



Ontario
Tender Fruit
Growers

ANNUAL REPORT

Year ending January 31, 2022



**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
2021 In Review**

February 2022

The 2021 season saw a return to decent volumes in most areas and crops compared to 2020. Unfortunately, site specific frost events in early April and pollination issues during a cool, wet bloom period resulted in some damage. The stone fruit crop had potential to be larger with sufficient moisture levels and sunlight, but with excessive heat in August and reductions in available labour, getting fruit off the trees in time before becoming too soft to market was a challenge.

Quality was exceptional, and fruit moved quickly through the system with excellent retail support. Most crops were able to see a lift in pricing which certainly helped to offset some of the increasing costs in labour, packaging and crop protection materials.

Promotion campaigns concentrated on TV, radio and social media to reach consumers before they went into stores. Once in the store, the retail display bins and support from Foodland Ontario reps ensured consumers could easily identify local.

New variety development continues to be a key focus for the board. Through our partnership with University of Guelph, Vineland Research and the Tender Fruit Evaluation Committee, we continue to work towards commercializing varieties to meet consumer demands and extend our season with excellent quality, tree ripened fruit.

Unfortunately, COVID is still with us. We look forward to the day that it is not. The OMAFRA Sector Leadership Group which includes commodity associations, OFVGA, OMAFRA, Ministry of Labour and Health representatives have supported farmers through important initiatives such as vaccination clinics at the airport, funding through the enhanced agri-food worker protection program, additional coverage for labour under crop insurance, increases to SDRM payments and a caring and responsiveness that is second to none. We extend our sincere appreciation for the hard work and dedication of these individuals to ensuring we can continue to provide healthy food for Canadians.

I also extend my appreciation to the board of directors and staff who have pressed on and done an exceptional job of supporting growers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Phil Tregunno', with a long, sweeping horizontal line extending to the right.

Phil Tregunno- Chair

FORTY THIRD 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
2019 – 2021

| | 2019 Volume Tons | 2020 Volume Tons | 2021 Volume Tons | %Change '21 vs '20 | 2019 Value \$ | 2020 Value \$ | 2021 Value \$ | %Change '21 vs '20 |
|---------------------|------------------------|------------------------|------------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| Fresh Market | | | | | | | | |
| Peaches | 17,969 | 11,404 | 14,955 | 31% | 37,038,164 | 25,206,060 | 35,892,255 | 42% |
| Pears | 3,289 | 2,858 | 2,869 | 0% | 5,954,681 | 5,462,213 | 5,677,348 | 4% |
| Plums & Prunes | 2,973 | 1,744 | 2,551 | 46% | 8,145,653 | 5,486,461 | 7,989,104 | 46% |
| Nectarines | 3,736 | 3,112 | 4,021 | 29% | 9,760,422 | 8,308,511 | 11,178,645 | 35% |
| Apricots | 109 | 17 | 181 | 964% | 494,534 | 98,247 | 998,063 | 916% |
| TOTAL | 28,075 | 19,136 | 24,577 | 28% | 61,393,454 | 44,561,492 | 61,735,415 | 39% |
| Processing | | | | | | | | |
| Sweet Cherries | 25 | 8 | 19 | 138% | 49,997 | 16,970 | 43,640 | 157% |
| Sour Cherries | 3,776 | 1,749 | 3,594 | 105% | 5,213,919 | 1,186,527 | 5,204,532 | 339% |
| Peaches | 619 | 10 | - | -100% | 310,409 | 2,486 | - | -100% |
| Pears | 441 | 396 | 280 | -29% | 308,706 | 126,983 | 88,546 | -30% |
| TOTAL | 4,861 | 2,163 | 3,893 | 80% | 5,883,031 | 1,332,966 | 5,336,718 | 300% |
| COMBINED | 32,936 | 21,299 | 28,470 | 34% | 67,276,485 | 45,894,458 | 67,072,133 | 46% |

PROCESSING SALES

Tart Cherries – In 2021, 14 growers delivered 3, 594 tons of tart cherries for processing (1,749 – 2020).The negotiated price for 92 score cherries was \$1,500 /ton.

TABLE II
Reported Tart Cherries Sales Volumes for Processing
2017– 2021

| MARKET SEGMENT | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons |
|----------------|--------------|--------------|--------------|--------------|--------------|
| Processed | 4,827 | 3,924 | 3,776 | 1,749 | 3,594 |

Sweet Cherries – In 2021, 3 growers delivered 19 tons of sweet cherries for processing (8 tons - 2020). The negotiated price was \$2,300 /ton for the chilled pitted market and \$1,000/ton for the distilling/juice market.

TABLE III
Reported Sweet Cherries Sales Volumes for Processing
2017 – 2021

| MARKET SEGMENT | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Freezing (Chilled Pitted Market) | 15 | 12 | 25 | 8 | 19 |

Processing Peaches – Processors purchased 0 tons of peaches for juice in 2021 (10 tons -2020), the minimum price for peaches for juice was set at \$260 per ton.

Processing Pears – Processors purchased 280 tons of pears for processing in 2021 (396 – 2020). The minimum price was set in Ontario at \$280 per ton for pears designated for juice market and \$340 per ton for the fermented/distilled (cider) market.

TABLE IV
Reported Peaches and Pears Sales Volumes for Processing
2017 – 2021

| | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| CLINGSTONE PEACHES | 815 | 783 | 619 | - | - |
| PEACHES FOR JUICE | 22 | 6 | - | 10 | - |
| PEARS (DISTILLED/JUICE) | 345 | 293 | 441 | 396 | 280 |

TABLE V
Minimum Delivered Prices – Processing Crops
2017 – 2021

| CROP | 2017 \$/ton | 2018 \$/ton | 2019 \$/ton | 2020 \$/ton | 2021 \$/ton |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Sweet Cherries | | | | | |
| Freezing (Chilled Pitted Market) | 1,800 | 1,900 | 2,000 | 2,100 | 2,300 |
| Distilling | 1,800 | 1,900 | 2,000 | 2,100 | 1,000 |
| Tart Cherries* | | | | | |
| 97-100 Score | 1,605 | 1,405 | 1,405 | 745 | 1,545 |
| 92 Score | 1,560 | 1,360 | 1,360 | 700 | 1,500 |
| 69 & Under Score | 1,490 | 1,290 | 1,290 | 630 | 1,430 |
| Peaches Clingstone (2 3/4") | 750 | 550 | 550 | - | - |
| Peaches for Juice | 180 | 200 | 200 | 260 | 260 |
| Pears- Fermented/Distilled (cider) | - | - | - | 340 | 340 |
| Pears- Juice* | 700 | 700 | 700 | 280 | 280 |

*As of 2020, there is no longer a processing fee included in the minimum board price.

FRESH MARKET SALES THROUGH APPOINTED DEALERS

2021 sales of fresh market crops (including table grapes) through appointed dealers was 25,752 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
2017 – 2021

| Crop | 2017 \$/ton | 2018 \$/ton | 2019 \$/ton | 2020 \$/ton | 2021 \$/ton |
|-------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Peaches | 1,554 | 1,498 | 1,430 | 1,593 | 1,746 |
| Nectarines | 1,828 | 1,969 | 1,935 | 1,989 | 2,150 |
| Pears | | | | | |
| Bartlett | 1,203 | 1,281 | 1,307 | 1,392 | 1,410 |
| Bosc | 1,423 | 1,516 | 1,513 | 1,532 | 1,604 |
| Plums | | | | | |
| Japanese | 2,023 | 2,023 | 2,217 | 2,383 | 2,607 |
| European | 2,631 | 2,667 | 2,037 | 2,635 | 2,192 |
| Apricots | 3,399 | 3,776 | 3,761 | 4,828 | 4,564 |

TABLE VII
Reported Fresh Fruit Sales Volumes through Ontario Appointed Dealers
2017 – 2021

| Crop | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons | % Change '21 vs. '20 |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------|
| Peaches | 17,820 | 17,808 | 17,124 | 10,689 | 14,403 | 35% |
| Pears | | | | | | |
| Bartlett | 1,642 | 1,691 | 2,219 | 1,777 | 2,094 | 18% |
| Bosc | 816 | 660 | 738 | 691 | 440 | -36% |
| Other | 187 | 200 | 155 | 182 | 171 | -6% |
| Pears Combined | 2,645 | 2,551 | 3,112 | 2,650 | 2,705 | 2% |
| Plums | | | | | | |
| Early Golden | 1,857 | 1,135 | 1,357 | 1,116 | 1,141 | 2% |
| Shiro | 58 | 46 | 29 | 15 | 27 | 80% |
| Total Yellow Plums | 1,915 | 1,181 | 1,386 | 1,131 | 1,168 | 3% |
| Red | 16 | 26 | 27 | 3 | 72 | 2300% |
| Blues & Prunes | 416 | 710 | 1,401 | 467 | 1,153 | 147% |
| Plums Combined | 2,347 | 1,917 | 2,814 | 1,601 | 2,393 | 49% |
| Nectarines | 3,843 | 4,025 | 3,648 | 2,980 | 3,933 | 32% |
| Apricots | 82 | 61 | 100 | 14 | 167 | 1093% |
| Grapes | 1,961 | 1,643 | 1,937 | 1,344 | 2,151 | 60% |
| TOTAL FRESH | 28,698 | 28,005 | 28,735 | 19,278 | 25,752 | 34% |

TOTAL REPORTED SALES VOLUMES
TABLE VIII
Reported Peach Sales Volumes for Fresh Market
2017 – 2021

| Marketer | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons | % Change '21 vs. '20 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------|
| Niagara Dealers | 17,463 | 17,557 | 16,866 | 10,509 | 14,165 | 35% |
| Southwestern Ontario Dealers | 357 | 251 | 258 | 180 | 238 | 32% |
| Other* | 894 | 854 | 845 | 715 | 552 | -23% |
| TOTALS | 18,714 | 18,662 | 17,969 | 11,404 | 14,955 | 31% |

*Other includes reported sales other than through appointed dealers.

TABLE IX
Reported Pear Sales Volumes for Fresh Market
2017 – 2021

| Marketer | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons | % Change '21 vs. '20 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------|
| Niagara Dealers | 2,641 | 2,549 | 3,099 | 2,647 | 2,705 | 2% |
| Southwestern Ontario Dealers | 4 | 2 | 13 | 3 | - | -100% |
| Other* | 241 | 214 | 177 | 208 | 164 | -21% |
| TOTALS | 2,886 | 2,765 | 3,289 | 2,858 | 2,869 | 0% |

*Other includes reported sales other than through appointed dealers.

TABLE X
Reported Plum & Prune Sales Volumes for Fresh Market
2017 – 2021

| Marketer | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons | % Change '21 vs. '20 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------------|
| Niagara Dealers | 2,343 | 1,917 | 2,807 | 1,601 | 2,393 | 49% |
| Southwestern Ontario Dealers | 2 | - | 7 | - | - | - |
| Other* | 155 | 160 | 159 | 143 | 158 | 11% |
| TOTALS | 2,500 | 2,077 | 2,973 | 1,744 | 2,551 | 46% |

*Other includes reported sales other than through appointed dealers.

TABLE XI
Reported Nectarine Sales Volumes for Fresh Market
2017 – 2021

| Marketer | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons | % Change '21 vs. '20 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------------|
| Niagara Dealers | 3,841 | 4,024 | 3,636 | 2,977 | 3,933 | 32% |
| Southwestern Ontario Dealers | 2 | 1 | 12 | 3 | - | -100% |
| Other* | 90 | 115 | 88 | 132 | 88 | -33% |
| TOTALS | 3,933 | 4,140 | 3,736 | 3,112 | 4,021 | 29% |

*Other includes reported sales other than through appointed dealers.

TABLE XII
Reported Apricot Sales Volumes for Fresh Market
2017-2021

| Marketer | 2017 Tons | 2018 Tons | 2019 Tons | 2020 Tons | 2021 Tons | % Change '21 vs. '20 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------|
| Niagara Dealers | 81 | 61 | 99 | 14 | 167 | 1093% |
| Southwestern Ontario Dealers | 1 | - | 1 | - | - | - |
| Other* | 18 | 3 | 9 | 3 | 14 | 360% |
| TOTALS | 100 | 64 | 109 | 17 | 181 | 964% |

*Other includes reported sales other than through appointed dealers.

TABLE XIII
Members of the Local Board
2016 – 2020

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------------|-------------|-------------|-------------|-------------|
| Producers Selling to Processors | | | | | |
| Sweet Cherries | 5 | 5 | 3 | 3 | 3 |
| Sour Cherries | 18 | 19 | 17 | 10 | 14 |
| Pears | 8 | 15 | 10 | 13 | 13 |
| Peaches | 13 | 11 | 8 | 1 | 0 |
| Total Number of Producers Fresh and Processing Combined | 206 | 214 | 201 | 200 | 195 |

TABLE XIV
Licence Fees– Processing Crops
2017 - 2021

| Crop | 2017 \$/ton | 2018 \$/ton | 2019 \$/ton | 2020 \$/ton | 2021 \$/ton |
|-----------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Peaches | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Sweet Cherries | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Sour Cherries** | 20.00 | 20.00 | 20.00 | 20.00 | 10.00 |
| Pears | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |

**participation in the North American Tart Cherry Promotion Initiative of \$10.00/ton was paused in 2021 for re-evaluation.

TABLE XV
2021 Licence Fees – Fresh Market Crops

| Crop | Admin \$/ton | Research \$/ton | Promotion \$/ton | Incentives \$/ton | Total 2021 \$/ton | Total 2020 \$/ton |
|-------------------|-------------------------|----------------------------|-----------------------------|------------------------------|----------------------------------|----------------------------------|
| Peaches | 15.50 | 2.50 | 4.50 | 58.95 | 81.45 | 90.67 |
| Nectarines | 15.50 | 2.50 | 4.50 | 65.43 | 87.93 | 85.01 |
| Yellow Plums | 15.50 | 2.50 | 4.50 | 37.01 | 59.51 | 65.73 |
| Blue Plums | 15.50 | 2.50 | 4.50 | 37.06 | 59.56 | 49.11 |
| Red Plums | 15.50 | 2.50 | 4.50 | - | 22.50 | 20.50 |
| Pears - Bartlett | 15.50 | 2.50 | 4.50 | 45.89 | 68.39 | 56.76 |
| Pears - Bosc | 15.50 | 2.50 | 4.50 | 40.11 | 62.61 | 54.05 |
| Pears - Other | 15.50 | 2.50 | 4.50 | - | 22.50 | 20.50 |
| Pears - Cold Snap | 15.50 | 2.50 | 4.50 | - | 22.50 | 20.50 |
| Apricots | 15.50 | 2.50 | 4.50 | - | 22.50 | 20.50 |

PRODUCTION INSURANCE
TABLE XVI
Ontario Production Insurance Results- 2021

| Commodity | Number of Accounts | Total Premium (\$) | Grower Premium (\$) | Total Approved Claims* (\$) |
|-------------------|-------------------------------|-------------------------------|--------------------------------|--|
| Peach & Nectarine | 78 | 1,187,300 | 492,000 | 465,000 |
| Pear | 39 | 207,200 | 84,000 | 178,500 |
| Sweet Cherry | 18 | 40,400 | 16,200 | 25,700 |
| Sour Cherry | 17 | 242,900 | 103,000 | 132,500 |
| Plum & Prune | 37 | 591,300 | 236,900 | 288,300 |

As of February 1, 2022 and subject to change.

Claims data refers to approved claims only.

2021 PROMOTIONAL ACTIVITIES

The Ontario Tender Fruit Growers (OTFG) executed a strong promotional campaign this season, although some of our traditional activities were still on hold due to the pandemic. We are grateful for our local food champions and partners - Ontario Produce Marketing Association, Quebec Produce Marketing Association and Foodland Ontario - for their contributions to the promotion of fresh, Ontario tender fruit.

With longer term funding in place through the provincial Grassroots Growth Initiative (GGI), we were able to launch a highly successful in-store program. We developed and shipped 7,000 fully redesigned produce display bins across Canada (pictured right). These bins are crucial for our industry because they secure additional and prominent shelf space in grocery stores, and they help consumers identify locally grown tender fruit easily when shopping. The extension of this funding will enable us to supply these much-needed displays to our retail partners over the next 3 years.



We also continued with our digital promotions this season using television and radio advertisements. In total, we had 312 commercial spots playing to an audience of 10.3 million viewers on primetime tv for 8 weeks. For our radio tags, we coordinated with Foodland Ontario to offset the weeks on- ad and maximize our airtime. OTFG tags ran from July 19 to September 20 with a total of 730 spots in 7 markets, outside of Foodland's radio buy which began in mid-June with tart cherry promotion.

As always, Ontario Tender Fruit Growers, Foodland Ontario and OPMA's Produce Made Simple released social media posts promoting tender fruit. These posts collectively gathered over 1.6 million impressions and saw high engagement from users, meaning we are delivering content our followers really relate too. Overall, this resulted in an increase in followers across all OTFG social media platforms. Foodland Ontario ran their retailer display contests from July 26 to October 15 and received 239 entries. They also featured tender fruit in their tv appearances, recipe releases, newsletters, website, and calendar. Thank you once again to our funding partners for their continued support. Please be sure to follow OTFG on social media @onttenderfruit and use hashtag #loveONTfruit.

2021 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 |
| Ontario Agricultural Commodity Council | 1,000 |
| Ontario Federation of Agriculture | 500 |
| Farm and Food Care | 400 |
| President's Council | 350 |
| Canadian Horticultural Council* | - |
| Canadian Produce Marketers Association | 1,600 |
| Ontario Produce Marketers Association | 400 |
| Quebec Produce Marketers Association | 611 |

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

Sponsorships

| | \$ |
|------------------------------|--------|
| OF&VC Sponsorship | 1,000 |
| OPMA Sponsorship* | 1,327 |
| CPMA Sponsorship* | - |
| QPMA Sponsorship | - |
| OPMA 5 to 10 a Day Program** | 46,093 |

* Cost-shared with the Ontario Fresh Grape Board and appointed dealer-shippers in Niagara. No events in 2021.

** 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, best management and commercialization processes that result in:
 - higher value varieties suited to Ontario growing conditions and marketplace needs;
 - varieties that can better withstand climate change pressures such as excessive heat and drought
 - an increase in organic production;
 - fast tracking of virus-free commercial production of promising varieties; and
 - disease resistance - especially to Fire Blight, Black Knot and Bacterial Spot.
 - 3) Increase post-harvest quality:
 - optimal harvest, packing, cold chain management systems, treatments and practices to increase quality and shelflife.
 - 4) Irrigation, water and nutrient use:
 - processes and systems to maximize efficiencies.
 - 5) Invasive species management:
 - strategies to combat new invasive species such as Brown Marmorated Stink Bug (BMSB), Spotted Wing Drosophila(SWD) and Spotted Lantern Fly (SLF).

2021 TENDER FRUIT RESEARCH PROJECT UPDATES

Vision HQV Software (2021-2022)

The Ontario Tender Fruit Growers (OTFG) and Ontario Apple Growers (OAG) and partnered with DragonFly IT to research, pilot, and demonstrate 3 new CropTracker features that have the potential to greatly improve harvest efficiency, inventory management, production quality, promotion planning, marketability, and sales of tree fruit in Ontario. Objectives include:

1) Scanning Trees for Crop Load Detection

The project will formulate industry requirement specifications in Ontario for crop load detection, conduct dual process crop load estimate tests, further develop, and optimize Harvest Quality Vision (HQV) technology to scan trees for crop load based on established specific requirements and conduct validity/accuracy tests. HQV technology will be further developed, based on Ontario industry requirements, to detect the number and size of fruit production on trees.

2) Scanning Fruit for Defect Detection

The project will formulate industry requirement specs in Ontario for crop defect detection in the bin, further develop and optimize HQV technology to scan for fruit defects based on established specification requirements and conduct validity/accuracy tests. HQV technology will not only detect size and colour with a high degree of accuracy; but will incorporate artificial intelligence to identify defects on fruit in the bin, providing growers with reports and statistics on the number of defects on picked fruit in bins prior to packing.

3) Seamless Internet Connectivity - "Off-line Mode"

The project will formulate industry requirement specs in Ontario to establish which key modules require the "off-line mode" feature, develop the off-line mode feature based on established specs and test the processing and accuracy of data flow using this new feature. Key modules will see an improvement in "ease of use", efficiencies, and inaccessibility for all users.

OTFG would like to sincerely thank and acknowledge the assistance of OMAFRA staff Kathryn Carter (including her summer students Wynne Reichheld and Celina Simonnet), Erika DeBrouwer, Wendy McFadden-Smith, and Kristy Grigg-McGuffin for providing many hours of technical support and expertise to this project.

AgriScience Program- New Variety Development (2018-2022)

In partnership with University of Guelph, Vineland Research and Innovation and OMAFRA, the Ontario Tender Fruit Growers and Ontario Fresh Grape Growers are continuing the development, testing and evaluation of new tender fruit and fresh grape varieties towards improving Canadian fruit quality, selection and availability. This project also includes research by University of Guelph to develop molecular markers for black knot resistance in plums.

Tours were held in 2021 with COVID protocols in place and the first of two very early-season peaches was commercially released (Early Blush). It is anticipated that the second early-season peach will be named and released in 2022.

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

Niagara Irrigation Initiative

Building on the Niagara Irrigation Strategy created in 2017, the 2020-2021 Niagara Irrigation Initiative is focusing on the initial three priority areas of the strategy below the escarpment (Lincoln, St Catharines and Niagara-on-the-Lake). A dedicated committee with regional, municipal, growers’ associations, OMAFRA and Ag Canada representatives are working to prioritize next steps and strategies to resolve issues to gaining equal access by growers to raw water for irrigation across the entire Niagara Region. Cash contributions include Niagara Region, Town of Lincoln, City of St Catharines, Town of Niagara-on-the-Lake, Grape Growers of Ontario and Ontario Tender Fruit Growers. With the commitment of stakeholders and government, it is anticipated that this work will continue beyond 2021.

CROP PROTECTION REPORT 2021

In 2021, the industry obtained registration of several pesticides through the efforts of Jim Chaput and Josh Mosiondz, Minor Use Coordinators, OMAFRA, and Pest Management Regulatory Agency (PMRA) as well as company registrations. Dr. Wendy McFadden-Smith, OMAFRA, assisted with various pest management issues including those related to minor use registrations and represented tender fruit at the Minor Use Priority Setting Workshop to highlight priorities. Wendy also represented the industry at the Fruit Technical Working Group which is responsible for the inclusion of products in the new digital content management system which replaces Publication 360 as of 2022.

The following table lists new product registrations and label changes as of December 2021.

| Product | Active Ingredient (Pesticide Group) | Pest | Crop |
|---|--|---|---|
| Insect Management | | | |
| Malathion (rate increase) | malathion | Spotted wing drosophila | Cherries |
| Rimon | novaluron | Peachtree borer Lesser peachtree borer | Apricot, cherries, peach, nectarine, plum |
| Altacor | chorantraniliprole | Peachtree borer Lesser peachtree borer | Apricot, cherries, peach, nectarine, plum |
| Delegate | spinetoram | Peachtree borer Lesser peachtree borer | Apricot, cherries, peach, nectarine, plum |
| Bioprotec Plus Dipel Xentari (shorter REI) | <i>Bacillus thuringiensis</i> | Oblique banded leafroller | Apricot, plum, pear |

Pesticide Re-evaluations and Company Withdrawals

| Product | Crop/Pest affected | Date of last farm use |
|----------------|--|-----------------------|
| Ferbam | Apricot, Cherry, Peach, Plum - Blossom Blight/Brown Rot Peach – Peach Leaf Curl Cherry – Cherry Leaf Spot Pear – Scab (suppression) | Dec. 14, 2021 |
| Granuflo T | Peach & Plum – Blossom Blight/Brown Rot Peach – Peach Scab | Dec. 12, 2021 |
| Quintec | Cherries, Peach, Nectarine – powdery mildew | June 21, 2021 |
| Malathion 85 E | Peach – Spotted Wing Drosophila no longer on label for peaches | June 23, 2021 |
| Imidan WP | Peach, Plum, Pear – oriental fruit moth, plum curculio, tarnished plant bug, obliquebanded leafroller, Japanese beetle, cherry fruit fly, spotted wing drosophila, pear psylla, codling moth | Oct. 30, 2022 |

Invasive Insects

After April 2021, Clutch could be used for managing only brown marmorated stink bug (BMSB). This registration will expire as of April 11, 2022. This leaves us with no products registered for BMSB. To date damage has been documented in only a few tender fruit orchards.

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

The range of infestation of spotted lanternfly (SLF) expanded in the US and established infestations have now been found in southern New York and Ohio along the southern shore of Lake Erie. While the impact of SLF on grapevine is well documented, its effect on tender fruit is not. In a no-choice experiment in which SLF were caged with potted peach trees, there was slightly more fruit abortion and fruit were 8% smaller on trees that had SLF vs those that didn't.

However, few Pennsylvania growers have reported sustained high populations on their tree fruit. In 2021, 65 traps at 45 locations across southern Ontario were monitored for Spotted Lanternfly by OMAFRA staff and consultants. No detections occurred but it is an excellent hitchhiker and with border traffic due to increase, its introduction to Ontario is only a matter of time. There are currently no insecticides registered for spotted lanternfly in Canada. For more information refer to this post ONFruit blog: [Spot the Lanternfly: Monitoring for Spotted Lanternfly in Ontario, 2021 – ONfruit](#)

Unusual pest pressure

The growing season of 2021 started out with unprecedented early pressure from black cherry aphid in peach and nectarine orchards that lasted up to 6 weeks. Earwigs were very prevalent everywhere causing damage to fruit in some orchards and posing a nuisance to picking crews. Pear psylla pressure was much higher than usual in 2021 with weekly treatments required in some orchards. Pear blister mite pressure was the highest ever seen and lasted throughout the season. Growers had to adapt their spray schedules to manage these pests and incurred significant pesticide expenses as a result.

PPV MONITORING PROGRAM

Results for the 2021 CFIA PPV Sampling Program:

- As part of the sampling survey, a total of 3,905 samples were collected from residential and commercial properties.
- As part of the propagation ban survey, a total of 100 commercial properties were visited to confirm compliance within the PPV regulated area. Note that again due to the ongoing COVID-19 restrictions, propagation ban activities planned for residential properties were deferred.
- PPV was **not detected** in any of the samples collected by CFIA in 2021.

Independent Auditor's Report

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To the Members of
Ontario Tender Fruit Growers

Opinion

We have audited the financial statements of Ontario Tender Fruit Growers, which comprise the statement of financial position as at January 31, 2022, and the statements of operations and unrestricted net assets, restricted net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at January 31, 2022, 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.

Basis for opinion

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

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

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

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

St. Catharines, Canada
February 28, 2022

Chartered Professional Accountants
Licensed Public Accountants

Ontario Tender Fruit Growers

Statement of Operations and Unrestricted Net Assets

| Year ended January 31 | 2022 | 2021 |
|--|----------------------------|---------------------|
| Revenues | | |
| Licence fees, fresh market (Note 3) | \$ 1,921,430 | \$ 1,539,733 |
| Appropriated to marketing incentive program (Note 4) | <u>(1,373,920)</u> | <u>(1,153,860)</u> |
| | 547,510 | 385,873 |
| Licence fees, processing (Note 3) | 38,931 | 21,620 |
| Government and industry funding | | |
| Research activities (Note 6) | 25,215 | 84,480 |
| Promotion activities | 520,798 | 418,913 |
| Government assistance | 1,532 | 23,783 |
| Canada emergency wage subsidy | 13,157 | 51,664 |
| Interest and other income | <u>20,214</u> | <u>26,174</u> |
| | <u>1,167,357</u> | <u>1,012,507</u> |
| Expenses | | |
| Directors' fees, honoraria and benefits | 45,397 | 50,248 |
| Salaries and benefits (Note 5) | 308,895 | 298,909 |
| Travel | 61 | 5,096 |
| Meetings and conventions | 278 | 2,431 |
| Office supplies and expenses | 36,257 | 35,116 |
| Postage | 3,282 | 2,525 |
| Dues and subscriptions | 6,211 | 6,158 |
| Labour Issues Coordinating Committee | 4,200 | 4,200 |
| Research (Note 6) | 85,415 | 133,480 |
| Promotion (Note 6) | 672,097 | 506,311 |
| Professional fees | 12,150 | 13,950 |
| Utilities and maintenance | 24,089 | 17,966 |
| Telephone | 12,826 | 12,671 |
| Insurance and taxes | 14,991 | 14,153 |
| Amortization | 10,375 | 9,277 |
| Bad debts | 1,155 | 2,660 |
| Expense recoveries from other associations | <u>(37,566)</u> | <u>(37,313)</u> |
| | <u>1,200,113</u> | <u>1,077,838</u> |
| Deficiency of revenues over expenses | (32,756) | (65,331) |
| Fund balance, beginning of the year | <u>1,513,165</u> | <u>1,578,496</u> |
| Fund balance, end of the year | <u>\$ 1,480,409</u> | <u>\$ 1,513,165</u> |

Ontario Tender Fruit Growers

Statement of Restricted Net Assets

Year ended January 31

2022

2021

Marketing incentive program (Note 4)

| | | |
|-------------------------------------|-------------------|-------------------|
| Revenues | | |
| Licence fees, fresh market | \$ 1,373,920 | \$ 1,153,860 |
| Expenses | | |
| Incentive program | <u>1,333,247</u> | <u>1,054,711</u> |
| Excess of revenues over expenses | 40,673 | 99,149 |
| Fund balance, beginning of the year | <u>231,832</u> | <u>132,683</u> |
| Fund balance, end of the year | <u>\$ 272,505</u> | <u>\$ 231,832</u> |

Sour cherry chilled pitted promotion program

| | | |
|--------------------------------------|-----------------|-----------------|
| Revenues | | |
| Sour cherry promotion fees | \$ - | \$ - |
| Expenses | | |
| Cherry promotion program | <u>765</u> | <u>840</u> |
| Deficiency of revenues over expenses | (765) | (840) |
| Fund balance, beginning of the year | <u>3,602</u> | <u>4,442</u> |
| Fund balance, end of year | <u>\$ 2,837</u> | <u>\$ 3,602</u> |

Red tart sour cherry market development

| | | |
|-------------------------------------|-----------------|-----------------|
| Revenues | | |
| Grower fees | \$ - | \$ 17,486 |
| Expenses | | |
| North American cherry initiative | <u>-</u> | <u>17,486</u> |
| Fund balance, beginning of the year | 2,627 | 2,627 |
| Fund balance, end of the year | <u>\$ 2,627</u> | <u>\$ 2,627</u> |

Fruit testing research program

| | | |
|--------------------------------------|------------------|------------------|
| Revenues | \$ - | \$ - |
| Expenses | | |
| Fruit testing research | <u>-</u> | <u>580</u> |
| Deficiency of revenues over expenses | - | (580) |
| Fund balance, beginning of the year | <u>19,148</u> | <u>19,728</u> |
| Fund balance, end of year | <u>\$ 19,148</u> | <u>\$ 19,148</u> |

Ontario Tender Fruit Growers Statement of Financial Position

January 31

2022

2021

Assets

Current

| | | |
|---|------------------|------------------|
| Cash | \$ 952,163 | \$ 1,012,817 |
| Guaranteed investment certificates (Note 7) | 508,418 | 502,080 |
| Accounts receivable (Note 8) | 66,681 | 79,138 |
| Prepaid expenses | <u>8,905</u> | <u>4,613</u> |
| | <u>1,536,167</u> | <u>1,598,648</u> |

Long-term

| | | |
|-----------------------------------|---------------------|---------------------|
| Due from related parties (Note 9) | 106,503 | 99,032 |
| Investments (Note 10) | <u>286,353</u> | <u>286,353</u> |
| | <u>392,856</u> | <u>385,385</u> |
| | <u>\$ 1,929,023</u> | <u>\$ 1,984,033</u> |

Liabilities

Current

| | | |
|--|----------------|----------------|
| Accounts payable and accrued liabilities | \$ 18,028 | \$ 24,512 |
| Government remittances payable | 18,258 | 22,597 |
| Deposits, licence fees | 1,470 | 1,470 |
| Deferred research and promotion contributions (Note 6) | <u>73,741</u> | <u>125,080</u> |
| | <u>111,497</u> | <u>173,659</u> |

Long-term

| | | |
|------------------------|---------------|---------------|
| Loan payable (Note 12) | <u>40,000</u> | <u>40,000</u> |
| | <u>40,000</u> | <u>40,000</u> |

Net assets

| | | |
|---|---------------------|---------------------|
| Unrestricted | 1,480,409 | 1,513,165 |
| Restricted | | |
| Marketing incentive program (Page 4) | 272,505 | 231,832 |
| Sour cherry chilled pitted promotion program (Page 4) | 2,837 | 3,602 |
| Red tart sour cherry market development (Page 4) | 2,627 | 2,627 |
| Fruit testing research program (Page 4) | <u>19,148</u> | <u>19,148</u> |
| | <u>297,117</u> | <u>257,209</u> |
| | <u>1,777,526</u> | <u>1,770,374</u> |
| | <u>\$ 1,929,023</u> | <u>\$ 1,984,033</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

2022

2021

Increase (decrease) in cash

Operating

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

| | | |
|---|-----------------|---------------|
| Unrestricted net assets | \$ (32,756) | \$ (65,331) |
| Marketing incentive program | 40,673 | 99,149 |
| Sour cherry chilled pitted promotion program | (765) | (840) |
| Fruit testing research program | - | (580) |
| Changes in non-cash working capital | | |
| Accounts receivable | 12,457 | (10,300) |
| Research and promotion contributions receivable | (51,339) | 8,043 |
| Interest receivable | (5,114) | 10,041 |
| Prepaid expenses | (4,292) | 6,788 |
| Accounts payable and accrued liabilities | (6,484) | (41,820) |
| Government remittances payable | (4,339) | (18,806) |
| | <u>(51,959)</u> | <u>26,344</u> |

Financing

| | | |
|--------------|----------|---------------|
| Loan advance | <u>-</u> | <u>40,000</u> |
|--------------|----------|---------------|

Investing

| | | |
|--|----------------|-----------------|
| (Repayments) advances from/to related parties | (7,471) | 9,029 |
| Purchase of guaranteed investment certificates | (213,752) | (290,800) |
| Proceeds of guaranteed investment certificates | <u>212,528</u> | <u>267,659</u> |
| | <u>(8,695)</u> | <u>(14,112)</u> |

(Decrease) increase in cash

(60,654) 12,232

Beginning of year 1,012,817 1,000,585

End of year \$ 952,163 \$ 1,012,817

Ontario Tender Fruit Growers

Notes to the Financial Statements

January 31, 2022

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, 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, 2022

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, 2022

3. Licence fees

| | <u>2022</u> | <u>2021</u> |
|----------------------------|----------------------------|----------------------------|
| Licence fees, fresh market | | |
| peaches | \$ 1,212,665 | \$ 1,011,127 |
| pears | 192,990 | 153,586 |
| plums | 150,074 | 105,362 |
| nectarines | 358,597 | 266,290 |
| apricots | 4,104 | 368 |
| voluntary | <u>3,000</u> | <u>3,000</u> |
| | <u>\$ 1,921,430</u> | <u>\$ 1,539,733</u> |
| Licence fees, processing | | |
| sour cherries | \$ 35,941 | \$ 17,486 |
| sweet cherries | 190 | 81 |
| peaches | - | 96 |
| pears | <u>2,800</u> | <u>3,957</u> |
| | <u>\$ 38,931</u> | <u>\$ 21,620</u> |

Ontario Tender Fruit Growers Notes to the Financial Statements

January 31, 2022

4. Marketing incentive program

The funds raised for this program in 2021 crop year in the amount of \$1,373,920 (2021 crop - \$1,153,860) were generated by producer licence fees. The \$1,333,247 (2021 - \$1,054,711) 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 | \$ 147,455 | \$ 60,230 | \$ 11,862 | \$ 12,285 | \$ 231,832 |
| Transfer from licence fees, fresh market | 892,890 | 264,251 | 124,146 | 92,633 | 1,373,920 |
| Incentive program expense | <u>(926,011)</u> | <u>(243,897)</u> | <u>(93,092)</u> | <u>(70,247)</u> | <u>(1,333,247)</u> |
| Balance, end of year | <u>\$ 114,334</u> | <u>\$ 80,584</u> | <u>\$ 42,916</u> | <u>\$ 34,671</u> | <u>\$ 272,505</u> |

5. Salaries and benefits

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Total salaries and benefits | \$ 383,813 | \$ 357,083 |
| Recoveries: | | |
| Ontario Apple Growers | (29,205) | (27,971) |
| Ontario Fresh Grape Growers Marketing Board | (17,000) | (17,000) |
| Niagara Peninsula Fruit & Vegetable Growers Association | (196) | (2,350) |
| Project management | <u>(28,517)</u> | <u>(10,853)</u> |
| | <u>\$ 308,895</u> | <u>\$ 298,909</u> |

Ontario Tender Fruit Growers

Notes to the Financial Statements

January 31, 2022

6. Deferred contributions, research and promotion activities

| | (Deferred) Receivable Contributions <u>February 1, 2021</u> | Government/ Industry Contributions <u>2022</u> | Research Expenses <u>2022</u> | (Deferred) Receivable Contributions <u>January 31, 2022</u> |
|--|--|---|-------------------------------------|--|
| <u>Research projects</u> | | | | |
| ASP - Enhancing the Ontario tree fruit & fresh grape sectors | (35,408) | 25,215 | 61,791 | 1,168 |
| Tender fruit clean plant initiatives | (14,946) | - | 4,427 | (10,519) |
| Optimizing fertilizer recommendations for peaches | (1,862) | - | 1,701 | (161) |
| Tree fruit & fresh grape worker health & safety | (451) | - | - | (451) |
| Pesticide initiative | (9,692) | - | 4,000 | (5,692) |
| Post-harvest initiatives | (62,721) | - | 4,635 | (58,086) |
| | <u>\$ (125,080)</u> | <u>25,215</u> | <u>76,554</u> | <u>\$ (73,741)</u> |
| Non-funded research | | | <u>8,861</u> | |
| | | | <u>85,415</u> | |
| <u>Promotion projects</u> | | | | |
| Market Development - Grassroots Growth Program | - | 186,918 | 186,918 | - |
| Ontario Tender Fruit Market Development Project | - | 188,343 | 188,343 | - |
| OFVGA & Industry contributions | - | 145,537 | 145,537 | - |
| | <u>-</u> | <u>520,798</u> | <u>520,798</u> | <u>-</u> |
| Non-funded promotion | | | <u>151,299</u> | |
| | | | <u>672,097</u> | |
| | <u>\$ (125,080)</u> | | | <u>\$ (73,741)</u> |
| Reported as: | | | | |
| Deferred research and promotion contributions | <u>(125,080)</u> | | | <u>(73,741)</u> |
| | <u>\$ (125,080)</u> | | | <u>\$ (73,741)</u> |

Ontario Tender Fruit Growers

Notes to the Financial Statements

January 31, 2022

7. Guaranteed investment certificates

The board has guaranteed investment certificates that mature between 2022 and 2023 and earn interest between 1.00% and 1.065% (2021- 0.90% and 2.55%)

8. Accounts receivable

| | <u>2022</u> | <u>2021</u> |
|--|------------------|------------------|
| Producer licence fees | \$ 43,632 | \$ 33,722 |
| Canada emergency wage subsidy | - | 51,664 |
| Grape & Tender Fruit (Ontario) Limited | 19,210 | - |
| Other receivables | 7,475 | - |
| Ontario Apple Growers | 3,767 | - |
| Less: Allowance for doubtful accounts | <u>(7,403)</u> | <u>(6,248)</u> |
| | <u>\$ 66,681</u> | <u>\$ 79,138</u> |

9. 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>2022</u> | <u>2021</u> |
|-------------|-------------------|-------------------|
| Assets | \$ 421,497 | \$ 388,113 |
| Liabilities | <u>182,397</u> | <u>153,386</u> |
| Net Assets | <u>\$ 239,100</u> | <u>\$ 234,727</u> |

Expenses include a \$138,661 (2021 - \$116,529 charge for the board's share (50% (2021 - 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>2022</u> | <u>2021</u> |
|--|-------------------|------------------|
| Grape & Tender Fruit (Ontario) Limited | <u>\$ 106,503</u> | <u>\$ 99,032</u> |

Ontario Tender Fruit Growers

Notes to the Financial Statements

January 31, 2022

10. Investments

| | <u>2022</u> | <u>2021</u> |
|---|--------------------------|--------------------------|
| 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>\$ 286,353</u> | <u>\$ 286,353</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.

Ontario Tender Fruit Growers

Notes to the Financial Statements

January 31, 2022

11. Loan Payable

| | <u>2022</u> | <u>2021</u> |
|---|------------------|------------------|
| Canada Emergency Business Account("CEBA") term loan, 0% interest, no principal payments required, matures December 31, 2023 | \$ <u>40,000</u> | \$ <u>40,000</u> |

In the prior year fiscal period, the organization applied for the CEBA loan and received \$40,000 to cover prior year expenses impacted by the COVID-19 pandemic. At year-end the board believes that they will be able to repay 75% of the loan by December 31, 2023 and therefore the forgivable portion of the loan has been recognized as grant income. No principal payments are required until 2023 but voluntary payments can be made at any time without fees or penalties. In the event that there is a remaining balance after December 31, 2023, it shall be converted to a non-revolving two-year term loan at a 5% interest, maturing on December 2025.

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, 2022:

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.

CHAIR: Phil Tregunno
VICE CHAIR: John Thwaites

DIRECTORS:
Brock Puddicombe
Dave Enns
David Hipple
Fred Meyers
Randy Haist
Rusty Smith
Ryan Schuyler

MANAGER: Sarah Marshall

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

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