



Chair's Report ONTARIO TENDER FRUIT GROWERS 2014 In Review

February 2015

With temperatures dipping well below -20 Celsius several times throughout December 2013 to February 2014, severe reduction in tender fruit yields were experienced in areas outside of Niagara. Excessive moisture was also a factor in early spring in many areas and as a result, all crops were down from 2013.

Extreme low spring temperatures and drought affected imported supply and a high U.S. dollar made local fruit just that more attractive to our buyers. Combined with a delicious product, a well-executed promotional program and great support from our retail partners, 2014 was a recipe for a fantastic year.

With funding from the Local Food Fund and support from Foodland Ontario, we were able to broaden our promotional platforms to include social media, in-store promotions and advertising on buses, in bus shelters, subway cars; anywhere we could grab the attention of the consumer to let them know that fresh, tasty, local peaches, nectarines, plums, pears and tart cherries were available in stores.

Throughout the pages of this annual report you will find results on tonnage, sales and net returns for all crops under the mandate of the board as well as summaries on the many research projects that are in progress. All of these projects have received funding and we thank the provincial and federal government for making these important initiatives possible. Government support of horticultural research within OMAFRA, Vineland Research and Innovation Centre and universities such as Guelph and Brock is crucial to the future success of our industry.

Our sector went through an important process in 2014 to develop a business action plan which identified some key areas that will help ensure profitable growth. Continued development of FruitTracker which is proving to be an essential part of many grower operations is crucial as well as fast tracking of new varieties and implementation of orchard and operational systems that maximize yields and improve cold chain management.

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 and look forward to another successful year in 2015.

Respectfully Submitted,

A handwritten signature in black ink, consisting of a stylized 'P' followed by a long, sweeping horizontal line that ends in a small upward flick.

Phil Tregunno

THIRTY-SIXTH ANNUAL REPORT OF THE ONTARIO TENDER FRUIT GROWERS

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

TABLE I
Tonnage and Gross FOB Value of Ontario Tender Fruit
2012 – 2014

	2012	2013*	2014		2012	2013*	2014	
	Volume	Volume	Volume	%	Value	Value	Value	%
	Tons	Tons	Tons	'14 vs.	\$	\$	\$	'14 vs.
				'13				'13
Fresh Market								
Peaches	15,576	18,388	17,422	-5%	30,630,627	27,491,431	27,875,200	1%
Pears	1,174	3,054	2,073	-32%	1,673,531	3,811,464	2,626,734	-31%
Plums & Prunes	1,078	2,506	1,913	-24%	3,547,301	5,641,296	4,628,791	-18%
Nectarines	1,580	2,574	2,515	-2%	3,482,640	4,761,626	5,331,800	12%
TOTAL	19,408	26,522	23,923	-10%	39,334,099	41,705,817	40,462,525	-3%
Processing								
Sweet Cherries	-	16	16	0%	-	29,117	27,451	-6%
Tart Cherries	1,233	6,039	4,325	-28%	4,562,100	9,898,272	7,515,136	-24%
Peaches	801	1,662	799	-52%	480,600	994,827	551,419	-45%
Pears	-	496	273	-45%	-	297,771	163,880	-45%
TOTAL	2,034	8,213	5,413	-34%	5,042,700	11,219,987	8,257,886	-26%
COMBINED	21,442	34,735	29,336	-16%	44,376,799	52,925,804	48,720,411	-8%

*2013 restated to reflect adjusted reported volumes and values.

PROCESSING SALES

Tart Cherries –There were 4,325 tons of tart cherries sold to processors in 2014 (6,039 - 2013). Growers received \$7.5 million for their 2014 crop (\$10 million – 2013). The negotiated price for 92 score cherries was \$.87 per pound (\$.83 - 2013). 28 growers delivered tart cherries to processors in 2014 and 2013.

TABLE II
Reported Tart Cherries Sales Volumes for Processing
2010– 2014

MARKET SEGMENT	2010 Tons	2011 Tons	2012 Tons	2013 Tons	2014 Tons
Processed and Distilled	6,280	2,190	1,233	6,039	4,325

Sweet Cherries –in 2014, 7 growers delivered 16 tons of sweet cherries for processing (16 tons - 2013).

**TABLE III
Reported Sweet Cherries Sales Volumes for Processing
2010 – 2014**

MARKET SEGMENT	2010 Tons	2011 Tons	2012 Tons	2013 Tons	2014 Tons
Freezing	40	35	-	16	16

Processing Peaches – Processors purchased 799 tons of clingstone peaches in 2014 (1,662 – 2013). The minimum price for sales in Ontario was set at- \$700 for 2 ¾", \$550 for 2 ½" per ton and splits for \$200.

Processing Pears – Processors purchased 273 tons of pears for processing in 2014 (496–2013). The minimum price was set in Ontario at \$.30 cents per lb including a processing fee.

**TABLE IV
Reported Peaches and Pears Sales Volumes for Processing
2010 – 2014**

	2010 Tons	2011 Tons	2012 Tons	2013 Tons	2014 Tons
CLINGSTONE PEACHES	1,715	1,471	801	1,662	799
PEARS	-	-	-	496*	273
TOTAL	1,715	1,471	801	2,158	1,072

*2013 restated to reflect adjusted reported volumes.

**TABLE V
Minimum Delivered Prices – Processing Crops
2010 – 2014**

CROP	2010 \$/ton	2011 \$/ton	2012 \$/ton	2013 \$/ton	2014 \$/ton
Sweet Cherries					
Freezing (Chilled Pitted Market)	1,600	1,800	n/a	1,500	1,700
Distilling	600	600	n/a	600	1,700
Tart Cherries*					
97-100 Score	445	505	3,745	1,705	1,785
92 Score	400	460	3,700	1,660	1,740
69 & Under Score	330	390	3,630	1,590	1,670
Peaches	600	600	600	600	700
Pears*				600	600

*The 2012 -2014 tart cherry and pear price per ton includes a processing fee. The processing fee for 2014 was set at \$.53/lb (\$.53- 2013). Processing fee for pears was set at \$.20/lb.

FRESH MARKET SALES THROUGH APPOINTED DEALERS

2014 sales of fresh market crops (including grapes) through appointed dealers were down 9% to 24,595 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
2010 - 2014

Crop	2010 \$/ton	2011 \$/ton	2012 \$/ton	2013 \$/ton	2014 \$/ton
Peaches	\$1,008	\$1,018	\$1,340	\$1,120	\$1,220
Nectarines	1,314	1,500	1,720	1,320	1,640
Pears					
Clapp	1,130	1,146	1,200	980	980
Bartlett	902	1,046	1,200	860	980
Bosc	1,050	1,196	1,520	1,360	1,360
Plums					
Early Golden	1,482	1,530	2,760	1,860	1,920
Shiro	1,460	1,514	2,760	1,860	1,920
Red Plums	1,460	1,476	2,740	1,860	1,920
Blue Plums & Prunes	1,486	1,600	2,740	1,640	1,960
Grapes					
Coronation	1,274	1,310	1,440	1,463	1,560

TABLE VII
Reported Fresh Fruit Sales Volumes through Ontario Appointed Dealers
2010 - 2014

Crop	2010 Tons	2011 Tons	2012 Tons	2013* Tons	2014 Tons	Change % +/-
Peaches	17,600	18,150	15,188	17,330	16,633	-4%
Pears						
Clapp	52	30	11	19	14	-29%
Bartlett	1,732	1,350	746	1,627	1,316	-19%
Bosc	1,067	1,020	243	1,103	531	-52%
Other (Flemish & HW)	69	40	33	101	55	-46%
Pears Combined	2,920	2,440	1,033	2,850	1,916	-33%
Plums						
Early Golden	1,140	800	609	1,712	1,275	-26%
Shiro	502	300	92	36	62	72%
Total Yellow Plums	1,642	1,100	701	1,747	1,337	-23%
Red	11	25	3	15	3	-82%
Blues & Prunes	518	375	284	552	417	-24%
Plums Combined	2,171	1,500	988	2,314	1,757	-24%
Nectarines*	2,256	1,800	1,552	2,506	2,430	-3%
Grapes	1,824	1,952	1,483	1,915	1,861	-3%
TOTAL FRESH	26,771	25,842	20,244	26,916	24,597	-9%

*2013 restated to reflect adjusted reported volumes and values.

TOTAL REPORTED SALES VOLUMES

TABLE VIII
Reported Peach Sales Volumes for Fresh Market
2010 – 2014

Marketer	2010 Tons	2011 Tons	2012 Tons	2013 Tons	2014 Tons	% Change '14 vs. '13
Niagara Dealers	16,874	17,620	15,057	16,876	16,633	-1%
Southwestern Ontario Dealers	425	530	131	454	-	-100%
Other*	954	1,050	388	1,058	789	-25%
TOTALS	18,253	19,200	15,576	18,388	17,422	-5%

TABLE IX
Reported Pear Sales Volumes for Fresh Market
2010 – 2014

Marketer	2010 Tons	2011 Tons	2012 Tons	2013 Tons	2014 Tons	% Change '14 vs. '13
Niagara Dealers	2,911	2,440	1,033	2,847	1,916	-33%
Southwestern Ontario Dealers	9	-	-	3	2	-33%
Other*	335	270	141	204	156	-24%
TOTALS	3,255	2,710	1,174	3,054	2074	-32%

TABLE X
Reported Plum & Prune Sales Volumes for Fresh Market
2010 – 2014

Marketer	2010 Tons	2011 Tons	2012 Tons	2013 Tons	2014 Tons	% Change '14 vs. '13
Niagara Dealers	2,161	1,500	989	2,309	1,757	-24%
Southwestern Ontario Dealers	10	10	-	5	-	-100%
Other*	162	110	89	192	156	-19%
TOTALS	2,333	1,620	1,078	2,506	1,913	-24%

TABLE XI
Reported Nectarine Sales Volumes for Fresh Market
2010 – 2014

Marketer	2010 Tons	2011 Tons	2012 Tons	2013 Tons	2014 Tons	% Change '14 vs. '13
Niagara Dealers	2,256	1,800	1,552	2,550	2,430	-3%
Southwestern Ontario Dealers	-	-	-	1	-	-100%
Other*	41	40	28	68	107	57%
TOTALS	2,297	1,840	1,580	2,619	2,537	-1%

*Other includes reported sales other than through appointed dealers.

**TABLE XII
Members of the Local Board
2010 – 2014**

	2010	2011	2012	2013	2014
Producers Selling to Processors					
Sweet Cherries	9	9	-	6	7
Sour Cherries	36	33	19	28	28
Pears	-	-	-	37	20
Peaches	16	20	9	20	7
Total Number of Producers Fresh and Processing Combined	362	357	296	274	277

**TABLE XIII
Licence Fees– Processing Crops – 2010 - 2014**

Crop	2010 \$/ton	2011 \$/ton	2012 \$/ton	2013 \$/ton	2014 \$/ton
Peaches	\$10.00	\$10.00	\$21.00	\$10.00	\$10.00
Sweet Cherries	\$10.00	\$10.00	\$21.00	\$10.00	\$10.00
Sour Cherries**	\$10.00	\$10.00	\$21.00	\$15.00	\$20.00

**Rates do not include the 25¢ per ton chilled pitted cherry promotion check-off grower and processor. For 2014, the \$20/ton licence fee for sour cherries includes fees for participation in the North American Tart Cherry Promotion Initiative of \$10/ton.

**TABLE XIV
Licence Fees– Fresh Market Crops – 2014**

Crop	Adminis- tration \$/ton	Research & Food Safety \$/ton	Promotion \$/ton	Incentives \$/ton	Total 2014 \$/ton	Total 2013 \$/ton
Peaches	\$13.00	\$2.00	\$9.00	\$55.00	\$79.00	\$69.00
Nectarines	\$13.00	\$2.00	\$9.00	\$6.00	\$30.00	\$61.00
Yellow Plums	\$13.00	\$2.00	\$9.00	\$12.00	\$36.00	\$51.00
Blue Plums	\$13.00	\$2.00	\$9.00	\$14.00	\$38.00	\$35.00
Red Plums	\$13.00	\$2.00	\$9.00	-	\$24.00	\$24.00
Pears-Bartlett	\$13.00	\$2.00	\$9.00	\$3.00	\$27.00	\$35.00
Pears-Bosc	\$13.00	\$2.00	\$9.00	\$4.00	\$28.00	\$34.00
Pears-Other	\$13.00	\$2.00	\$9.00	\$3.00	\$27.00	\$24.00

PRODUCTION INSURANCE

TABLE XV
Ontario Production Insurance Results
2014

Commodity	Number of Accounts	Total Premium* (\$)	Grower Premium (\$)	Total Approved Claims (\$)
Peach & Nectarine	85	680,150	277,623	1,699,853
Pear	35	163,607	65,443	183,304
Sweet Cherry	17	43,810	17,524	57,075
Sour Cherry	23	378,011	151,204	260,113
Plum & Prune	30	397,900	159,160	513,606

Note: Data is as of January 30th, 2015 and subject to change.

2014 PROMOTION ACTIVITIES

The board received funding through the Local Food Fund for 2014 promotional activities which allowed for greater exposure across various formats to increase consumer awareness and purchases of Ontario tender fruit. This included the following main initiatives;

- Celebrate the Bloom Event to bring retailers, growers, marketers, local politicians and media together to create excitement for the upcoming season
- Facebook contests and postings of recipes, availability dates and product information to increase consumer awareness over social media
- New recipe, photography and banner developments to use in online and in-store promotions
- In-store sampling programs
- Retail display bins
- Banner ads on the backs of buses and subway cars in the GTA
- Horizon travel magazine feature- 2 issues (August and September) with 2 recipes in each
- Retailer cross promotion to increase exposure outside of the produce department

Example of 2014 in store sampling program display



Foodland Ontario Initiatives

Our partnership with Foodland Ontario continued with many initiatives and support from their in-store reps.

- The retail display contest continues to be a crucial component of our promotion and in 2014 there were 349 entries.

Display at Metro in Newmarket



- Social Media: Foodland Ontario uses social media such as YouTube, Twitter, Pinterest and Facebook in order to better engage a larger audience. They have over 152,000 Facebook fans, over 23,000 Twitter followers and over 1,100 Pinterest followers.
- Radio: Ontario tender fruits (Apricots, Cherries, Nectarines, Peaches, and Plums) were promoted from July 28th – August 11th as a commercial radio spot.
- TV Commercials: The summer Foodland Ontario commercials ran from June 2nd until June 23rd and again July 14th until August 10th. Commercials were placed with main stream shows to reach 60% Prime time programming.
- Transit Shelter Ads: These ads were placed throughout the province and had over 272.6 million impressions across 18 markets for 6 weeks. Foodland Ontario had ads for both peaches and pears.
- Food Terminal Billboards: Foodland Ontario billboards were strategically placed near the food terminal where the billboards receive approximately 93 million impressions annually. Peaches were featured on the billboard from July 1st until August 26th and pears were featured October 7th until November 25th.
- 2014 Foodland Ontario Calendar: Over 500,000 copies were distributed across the province. The calendar features a number of recipes made with Ontario products. The featured recipe for Ontario tender fruit was Cheesecake in a Jar (with grilled honey fruit) (August). The calendar also utilizes QR code technology that allows consumers to scan the code for a recipe which will then open a YouTube recipe instructional video on their mobile device.
- Recipe Brochures and Cards: Can be ordered from their website, free of charge, at <https://www.ontario.ca/foodland/partners>. The 2014 Summer Brochure was distributed to retailers and had four tender fruit recipes – Summer Peach Jambalaya, Pear Chili Chutney, Plum Pie with Maple Crème Fraiche and Nectarine Almond Shortbread Tart.

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
Canadian Horticultural Council	Paid by OFVGA *
Canadian Produce Marketing Association	1,200
Ontario Agricultural Commodity Council	1,000
Ontario Federation of Agriculture	500
Ontario Produce Marketing Association	350
Presidents' Council	300

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

Sponsorships

Canadian Produce Marketing Association	\$ 2,500 *
Foodland Ontario - 2014 Retail Display Contest	5,000
Niagara-on-the-Lake – Peach Celebration	2,500
Niagara Regional Science and Engineering Fair	500
Cider Fest	565
Ontario Fruit & Vegetable Convention	1,000
Ontario Produce Marketing Association	1,500 *
OPMA – 5 to 10 a Day - Peach Program	**32,590
OPMA – 5 to 10 a Day - Nectarine Program	**4,312
OPMA – 5 to 10 a Day - Pear Program	** 672

* Cost-shared with the Ontario Fresh Grape Board and their 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;

Fireblight

Black knot

Bacterial Spot

2) New variety acquisition, development, and commercialization processes that results in;

- higher value varieties suited to Ontario growing conditions and marketplace needs
- fast tracking of commercial production of promising varieties
- disease resistance especially to fireblight, 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 PRODUCTS REPORT

In 2014, 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 and grapes at the Minor Use Priority Setting Workshop in Hull during the annual meetings in March. This workshop provides an opportunity to highlight priorities for tree fruit and grapes.

Brown Marmorated Stink Bug was caught in Niagara in the same spots as last year as well as some additional spots. Breeding populations have been identified and damage was found in apple. Spotted Wing Drosophila continues to be reported throughout Ontario. Neither pest has caused documented economic losses to tender fruit to date. OMAFRA continue to monitor for the presence of these pests and collaborative research projects among OMAFRA, University of Guelph, Vineland Research and Innovation 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), diazinon and Linuron. Mancozeb and metiram (Polyram) fungicides are being reviewed by PMRA. Neonicotinoid insecticides (Admire, Actara, Assail, Clutch) are also under fire for their potential impact on bee mortality. OTFG defends current uses of these products.

The following table lists new product registrations, label expansions and emergency registrations for Tender Fruit in 2014.

Pest Management Registrations for Tender Fruit, 2014

Product	Active Ingredient (Pesticide Group)	Pest	Crop	Source of Registration
Fungicides				
Bumper 418EC (replaces Mission)	propiconazole (3)	Brown rot, black knot, cherry leaf spot	Peach, nectarine, plum, apricot, cherries	Makhteshim-Agan
Nova Fungicide (replaces Nova 40W)	myclobutanil (3)	Pear scab, powdery mildew	Pear, Peach, Nectarine, Cherries	Dow AgroScience
Tilt 250E (replaces Topas)	propiconazole (3)	Brown rot, powdery mildew, black knot	Peach, nectarine, plum, apricot, sweet cherry, sour cherry	Syngenta
Vivando	metrafenone (U8)	Powdery mildew suppression	Sour cherry, peach, nectarine	Minor use
Insecticides				
Exirel	cyantrinilaprole (28)	Oblique banded leafroller	plum	duPont
Isomate OFM TT	mating disruption pheromones	Oriental fruit moth	Peach, nectarine, apricot, plum, pear	Pacific Biocontrol
Nealta	cyflumetofen (25)	European red mite; Two spotted spider mite	Pear	BASF
Surround	kaolin clay	Plum curculio, Oriental fruit moth, Oblique banded leafroller	Peach, nectarine, plum, apricot, cherries	Tessengerlo Kerley
TwinGuard	sulfoxaflor (4C) spinetoram (5)	Oriental fruit moth, codling moth, oblique banded leafroller, plum curculio, green peach aphid, San Jose scale	Peach, nectarine, plum, apricot, sweet cherry, sour cherry, pear	Dow AgroSciences

Pesticide updates:

Current registered uses of endosulfan (Thiodan, Thionex) products will not be permitted on apricot, cherry, peach, nectarine plum and strawberry after **December 31, 2016**

All uses of Diazinon have been discontinued on apricot, peach, nectarine and plum as of **December 31, 2013**. DIAZINON 500 E (registration # 11889), and DIAZINON 50 WSP (registration # 29976) can be used until **December 31, 2016** on cherry and pear, provided changes to the label are followed.

PPV MONITORING PROGRAM

In 2014, the CFIA continued sampling orchards and residential areas within and 10 km outside the perimeter of the Niagara quarantine area. A total of 9,926 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

2014 TENDER FRUIT RESEARCH PROJECT UPDATES

FruitTracker:

Developments to enhance the capabilities of FruitTracker continued in 2014 after the launch of the harvest, packing and shipping and storage modules. Increased automation of recording and tracking Ontario tender fruit from orchards through to shipping continued with the trial of Radio Frequency Identification (RFID) technology. The equipment used in this trial consisted of an iPad loaded with the FruitTracker app, 2 antennas, a monitor, some RFID tags and carabineers. The trial used inexpensive, rugged, weather proof RFID tags commonly used in the cattle industry. These pre-numbered tags were pre-programmed by the grower to attach a "harvest event" to the RFID tags. The pre-programmed tag was then attached to a skid of empty totes using a simple carabineer to be sent out into the orchard with harvest crews. As the skid of filled totes travels back into the pack house, strategically placed antenna pick up the RFID signals from the tags, tracing where that harvested lot goes and automatically documenting its flow through the pack house. Even when internet connectivity goes down, the FruitTracker system will still record and "cache" or hold the recorded event in memory until connectivity is restored. This year's trial of RFID technology provided a heightened level of traceability, helped improve accuracy in recording the harvest and flow of fruit and saved the grower valuable time during the busy harvest season.

Brown Marmorated Stink Bug

OMAFRA Entomology Program Lead, Hannah Fraser continued her research with industry support in 2014. BMSB is still a relatively new pest and OMAFRA will continue research to learn about its biology and how to control it. Extensive surveying across Ontario was done and will continue in 2015.

Tender Fruit Alert Website

The Ontario Tender Fruit Producers Marketing Board launched TENDERFRUITALERT.CA, in the fall of 2014 in preparation for continued sampling and weather monitoring in 2015. This website is a comprehensive weather alert system for tender fruit growers in Ontario. In partnership with Brock University, KCMS Inc. and Weather Innovations, this initiative will focus on providing timely Ontario climate-specific data to help tender fruit growers identify and mitigate potential production loss due to extreme weather occurrences.

This project was 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.

Expanding the Fresh Market Potential of Ontario Bosc and Harovin Sundown™ Pears by Enhancing Fruit Size and Quality

Dr. John Cline, Associate Professor, Tree Fruit Physiology – University of Guelph
Kathryn Carter, Tender fruit and Grape Production Specialist – OMAFRA

In 2014, a new three-year research project was initiated to investigate the efficacy of chemical thinners for the thinning of 'Bosc' and 'AC Harovin Sundown' pears. While thinners are commonly used at the fruitlet stage for thinning apples, the benefits of chemical thinning pears are less understood. This project will focus on the effectiveness of several thinning compounds on crop load, fruit size, yield, reduction in labour for hand thinning, and size distribution at harvest. In addition, the influence of thinning on biennial bearing and return bloom will be measured. More specifically, the project will investigate:

- the efficacy of different rates of chemical fruitlet thinners (NAA, 6-BA, and other new compounds) applied at ~ 10 mm fruit diameter on horticultural factors
- the cost-benefit (profitability) of chemical thinning pears in contrast to hand-thinning

This project was 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.

Reducing Chilling Injury in Ontario Peaches and Nectarines

Dr. Jennifer R. DeEil, Fresh Market Quality Program Lead – OMAFRA
Kathryn Carter, Tender Fruit and Grape Specialist, – OMAFRA

This 4-year project will observe and investigate multi-year performance trials for peaches and nectarines to understand the relative effects of genotypic and phenotypic factors on chilling injury (CI) in Ontario cultivars. Eight to ten varieties of peaches and nectarines will be evaluated for their sensitivity to chilling. Fruit will be held at 0oC and 5oC. Storage duration will be up to 5 weeks, with weekly removals of 20 fruit per variety and storage temperature. Upon removal from cold storage, fruit will be allowed to ripen at ~20oC until firmness reaches 2.5- 4 lb. Fruit will then be evaluated for symptoms of chilling injury, such as mealiness, internal breakdown, discoloration, translucency, bleeding, etc. Fruit quality will also be evaluated, including firmness, soluble solids concentration, and titratable acidity, as well as other notable disorders and rots.

This project was 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.

Black Knot

Wendy McFadden-Smith, Tender Fruit and Grape IPM Specialist – OMAFRA
Dr. Deena Errampalli – Agriculture and AgriFood Canada
Dr. Jay Subramanian – Associate Professor, University of Guelph

2014 work on this serious viral infection of plums concentrated on evaluation of fungicides on trees and pruning wounds and the effects of the virus at various temperatures and wetting periods. Work will continue in 2015 to verify preliminary findings.

New Variety Development- Tender Fruit and Fresh Grapes

With funding from Agriculture and Agri-Food Canada through the AgriInnovation program, the Ontario Tender Fruit Producers, Vineland Research and Innovation Centre, Vinetech, University of Guelph, nurseries and OMAFRA staff, new varieties tours were held throughout the season to showcase selections. This allowed participants and growers to taste the fruit and view the health of the trees in a pre-test environment. Those that demonstrated promise were sent to the Centre for Plant Health in BC for clean-up of viruses and test trees were propagated for on-site grower plantings. Monitoring and reporting of the performance of the trees and fruit in a commercial setting will occur. In 2014, 19 varieties of nectarine, 15 peach, 5 apricots, 8 Japanese and 8 European plums were viewed. For fresh grapes, Vineland Research and Innovation Centre is actively scouting various breeding programs around the world to seek material that will meet local grower and consumer needs. This season, the first vines from the University of Arkansas' program were planted, and other varieties are in the pipeline for testing in future years.



Improvement of Irrigation efficiency in Orchards and Vineyards in Ontario

Kathryn Carter, Tender Fruit and Grape Specialist – OMAFRA
Rebecca Shortt, Irrigation/Water Engineer – OMAFRA

Through the WAMQI initiative, this year's project focused on automating and adapting existing soil moisture monitoring systems, as well as installing automated stations in new sites, to allow growers to view real time soil moisture measurements on FruitTracker. The information presented (ideal irrigation trigger, permanent wilting point and field capacity) can assist growers in determining the timing and need for irrigation application. Growers who are set up to do so will also be able to view their soil moisture measurements (12" and 24") online and use this information to determine if they have over or under irrigated.



Tree Fruit Worker Health and Safety Manual and Online Module –Ontario Tender Fruit, Grape and Apple Growers

This joint project acts upon the opportunity to reduce risk and injuries within the Ontario tender fruit fresh grape and apple industries. The project aims to provide grower members from these sectors with relevant and practical health and safety information, templates and tools, integrated within the existing Fruit/Apple Tracker record keeping management system to help them manage health and safety in their operations. The Boards are working with Worker Safety and Prevention Services (WSPS) who are experts in Ontario in this area.

This project is funded in part through *Growing Forward 2* (GF2), a federal-provincial-territorial initiative. The Agriculture Adaptation Council assists in the delivery of GF2 in Ontario.

Independent Auditor's Report

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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, 2015, 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, 2015, 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.

Grant Thornton LLP

St. Catharines, Canada
March 2, 2015

Chartered Accountants
Licensed Public Accountants

Ontario Tender Fruit Growers

Statement of Operations and Unrestricted Net Assets

Year ended January 31	2015	2014
Revenues		
Licence fees, fresh market (Note 3)	\$ 1,543,801	\$ 1,632,378
Appropriated to marketing incentive program (Note 4)	<u>(978,371)</u>	<u>(994,645)</u>
	565,430	637,733
Repayment of 2013 license fees	<u>(8,349)</u>	<u>-</u>
	557,081	637,733
Licence fees, processing (Note 3)	55,443	80,822
Government and industry funding		
Research activities	326,568	394,364
Promotion activities	162,881	-
Interest and other income	<u>31,357</u>	<u>28,149</u>
	<u>1,133,330</u>	<u>1,141,068</u>
Expenses		
Directors' fees, honoraria and benefits	58,688	58,953
Salaries and benefits (Note 5)	236,219	236,646
Travel	28,236	32,726
Meetings and conventions	6,482	9,346
Office supplies and expenses	29,069	39,830
Postage	4,269	3,544
Dues and subscriptions	5,049	4,644
Labour Issues Coordinating Committee	4,200	4,200
Research (Note 6)		
Ontario Tender Fruit Growers funded portion	48,837	65,477
Government and industry funded portion	326,569	394,363
Promotion (Note 6)		
Ontario Tender Fruit Growers funded portion	108,192	132,516
Government and industry funded portion	162,881	-
Professional fees (Note 7)	12,437	19,803
Utilities and maintenance	33,083	26,026
Telephone	7,810	10,121
Insurance and taxes	11,788	14,046
Amortization	11,781	12,161
Bad debts	2,568	205
Expense recoveries from other associations	<u>(31,339)</u>	<u>(31,073)</u>
	<u>1,066,819</u>	<u>1,033,534</u>
Excess of revenues over expenses	66,511	107,534
Fund balance, beginning of the year	<u>1,535,958</u>	<u>1,428,424</u>
Fund balance, end of the year	<u>\$ 1,602,469</u>	<u>\$ 1,535,958</u>

See accompanying notes to the financial statements.

Ontario Tender Fruit Growers

Statement of Restricted Net Assets

Year ended January 31	2015	2014
Marketing incentive program (Note 4)		
Revenues		
Licence fees, fresh market	\$ 978,371	\$ 994,645
Repayment of 2013 licence fees	<u>(13,278)</u>	<u>-</u>
	965,093	994,645
Expenses		
Incentive program	<u>1,246,925</u>	<u>788,226</u>
(Deficiency) excess of revenues over expenses	(281,832)	206,419
Fund balance, beginning of the year	<u>475,284</u>	<u>268,865</u>
Fund balance, end of the year	\$ 193,452	\$ 475,284
Sour cherry chilled pitted promotion program		
Revenues		
Sour cherry promotion fees	\$ 2,162	\$ 3,020
Expenses		
Cherry promotion program	<u>2,446</u>	<u>2,275</u>
(Deficiency) excess of revenues over expenses	(284)	745
Fund balance, beginning of the year	<u>771</u>	<u>26</u>
Fund balance, end of year	\$ 487	\$ 771
Red tart sour cherry market development		
Revenues		
Grower fees	\$ 43,247	\$ 30,197
Expenses		
North American cherry initiative	<u>50,000</u>	<u>120,000</u>
Deficiency of revenues over expenses	(6,753)	(89,803)
Fund balance, beginning of the year	<u>17,621</u>	<u>107,424</u>
Fund balance, end of the year	\$ 10,868	\$ 17,621
Fruit testing research program		
Revenues	\$ -	\$ -
Expenses		
Fruit testing research	<u>8,035</u>	<u>-</u>
Deficiency of revenues over expenses	(8,035)	-
Fund balance, beginning of the year	<u>57,082</u>	<u>57,082</u>
Fund balance, end of year	\$ 49,047	\$ 57,082

See accompanying notes to the financial statements.

Ontario Tender Fruit Growers Statement of Financial Position

January 31

2015

2014

Assets

Current

Cash	\$ 511,813	\$ 480,360
Guaranteed investment certificates (Note 8)	988,723	1,186,153
Accounts receivable (Note 9)	52,486	133,700
Research and promotion contributions receivable (Note 6)	208,906	55,945
Prepaid expenses	7,302	4,682
	<u>1,769,230</u>	<u>1,860,840</u>

Long-term

Due from related parties (Note 10)	116,420	129,249
Investments (Note 11)	286,408	286,408
	<u>402,828</u>	<u>415,657</u>
	<u>\$2,172,058</u>	<u>\$2,276,497</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 157,665	\$ 43,271
Government remittances payable	8,215	27,894
Deposits, licence fees	2,352	2,747
Deferred research and promotion contributions (Note 6)	147,503	115,869
	<u>315,735</u>	<u>189,781</u>

Net assets

Unrestricted	1,602,469	1,535,958
Restricted		
Marketing incentive program	193,452	475,284
Sour cherry chilled pitted promotion program	487	771
Red tart sour cherry market development	10,868	17,621
Fruit testing research program	49,047	57,082
	<u>253,854</u>	<u>550,758</u>
	<u>1,856,323</u>	<u>2,086,716</u>
	<u>\$2,172,058</u>	<u>\$2,276,497</u>

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

2015

2014

Increase in cash

Operating

Excess (deficiency) of revenues over expenses for the year:

Unrestricted net assets	\$ 66,511	\$ 107,534
Marketing incentive program	(281,832)	206,419
Sour cherry chilled pitted promotion program	(284)	745
Red tart sour cherry market development	(6,753)	(89,803)
Fruit testing research program	(8,035)	-
Changes in non-cash working capital		
Accounts receivable	81,214	(101,525)
Research and promotion contributions receivable	(121,327)	87,688
Interest receivable	496	472
Prepaid expenses	(2,620)	3,313
Accounts payable and accrued liabilities	114,394	(89,908)
Government remittances payable	(19,679)	23,212
Deposits, licence fees	(395)	247
	<u>(178,310)</u>	<u>148,394</u>

Investing

Advances from related parties	12,829	24,067
Purchase of guaranteed investment certificates	(984,174)	(1,181,108)
Proceeds of guaranteed investment certificates	<u>1,181,108</u>	<u>1,140,994</u>
	<u>209,763</u>	<u>(16,047)</u>

Increase in cash

	31,453	132,347
Beginning of year	<u>480,360</u>	<u>348,013</u>
End of year	<u>\$ 511,813</u>	<u>\$ 480,360</u>

See accompanying notes to the financial statements.

Ontario Tender Fruit Growers

Notes to the Financial Statements

January 31, 2015

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, 2015

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, 2015

3. Licence fees

	<u>2015</u>	<u>2014</u>
Licence fees, fresh market		
peaches	\$ 1,341,718	\$ 1,240,531
pears	56,001	108,612
plums and prunes	69,206	121,168
nectarines	76,876	161,867
voluntary	<u>-</u>	<u>200</u>
	<u>\$ 1,543,801</u>	<u>\$ 1,632,378</u>
Licence fees, processing		
sour cherries	\$ 43,247	\$ 60,393
sweet cherries	162	162
peaches	7,992	16,615
pears	<u>4,042</u>	<u>3,652</u>
	<u>\$ 55,443</u>	<u>\$ 80,822</u>

Ontario Tender Fruit Growers Notes to the Financial Statements

January 31, 2015

4. Marketing incentive program

The funds raised for this program in 2015 in the amount of \$978,371 (2014 - \$994,645) were generated by a levy on producers included in licence fees. The \$1,246,925 (2014 - \$788,226) 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	\$ 199,101	\$ 117,292	\$ 93,916	\$ 64,975	\$ 475,284
Repayment of 2013 licence fees, fresh market	(9,965)	(1,705)	(725)	(883)	(13,278)
Transfer from licence fees, fresh market	932,203	16,254	6,403	23,511	978,371
Incentive program expense	<u>(1,018,749)</u>	<u>(131,591)</u>	<u>(44,946)</u>	<u>(51,639)</u>	<u>(1,246,925)</u>
Balance, end of year	<u>\$ 102,590</u>	<u>\$ 250</u>	<u>\$ 54,648</u>	<u>\$ 35,964</u>	<u>\$ 193,452</u>

5. Salaries and benefits

	<u>2015</u>	<u>2014</u>
Total salaries and benefits	\$ 295,144	\$ 297,106
Recoveries:		
Ontario Apple Growers	(25,000)	(25,000)
Ontario Fresh Grape Growers Marketing Board	(12,000)	(12,000)
Traceability Foundations Initiative	(10,175)	(23,460)
Advancing the tree fruit & fresh grape sectors	<u>(11,750)</u>	<u>-</u>
	<u>\$ 236,219</u>	<u>\$ 236,646</u>

Ontario Tender Fruit Growers Notes to the Financial Statements

January 31, 2015

6. Deferred contributions, research and promotion activities

	(Deferred) Receivable Contributions February 1, 2014	Government/ Industry Contributions 2015	Expenses 2015	Board Funded Expenses 2015	(Deferred) Receivable Contributions January 31, 2015
<u>Grant funded research projects</u>					
AIP - Advancing the tree fruit & fresh grape sectors	\$ -	\$ 1,253	\$ 88,683	\$ 25,000	\$ 62,430
Elite motherblock & secondary block assessment fund	-	27,562	17,158	-	(10,404)
GF2 - Automated weather alert system	19,997	51,611	90,286	9,006	49,666
GF2 - Business plan development	-	11,816	21,955	5,488	4,651
GF2 - Expanding fresh market potential of Ontario pears	-	2,480	-	-	(2,480)
GF2 - Reducing the incidence of chilling injury	-	-	17,970	6,093	11,877
OFIP - Evaluation of dwarfing peach rootstocks	(4,000)	-	-	-	(4,000)
OFIP - Tree fruit & fresh grape worker health & safety	(10,000)	26,202	25,307	-	(10,895)
Pesticide initiatives	(19,692)	-	-	-	(19,692)
Traceability foundations initiative	25,682	54,781	29,099	-	-
Bacterial spot of stone fruit	(145)	-	145	-	-
Post-harvest initiatives	(78,532)	30,400	8,900	-	(100,032)
WRAMI - Soil moisture probe project	10,266	10,766	500	-	-
WAMQI - Soil moisture monitoring	-	500	68,653	-	68,153
PPV Initiatives	(3,500)	-	-	(3,500)	-
	<u>\$ (59,924)</u>	<u>217,371</u>	<u>368,656</u>	<u>42,087</u>	<u>\$ 49,274</u>
			<u>(42,087)</u>		
Less board funded expenses			<u>326,569</u>		
Government and industry funded portion				<u>6,750</u>	
Other research project contributions				<u>48,837</u>	
OTFG portion of research activities					
<u>Grant funded promotion projects</u>					
Local Food Fund	-	125,052	251,416	114,235	12,129
OFVGA Promotion - Local Food Fund Initiatives	-	25,700	-	(25,700)	-
		<u>150,752</u>	<u>251,416</u>	<u>88,535</u>	<u>12,129</u>
Less board funded expenses			<u>(88,535)</u>		
Government and industry funded portion			<u>162,881</u>		
Other promotion expenditures				<u>19,657</u>	
OTFG portion of promotion activities				<u>108,192</u>	
	<u>\$ (59,924)</u>				<u>\$ 61,403</u>
Reported as:					
Research and food safety contributions receivable	\$ 55,945				\$ 208,906
Deferred research and food safety contributions	<u>(115,869)</u>				<u>(147,503)</u>
	<u>\$ (59,924)</u>				<u>\$ 61,403</u>

Ontario Tender Fruit Growers

Notes to the Financial Statements

January 31, 2015

7. Professional fees

	<u>2015</u>	<u>2014</u>
Audit	\$ 10,675	\$ 10,925
Legal	1,012	5,991
Consulting	<u>750</u>	<u>2,887</u>
	<u>\$ 12,437</u>	<u>\$ 19,803</u>

8. Guaranteed investment certificates

The board has guaranteed investment certificates that mature between 2015 and 2018 and earn interest between 1.75% and 2.00% (2014 - 1.50% and 2.50%)

9. Accounts receivable

	<u>2015</u>	<u>2014</u>
Producer licence fees - Net of allowance of \$2,568 (2014 - nil)	<u>\$ 52,486</u>	<u>\$ 133,700</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>2015</u>	<u>2014</u>
Assets	\$ 423,331	\$ 441,514
Liabilities	<u>136,978</u>	<u>155,161</u>
Net Assets	<u>\$ 286,353</u>	<u>\$ 286,353</u>

Expenses include a \$135,327 (2014 - \$156,233) charge for the board's share (50% (2014 - 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>2015</u>	<u>2014</u>
Grape & Tender Fruit (Ontario) Limited	<u>\$ 116,420</u>	<u>\$ 129,249</u>

Ontario Tender Fruit Growers

Notes to the Financial Statements

January 31, 2015

11. Investments

	<u>2015</u>	<u>2014</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, 2015:

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 2015 financial statements.
