippers, and retailers to hear about promotional programs and status of crop;
2. Display bins and retail sales kits that included care and handling posters and recipe cards;
3. Partnership with Robin Hood for summer baking brochure and promotion in store – tender fruit featured in 4 recipes;
4. In store sampling at all major retailers;
5. Advertising in subway cars and on the backs of buses in the GTA;
6. TV appearances in partnership with Foodland Ontario and OPMA;
7. Participation in the Foodland Ontario retail display contest – 396 entries (up 15% vs. 2014); and
8. New recipe development.

## MEMBERSHIPS AND SPONSORSHIPS

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

### Memberships

\$

Agricultural Adaptation Council	150
National Peach Council	115
Ontario Agricultural Commodity Council	1,000
Ontario Federation of Agriculture	500
President's Council	300
*CHC	
CPMA	1,235
OPMA	350
The Food Institute	590

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

### Sponsorships

\$

OF&VC Sponsorship	1,000
*OPMA Sponsorship	1,500
*CPMA Sponsorship	2,500
QPMA Sponsorship	1,500
Niagara Regional Science and Engineering Fair	500
West Niagara Agricultural Society Sponsorship	63
N-O-T-L Peach Celebration	2,500
CiderFest Sponsorship	1,000
NG & WF Celebrity Luncheon Tickets	122
**OPMA 5 to 10 a Day Peach Program	37,062
**OPMA 5 to 10 a Day Nectarine Program	7,682
**OPMA 5 to 10 a Day Pear Program	2,778

\* 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 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 BMSB and SWD.

### **Crop Protection Report 2015**

In 2015, the tender fruit industry obtained registration on a number of pesticides through the efforts of Jim Chaput - Minor Use Coordinator OMAFRA, and the PMRA. Wendy McFadden-Smith represented tender fruit at the Minor Use Priority Setting Workshop in Gatineau during the annual meetings in March. This workshop provided an opportunity to highlight priorities for tree fruit. Wendy also represented tender fruit at the Fruit Technical Working Group which is responsible for the inclusion of products in Publication 360 "Guide to Fruit Production", and assisted with various pest management issues as they arose.

Brown Marmorated Stink Bug was caught in Niagara in the same spots as last year and in some additional locations. Breeding populations have been identified in Windsor, London, Hamilton, St. Catharines, and Newboro and it is likely the pest is established throughout tender fruit and grape production areas in the Niagara Region. Spotted Wing Drosophila continues to be reported throughout Ontario. Neither pest has caused documented economic losses to tender fruit to date. OMAFRA continues to monitor for the presence of these pests and collaborative research projects among OMAFRA, University of Guelph, and Agriculture and Agri-Food Canada continue to investigate the biology, economic impact, and management of these invasive species.

Re-evaluation continues to be on-going on Sevin (carbaryl) and Linuron. Diazinon is scheduled to be phased out December 2016. Neonicotinoid insecticides (Admire, Actara, Assail, Clutch) are also under review for their potential impact on pollinators and water. OTFG defends current uses of these products.

The following table lists new product registrations, label expansions, and emergency registrations for Tender Fruit in 2015.

**Pest Management Registrations for Tender Fruit, 2015**

Product	Active Ingredient (Pesticide Group)	Pest	Crop
<b>Disease management</b>			
Aprovia	benzovindiflupyr (7)	Pear scab	Pear
Bravo ZN (replaces Bravo 500)	chlorothalonil (M)	Brown rot, leaf spot, black knot, peach leaf curl	Sweet cherry, tart cherry, peach
Cueva	copper octanoate (M)	Peach leaf curl, bacterial spot, bacterial canker, blossom blight, brown rot, cherry leaf spot, fire blight	Sweet cherry, tart cherry, peach, pear
Double Nickel	<i>Bacillus amyloliquefaciens</i> (44)	Fire blight (suppression)	Pear
Fracture	BLAD polypeptide (NC)	Blossom blight (suppression)	Sweet cherry, tart cherry, peach, plum
Sercadis	fluxapyroxad (7)	Brown rot, pear scab	Apricot, sweet cherry, tart cherry, peach, plum, pear
Serenade OPTI (replaces Serenade Max)	<i>Bacillus subtilis</i> (44)	Blossom blight, brown rot, pear scab, fire blight (suppression)	Pear
Syllit (replaces Equal 75 WP)	dodine (U12)		Tart cherry
Vivando	metrafenone (U8)	Powdery mildew	Sweet cherry, tart cherry, peach
<b>Insecticides/Miticides</b>			
AGRI-MEK® SC	abamectin (6)	Two-spotted spider mite European red mite Pear rust mite Pear Psylla	Pears
Closer	sulfoxaflor (4c)	Black cherry aphid	Sweet cherry, tart cherry
Delgate	spinetoram (5)	Cherry fruit fly (suppression), Spotted wing drosophila	Sweet cherry, tart cherry
Semios OFM Plus	mating disruption puffer	Oriental fruit moth	Peach, plum, pear
Imidan 70-WP Instapak	phosmet (1b)	Spotted wing drosophila	Sweet cherry, tart cherry
Mako (replaces Ripcord)	cypermethrin (3)		Peach, pear
<b>Herbicides</b>			
Lontrel	clopyralid	Broadleaf weeds	Apricots, sweet cherry, tart cherry, peach, plum, pear
<b>Deletions</b>			
Isomate M, Isomate M Rosso	Peach, plum Peach, plum		
Vangard	Peach, plum		

## **PPV MONITORING PROGRAM**

In 2015, the CFIA continued sampling orchards and residential areas within a 10 km radius outside the perimeter of the Niagara quarantine area. A total of 8,920 samples were collected and tested with zero detections of Plum Pox Virus (PPV).

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 \$1000-\$10,000

## **2015 TENDER FRUIT RESEARCH PROJECT UPDATES**

### Tender Fruit Alert - Ker Crop Management/Brock University/Weather Innovation Network (2014-2017)

- Utilizing existing WIN network and additional towers added with inversion kits to monitor wind speed;
- Tenderfruitalert.ca provides industry with current weather, adverse weather alerts, historical and ongoing bud hardiness, and survival information;
- Growers sign on to receive alerts specific to their own location and crops; and
- Improved sampling and bud hardiness protocols for 2016 were established - sampling information from October until mid-April on peach, nectarine, plum, apricot, and sour cherry at locations across Niagara, Simcoe and SW Ontario.

### Chilling Injury Evaluations – Dr. Jennifer DeEll (2014-2017)

- Evaluation of 8-10 varieties to classify by susceptibility to chilling injury; and
- Samples held at 0 and 5 degrees, removed and allowed to ripen to 2-4 lbs pressure and then evaluated for mealiness, internal breakdown, discoloration, etc.

### Cold Chain Management - Dr. Jennifer DeEll, Vineland Research and Innovation (2015-2017)

- Establish commercial harvest maturity standards for peach and nectarine varieties, and investigate pack line treatments (wax [2 types] vs. no wax treatments);
- Evaluate harvest process and develop harvest process cost benefit model - current orchard picking /packing systems and processes vs. using vented plastic totes;
- Evaluate usage of gentle dumping systems;
- Conduct forced air cooling trials on commercially ripe vs. tree ripe product and corresponding consumer sensory panel on results;
- Design, pilot, and launch quality and cold storage modules in FruitTracker; and
- Investigate transport and handling of Ontario stone fruit to retail.

Additional support for this project has been received through Niagara Peninsula Fruit and Vegetable Growers' Association and N.M. Bartlett Inc.

### Plant Health and Biosecurity (2015-2017)

- Establish an industry controlled elite mother block of virus clean nursery stock, including new varieties as well as existing; and
- Monitor, evaluate, and test new block plantings for 2 seasons.

### Worker Health and Safety - Worker Safety Prevention Services in partnership with Apple and Grape Boards (2014-2015)

- Completion of 5 on-farm hazard assessments interviews (2 apple, 2 tender fruit, and 1 fresh grape);
- Development of a Hazard Assessment Report for tree fruit and fresh grape;
- Development of the Health & Safety Program for Members – customizable versions are available on website and in FruitTracker;
- Workshops for awareness training held in 5 districts across Ontario; and
- Workshop demonstrating customization of hazard assessment, health & safety policy, and violence & harassment policy held in Niagara in November 2015.



#### Improving Irrigation Efficiency – Rebecca Shortt, Deanna Nemeth, Kathryn Carter (2015)

- Continued evaluation of soil moisture monitors; and
- Incorporation of automatic (WIN & Decagon) monitoring system into FruitTracker to allow growers to see real-time soil moisture levels and information presented such as: ideal irrigation trigger, permanent wilting point, and field capacity, to assist them in determining timing and need for irrigation.

These projects were funded in part through *Growing Forward 2 (GF2)*, a federal-provincial-territorial initiative. The Agricultural Adaptation Council assists in the delivery of GF2 in Ontario.



---

#### New Variety Development - Tender Fruit Evaluation Committee (Growers, University of Guelph, Vineland Research and Innovation) (2014-2018)

- To develop / bring in new varieties of tender fruit and fresh grape and to continue evaluation of University of Guelph material, including new interspecific crosses for plums with concentration on black knot resistance
- 6 varieties of fresh grape from Arkansas planted in 2014 (seedless green, blue and red varieties) - 2 blue seedless being prepped for commercial trials in 2016
- 5 fresh grape varieties from Spain targeted for 2016 planting and commercial trials in 2017
- 2015 TFEC tours resulted in several varieties of nectarines and early season peaches being sent for clean-up and budded for grower testing plots. Several promising apricot selections were also sent for clean-up



---

#### Tender Fruit Tree Grant Program - Friends of the Greenbelt Foundation (2015-2016)

- Pilot program to revitalize the tender fruit industry by providing cost-share funding to growers for tree plantings
- Goal is to plant up to 130,000 trees and help growers update their product mix to be more competitive in the market place



#### Black Knot – Dr. Wendy McFadden-Smith, Dr. Deena Errampalli and Dr. Jay Subramanian (2013-2015)

- Evaluation of fungicides (Indar, Thiram, Bravo, Senator, Fontelis);
- Evaluation of variety, growth stage, temperature, spore release, and wetness duration effects on black knot infections; and
- Evaluation of transmission by pruning.

#### FruitTracker - Dragonfly IT/Grower Focus Groups (ongoing)

- Expansion projects continue from initial traceability project which included GPS mapping, Canada Gap record keeping, harvest packing and shipping modules
- Current expansion projects include:
  - Worker health and safety program (in partnership with Ontario Apple and Grape Growers);
  - Cost of production (in partnership with Ontario Apple Growers) – labour and production practices tracking, survey, and COP reporting;
  - Soil moisture monitoring – automation to soil moisture monitoring systems (Decagon probes, WIN System and Hipple hubs); and
  - Ontario Stone Fruit Harvest & Cold Chain BMP - Design, pilot, and launch quality and cold storage modules.

## Independent Auditor's Report

**Grant Thornton LLP**  
80 King Street  
Suite 200  
St. Catharines, ON  
L2R 7G1

T +1 905 682 8363  
F +1 905 682 2191  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Members of  
**Ontario Tender Fruit Growers**

We have audited the accompanying financial statements of Ontario Tender Fruit Growers, which comprise the statement of financial position as at January 31, 2016, and the statements of restricted net assets, operations and unrestricted net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independent Auditor's Report (continued)

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Tender Fruit Growers as at January 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. Catharines, Canada  
February 24, 2016



Chartered Professional Accountants  
Licensed Public Accountants

# Ontario Tender Fruit Growers

## Statement of Operations and Unrestricted Net Assets

Year ended January 31

2016

2015

### Revenues

Licence fees, fresh market (Note 3)	\$ 1,965,121	\$ 1,543,801
Appropriated to marketing incentive program (Note 4)	<u>(1,254,815)</u>	<u>(978,371)</u>
	710,306	565,430
Repayment of 2013 licence fees	<u>-</u>	<u>(8,349)</u>
	710,306	557,081
Licence fees, processing (Note 3)	52,694	55,443
Government and industry funding		
Research activities	433,641	326,568
Promotion activities	194,652	162,881
Interest and other income	<u>32,046</u>	<u>28,789</u>
	<u>1,423,339</u>	<u>1,130,762</u>

### Expenses

Directors' fees, honoraria and benefits	53,948	58,688
Salaries and benefits (Note 5)	270,909	236,219
Travel	28,036	28,236
Meetings and conventions	5,622	6,482
Office supplies and expenses	25,252	29,069
Postage	4,219	4,269
Dues and subscriptions	5,371	5,049
Labour Issues Coordinating Committee	4,200	4,200
Research (Note 6)		
Ontario Tender Fruit Growers funded portion	76,885	48,837
Government and industry funded portion	433,641	326,569
Promotion (Note 6)		
Ontario Tender Fruit Growers funded portion	148,524	108,192
Government and industry funded portion	194,652	162,881
Professional fees (Note 7)	15,513	12,437
Utilities and maintenance	33,840	33,083
Telephone	8,229	7,810
Insurance and taxes	12,252	11,788
Amortization	11,936	11,781
Expense recoveries from other associations	<u>(31,920)</u>	<u>(31,339)</u>
	<u>1,301,109</u>	<u>1,064,251</u>

Excess of revenues over expenses	122,230	66,511
Fund balance, beginning of the year	<u>1,602,469</u>	<u>1,535,958</u>
Fund balance, end of the year	<u>\$ 1,724,699</u>	<u>\$ 1,602,469</u>

# Ontario Tender Fruit Growers

## Statement of Restricted Net Assets

Year ended January 31

2016

2015

### Marketing incentive program (Note 4)

#### Revenues

Licence fees, fresh market	\$ 1,254,815	\$ 978,371
Repayment of 2013 licence fees	-	(13,278)
	<u>1,254,815</u>	<u>965,093</u>

#### Expenses

Incentive program	<u>1,329,099</u>	<u>1,246,925</u>
-------------------	------------------	------------------

Deficiency of revenues over expenses	(74,284)	(281,832)
--------------------------------------	----------	-----------

Fund balance, beginning of the year	<u>193,452</u>	<u>475,284</u>
-------------------------------------	----------------	----------------

Fund balance, end of the year	<u>\$ 119,168</u>	<u>\$ 193,452</u>
-------------------------------	-------------------	-------------------

### Sour cherry chilled pitted promotion program

#### Revenues

Sour cherry promotion fees	\$ 2,035	\$ 2,162
----------------------------	----------	----------

#### Expenses

Cherry promotion program	<u>1,472</u>	<u>2,446</u>
--------------------------	--------------	--------------

Excess (deficiency) of revenues over expenses	563	(284)
---	-----	-------

Fund balance, beginning of the year	<u>487</u>	<u>771</u>
-------------------------------------	------------	------------

Fund balance, end of year	<u>\$ 1,050</u>	<u>\$ 487</u>
---------------------------	-----------------	---------------

### Red tart sour cherry market development

#### Revenues

Grower fees	\$ 50,877	\$ 43,247
-------------	-----------	-----------

#### Expenses

North American cherry initiative	<u>50,000</u>	<u>50,000</u>
----------------------------------	---------------	---------------

Excess (deficiency) of revenues over expenses	877	(6,753)
---	-----	---------

Fund balance, beginning of the year	<u>10,868</u>	<u>17,621</u>
-------------------------------------	---------------	---------------

Fund balance, end of the year	<u>\$ 11,745</u>	<u>\$ 10,868</u>
-------------------------------	------------------	------------------

### Fruit testing research program

#### Revenues

	\$ -	\$ -
--	------	------

#### Expenses

Fruit testing research	<u>7,670</u>	<u>8,035</u>
------------------------	--------------	--------------

Deficiency of revenues over expenses	(7,670)	(8,035)
--------------------------------------	---------	---------

Fund balance, beginning of the year	<u>49,047</u>	<u>57,082</u>
-------------------------------------	---------------	---------------

Fund balance, end of year	<u>\$ 41,377</u>	<u>\$ 49,047</u>
---------------------------	------------------	------------------



# Ontario Tender Fruit Growers

## Statement of Financial Position

January 31

2016

2015

### Assets

#### Current

Cash	\$ 462,031	\$ 511,813
Guaranteed investment certificates (Note 8)	1,009,475	988,723
Accounts receivable (Note 9)	45,826	52,486
Research and promotion contributions receivable (Note 6)	146,481	208,906
Prepaid expenses	19,687	7,302
	<u>1,683,500</u>	<u>1,769,230</u>

#### Long-term

Due from related parties (Note 10)	113,982	116,420
Investments (Note 11)	286,408	286,408
	<u>400,390</u>	<u>402,828</u>
	<u>\$ 2,083,890</u>	<u>\$ 2,172,058</u>

### Liabilities

#### Current

Accounts payable and accrued liabilities	\$ 36,037	\$ 157,665
Government remittances payable	14,413	8,215
Deposits, licence fees	1,700	2,352
Deferred research and promotion contributions (Note 6)	133,701	147,503
	<u>185,851</u>	<u>315,735</u>

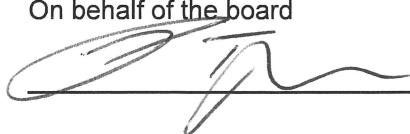
### Net assets

Unrestricted	1,724,699	1,602,469
--------------	-----------	-----------

#### Restricted

Marketing incentive program (Page 4)	119,168	193,452
Sour cherry chilled pitted promotion program (Page 4)	1,050	487
Red tart sour cherry market development (Page 4)	11,745	10,868
Fruit testing research program (Page 4)	41,377	49,047
	<u>173,340</u>	<u>253,854</u>
	<u>1,898,039</u>	<u>1,856,323</u>
	<u>\$ 2,083,890</u>	<u>\$ 2,172,058</u>

On behalf of the board



Director



Director

# Ontario Tender Fruit Growers

## Statement of Cash Flows

Year ended January 31

2016

2015

Decrease (increase) in cash

### Operating

Excess of revenues over expenses for the year:

Unrestricted net assets	\$ 122,230	\$ 66,511
Marketing incentive program	(74,284)	(281,832)
Sour cherry chilled pitted promotion program	563	(284)
Red tart sour cherry market development	877	(6,753)
Fruit testing research program	(7,670)	(8,035)

Changes in non-cash working capital

Accounts receivable	6,660	81,214
Research and promotion contributions receivable	48,623	(121,327)
Interest receivable	(5,926)	496
Prepaid expenses	(12,385)	(2,620)
Accounts payable and accrued liabilities	(121,628)	114,394
Government remittances payable	6,198	(19,679)
Deposits, licence fees	(652)	(395)

(37,394) (178,310)

### Investing

Advances from related parties	2,438	12,829
Purchase of guaranteed investment certificates	(749,000)	(984,174)
Proceeds of guaranteed investment certificates	734,174	1,181,108
	<u>(12,388)</u>	<u>209,763</u>

(Decrease) increase in cash

(49,782) 31,453

Beginning of year

511,813 480,360

End of year

\$ 462,031 \$ 511,813

---

# Ontario Tender Fruit Growers

## Notes to the Financial Statements

January 31, 2016

---

### 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.

---

# Ontario Tender Fruit Growers

## Notes to the Financial Statements

January 31, 2016

---

### 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.

---

---

## Ontario Tender Fruit Growers

### Notes to the Financial Statements

January 31, 2016

---

#### 3. Licence fees

	<u>2016</u>	<u>2015</u>
Licence fees, fresh market		
peaches	<b>\$1,540,667</b>	\$1,341,718
pears	<b>112,999</b>	56,001
plums and prunes	<b>81,523</b>	69,206
nectarines	<b><u>229,932</u></b>	<u>76,876</u>
	<b><u>\$1,965,121</u></b>	<b><u>\$1,543,801</u></b>
Licence fees, processing		
sour cherries	<b>\$ 40,746</b>	\$ 43,247
sweet cherries	<b>99</b>	162
peaches	<b>9,822</b>	7,992
pears	<b><u>2,027</u></b>	<u>4,042</u>
	<b><u>\$ 52,694</u></b>	<b><u>\$ 55,443</u></b>

---



---

## Ontario Tender Fruit Growers

### Notes to the Financial Statements

January 31, 2016

---

#### 4. Marketing incentive program

The funds raised for this program in 2016 in the amount of \$1,254,815 (2015 - \$978,371) were generated by a levy on producers included in licence fees. The \$1,329,099 (2015 - \$1,246,925) 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:

	<u>Peaches</u>	<u>Nectarines</u>	<u>Pears</u>	<u>Plums</u>	<u>Total</u>
Balance, beginning of year	\$ 102,590	\$ 250	\$ 54,648	\$ 35,964	\$ 193,452
Transfer from licence fees, fresh market	1,043,951	152,638	29,742	28,484	1,254,815
Incentive program expense	<u>(1,089,779)</u>	<u>(103,751)</u>	<u>(96,548)</u>	<u>(39,021)</u>	<u>(1,329,099)</u>
Balance, end of year	\$ <u>56,762</u>	\$ <u>49,137</u>	\$ <u>(12,158)</u>	\$ <u>25,427</u>	\$ <u>119,168</u>

---

#### 5. Salaries and benefits

	<u>2016</u>	<u>2015</u>
Total salaries and benefits	\$ 320,189	\$ 295,144
Recoveries:		
Ontario Apple Growers	(25,530)	(25,000)
Ontario Fresh Grape Growers Marketing Board	(12,000)	(12,000)
Traceability Foundations Initiative	-	(10,175)
Advancing the tree fruit & fresh grape sectors	<u>(11,750)</u>	<u>(11,750)</u>
	\$ <u>270,909</u>	\$ <u>236,219</u>

---

# Ontario Tender Fruit Growers

## Notes to the Financial Statements

January 31, 2016

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

	(Deferred) Receivable Contributions <u>February 1, 2015</u>	Government/ Industry Contributions <u>2016</u>	Expenses <u>2016</u>	Board Funded Expenses <u>2016</u>	(Deferred) Receivable Contributions <u>January 31, 2016</u>
<u>Grant funded research projects</u>					
AIP - Advancing the tree fruit & fresh grape sectors	\$ 62,430	\$ 163,209	\$ 111,835	\$ 25,000	\$ (13,944)
Elite motherblock & secondary block assessment fund	(10,404)	20,948	31,352	-	-
GF2 - Automated weather alert system	49,666	149,007	111,472	12,131	-
GF2 - Business plan development	4,651	4,651	-	-	-
GF2 - Expanding fresh market potential of Ontario pears	(2,480)	14,582	16,885	2,303	(2,480)
GF2 - Reducing the incidence of chilling injury	11,877	27,515	21,802	6,164	-
GF2 - Ontario stone fruit cold chain best management practices	-	10,000	104,476	18,787	75,689
GF2 - Ontario tender fruit new variety plant health initiative	-	31,352	73,301	-	41,949
OFIP - Evaluation of dwarfing peach rootstocks	(4,000)	(4,000)	-	-	-
OFIP - Improving irrigation efficiency of tender fruit	-	10,087	10,087	-	-
OFIP - Tree fruit & fresh grape worker health & safety	(10,895)	2,974	9,398	-	(4,471)
Pesticide initiative	(19,692)	-	-	-	(19,692)
Post-harvest initiatives	(100,032)	-	6,918	-	(93,114)
WAMQI - Soil moisture monitoring	68,153	68,653	500	-	-
	<u>\$ 49,274</u>	<u>498,978</u>	<u>498,026</u>	<u>64,385</u>	<u>\$ (16,063)</u>
Less board funded expenses			(64,385)		
Government and industry funded portion			<u>433,641</u>		
Other research project contributions				<u>12,500</u>	
OTFG portion of research activities				<u>76,885</u>	
<u>Grant funded promotion projects</u>					
Local Food Fund	12,129	151,713	316,235	147,808	28,843
OFVGA Promotion - Local Food Fund initiatives	-	23,220	-	(23,220)	-
Cold snap pear promotion program	-	3,005	3,005	-	-
	<u>12,129</u>	<u>177,938</u>	<u>319,240</u>	<u>124,588</u>	<u>28,843</u>
Less board funded expenses			(124,588)		
Government and industry funded portion			<u>194,652</u>		
Other promotion expenditures				<u>23,936</u>	
OTFG portion of promotion activities				<u>148,524</u>	
	<u>\$ 61,403</u>				<u>\$ 12,780</u>
Reported as:					
Research and food safety contributions receivable	\$ 208,906				\$ 146,481
Deferred research and food safety contributions	(147,503)				(133,701)
	<u>\$ 61,403</u>				<u>\$ 12,780</u>

---

# Ontario Tender Fruit Growers

## Notes to the Financial Statements

January 31, 2016

---

### 7. Professional fees

	<u>2016</u>	<u>2015</u>
Audit	\$ 10,516	\$ 10,675
Legal	3,074	1,437
Consulting	<u>1,923</u>	<u>325</u>
	<u>\$ 15,513</u>	<u>\$ 12,437</u>

---

### 8. Guaranteed investment certificates

The board has guaranteed investment certificates that mature between 2016 and 2018 and earn interest between 1.65% and 2.30% (2015 - 1.75% and 2.00%)

---

### 9. Accounts receivable

	<u>2016</u>	<u>2015</u>
Producer licence fees - Net of allowance of \$0 (2015 - \$2,568)	<u>\$ 45,826</u>	<u>\$ 52,486</u>

---

### 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:

	<u>2016</u>	<u>2015</u>
Assets	\$ 421,266	\$ 423,331
Liabilities	<u>134,913</u>	<u>136,978</u>
Net Assets	<u>\$ 286,353</u>	<u>\$ 286,353</u>

Expenses include a \$137,438 (2015 - \$135,327) charge for the board's share (50% (2015 - 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:

	<u>2016</u>	<u>2015</u>
Grape & Tender Fruit (Ontario) Limited	<u>\$ 113,982</u>	<u>\$ 116,420</u>

---

---

# Ontario Tender Fruit Growers

## Notes to the Financial Statements

January 31, 2016

---

### 11. Investments

	<u>2016</u>	<u>2015</u>
Ontario Fruit-For-Processing Co-Operative Limited:		
12 common shares	\$ 55	\$ 55
Grape & Tender Fruit (Ontario) Limited:		
106 common shares (53% interest)	53	53
2,863 special shares (60% interest)	<u>286,300</u>	<u>286,300</u>
	<u>\$ 286,408</u>	<u>\$ 286,408</u>

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, 2016:

#### 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.

---

### 13. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2016 financial statements.

---

[illegible]



**MEMBERS AND STAFF OF THE  
ONTARIO TENDER FRUIT GROWERS  
April 1, 2015 – March 31, 2016**

**CHAIR Phil Tregunno Niagara-on-the-Lake  
VICE-CHAIR John Thwaites Niagara-on-the-Lake**

**DIRECTORS**

**Leo DeVries Fenwick  
Dave Enns Niagara-on-the-Lake  
David Hipple Beamsville  
Fred Meyers Niagara-on-the-Lake  
Brock Puddicombe Winona  
Ken Porteous Port Dover  
Russell Smith Blenheim**

**MANAGER Sarah Marshall Email: [sarah@ontariotenderfruit.ca](mailto:sarah@ontariotenderfruit.ca)**

**TREASURER Maureen Connell  
PROJECT MANAGER Larissa Osborne**

**OFFICE STAFF Sylvana Lagrotteria Office Manager  
Kelle Neufeld Administrative Assistant**

**OFFICE Ontario Tender Fruit Growers  
P.O. Box 100  
Vineland Station, ON, L0R 2E0  
Phone: (905) 688-0990  
Fax: (905) 688-5915  
Website: [www.ontariotenderfruit.ca](http://www.ontariotenderfruit.ca)**

**DELEGATES**

**Canadian Horticultural Council – Phil Tregunno (John Thwaites – Alt.)  
F.A.R.M.S. – Ken Porteous  
Labour Issues Committee– Ken Porteous (Phil Tregunno – Alt.)  
NPF&VGA – David Hipple/Sarah Marshall  
NAPAC – Phil Tregunno/Sarah Marshall  
OACC – Phil Tregunno, Ken Porteous, Sarah Marshall  
OACC Technical Committee – Phil Tregunno, Sarah Marshall  
OFA – Ken Porteous  
TFEC –Jamie Warner, Leo Devries, Torrie Warner, Ryan Tregunno  
Rusty Smith, John Thwaites, Jim Juras, David Enns, Brock Puddicombe, Jim Meyers  
OFVGA – John Thwaites (Dave Enns – Alt.)  
OFVGA – Safety Nets Committee – Phil Tregunno / Sarah Marshall  
Presidents' Council – Phil Tregunno**