

ANNUAL REPORT

YEAR ENDING
DECEMBER 31st, 2021



Ontario Fresh
Grape Growers'
Marketing Board



COMMENTS FROM THE CHAIR



Although 2021 had many hurdles, it carried with it some triumphs too. Across the globe and in Ontario, 2021 brought continued challenges for producers, processors and agri-food businesses facing hardship as a result of COVID-19. Ontario's fresh grape growers persevered with resolve, found solutions to many of these challenges and found ways to navigate through to an overall successful growing season and harvest. With an early Spring that came in gently and favourable weather conditions together with ample rains, 2021 was a triumphant growing season for Ontario fresh grapes producing record breaking yields and tremendous quality.

To add to this, consumer demand for local fresh grapes was superb this year; we are extremely appreciative for the continued support from our consumers and from our value chain and retail partners. 2021 retail distribution in Ontario was approximately 20% higher than the previous two years. I am pleased to report that the overall gross value of the crop increased this year and resulted in increased net returns to growers.

New and exciting this year was the introduction of Ontario Fresh Grape Growers' newest table grape variety "Jupiter". With support provided by OMAFRA's Grassroots Growth funding we were able to execute several initiatives alongside our own traditional marketing activities. Our overarching goal to increase awareness and sales of local table grapes was accomplished through robust promotional campaigns and the trial launch of Jupiter grapes. The launch of Jupiter included Canadian trademarking designs, new packaging development, in-store sampling events and consumer surveys. Promotional activities included digital and social media campaigns, advertorial and video campaigns throughout the GTA and new recipe and cookbook development. Along with this campaign, and tremendous support from Foodland Ontario, we again partnered with the Ontario Tender Fruit Growers in offering retail display bins to our retail partners for front of store placement. We would like to acknowledge Foodland Ontario and the Ontario Ministry of Food and Rural Affairs for their teamwork and consistent support for Ontario fresh table grapes.

The launch of our newest "Jupiter" grape has energized the Ontario Fresh Grape Growers' momentum in the search for new varieties for Ontario. 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 and Ontario Tender Fruit Growers, new, promising, seedless grape cultivar plantings are being evaluated in Ontario's climate and marketplace.

The Greenbelt Foundation's renewed support for Ontario's local tender fruit and fresh grape industry comes at a welcome time and dovetails well with the launch of Jupiter. The 2022/23 Ontario Tender Fruit and Fresh Grape Vine Grant program strengthens the overall strategy to move the industry forward with new varieties that are better able to withstand the extremes of climate change, provide a consistent supply of local fruit and meet increasing consumer demand.

Government support, both at the federal and provincial level, have been critical to the success of many Ontario farms again this year. Federal and provincial programs such as the Mandatory Isolation Support and the Enhanced Agri-Food Workplace Protection Program developed to assist in the prevention and management of COVID-19 on farms are vital instruments in pulling the industry through. Two new programs, the Agri-Food Innovation Funding and the Clean Technology Program were also introduced with a look to the future. The Ontario Fresh Grape Growers sincerely thank the government for their support and provisions.

The unprecedented challenges of the COVID-19 pandemic in relation to Ontario's agriculture industry are lengthy and ongoing. However, as we conclude this fiscal year, I felt it was important to highlight our persistence in overcoming these obstacles to continue delivering on our mandate and to thank all the remarkable people who have worked tirelessly to make that possible. 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 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.

Respectfully submitted,

A handwritten signature in black ink that reads "D. Hipple". The signature is written in a cursive, slightly slanted style.

David Hipple, Chair

ONTARIO FRESH GRAPE GROWERS' MARKETING BOARD
56th ANNUAL REPORT

FRESH MARKET VOLUMES

TABLE 1
FRESH MARKET VOLUMES REPORTED TO THE BOARD (Tons)
2017 - 2021

	2016	2017	2018	2019	2020	2021	% Change 2021 vs 2020	% Change 2021 vs 5- year average
Niagara Dealers	1,403	1,961	1,643	1,937	1,344	2,151	60.0%	29.7%
Licensed Producers	93	84	51	51	29	21	-28.5%	-66.3%
TOTAL	1,496	2,045	1,694	1,988	1,373	2,171	58.1%	26.3%

2021 fresh market volumes reported to the Board were up 58.1% from 2020 and up 26.3% from the previous five-year average (1,719 tons - 2016–2020).

AVERAGE NET RETURNS

TABLE 2
AVERAGE NET RETURNS FOR SALES THROUGH ONTARIO DEALER-SHIPPIERS
2017 – 2021

YEAR	NET FARM GATE VALUE	AVERAGE RETURN*	VOLUME
		PER TON	TONS
2021	\$4,300,156	\$1,999	2,151
2020	\$2,510,150	\$1,867	1,344
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 2021 from the previous year and up 12.7% from the previous five-year average (\$1,774/ton - 2016–2020).

GROSS FARM GATE VALUE

TABLE 3
GROSS FARM GATE VALUE OF FRESH GRAPES
2019 - 2021

FRESH MARKET	2019 VOLUME TONS	2020 VOLUME TONS	2021 VOLUME TONS	% CHANGE '21 VS '20	2019 VALUE \$	2020 VALUE \$	2021 VALUE \$	% CHANGE '21 VS '20
Grapes	1,988	1,373	2,171	58.1%	5,144,684	3,778,733	6,612,512	75.0%

Total gross farm gate value of Ontario's fresh grape crop rose by 75% due to the increased crop yield in 2021.

FRESH GRAPE PRODUCTION

TABLE 4
GPS MAPPED FRESH GRAPE PRODUCTION BY DISTRICT
2021

Variety	District 1	District 2	2021 Total	2020 Total
Sovereign Coronation	252.04	42.98	295.02	294.52
Fredonia	-	33.87	33.87	33.87
Experimental Labrusca	5.86	1.30	7.16	6.38
Himrod	2.73	0.29	3.02	2.95
Patricia	-	2.87	2.87	2.87
Van Buren	0.60	0.42	1.02	1.02
Suffolk Red	-	-	-	0.59
Grand Total	261.23	81.73	342.96	342.20

*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
2021

DISTRICT	REGION	GROWER NUMBERS	COMMITTEE NUMBERS
District 1	Town of Niagara-on-the-Lake	41	5
District 2	All other areas including St. Catharines, Lincoln, and Grimsby	40	5
Total		81	10

FRESH GRAPE DISTRIBUTION

TABLE 6
FRESH GRAPE DISTRIBUTION THROUGH DEALER-SHIPERS
2017-2021

Region	2017	2018	2019	2020	2021	5 Year Avg.
Ontario	44%	38%	41%	42%	44%	42%
Quebec	54%	59%	54%	55%	51%	54%
East-Atlantic	1%	1%	2%	3%	2%	2%
West	1%	3%	3%	0%	4%	2%

WEEKLY RECEIPTS BY DEALER-SHIPERS

**TABLE 7
SCHEDULE OF FRESH GRAPE WEEKLY RECEIPTS
2017 - 2021**

WEEKLY PERIOD	2017	2018	2019	2020	2021
Aug. 2 – 8	2,460	18,480	0	0	7,937
Aug. 9 – 15	32,090	55,331	1,560	11,193	26,710
Aug. 16 – 22	60,636	52,052	51,255	50,914	55,735
Aug. 23 – 29	49,724	40,185	60,367	48,685	50,690
Aug. 30 – Sept. 5	26,679	23,802	34,386	34,895	41,306
Sept. 6 – 12	22,964	3,308	30,869	9,626	33,076
Sept. 13 – 19	20,610	169	35,184	2,412	25,630
Sept. 20 – 26	9,192	24	11,527	399	6,353
Sept. 27 – Oct. 3	6,312		2,630		4,401
Oct. 4 - 10			57	25	1,104
Oct. 11 - 17					75
TOTALS (17 lb. equivalent units)	230,667	193,351	227,835	158,149	253,017
First Main Harvest Date (2500 units)	Aug 17	Aug 11	Aug 22	Aug 14	Aug 8
Days from veraison	20	22	20	20	20
Days from bloom	62	62	61	59	60
Growing Degrees	1008	1059	1031	1044	919

FRESH GRAPE SALES BY CONTAINER TYPE

**TABLE 8
ONTARIO DEALER-SHIPERS
FRESH GRAPE SALES BY CONTAINER TYPE
2017 – 2021**

CONTAINER	2017	2018	2019	2020	2021	% CHANGE 2021 VS. 2020
8x2 L	188,435	164,672	143,594	81,590	132,215	62%
8x2 L - Paper Carry Pack	-	-	5,954	24,734	44,124	78%
10x1.5 - Plastic	7,505	8,498	4,473	4,754	1,773	-63%
10x1.5 - Paper	-	-	39,313	30,749	35,614	16%
Other	32,798	19,060	21,664	15,022	23,327	55%
Total Units	228,738	192,230	214,998	156,849	237,053	51%

FRESH GRAPE PRICING

**TABLE 9
FRESH GRAPE PRICE DETERMINATION ORDER
2021**

Order #	Effective	All Classes			
		10x1.5 Litre Plastic Clamshell	10x1.5 Litre Paper Basket	8x2 Litre Clamshell	6x3 Lb Clamshell
Order #1	August 9th, 2021	\$26.35	\$30.35	\$25.35	\$26.35

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 35¢ per master which is collected by the dealers to cover costs such as palletizing, cooling and distribution charges, but does not include transportation.

2021 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 2021, 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 to qualify. The regular incentive periods and rates in Ontario were as follows:

Week	Dates	Rates
Week 1-2	August 14 th - August 27 th	\$0.50
Week 3-9	August 28 th – October 15 th	\$1.00

The Incentive Program is financed through grower licence fees. Licence fees for 2021 increased to 1.03¢ per 17 lb. master (93¢ - 2020). 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 2021

Ontario Fresh Grape Growers Marketing Board received funding through the Grassroots Growth Initiative (GGI) this year, which allowed for a robust marketing campaign to take place, including a soft launch of new Ontario Jupiter Grapes in a limited number of stores. Activities for the launch primarily comprised of filing a Canadian trademark, exploring innovative packaging concepts and unique branding ideas, executing instore sampling events, and collecting consumer insights and feedback through online surveys. Assets obtained through web design, recipe development, photography, creation of point of sale materials and print and digital advertising will be utilized in future promotions and events as well.



Partnering with Ontario Tender Fruit Growers, we ran television commercials and radio tags once again this season. 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 maximize airtime. Tags relating to the availability of Ontario blue grapes ran from August 16th to September 12th.

Luckily, the province began to ease Covid-19 restrictions by summertime, and we were able to perform instore sampling events at Metro Ontario over two weekends mid-September. Sampling events included both Sovereign Coronation and Jupiter Grapes and were highly successful with a total of nearly 7,000 units sold for Coronation and 665 for Jupiter. An incremental sales lift of 332% was achieved for the weeks of the events and a sustained sales lift of 143% for the weeks following. Survey cards were given to shoppers to leave feedback on Jupiter and a brochure with information on Coronation was handed out along with the sample.

On social media, posts relating to Sovereign Coronation and Jupiter grapes were shared throughout the season, with a concentration on availability and how to find local grapes in stores. An increase in our following took place across all social channels, as well as an increase in user engagement, meaning we are posting content that our followers really enjoy. You can join Ontario Tender Fruit Growers on Facebook, Instagram, Twitter, and Pinterest @onttenderfruit.

New fresh grape recipes and videos are available at <https://www.ontariotenderfruit.ca/jupiter/>. In addition, this webpage includes storage and handling tips, nutrition facts and packaging information for Jupiter grapes.



RESEARCH INITIATIVES

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

The government of Canada supports the development of new Canadian tree fruit and fresh grape varieties through the AgriScience Program as part of the Canadian Agricultural Partnership Program. This is the fourth year of the five-year collaborative research program between Vineland, Ontario Fresh Grape and Ontario Tender Fruit Growers, the University of Guelph, Brock University, and several industry partners focusing on changing and improving the product mix for Ontario tender fruit and fresh grape growers.

Vineland Research and Innovation Centre continues to scout the world for fresh grape and tender fruit varieties better adapted to our local climate as well as evaluating plum, peach, pear, nectarine, and apricot trees from the University of Guelph's breeding program in terms of superior varieties that meet consumer preferences. 2021 was an exciting year with the trial launch and trademarking of Ontario's newest "Jupiter" grape. It also marked the first year that some additional, newly scouted test vines produced their first fruit for tasting evaluations. Promising selections were identified, and a grower New Variety Tour was held to showcase new promising varieties both on the vines and for tasting.

Each year vine evaluations include bud hardiness levels and susceptibility to winter injury. Continued evaluations will take place over the next few years to determine their potential for Ontario's fresh grape industry.

Streamlining Connectivity for CropTracker System

Over the past several years the Ontario fresh grape industry has been working alongside the Ontario tender fruit and apple sectors to implement and build on CropTracker's cloud-based IT system which tracks, records and reports farm and industry data. Through this newest project the implementation of an "off-line mode" feature will improve system connectivity issues and help decrease operational downtime and data restoration time resulting from internet irregularities. Establishing an "off-line mode" will help to strengthen the CropTracker platform and sustain its use in orchards and vineyards across Ontario.

Independent Auditor's Report

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

T +1 905 682 8363
F +1 905 682 2191
www.GrantThornton.ca

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, 2021, 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, 2021, 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 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.

Grant Thornton LLP

St. Catharines, Canada
January 27, 2022

Chartered Professional Accountants
Licensed Public Accountants

Ontario Fresh Grape Growers' Marketing Board Statement of Revenues, Expenses and Unrestricted Net Assets

Year ended December 31	2021	2020
Revenues		
Licence fees	\$ 246,856	\$ 149,599
Appropriated to marketing incentive program (Note 3)	<u>(119,833)</u>	<u>(80,477)</u>
	127,023	69,122
Interest	1,088	1,627
Promotions funding	70,553	42,257
Research grant (Note 5)	<u>1,600</u>	<u>1,600</u>
	<u>200,264</u>	<u>114,606</u>
Expenses		
Promotion (Note 4)	137,241	57,260
Travel, meetings and conventions	8,961	10,664
Directors' and committee fees	14,147	8,234
Shared costs (Note 6)	22,410	17,910
Research (Note 5)	17,357	6,610
Audit	4,500	4,500
Data service maintenance fee	2,385	2,561
Liability insurance	1,553	1,412
Memberships	1,150	1,150
Office	<u>596</u>	<u>789</u>
	<u>210,300</u>	<u>111,090</u>
(Deficiency) excess of revenues over expenses for the year	(10,036)	3,516
Fund balance, beginning of the year	<u>178,462</u>	<u>174,946</u>
Fund balance, end of the year	\$ <u>168,426</u>	\$ <u>178,462</u>

See accompanying notes to the financial statements.

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

Year ended December 31	2021	2020
Revenues		
Appropriated licence fees	\$ 119,833	\$ 80,477
Expenses		
Incentive program expense (Note 3)	<u>134,138</u>	<u>79,298</u>
(Deficiency) excess of revenues over expenses for the year	(14,305)	1,179
Fund balance, beginning of the year	<u>37,842</u>	<u>36,663</u>
Fund balance, end of the year	<u>\$ 23,537</u>	<u>\$ 37,842</u>

See accompanying notes to the financial statements.

Ontario Fresh Grape Growers' Marketing Board Statement of Financial Position

December 31 2021 2020

Assets

Current

Cash	\$ 166,753	\$ 191,670
Accounts receivable (Note 7)	9,066	2,584
Grants receivable (Note 4)	67,478	30,737
Prepaid expenses	<u>1,876</u>	<u>1,719</u>
	<u>\$ 245,173</u>	<u>\$ 226,710</u>

Liabilities

Current

Accounts payable and accrued liabilities (Note 8)	\$ <u>53,210</u>	\$ <u>10,406</u>
	<u>53,210</u>	<u>10,406</u>

Net assets

Unrestricted	168,426	178,462
Marketing incentive program (Page 4)	<u>23,537</u>	<u>37,842</u>
	<u>191,963</u>	<u>216,304</u>
	<u>\$ 245,173</u>	<u>\$ 226,710</u>

On behalf of the board



Director



Director

Ontario Fresh Grape Growers' Marketing Board Statement of Cash Flows

Year ended December 31	2021	2020
(Decrease) increase in cash		
Operating		
(Deficiency) excess of revenues over expenses for the year		
- unrestricted	\$ (10,036)	\$ 3,516
(Deficiency) excess of revenues over expenses for the year		
- marketing incentive program	(14,305)	1,179
Changes in non-cash working capital		
Accounts receivable	(6,482)	(470)
Grants receivable	(36,741)	10,313
Prepaid expenses	(157)	(140)
Accounts payable and accrued liabilities	<u>42,804</u>	<u>539</u>
(Decrease) increase in cash	(24,917)	14,937
Cash		
Beginning of year	<u>191,670</u>	<u>176,733</u>
End of year	<u>\$ 166,753</u>	<u>\$ 191,670</u>

See accompanying notes to the financial statements.

Ontario Fresh Grape Growers' Marketing Board

Notes to the Financial Statements

December 31, 2021

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, 2021

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 2021 in the amount of \$119,833 (2020 - \$80,477) were generated by a levy on producers included in licence fees. The \$134,138 (2020 - \$79,298) 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>2020</u>	Government & Industry Funding <u>2021</u>	Promotion Expenses <u>2021</u>	Deferred (Receivable) Grant Revenue <u>2021</u>
Ontario Fruit & Vegetable Growers Association Grant	\$ -	\$ 3,075	\$ 3,075	\$ -
Grassroots Growth Project	(30,737)	30,737	67,478	(67,478)
Non-funded promotion	-	-	<u>66,688</u>	-
	<u>\$ (30,737)</u>	<u>\$ 33,812</u>	<u>137,241</u>	<u>\$ (67,478)</u>

Ontario Fresh Grape Growers' Marketing Board Notes to the Financial Statements

December 31, 2021

5. Research grants

	Deferred (Receivable) Grant Revenue <u>2020</u>	Government & Industry Funding <u>2021</u>	Research Expenses <u>2021</u>	Deferred (Receivable) Grant Revenue <u>2021</u>
ASP - Fresh Grape Variety Development Project	\$ -	\$ 1,600	\$ 1,600	\$ -
Non-funded research	<u>-</u>	<u>-</u>	<u>15,757</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 1,600</u>	<u>17,357</u>	<u>\$ -</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 2021 to reflect shared wages recoverable under promotion grants. During the year, \$4,500 non-funded remunerations were incurred pertaining to the shared costs.

7. Accounts receivable

	<u>2021</u>	<u>2020</u>
Due from Ontario Tender Fruit Growers	\$ 374	\$ 116
HST receivable	<u>8,692</u>	<u>2,468</u>
	<u>\$ 9,066</u>	<u>\$ 2,584</u>

8. Accounts payable and accrued liabilities

	<u>2021</u>	<u>2020</u>
Trade payables	\$ 44,035	\$ 5,906
Due to Ontario Tender Fruit Growers	<u>9,175</u>	<u>4,500</u>
	<u>\$ 53,210</u>	<u>\$ 10,406</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, 2021

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
2021-2022**

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