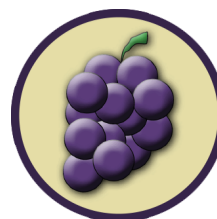


ANNUAL REPORT

FOR YEAR ENDING
December 31, 2020



**Ontario Fresh
Grape Growers'
Marketing Board**



COMMENTS FROM THE CHAIR



There's no question that Ontario's agricultural industry, including Ontario's fresh grapes, experienced vast change over the past 10 months at a pace which none of us expected. We've seen changes in markets, in how we run our farms and in consumer behavior that have reshaped how many of us operate and do business now and in the future. In addition, 2020 brought with it a persistently hot, dry growing season, particularly in the Niagara region, which brought its own set of challenges for farmers to contend with.

Despite the extraordinary difficulties Ontario's fresh grape growers experienced this year they have risen to the challenges and found ways to get things accomplished. Although 2020's growing conditions produced lower yields than anticipated Ontario's fresh grapes were of the highest quality. Consumer demand for local fresh grapes was tremendous this year and we are extremely grateful for all of the retail and consumer support we received. Essential workers everywhere, from our own labour force, to the front-line workers at retail, in health care and across all sectors deserve our unwavering appreciation.

Promotions took a new path this year. With social distancing on order the 2020 campaign focused on engaging with consumers from afar through television, radio and conversations on social media. Retail display bins were very successful in showcasing Ontario fresh grapes alongside Ontario's tender fruit to meet the fantastic consumer demand for local. We'd like to thank Foodland Ontario and the Ontario Ministry of Food and Rural Affairs for their teamwork and consistent support for Ontario fresh table grapes.

2020 challenges may have slowed, but did not deter, the Ontario Fresh Grape Growers aspirations for new variety development. This continues to be a key initiative in the overall strategy to move the industry forward. With project funding provided by Agriculture and Agri-Food Canada through the Canadian Agricultural Partnership AgriScience Program, and in partnership with Vineland Research and Innovation Centre, Brock University, Ontario Tender Fruit Growers and Vinetech, new, promising, seedless grape cultivar plantings are being evaluated under Ontario's growing conditions and in Ontario's marketplace. In 2020 the Ontario Fresh Grape Growers made great strides in a decision to commercialize the first new variety coming out of this program. It will be an exciting new opportunity to move this new variety forward and at the same time continue the search for other promising seedless cultivars for Ontario.

Government support, both at the federal and provincial level, have been critical to not only the success but the sustainability of many Ontario farms this year. Federal and provincial programs such as the Canadian Emergency Wage Subsidy, Canadian Emergency Business Account and the Emergency On-Farm Support Fund developed to assist in the prevention and management of COVID-19 on farms are vital instruments in pulling the industry through. The Ontario Fresh Grape Growers sincerely thank the government for their support and provisions during this critical time and look forward to working together to find workable solutions.

Lastly, I would like to extend my sincere gratitude to the Ontario Fruit and Vegetable Growers Association, the Ontario Fresh Grape Board of Directors, Growers' Committee and staff for their enormous efforts this past year and their overall dedication and support to Ontario's growers. Collectively, the industry worked alongside government to effectively and efficiently improve government programs for growers, to help guide our industry through this pandemic and the coinciding labour-related issues, to provide on-going work on crop protection issues and to help market the crop. Together we've responded swiftly to the challenges this year has brought.

Respectfully submitted,

A handwritten signature in green ink that reads "D. Hipple".

David Hipple, Chair

ONTARIO FRESH GRAPE GROWERS' MARKETING BOARD
55th ANNUAL REPORT

FRESH MARKET VOLUMES

TABLE 1
FRESH MARKET VOLUMES REPORTED TO THE BOARD
2016 - 2020

	2016	2017	2018	2019	2020	% Change
MARKETER	Tons	Tons	Tons	Tons	Tons	2020 vs 2019
Niagara Dealers	1,403	1,961	1,643	1,937	1,344	-30.6%
Licensed Producers	93	84	51	51	29	-43.2%
TOTAL	1,496	2,045	1,694	1,988	1,373	-30.9%

2020 fresh market volumes reported to the Board were down 30.9% from 2019 and down 25.1% from the previous five-year average (1,832 tons - 2015–2019).

AVERAGE NET RETURNS

TABLE 2
AVERAGE NET RETURNS FOR SALES THROUGH ONTARIO DEALER-SHIPPERS
2016 – 2020

		AVERAGE RETURN*	VOLUME
YEAR	NET FARM GATE VALUE	PER TON	TONS
2020	\$2,510,150	\$1,867	1,328
2019	\$3,375,250	\$1,743	1,937
2018	\$2,891,469	\$1,759	1,643
2017	\$3,471,258	\$1,770	1,961
2016	\$2,427,190	\$1,730	1,403

*Returns are net after deducting all shipper commissions, board fees, and container costs.

Average net returns to producers selling through appointed dealers are up 7.1% in 2020 from the previous year and up 9.3% from the previous five-year average (\$1,709/ton - 2015–2019).

GROSS FARM GATE VALUE

TABLE 3
GROSS FARM GATE VALUE OF FRESH GRAPES
2018 - 2020

FRESH MARKET	2018 VOLUME TONS	2019 VOLUME TONS	2020 VOLUME TONS	% CHANGE '20 VS '19	2018 VALUE \$	2019 VALUE \$	2020 VALUE \$	% CHANGE '20 VS '19
Grapes	1,694	1,988	1,373	-30.9%	4,426,802	5,144,684	3,778,733	-26.6%

Although net returns increased, total gross farm gate value of Ontario's fresh grape crop fell by 26.6% due to the reduced crop size in 2020.

FRESH GRAPE PRODUCTION

TABLE 4
GPS MAPPED FRESH GRAPE PRODUCTION BY DISTRICT
2020

Variety	District 1	District 2	2020 Total	2019 Total
Sovereign Coronation	251.54	42.98	294.52	297.11
Fredonia	-	33.87	33.87	33.79
Experimental Labrusca	5.86	0.52	6.38	3.87
Himrod	2.94	0.01	2.95	2.93
Patricia	-	2.87	2.87	2.87
Van Buren	0.60	0.42	1.02	1.02
Suffolk Red	0.59	-	0.59	0.59
Grand Total	261.53	80.67	342.20	342.18

*estimated that GPS mapped acreage represents 70% of total production

Ontario Fresh Grape Growers Marketing Board Districts:

District 1 = Town of Niagara on the Lake

District 2 = the rest of Ontario

FRESH GRAPE GROWERS BY DISTRICT

TABLE 5
NUMBER OF GROWERS REGISTERED WITH THE BOARD
2020

DISTRICT	REGION	GROWER NUMBERS	COMMITTEE NUMBERS
District 1	Town of Niagara-on-the-Lake	46	5
District 2	All other areas including St. Catharines, Lincoln and Grimsby	41	5
Total		87	10

FRESH GRAPE DISTRIBUTION

TABLE 6
FRESH GRAPE DISTRIBUTION THROUGH DEALER-SHIPPERS
2016-2020

Region	2016	2017	2018	2019	2020	5 Year Avg.
Ontario	46%	44%	38%	41%	42%	42%
Quebec	53%	54%	59%	54%	55%	55%
Atlantic	1%	1%	1%	2%	3%	1%
West	0%	1%	3%	3%	0%	2%

WEEKLY RECEIPTS BY DEALER-SHIPPER

**TABLE 7
SCHEDULE OF FRESH GRAPE WEEKLY RECEIPTS
2016 - 2020**

WEEKLY PERIOD	2016	2017	2018	2019	2020
Jul. 27 – Aug. 2	0	0	0	0	0
Aug. 3 – 9	17,546	2,460	18,480	0	0
Aug. 10 – 16	48,641	32,090	55,331	1,560	11,193
Aug. 17 – 23	56,514	60,636	52,052	51,255	50,914
Aug. 24 – 30	36,506	49,724	40,185	60,367	48,685
Aug. 31 – Sept. 6	5,619	26,679	23,802	34,386	34,895
Sept. 7 – 13	289	22,964	3,308	30,869	9,626
Sept. 14 - 20		20,610	169	35,184	2,412
Sept 21 – 27		9,192	24	11,527	399
Sept 28 – Oct 4		6,312		2,630	
Oct. 5 - 11				57	25
TOTALS (17 lb. equivalent units)	165,115	230,667	193,351	227,835	158,149
First Main Harvest Date (2500 units)	Aug 11	Aug 17	Aug 11	Aug 22	Aug 14
Days from veraison	18	20	22	20	20
Days from bloom	61	62	62	61	59
Growing Degrees	1022	1008	1059	1031	1044

FRESH GRAPE SALES BY CONTAINER TYPE

**TABLE 8
ONTARIO DEALER-SHIPPER
FRESH GRAPE SALES BY CONTAINER TYPE
2016 - 2020**

CONTAINER	2016	2017	2018	2019	2020	% CHANGE 2020 VS. 2019
8x2 L	144,916	188,435	164,672	149,548	106,324	-29%
10x1.5 - Plastic	5,205	7,505	8,498	4,473	4,754	6%
10x1.5 - Paper	-	-	-	39,313	30,749	-22%
Other	14,161	32,798	19,060	21,664	15,022	-31%
Total Units	164,282	228,738	192,230	214,998	156,849	-27%

FRESH GRAPE PRICING

**TABLE 9
FRESH GRAPE PRICE DETERMINATION ORDER
2020**

Order #	Effective	All Classes			
		10x1.5 Litre Plastic Clamshell	10x1.5 Litre Paper Basket	8x2 Litre Clamshell	6x3 Lb Clamshell
Order #1	August 17th, 2020	\$24.25	\$28.25	\$23.25	\$24.25

Note: By agreement with the Board, dealers are allowed to pool their receipts and sales on a weekly basis or over a longer period depending on their unique circumstances. Prices include 25¢ per master which is collected by the dealers to cover costs such as palletizing, cooling and unloading charges.

2020 EARNED MARKETING INCENTIVE PROGRAM

The Marketing Incentive Program was established to encourage major Canadian retailers to feature Ontario fresh grapes throughout the peak of the grape harvest while maintaining uniform prices. In 2020, Fresh Grape Growers continued to offer a Fresh Grape Incentive Program which included a freight incentive in Eastern provinces at \$1.00 and Western provinces at \$1.00-Winnipeg, \$1.50-Regina, \$2.00-Calgary. Depending on the region, retailers must satisfy an ad requirement in order to qualify. The regular incentive periods and rates in Ontario were as follows:

Week	Dates	Rates
Week 1-2	August 15 th - August 28 th	\$0.50
Week 3-5	August 29 th - September 18 th	\$1.00

The Incentive Program is financed through grower licence fees. Licence fees for 2020 decreased to 93¢ per 17 lb. master (96¢ - 2019). The incentive program component of the fee and all incentive payments are accounted for in a separate incentive fund account. Shortages and/or surpluses are carried forward into future years under the program.

PROMOTION AND MARKET DEVELOPMENT 2020

Ontario Fresh Grape Growers Marketing Board (OFFGMB) partnered with the Ontario Tender Fruit Growers (OTFG) to place over 7,000 bilingual retail display bins in grocery stores across Canada. These bins are used to secure prominent and visually appealing shelf space in the produce section of grocery stores, and are an integral part of our marketing program year over year.

In 2020, promotional campaigns including in-store sampling and direct to consumer events were unfortunately cancelled due to the impacts of the COVID-19 pandemic. In lieu of these events, Ontario Fresh Grape Growers put together a robust digital consumer awareness campaign to advertise the in-store availability of Ontario fresh grapes throughout the summer months using media outlets such as television, radio, and magazine ads, with details as follows:



TELEVISION COMMERCIALS

- Rogers TV: Breakfast Television, City News, CityLine & CHCH Primetime television shows
- Early season commodities commercial ran from July - mid August
- Late season commodities commercial ran from mid August - September
- Total of 241 spots aired to a combined audience of 11.3 million viewers

RADIO TAGS

- 633 radio tags aired in widespread markets capturing almost all of Ontario
- A large demographic was targeted - males and females aged 18-65, with an emphasis on primary household shoppers
- Combined audience of nearly 1.8M weekly listeners
- Additional bonus of Foodland Ontario radio tags for the week of September 21st advertising Coronation grape availability



MAGAZINE & ELEVATOR SCREENS

- Condo Nest full page magazine advertorial with Ontario Coronation Grape Popsicles recipe included which has 125,000 copies distributed in Toronto plus digital online flipbook (pictured above). 714,758 video plays of our local tender fruit/fresh grape availability ad occurred on a circuit of 130 elevator screens in Toronto condominiums throughout the month of August

We are especially grateful during such a difficult year for our valued partnerships. Foodland Ontario successfully held its annual display contest where participating retailers advertised local tender fruit and fresh grapes through large scale displays in their produce sections. In total there were 254 entries. Our sincere thanks to the Foodland team for their efforts to get back in stores in time for our season amidst the challenges of COVID-19.

OPMA's Produce Made Simple was also extremely active promoting Ontario tender fruit and fresh table grapes on social media and online via their webpage. This year we partnered to run a consumer contest on Instagram and Facebook where the winner received a grazing box full of cured meats, cheeses, jams, and, of course, Coronation grapes. We received over 5,000 entries and had lots of engagements on posts throughout the season. In total we gained 1,310 new followers across all channels, and had nearly 10 million combined digital impressions.

In addition to our media outreach, we produced new lifestyle and vineyard photos of Coronation grapes through the Grassroots Growth cost-share program. These beautiful, high resolution images (one of which is on this annual report cover), will be used in our upcoming social media posts, grower/consumer resources, and other digital or print campaigns.

Be sure to follow along on Facebook, Instagram, Pinterest, Twitter and YouTube @onttenderfruit and visit www.ontariotenderfruit.ca for recipes and other consumer resources.

RESEARCH INITIATIVES

New Variety Development in Tree Fruit and Fresh Grape Sectors in Canada

2020 is year three of five for this collaborative research project combining the efforts of Vineland Research and Innovation Centre, Ontario Fresh Grape Growers, Ontario Tender Fruit Growers, the University of Guelph and Brock University with additional support provided by VineTech Canada. The government of Canada is supporting the development of new Canadian tree fruit and fresh grape varieties through the AgriScience Program as part of the Canadian Agricultural Partnership Program.

New variety development is imperative to fostering growth for Ontario's fresh grape industry; through this program promising new seedless grape cultivar plantings are being evaluated under Ontario's growing conditions and in Ontario's marketplace. Scouting, testing and evaluations will continue in search of optimal seedless cultivar selections suited for Ontario.

With the exception of 2020, a New Variety Tour has been held each year to showcase new promising varieties both on the vines and for tasting. In 2019 and 2020 vine evaluations were conducted including bud hardiness levels and susceptibility to winter injury. Select new varieties are sent to interested retail partners for feedback. One new varietal, in particular, has been selected to advance for commercialization and branding in 2021. Scouting for additional varieties to be planted and evaluated over the next years will continue to determine their potential for Ontario's fresh grape industry.

CropTracker Enterprise

In partnership with Ontario Apple Growers and the Ontario Tender Fruit Growers, the CropTracker Enterprise system was developed to provide a cloud-based system for the Ontario tree fruit and fresh grape industries to improve aggregate data collection and data flow and to create efficiencies and support across the value chain.

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



Independent Auditor's Report

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To the Members of
[Ontario Fresh Grape Growers' Marketing Board](#)

Opinion

We have audited the financial statements of Ontario Fresh Grape Growers' Marketing Board, which comprise the statement of financial position as at December 31, 2020, and the statements of revenues, expenses and unrestricted net assets, marketing incentive program revenues, expenses and fund balance, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the management as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.

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

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the management's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the management's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the management to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

St. Catharines, Canada
January 28, 2021

Chartered Professional Accountants
Licensed Public Accountants

Ontario Fresh Grape Growers' Marketing Board

Statement of Revenues, Expenses and Unrestricted Net Assets

Year ended December 31	2020	2019
Revenues		
Licence fees	\$ 149,599	\$ 225,635
Appropriated to marketing incentive program (Note 3)	<u>(80,477)</u>	<u>(117,042)</u>
	69,122	108,593
Interest	1,627	3,867
Promotions funding	42,257	42,391
Research grant (Note 5)	<u>1,600</u>	<u>2,000</u>
	<u>114,606</u>	<u>156,851</u>
Expenses		
Promotion (Note 4)	57,260	76,354
Travel, meetings and conventions	10,664	14,251
Directors' and committee fees	8,234	8,880
Shared costs (Note 6)	17,910	24,000
Research (Note 5)	6,610	6,610
Audit	4,500	4,780
Data service maintenance fee	2,561	-
Liability insurance	1,412	1,345
Memberships	1,150	983
Office	789	504
Legal	<u>-</u>	<u>773</u>
	<u>111,090</u>	<u>138,480</u>
Excess of revenues over expenses for the year	3,516	18,371
Fund balance, beginning of the year	<u>174,946</u>	<u>156,575</u>
Fund balance, end of the year	<u>\$ 178,462</u>	<u>\$ 174,946</u>

Ontario Fresh Grape Growers' Marketing Board Statement of Marketing Incentive Program Revenues, Expenses and Fund Balance

Year ended December 31	2020	2019
Revenues		
Appropriated licence fees	\$ 80,477	\$ 117,042
Expenses		
Incentive program expense (Note 3)	<u>79,298</u>	<u>122,562</u>
Excess (deficiency) of revenues over expenses for the year	1,179	(5,520)
Fund balance, beginning of the year	<u>36,663</u>	<u>42,183</u>
Fund balance, end of the year	<u>\$ 37,842</u>	<u>\$ 36,663</u>

Ontario Fresh Grape Growers' Marketing Board

Statement of Financial Position

December 31

2020

2019

Assets

Current

Cash	\$ 191,670	\$ 176,733
Accounts receivable (Note 7)	2,584	2,114
Grants receivable (Note 4)	30,737	41,050
Prepaid expenses	<u>1,719</u>	<u>1,579</u>
	<u>\$ 226,710</u>	<u>\$ 221,476</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 8)	\$ <u>10,406</u>	\$ <u>9,867</u>
	<u>10,406</u>	<u>9,867</u>

Net assets

Unrestricted	178,462	174,946
Marketing incentive program (Page 4)	<u>37,842</u>	<u>36,663</u>
	<u>216,304</u>	<u>211,609</u>
	<u>\$ 226,710</u>	<u>\$ 221,476</u>

On behalf of the board



Director



Director

Ontario Fresh Grape Growers' Marketing Board

Statement of Cash Flows

Year ended December 31	2020	2019
Increase in cash		
Operating		
Excess of revenues over expenses for the year		
- unrestricted	\$ 3,516	\$ 18,371
Excess (deficiency) of revenues over expenses for the year		
- marketing incentive program	1,179	(5,520)
Changes in non-cash working capital		
Accounts receivable	(470)	(457)
Grants receivable	10,313	(41,050)
Prepaid expenses	(140)	(233)
Accounts payable and accrued liabilities	<u>539</u>	<u>(4,808)</u>
	<u>14,937</u>	<u>(33,697)</u>
Investing		
Redemption of guaranteed investment certificate	<u>-</u>	<u>104,977</u>
	<u>-</u>	<u>104,977</u>
Increase in cash	14,937	71,280
Cash		
Beginning of year	<u>176,733</u>	<u>105,453</u>
End of year	<u>\$ 191,670</u>	<u>\$ 176,733</u>

Ontario Fresh Grape Growers' Marketing Board

Notes to the Financial Statements

December 31, 2020

1. Nature of operations

The Board was established to regulate prices of grapes sold in the fresh grape market, as well as for the purposes of marketing and promoting fresh grapes in Ontario. It is incorporated by Letters Patent as a corporation without share capital under the laws of Ontario, and is exempt from income taxes under section 149(1)(e) of the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant policies are detailed as follows:

Fund accounting

The Board follows the restricted fund method of accounting for contributions. Revenues and expenses related to the Marketing Incentive Program are reported in the Marketing Incentive Program Fund. All other revenues and expenses are reported in the unrestricted fund.

Revenue recognition

The Board has authority to collect licence fees under the provisions of the Farm Products Marketing Act. The Board operates a system of required reporting of crop sales by appointed dealer shippers and licensed producers and monitors the results of this reporting. Any additional revenues determined by the Board through this monitoring system are recorded when determined to be collectible.

Financial instruments

Ontario Fresh Grape Growers' Marketing Board initially measures its financial assets and financial liabilities at fair value. The Board subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, guaranteed investment certificates, accounts receivable, and grants receivable.

Financial liabilities measured at amortized cost included accounts payable and accrued liabilities, and deferred grant revenue.

Impairment

Financial assets measured at amortized 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 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.

Ontario Fresh Grape Growers' Marketing Board

Notes to the Financial Statements

December 31, 2020

2. Significant accounting policies (continued)

Capital expenditures

Capital expenditures are charged to operations in the year they are incurred.

Use of estimates

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

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

3. Marketing incentive program

The funds raised for this program in 2020 in the amount of \$80,477 (2019 - \$117,042) were generated by a levy on producers included in licence fees. The \$79,298 (2019 - \$122,562) marketing incentive expense was paid out to qualifying retailers to encourage sales through additional features on fresh grapes.

4. Promotion grants

	Deferred (Receivable) Grant Revenue <u>2019</u>	Government & Industry Funding <u>2020</u>	Promotion Expenses <u>2020</u>	Deferred (Receivable) Grant Revenue <u>2020</u>
Ontario Fruit & Vegetable Growers Association Grant	\$ -	\$ 1,519	\$ 1,519	\$ -
Grassroots Growth Project	-	-	30,737	(30,737)
CAP 161 - Fresh Grape National Market Development	<u>(41,050)</u>	<u>41,050</u>	-	-
	<u>\$ (41,050)</u>	<u>\$ 42,569</u>	<u>32,256</u>	<u>\$ (30,737)</u>
Non-funded promotion			<u>25,004</u>	
			<u>\$ 57,260</u>	

Ontario Fresh Grape Growers' Marketing Board

Notes to the Financial Statements

December 31, 2020

5. Research grants

	Deferred (Receivable) Grant Revenue <u>2019</u>	Government & Industry Funding <u>2020</u>	Research Expenses <u>2020</u>	Deferred (Receivable) Grant Revenue <u>2020</u>
ASP - Fresh Grape Variety Development Project	\$ -	\$ <u>1,600</u>	\$ <u>1,600</u>	\$ -
	\$ -	\$ <u>1,600</u>	<u>1,600</u>	\$ -
Non-funded research			<u>5,010</u>	
			<u>\$ 6,610</u>	

6. Shared cost commitment

The Ontario Fresh Grape Growers' Marketing Board shares office space and staff with Grape and Tender Fruit (Ontario) Limited at an annual cost of \$29,000. The cost is reduced by \$11,090 to \$17,910 in 2020 to reflect shared wages recoverable under promotion grants.

7. Accounts receivable

	<u>2020</u>	<u>2019</u>
Due from Ontario Tender Fruit Growers	\$ <u>2,584</u>	\$ -
HST receivable	<u>-</u>	<u>2,114</u>
	<u>\$ 2,584</u>	<u>\$ 2,114</u>

8. Accounts payable and accrued liabilities

	<u>2020</u>	<u>2019</u>
Trade payables	\$ <u>5,906</u>	\$ 5,542
Due to Ontario Tender Fruit Growers	<u>4,500</u>	4,249
Due to Grape & Tender Fruit Ontario	<u>-</u>	<u>76</u>
	<u>\$ 10,406</u>	<u>\$ 9,791</u>

9. Transactions with Ontario Tender Fruit Growers

The Ontario Fresh Grape Growers' Marketing Board and the Ontario Tender Fruit Growers are under common management and have significant common membership. The Ontario Tender Fruit Growers collects licence fees on behalf of the Ontario Fresh Grape Growers' Marketing Board which gives rise to the receivable balance.

Ontario Fresh Grape Growers' Marketing Board

Notes to the Financial Statements

December 31, 2020

10. Financial instruments

Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency, credit or other price risk from these financial instruments.

**MEMBERS AND STAFF OF THE
ONTARIO FRESH GRAPE GROWERS' MARKETING BOARD
2020 - 2021**

CHAIR

David Hipple

VICE CHAIR

Torrie Warner

DIRECTORS

Adolf Reddecopp

Dan Lambert

Jourdan Tregunno

Robin Reimer

Howard Colcuc

GROWERS' COMMITTEE

District 1

Adolf Reddecopp

Howard Colcuc

Jourdan Tregunno

Fred Meyers

Dan Lambert

District 2

David Hipple

Robin Reimer

Torrie Warner

Bart Huisman

OFFICE STAFF

MANAGER

Sarah Marshall

TREASURER / PROJECT MANAGER

Larissa Osborne

MARKETING COORDINATOR

Kelle Neufeld

SHARED STAFF GRAPE & TENDER FRUIT

Sylvana Lagrotteria, Maureen Connell

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