ORDERLY MARKETING INFORMATION SESSION SUMMARY REPORT

EXECUTIVE SUMMARY

✔ The series of meetings conducted across different regions saw a significant turnout, indicating a strong interest in orderly marketing. The responses varied across regions, with some showing more support than others. The meetings provided a platform for growers (estimated to be over 50% of all apple growers) and packers to voice their concerns, share their views, and propose suggestions.

✔ Growers and packers appreciated the ability to discuss the topic without being asked to decide immediately.

SUMMARY FINDINGS

🔎 There is significant support from the majority of the growers and some of the packers who participated to move forward with a deeper analysis of an apple marketing commission and how it could benefit the BC apple industry.

🔎 Growers want more detailed data, facts and information about a potential marketing commission and how it could work.

🔎 A marketing association is not of interest to the majority of growers as it's voluntary and has no enforceable powers.

🔎 There is a general consensus that the BC apple industry needs a mechanism to deal with the power of the retailers and US imports.

🔎 There is a general consensus that the BC apple brand was strong in the past but no longer has the same market impact as there is no generic marketing for BC apples.

🔎 Both growers and packers agree that something needs to change or the BC apple industry will only get worse. Costs are going up and grower returns are stagnant.

🔎 Independent packers were the most vocal in challenging a proposed marketing commission in comparison to growers.

🔎 Many attendees came in with a negative attitude towards the marketing commission and left with a more neutral or positive outlook.

PARTICIPANT SUMMARY

The sessions were conducted by Purdeep Sangha (facilitator) and Robin Smith (presenter).

The total estimated number of participants were 202.

📍 **Kelowna:** The meeting had roughly 50 participants, mainly Indo-Canadian and several Caucasian. Growers from both current and future generations were present as well as a few packers.

📍 **Vernon:** The meeting had roughly 25 participants, both Indo-Canadian and Caucasian. Growers were mainly of current generation with a few future-generation present as well as a few packers.

📍 **Summerland:** The meeting had roughly 25 participants, mainly Caucasian and a couple Indo-Canadian. Growers were mainly of current generation. It was unclear whether a packer was present or not.

📍 **Oliver:** The meeting had roughly 41 participants, mainly Indo-Canadian and several Caucasian. Growers were mainly of current generation with a few future-generation present as well as a few packers.

📍 **Virtual:** The meeting had roughly 18 participants, both Indo-Canadian and Caucasian. It seems that the current generation was present as well as one packer. Most attendees were not vocal and had their cameras off.

📍 **Cawston:** The meeting had roughly 43 participants, mainly Indo-Canadian and several Caucasian. Mainly current generation growers were present as well as several packers.

✍️ "Current" generation refers to active farmers and "future" generation refers to their children who may or may not be decision-makers.

"Participants" are considered to be growers and packers, not committee members or other professionals.

REGIONAL OBSERVATIONS

🔎 Oliver is the most supportive region for a marketing commission based on the feedback from the information sessions and previous knowledge about the industry.

e.g. A small group of 10 growers privately indicated that Oliver would be the most likely region to make a marketing commission proposal successful and they personally would champion it.

🔎 Growers from both Oliver and Cawston privately mentioned their concerns about growers in the northern region (Kelowna and Vernon). They expressed that a hand-full of growers are in opposition and have been spreading false information regarding a proposed marketing commission. Growers in the south also fear the influence and power that the growers in the north have.

There is an underlying conflict between the north and south regions that stems from past events and cultural differences. This is also indicative of the current situation with BC Tree Fruits Cooperative.

🔎 Below are the regions ranked from most supportive to least supportive based on current observations:

1. Oliver
2. Summerland
3. Cawston
4. Vernon
5. Kelowna

PERCEIVED PROS

GROWERS & PACKERS

The perceived pros of a marketing commission proposal to growers and packers seem to be (in no order of importance):

✅ **Import Levy:** The ability to implement a levy on imports, especially from the US.

✅ **BC Marketing:** The need for marketing BC apples in BC.

✅ **Collaboration:** Working with other apple growing provinces in Canada to strengthen the Canadian apple market.

✅ **National Marketing**: The need for national marketing to increase apple consumption across Canada.

✅ **Pilot:** The ability to pilot a program and dissolve it if the benefits are not achieved.

✅ **Government Support:** Potential support from the government via some kind of funding.

GROWERS

The perceived pros of a marketing commission proposal to growers, but not packers seem to be (in no order of importance):

✅ **Quality Standards:** Improving quality standards across the industry.

✅ **Transparency:** Collecting and sharing of marketing, sales and other data and information.

✅ **Collaboration:** Collaboration across the industry between growers, packers and retailers.

✅ **Enforcement:** The ability to enforce guidelines e.g. quality standards and sharing of information.

✅ **Collective Power:** The ability for growers and packers to work together to push back on retailers.

✍️ Growers were intrigued by the idea of minimum pricing however the concept was not discussed in detail.

PERCEIVED CONS

GROWERS & PACKERS

The perceived cons of a marketing commission proposal to growers and packers seem to be (in no order of importance):

❌ **Bureaucracy:** Having more rules and regulations to deal with.

❌ **Politics:** Small factions within the grower community who have influence and power.

❌ **Costs vs Benefits:** What will the true cost of the marketing commission be compared to the benefits.

❌ **Retailer Power:** The fear that the marketing commission has little or no impact on retailers and they continue to buy from the US or buy even more from the US.

❌ **Skepticism:** Doubt that the marketing commission will be able to achieve what was discussed in the presentation.

❌ **US Dumping:** Concerns that the marketing commission will not stop or reduce the perceived US dumping into BC.

GROWERS

The perceived cons of a marketing commission proposal to growers seem to be (in no order of importance):

❌ **No Guarantee:** There is no guarantee that growers will benefit from a price increase as packers may not pass it on to the growers.

PACKERS

The perceived cons of a marketing commission to packers seem to be (in no order of importance):

❌ **Accountability:** The ability for a marketing commission to enforce rules and hold packers accountable and even restrict their business.

❌ **Quality Grading Standards:** The ability for a marketing commission to enforce consistency in grading standards.

❌ **Quality Growing Standards:** The marketing commission would not regulate the quality of fruit grown, which is one of the many systemic needs outside of a marketing commission role.

GROWER & PACKER DIFFERENCES

There was a distinct difference in perspectives between growers and packers outlined below:

👉 **Quality Standards:** The majority of growers expressed that growing and wholesale quality is a major issue in the industry.

Most packers do not feel that grading standards are an issue. A few packers noted market prices are lower due to lower quality packs.

👉 **Accountability:** Growers want packers to be more accountable for grading standards and market pricing. Packers feel that they are doing a good job of maintaining grading standards and pricing.

👉 **Transparency:** Growers expressed that packers need to collaborate more on collecting and sharing information. Some packers expressed that they are sharing information, others didn't comment. Some packers felt that sharing information on the larger, more inefficient packers would provide incentive for change.

👉 **Equity:** Growers feel that packers are profitable while growers are struggling; growers are shrinking their operations while packers are expanding. Some packers expressed how they are struggling as well.

👉 **Pricing:** Growers feel that packers need to collaborate to push back on retailers to get better pricing. Packers feel that they are doing a good job and any challenges are due to the US imports and retailer power.

👉 **Packer Competition:** Numerous growers privately expressed their concerns that competition amongst packers is an issue. Only a few packers expressed their concerns publicly or privately.

ADDITIONAL OBSERVATIONS

🔎 **Favoritism:** A few participants raised the concern that the presentation favors the commission over an association, but no alternatives were put forward.

🔎 **Misleading Information:** A few participants raised the concern some of the stats and information shared may be misleading. e.g. past 5-year pricing comparisons between the US and BC.

🔎 **Previous Reports:** Only two participants indicated that they had read "The Path Forward" report that was developed for the BC tree fruits industry. This suggests that the majority of growers are not fully aware of the reports and the information within the reports.

🔎 **Previous Levy:** Some participants raised a concern about the internal levy based on their experience with the Ambrosia levy. This was particularly in Cawston.

🔎 **No Vision:** There is no unified vision or strategy for the industry from grower or packers.

🔎 **Negative Past:** Growers and packers expressed their negative experiences from the 1950's marketing board.

🔎 **Retailer Power:** There was a general consensus that retailers have the most power and it's negatively impacting the BC growers.

🔎 **Neutral Industry Expert:** Having a neutral industry expert with significant credentials and experience was a benefit in presenting the information and answering questions.

FOLLOW-UP NEEDED

Growers had many questions. Some of the questions were deferred as the information to answer them wasn't readily available. Others were deferred as they required more time or detail and would be better suited to answer later.

Below are some of the topics that should be clarified further and discussed with growers in the future:

👉 **Originator:** Where did the orderly marketing initiative originate and who is encouraging or championing it now?

👉 **Cons:** What are the real and potential cons of a marketing commission?

👉 **National Collaboration:** What is the likelihood of all apple growing provinces working together, especially when it comes to a national levy and marketing?

What is the likelihood of Nova Scotia joining? If they choose not to, what are the ramifications?

👉 **Internal Levy:** What are the pros, cons and benefits of the internal levy? What are the limitations? How does this differ from the import levy?

👉 **Import Levy:** What are the pros, cons and benefits of the import levy? What are the limitations?

👉 **Current Stats:** What are the real, unfiltered numbers for the current sales, volumes, grower numbers, etc.? It's critical to be completely transparent to avoid any unintentional misleading statements.

👉 **Supporting Stats:** What are the real, unfiltered numbers for the current sales, volumes, grower numbers, etc. for the other provinces that have orderly marketing such as Ontario and Quebec? Can their orderly marketing be tied directly to higher prices and grower returns?

👉 **Higher Prices vs Grower Returns:** What is the breakdown of the mechanisms within the value chain that can show growers they will get higher returns if the marketing commission is successful in helping increase prices?

👉 **Systemic Issues:** What issues can a marketing commission help solve within the system and what issues does it not solve?

👉 **Grower Politics:** What elements can be put in place to avoid or minimize grower politics to increase the chances of the marketing commission being successful.

👉 **Commission Powers:** What are the actual powers of a marketing commission?

👉 **Working Structure:** What could the actual structure of the commission look like and what are the responsibilities of each component? Robin did reference his report; however, the majority of the participants have not read it.

👉 **Minimum Pricing:** What is minimum pricing? How does it work? What are the pros, cons, and potential ramifications?

👉 **Marketing Budget:** How much is needed to actually make a difference? What marketing tactics will be used? How will effectiveness be measured?

👉 **Commercial vs Direct to Consumer:** How will growers who sell in farm markets or fruit stands be treated?

👉 **Enforcement:** How will the guidelines be reinforced? Who will need to be licensed? How does the licensing work?

👉 **Retailer Collaboration:** How do we get retailers on board with fair pricing and BC marketing?

RECOMMENDATIONS

The following is recommended:

✅ **Move Quick:** Leverage the momentum and move quick to the next stage of educating growers as they are currently open to discussing a marketing commission.

✅ **Assemble Team:** Assemble a small project team to lead the initiative.

✅ **Strategy & Plan:** Create a strategy and plan to educate growers and packers further so they can make an informed and educated decision. Include methods to overcome challenges such as misinformation, bullying, North/South conflict, BC Tree Fruits Cooperative politics and overall cultural differences.

✅ **Execute:** Swiftly execute the plan.

✅ **Hold Vote:** Allow growers to vote for or against the apple marketing commission in March or April.

The following is NOT recommended:

❌ **Skipping Steps:** It's important to carefully think through and plan for all the barriers that could arise in educating growers.

The chances of growers being open to the marketing commission after this are slim.

❌ **Savior Approach:** Caution must be had in presenting the marketing commission proposal as the savior for the BC apple industry. It is one solution for a systemic challenge and growers must understand this or they will lose trust.

❌ **Voting Too Early or Late:** Allowing growers to vote too early without educating them effectively may lead to voting based on a lack of information or misinformation. Extending the voting period past April may lead to growers forgetting the information or being more susceptible to misinformation or bullying.