Ministry of Agriculture, Food and Fisheries

# REPORT ON STAKEHOLDER ENGAGEMENT – DETAILED 2021

*The Path Forward:*

A BLUEPRINT FOR B.C.'S TREE FRUIT INDUSTRY

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# Introduction

The Tree Fruit Industry Stabilization Plan is intended to:

- Understand and substantiate the difficult economic circumstances of BC's tree fruit industry (especially the apple sector) and the factors that have led to those circumstances.
- Assess the roles and responsibilities of the various organizations and the opportunities for renewed leadership within the industry.
- Engage industry stakeholders in a process to understand the circumstances and evaluate future potential opportunities.
- Realistically assess the future economic viability of the industry.
- Prepare a plan and accompanying implementation approach to stabilize the industry.

The project will have three key phases, including:

- Phase 1 – Development of Industry Engagement Strategy: project planning, assessment of current activities, context gathering.
- Phase 2 – Implementation of Industry Engagement Strategy: Industry engagement, consideration of options, etc.
- Phase 3 – Development of Tree Fruit Industry Stabilization Plan for BC: Recommendations and Decision-making.

# Engagement Framework

The engagement process elicited the views and positions of representative groups from BC's industry, including associations, organizations, packers, and the various grower communities.

The sessions were hosted by the Ministry and Inner Harbour Consulting Inc. The Ministry made all decisions for the engagement activities.

## External Advisory Group

The Ministry established an External Advisory Group to ensure the approach was relevant, comprehensive, and representative. The External Advisory Group, chaired by the Ministry, included representatives from:

- BC Fruit Growers Association (a Director invited by the Ministry and the Vice President nominated by the Board) [BCFGA].
- BC Cherry Association (represented by the President) [BCCA].
- New Tree Fruit Varieties Development Council (represented by the Vice Chair) [NTFVDC].
- Sterile Insect Release Program (represented by the General Manager) [SIR Program].
- BC Wine Grape Council / BC Grapegrowers Association (represented by an appointed member of the BCGA board of directors).

- Agriculture and Agri-Food Canada (representing AAFC's policy, research, industry development, and technology functions).

The External Advisory Group was consulted on most aspects of the engagement process, including the nature of the sessions, the proposed composition of roundtables (including identifying representative participants), the questionnaire provided to participants, and the topics and results of the sessions.

## *Engagement Sessions and Participants*

There were 30 engagement sessions structured in three different formats:

- Group sessions involving growers (e.g.: apple and/or cherry growers) or a group with similar interest and involvement in the industry (e.g.: labour, the industry's financial circumstances).
- Organization level sessions involving a particular group (e.g.: BC Fruit Growers Association, Sterile Insect Release Program) or business (e.g.: packing houses).
- Occasional one-on-one sessions, as requested.

Appendix 1 lists the schedule, participants, and details of engagement sessions, including the type of participants involved in each session (although not the names of participants).

The sessions included representatives from BC's industry, including:

- Associations, representing the organizational and advocacy functions of the industry. This included the BC Fruit Growers Association and the BC Cherry Association.
- Apple and cherry producers, some of which grow both varieties and/or other tree fruits. This reflected the fact that apples and cherries are the major tree fruit products grown in BC.
- Next generation (NextGen) producers, who represent the future of the industry.
- Packers and sales agencies (including the BC Tree Fruits Cooperative, all major private packing houses, and a representative sample of smaller private packing houses). The major packing houses were consulted on an individual basis to respect their business considerations and the difficult relationships that exists between them.
- Support and/or subsidiary businesses relying on the industry (including the Sterile Insect Release Program, Summerland Varieties Corporation, and financial institutions).

To accommodate growers' seasons and schedules, engagement sessions were scheduled between April 1 and early June 2021, most sessions were scheduled in late afternoons (usually beginning at 3:00 pm Pacific time) and lasted between 1 and 2 hours. The Ministry offered to schedule sessions on weekends or evenings as necessary.

To accommodate the prevalence of growers of South Asian descent (an estimated 70%), a Punjabi-speaking staff member of the Ministry attended to provide translation, for all sessions.

Each session included:

- An overview of the Ministry's objectives and approach with the Industry Stabilization Plan.
- A description of the engagement session and desirable outcomes.
- A facilitated discussion of the issues and topics relevant to each session.
- Opportunity for input on all the identified topics, as well as any other matters participants wanted to address.

## Primary Sessions

The first round or "primary" sessions focused on engagement with:

- Industry associations and organizations.
- The External Advisory Group.
- Apple and cherry producers.
- Next generation producers.
- Producers from the Creston Valley (a group of growers that feel underserviced by the core industry in the Okanagan and Similkameen Valleys and has established its own approach, services, marketing, etc.).
- Persons involved in the packing, marketing, and sale of tree fruit products.

These sessions considered:

- The organizational and leadership structure in the industry.
- Recommendations made in previous studies and any action, or inaction, in response.
- The tangible impact of the Ministry's investments to date.
- Opportunities (e.g.: current Ministry programs, market opportunities, etc.).
- The industry's economic and market potential.

As part of this work, the senior staff in several industry organizations were asked to comment on their groups' mandates, roles and responsibilities, challenges, opportunities, etc.

## Secondary Sessions

The second round of sessions focused on engagement with groups that had a particular role or interest consistent with issues that emerged during the initial sessions. These included discussions concerning:

- Labour challenges, shortages, and opportunities.
- Horticulture and extension services.
- The role of new varieties (or potentially new fruit commodities), replant, etc.
- Packers, Marketing, and Sales.
- Financial institutions.
- Organics and other growing regions.

In addition, the External Advisory Group was engaged in a fulsome discussion on the topic of leadership within the industry.

## Advance Questionnaire

Each invited participant was sent a questionnaire in advance of their formal engagement session. The questionnaires (customized for associations and organizations, growers, etc.) were based on the same topics addressed in the primary engagement sessions and intended to inform, frame, and stimulate discussion during sessions.

Invitees were encouraged to complete and submit their questionnaire (comprised of multiple choice and open-ended questions). Many individuals submitted their completed questionnaire, often in addition to participating in a session.

# Observations on Industry Participation

## Number of Growers in BC

A reliable count of how many individuals or organizations are involved in BC's tree fruit industry does not exist. However, the primary organizations are well known. This process found that it is not possible to get an accurate count of the number of growers (the estimate ranges from about 400 to about 800) or packing houses (there could be as many as 49). By triangulating multiple data sources and the anecdotal believe of industry, for the purpose of the Tree Fruit Industry Stabilization Plan, the figure of 800 growers has been used.

Appendix 2 summarizes, in graphic form, the number of growers and/or members, according to each of the BCFGA, BCCA and the Cooperative and notes where members are reflected by the same individuals (i.e.: they are the same people). It also summarizes the number of apple growers in the Okanagan and Similkameen valleys that receive the services provided by the SIR program.

Based on information from all reasonable sources and an analysis of that information:

- It is estimated there are about 800 tree fruit growers in British Columbia.
- About 98% of those individuals are in the Okanagan and Similkameen Valleys (the focus of this initiative).
- Most of these individuals grow apples and/or cherries.
- A small number of growers are in the Creston area, on Vancouver Island, or on one of the Gulf Islands.

These estimates were derived from the following sources:

### *Apple Growers*

- The SIR Program provided services to at least 891 individuals that grew apple in its most recent year. When 214 growers that have less than one acre of apples is excluded, the remaining 677 growers can be defined as "commercial" growers.
- The Program provides services in the Okanagan and Similkameen Valleys (where most apple growers are located). A small number of growers are also located in the Creston area, on Vancouver Island, or on one of the Gulf Islands.
- At least 273 individuals that grow apples (and often other tree fruits, including cherries) are affiliated with the BC Tree Fruits Cooperative (the Cooperative), the largest packing house in BC. Because of that affiliation, those individuals are required to be members of the BCFGA.
- As such, it is estimated there are about 700 apple growers in BC.

### *Cherry Growers*

- There are at least 208 individuals that grow cherries (and often other tree fruits, including apples). This includes 121 growers affiliated with the BC Tree Fruits Cooperative (the Cooperative) and members of the BCCA because of that affiliation.
- An additional 87 cherry growers are independent members of the BCCA.
- It is estimated about half (45) of the independent BCCA cherry growers do not grow any other fruit.
- As such, it is estimated there are about 100 cherry growers in BC that are not also growing apples.

### Other Tree Fruits

- The Cooperative has only four grows who grow only stone fruit other than cherries.
- The BCFGA has 22 independent members of the BCFGA that are not affiliated with the Cooperative for whom it is not clear what fruits are grown.
- The number of growers of BC tree fruits that are not also growing apples and/or cherries has no material impact on the estimated total number of growers.

This analysis demonstrates a real challenge for the industry. The absence of any accurate, comprehensive data, and the lack of any clear ability or apparent interest in collecting data, is a fundamental issue affecting the tree fruit sector (and very likely other agricultural commodities). It makes it difficult to plan for or resource initiatives, ensure the fair and accurate administration of funding and other programs, and track, assess, and demonstrate the effectiveness of any initiatives.

Members of the advisory group mentioned multiple times about the lack of adequate data for the tree fruit sector: the industry does not collect sufficient data to help farmers make sound business decisions, and the Province of BC does not have sufficient information to help support high level decision making. To have an innovated data strategy in place to enable data collection and analysis would help setting up benchmarks for the provincial government to measure the success of new policies/actions introduced to the tree fruit sector.

## Representativeness of the Respondents

Given the limited statistics to determine even how many growers there are, it is difficult to assess definitively how representative the participants in the engagement sessions of the total grower population.

As noted, Appendix 1 shows the schedule, participants, and details of engagement sessions, including the number of growers, organization employees, and others that were involved in the engagement sessions. In summary, of the 165 participants:

- At least 85 growers, of which 33 were of South Asian descent.
- At least 49 individuals representing an organization (e.g.: association, packing house, etc.), of which 7 were growers included in the 85 that attended grower specific sessions.
- At least 11 individuals from outside the industry in a supportive role (e.g.: financial institutions, BCAC or WALI, etc.).
- At least 20 individuals representing the Federal (AAFC) or provincial (Ministry) governments whose role was directly related to, or in support of, the sector. It did not include the core Ministry team facilitating the industry stabilization process.

In comparison to the total grower population:

- The number of growers that participated in engagement sessions was about 10% of the estimated number of apple and cherry growers.
- About 43% of the growers that participated in engagement sessions were of South Asian descent (compared to a presumed 70% in the total population).

There have been several studies of BC's tree fruit over the past two decades. Growers have been reluctant to participate in those initiatives and the industry has been reluctant to address the recommendations that have been consistently made to improve the industry's circumstances. Participation by tree fruit producers of the South-Asian community has been disproportionately low and they have often relied on a small number of community leaders to function as their representatives.

### *Effort to Encourage Participation*

To maximize the participation of growers and others in the industry, the Ministry undertook the following steps to make the engagement sessions more accessible and reduce barriers to participation:

- To ensure meaningful participation by organizations and stakeholders with less capacity to be heard, the project team reached out broadly to community and industry leaders (such as the External Advisory Group) to get advice on engagement strategies to encourage active, thoughtful participation by all those in the tree fruit industry.
- The composition of the Advisory Group reflected not only the key industry groups, but also the ethnicity and genders that make up much of the tree fruit sector.
- Extensive effort was used to reach out to growers and others involved in the industry to make them aware of the initiative and encourage participation, including:
    - Video communication from the Minister of Agriculture, Food and Fisheries about the Tree Fruit Industry Stabilization Project to attendees of the BC Fruit Growers Association Annual General Meeting. This was followed by a senior Ministry official providing a comprehensive overview of the initiative.
    - Follow-up video communication from the Minister of Agriculture, Food and Fisheries about the initiative that was shared with all organizations that comprise the External Advisory Group for distribution and posting on their member websites.
    - Direct presentations to the leadership of member organizations that comprise the External Advisory Group about the importance of the initiative and encouraging them to encourage member participation.
    - Direct communications from the Ministry's Tree Fruit and Grape Industry Specialist and the Ministry's Industry Horticulture Advisor to their respective networks (at least 115 growers).
    - Correspondence from the Ministry concerning the initiative shared with the BCFGA, BCCA, the Cooperative and several other large packers for distribution and posting on their member/grower websites.
    - Meeting invitations were provided to industry associations, packers, and key leaders in the industry to distribute to their networks.
    - Direct communications from the Cooperative to members about the importance of the initiative and encouraging them to participate, including individual contact with at least 50 growers and hosting two grower sessions.
- Engagement sessions were scheduled at times in the morning, afternoon, and evening to accommodate potential childcare conflicts, orchard work schedules etc.
- Due to the restrictions on social gatherings (related to the COVID-19 pandemic), online meetings (Zoom and MS Teams) were primarily utilized. To respect those with limited access to technology or technological skills, a call-in number was provided for all meetings.
- In-person sessions were offered to industry (respecting the gathering limit).
- The project team worked closely with bilingual Ministry staff to ensure potential language barriers could be minimized. This included:
    - The video communications from the Minister of Agriculture, Food and Fisheries about the initiative to attendees of the BC Fruit Growers Association Annual General Meeting was translated into Punjabi.
    - A background document and questionnaire were developed and provided to industry in both English and Punjabi.
    - Engagement sessions were offered in both English and Punjabi.

# The State and Circumstances of the Industry

The matters which those participating in the engagement sessions discussed have been aligned to distinct categories. The following categorization links related topics, including:

- Leadership and direction in the industry.
- Labour supply and housing challenges.
- Horticulture and extension services.
- Development of new varieties.
- Marketing and sales.
- Grower returns and the factors that could affect them.
- Government programs and support.

## *Leadership and Direction within the Industry*

According to most participants in the engagement sessions:

- There is a lack of leadership, vision, and representation in BC's tree fruit Industry.
- The leadership structure is confused and unclear.
- There is an overlap in the roles and responsibilities of associations and organizations in the sector.
- No organization has clear responsibility for leading efforts or a strategic vision.
- There is fragmentation of the apple industry due to "politics" that has resulted in conflict, no collaboration, and considerable infighting.
- There is a lack of forward-looking leadership and no comprehensive strategic or business plan or approach for the industry.

Because of these circumstances, respondents indicated:

- The benefits of cooperation or coordination among organizations with complementary objectives have not been realized. For instance, there is no coordination within the apple industry concerning the development of varieties, supporting research, or market development.
- The "politics" and infighting led to the challenges (e.g.: governance and leadership instability) the Cooperative faced until recently (some growers observed the Cooperative's progress and more business-like approach since Fall 2020.
- Many growers (especially quality growers) left the Cooperative because of those challenges and the presence of the Cooperative as a leading organization diminished.
- There is a high level of mistrust and internal competition that has led to the establishment of many private packing houses.
- Many apple growers and some packing houses focus on product quantity, rather than quality. This variation in the quality of BC apples is diminishing BC's reputation and sales.
- Sellers working with high quality focused growers report positive returns due to strong customer relationships based on reliable, quality fruit.
- Sustaining poor-quality growers in the industry has increased costs, taxed resources, and put negative pressure on market returns for other growers.

- The cherry industry took advantage of new varieties and export opportunities. Collectively, apple growers have not.
- New organizations emerged to fill a void and focus their business interests. In particular, the establishment of BCCA and NTFVDC reflected the concern there was not a focused industry effort from any group present at the time.

It was also observed:

- Some apple growers seem to rely on perpetual government support for the continuity of their business.
- Collectively, apple growers have not been able to overcome the real challenges they face (e.g.: land and labour prices).
- Many apple growers do not operate in a business-like manner.
- Several organizations (including the Ministry) have not been able to sustain extension/field services in the past, much to the detriment of some growers.

Of course, these views are not universally held and there are some positive views on every organization in the sector. For instance, there is widespread support for the BCFGA's support of the industry's need for temporary farm labour and strong endorsement of the BCCA's whole sector focus on funded research and access to foreign markets, despite its members being competitors.

Further, a small minority of participants felt the leadership within the industry was effective.

Of the questionnaire responses or written communications submitted by growers, 78% confirmed the historic and documented lack of cooperation among organizations and other participants in the industry. Only 9% did not think this was an issue.

Further, of those growers that responded in writing:

- 50% stressed the lack of a vison or plan for the industry.
- 29% identified mistrust among industry participants.
- 35% identified the different emphases on fruit quality versus fruit quantity as divisive in the industry.
- 53% felt packing houses were undercutting each other for sales.

In summary, the industry (especially the apple sector) is seen to lack leadership and direction and is fractured and unsuccessful as a result. This has meant limited cooperation among organizations to achieve collective success. While there are also other drivers, low apple grower returns are likely partly the result of ineffective leadership. Leadership is a foundational challenge that must be addressed if BC's tree fruit industry is going to thrive.

This topic was such a significant factor in discussions about the industry's circumstances the Ministry devoted two full meetings of the External Advisory Group to the topic and continued in a third meeting.

In the first meeting (June 3, 2021), a presentation was made to members regarding the characteristics of effective leadership and the findings, comments from the engagement sessions about the leadership situation in the industry (including the state of leadership and the consequences it has had on the industry), and the gap in leadership reflected by the majority of those that were part of the engagement sessions.

The External Advisory Group agreed:

- The characteristics for effective leadership that were presented (Appendix 3) were appropriate and important for the success of the industry.
- The feedback from engagement sessions (Appendix 4) was representative of the views of growers and other participants in the industry.
- The feedback accurately reflected the circumstances in BC's tree fruit industry and the challenges those circumstances create for industry.

The second meeting (June 17, 2021) focused on solutions, including:

- How to achieve a business-oriented leadership approach and what that would look like for the industry.
- Which organizations (if any) have the capacity to take on such a leadership role.
- What is needed to ensure strong leadership, decision-making and relationship building in the best interest of all participants.
- How to address the confusion that exists by clarifying or (if necessary) revising the roles and responsibilities of organizations.
- How to address the lack of cooperation and mistrust that exists in some parts of the industry.

The presentation made to members built on the June 3 discussion and identified tentative conclusions that could be reached because of findings, the characteristics of organizations providing effective leadership, and a tentative analysis of where leadership characteristics were not evident in the industry.

The BCFGA provided a list of ideas the board felt the government can do for the consideration of members. These generally reflected forms of financial or program support.

Members provided ideas in response to the formal presentation.  Most notable were:

- The need expressed for an "umbrella" organization to represent the full industry, bring ideas from outside the grower community (e.g.: economists, marketers), and serve as a central data facilitation entity.
- That umbrella organization potentially having representatives from the other groups, as opposed to voting members (like BCAC).
- The need for more focused roles and responsibilities for existing organizations (e.g.: BCFGA as a lobby group for apple growers).
- The need for meaningful representation of all groups and commodities beyond apples.
- The need to address the "baggage" from the past to enhance cooperation.

The third meeting (June 29, 2021) continued the emphasis on leadership but also introduced topics other than leadership.  This was done through a proposed "framework for success" (Appendix 5) for the industry, which included:

- The existing legal framework.
- The things industry must do to create the framework for sector success (e.g.: ensure reliable information for decision-making, development of varieties of interest to consumers, etc.).
- Supports required from other entities (e.g.: government programs, retailers, etc.).

A gap analysis (Appendix 6) suggested the required elements that were missing included:

- Strategy, leadership, coordination, planning and implementation management.
- Reliable and current information for decision-making.
- Integration with other parts of the agriculture industry (esp. those with common challenges).
- Horticulture support and extension services.
- Consistent support from local governments
- Awareness and access to emerging entities
- Retail practices that supported growers.

This did not suggest all other factors were fully available in the industry but rather, the identified factors were foundational to any opportunity for success.

Members confirmed the conditions necessary for a successful industry were appropriate and the identified gaps did exist. They also suggested additional factors that would support success (e.g.: research and development re: new pests and action re: pesticides, education to improve farming and horticulture skills, enhance the ability to adapt to changing circumstances, etc.).

The External Advisory Group reflects the diverse opinions present in most of the engagement sessions and helps inform potential opportunities and challenges for the implementation of a tree fruit stabilization plan.

## *Labour Supply and Housing Challenges*

Labour challenges were communicated by the industry as the second most problematic challenge (after leadership). These focused on issues of labour supply and the housing of workers.

### *Labour Supply*

The top labour supply challenges expressed during grower and industry engagement sessions were:

- The absence of an effective plan for, and coordination of, labour requirements.
- The need for more labour, especially with the increase in the amount of farmland going to labour intensive crops like cherries.
- The fact most domestic workers do not want to work on a farm.
- The reliance on foreign labour (especially since the impact of COVID-19) through the Temporary Foreign Worker and Seasonal Agriculture Worker programs.
- The inability to share Temporary Foreign Workers (TFWs) with growers of other commodities or in different regions to optimize labour when needed (e.g.: larger groups of labour during critical short periods of time with heavy labour requirements).
- The complicated nature of accessing labour (i.e.: too many agencies, too much paperwork, inflexibility of consulate regimes and protocols, etc.) that needs to be streamlined.
- The financial implications for growers that pay for workers that might not show up (and the absence of guaranteed arrival).
- TFWs can make minor complaints that impact work or result in their transfer, with the resulting costs and implications the grower.
- The time and expense of training new workers every year without a reliable system to get the same workers back. Some expressed interest in a program that would reward return workers with permanent residency over time.

Some respondents also noted:

- The many requests for a temporary work VISA for people who want to travel to Canada to work for summer (especially from South America) who do not have proper documentation to work.
- The illegal use of farming and farm labour for immigration (e.g.: short term leases by landowners of poor-quality orchards to people looking to show employment to gain citizenship, some operations having people pay them for employment to gain access to citizenship).

### *The Related Cost of Housing*

Regarding the housing of workers, respondents indicated:

- Labour housing is complicated and inflexible.
- Different levels of government have different rules that are sometimes contradictory with no guidance as to which is the default regulation to follow?
- Constant changes in regulations are costly and require retrofitting of previously approved housing in short time frames.
- Time-consuming inspections of the same housing by various agencies.
- Local municipalities often not having regulations tailored for the needs and circumstances around farming (e.g.: applying to put in seasonal wash stations for farm workers lumped under the same approval process and regulations as commercial year-round campgrounds).
- The limits on high occupancy housing which reduces the number of available units.
- The inability to treat domestic and foreign workers the same and house them in the same spaces is logistically difficult with limited spacing and housing allowances.
- That TFWs should be held accountable for the care of the provided housing (e.g.: cleanliness).

### *Highlights of the Secondary Session on Labour*

The secondary session on labour included a variety of individuals representing various organizations that had a direct role in the acquisition or management of labour used in BC's tree fruit industry. Participants in that session reiterated what was said in the initial sessions and noted:

- Domestic labour is hard to find, and workers are often unreliable.
- The supply of foreign workers is vulnerable to external factors.
- Human resources planning and HR management skills are lacking on many farms.
- The need to be able to transition workers between commodities and share workers more effectively to accommodate different varieties, seasons, etc.
- The need to manage the logistics re: housing, payments, insurance etc. to eliminate or minimize the concerns that some government agencies have about the increased risk of sharing workers between producers.

The two major areas for improvement suggested during the secondary session were:

- The need for cooperation among all levels of government (local, provincial, federal, and foreign) to streamline the process and make it more effective for growers.
- The need for growers to enhance their HR and administrative skills regarding paperwork, logistics, etc.

In summary, labour needs are heavily reliant on foreign and seasonal workers, labour costs are on the rise, and the requirements for housing to accommodate workers are complicated and inflexible. Coordination among government agencies and the ability to facilitate the transfer of foreign workers have been suggested as two of the critical elements to improve this situation.

## *Horticulture and Extension Services*

Respondents spoke strongly about the negative impact of the elimination of extension services by the Ministry and the Cooperative. Extension services are required by many growers to help stay current on technology, pest/disease varieties, innovative ideas, help with fruit quality, and communications. They feel renewed extension services are required to restore quality, innovation, and industry cohesion.

Participants noted:

- Industry moves forward when the individuals providing extension services are devoted to new ideas and growers are willing to take chances.
- Extension services are required for a grower to stay current and make sound choices for their orchard. One person noted "Expensive mistakes are being made. Bad advice spreads faster farmer to farmer than good advice."
- The need for support regarding new varieties, best management practices, etc.
- The need to pass knowledge to the next generation and support those that are keen to farm.
- Many new growers buying orchards have no experience and need help. Many growers attribute their earlier success to help from field services and government extension.
- The size of orchard parcels in BC means there will always be a patchwork of farms in many areas that need help achieving consistency of product produced.
- Export quality fruit is needed to pursue premium returns in export markets.
- It was short sighted for the Cooperative to cut field service because the money saved for each grower was much lower than the negative impact on grower returns and industry benefits.

### *Highlights of the Secondary Session on Extension Services*

The secondary session on extension services included a variety of individuals representing various organizations who could advise on the history and current situation, and the planned or anticipated activities and services in support of the provision of horticulture and extension services to BC's tree fruit growers.

Participants in that session reiterated what was said in the initial sessions and noted:

- Hindsight shows the loss of these services have been very detrimental to, and impacted the long-term planning for, the industry.
- This has negatively impacted succession training and knowledge transfer, relationship and network building, coordination among growers, researchers, and government, and the ability of growers to keep up with the quality and other requirements necessary to stay competitive.

The major areas for improvement suggested through the secondary session were:

- Succession training facilitated through the Okanagan post-secondary system.
- The coordination of information and improvements in growers' ability to access that system (e.g.: DAS system) to reduce or eliminate hand holding.

- A coordinated approach to skilled extension services with a focus on long-term support to the industry.
- Quality assurance.

In summary, the reduction in and (at times) absence of horticulture and extension services over the past few years has negatively impacted the industry. Based on the suggestions to improve extension services industry wide, it appears the opportunities that are available should be able to overcome this challenge.

## *Development of New Varieties*

Comments made about varieties during engagement sessions focused on the selection of new varieties and the development and marketing of new varieties.

### *Selection of New Varieties*

Participants noted:

- Industry was generally not open to, or supportive of, new ideas or varieties.
- There is no apparent plan to guide growers about the varieties they should plant and how they should be marketed.
- No organization has overarching responsibility to provide guidance about what varieties to plant.
- Persons responsible for marketing and sales that are familiar with consumer preferences are best suited to provide that guidance. Growers that report they are doing well, have a close relationship with their marketer and regular discussions on what is needed.
- The need for more diversity, access, and protection of varieties.
- Many growers are hesitant to be the first to try new varieties. They want proven varieties, but also want to be the only one to have them.
- The Ministry's Tree Fruit Replant Program should focus on supporting the right varieties (although there was no clarity about who would determine the right varieties to be supported via replant).
- The need for better tracking of what is planted in BC (acreages by commodities and varieties).

### *Development and Marketing of New Varieties*

Participants noted:

- A lack of grower understanding of SVC managed varieties and levies/royalties (e.g.: repeated concerns of Canadian varieties being sold to US (especially late cherry varieties).
- Concern about BC losing its competitive advantage (i.e.: some of the late cherry varieties now available in other countries, scale of Ambrosia being planting in Washington). Washington State apples are putting pressure on all apple sales in BC.
- Some growers felt BC should focus on more niche varieties and get into some clubs.
- A need to grow more export quality and capture those premium markets with premium varieties but concern that not enough growers have the quality to develop the markets.
- Some concern regarding Ambrosia as a premium apple. They felt some were still doing well with exports and that the levy was good but seem to have lost momentum. It was unclear if the problem was apple quality, lack of marketing, or over-production.
- The challenges of competing with multi-million-dollar marketing campaigns (e.g.: Cosmic Crisp).

### *Summerland Varieties Corporation*

The Summerland Varieties Corporation (SVC) identifies and commercializes promising new tree fruit varieties for the benefit of the Canadian fruit industry. As such, SVC is an important organization in the development, selection, and marketing of new varieties.

SVC manages the contracts for the varieties developed by the Federal Government's breeding programs of apples, cherries, raspberries, and blueberries, plus for any independent owners of varieties that have commercial value.

SVC is a for-profit organization wholly owned (100% of shares) by the BCFGA. Board members are appointed by the BCFGA board and are generally appointed for up to three consecutive two-year terms. SVC has become profitable in the last few years.

SVC's mandate includes:

- Ensure Growers, Packers and Marketers have a continuous supply of improved fruit varieties.
    - Collecting and remitting royalties to Canada.
    - Funding breeding and other research and development activities.
    - Funding and managing growing, packing, and storage trials throughout Canada.
    - Maintaining true-to-type and virus-free budwood and scion wood certified by CFIA for tree propagation.
- Provide Canadian growers, Packers, and Marketers with a competitive advantage in global markets.
    - Filing plant breeder rights, patents, and trademark protection in global markets.
    - Strategically allocating marketing territories to restrict direct competition from large global competitors.
    - Strategically allocating production territories to promote year-round supply and global awareness.
    - Funding research of horticultural storage and shipping best practices.

### *Highlights of the Secondary Session on Varieties*

The secondary session on varieties included several individuals representing various organizations who were familiar with the current situation, world-wide and local trends, and could advise on possible activities and services for the future. Participants in that session reiterated what was said in the initial sessions and noted:

- Many BC growers being disconnected from world-wide trends re: tree fruit varieties and how BC is falling behind (e.g.: other countries and some BC growers make good returns with Ambrosia apples while many BC growers do not).
- The illegal planting and propagation of Ambrosia by some BC farmers has hurt BC's reputation to be trusted with other varieties.
- Many varieties are proprietary, and it is difficult for BC to get licenses to grow them.
- Much of the world has shifted to "club varieties" and many BC growers are unwilling to pay to be part of that trend.
- The small size of BC's apple industry makes it difficult to compete with strong competition.
- The need for a plan and marketing support for new varieties from within the industry. There are Canadian examples of what strong leadership has done for other apple producing regions in Canada (e.g.: Scotian Gold packinghouse in Nova Scotia).

The major areas for improvement suggested through the secondary session were:

**Short-Term**

- The need for a plan for distinct varieties with significant investments in marketing and the need for quality control.
- Better data about plantings on BC farms.
- The removal of all old varieties (minimal returns to growers).
- Horticulture support re: how to grow the best varieties for optimum production at the required level of quality.

**Medium and Long-Term**

- Formation of a variety council (what varieties, marketing, etc.).
- Networking among growers.
- Ministry presence on international groups to maintain currency.
- The need to work together (industry is too small for the level of competition that exists) and strive for consistent quality of packed fruit to similar standards across the entire industry.

In summary, there is a wide range of opinions on the issue of the development, selection, and marketing of new tree fruit varieties.  Participants saw the absence of leadership for a consumer-oriented approach that would guide growers.  There was some concern about the absence of a sufficient supply of high-quality fruit to be able to access foreign markets and the reluctance of many industry participants to innovate.

Based on the suggestions regarding new varieties, it appears the opportunities that are available should be able to overcome this challenge but will take a coordinated effort from the industry and government.

It is clear the industry needs to understand what the market and consumer want and work backwards from there. It is also clear the high level of competition within the sector (among packing houses) must be addressed for an industry as small as the one in British Columbia to be competitive and successful.

## *Marketing and Sales*

Those involved in the primary engagement sessions (including some packers, marketers, and sellers) indicated:

- Growers are often not aware of marketplace or consumer preferences.
- There is unfortunate competition between BC packers (estimated at around 25 apple packers and 38 cherry packers in BC).  However, there is a desire for a trusted third party to help understand current pricing and stocking to improve collaboration.
- Packers need to find ways to be more efficient to help increase grower returns.
- Retailers are the ones benefiting from the competition that has resulted from the growing number of packinghouses.  This keeps growers from getting fair returns, as they get paid last.
- The need for extension services to maintain quality and improve industry competitiveness by being interface between government and research in finding opportunities for industry.
- No one can afford to carry growers who do not produce quality fruit.  Quality fruit increases packing efficiency and allows the reduced amount of lower quality fruit to make it to market.
- They need more help opening more export markets for quality fruit.
- More consistently available, high-quality fruit is needed to access profitable export markets.

- Any government support should help with reducing input costs and not serve as “handouts”. Most importantly, that support should provide incentives to grow quality fruit.
- Concern about the impact of the volume cherries being planted.
- The lost opportunities for Cooperative and BCFGA to step up as industry leaders with a clear plan. As a result, the industry is fractured, and trust is an issue.
- Challenges with labour (industry needs more reliable supply of workers, disparity of some growers being able to utilize TFW for cheaper labour, scarcity of skilled workers).

Participants routinely complimented the BCFGA for the organization’s work representing industry on labour matters.

It was noted:

- The Ministry’s BuyBC program is already enhancing the presence of apples in its campaigns.
- The BCFGA and the Canadian Horticulture Council are communicating with other provinces about using AAFC support to pursue China and South Korea as an export market.
- The role of the Washington State Apple Commission (advertising, promotion, education, and market development for the Washington fresh apple crop) could serve as a model for BC.

There is a high level of competition and a lack of cooperation among packing houses in BC. This has primarily benefitted retailers, often at the expense of growers. A consistent supply of quality fruit is seen as a challenge to BC’s ability to access major international markets.

## *Grower Returns and the Factors that Could Affect Them/Fruit Quality*

### *Grower Returns*

The decline in the average returns paid to apple growers was discussed in every session which involved growers and in some of the few sessions which had no formal grower representation.

This matter was always represented as the fact that average returns paid to apple growers has been lower than the cost of production (COP), often without the value of the grower and other family members time being reflected in the COP. In effect, this leaves some apple growers earning no net income to pay themselves, invest in their farms, or save for the future. However, a range of views were expressed on this topic and the factors that cause some apple growers to have low returns.

According to participants, an important challenge is determining what the actual COP is for apple growers. Again, data deficiencies make this difficult to assess. An individual grower’s COP would depend on personal, business, and other circumstances, such as whether the grower owns their property, has a mortgage, or leases property; whether the grower supplements their income through other businesses or jobs; etc.

The absence of accurate data has made it difficult for any person or organization to demonstrate the scale of this situation. However, some apple growers are in this circumstance and may have been for several years. The absence of data also makes it difficult to demonstrate the extent of the problem. For example, while the average return paid by the Cooperative may be below the cost of production, it is also the case that the range that is paid reflects different circumstances for different growers, due to the variety and quality of the fruit they produce. Further, many apple growers ship their fruit to private packing houses, most of whom are reluctant to publicly share the returns paid to their growers.

### *The Cost of Living in British Columbia*

Some growers indicated that several factors affecting the costs of production were beyond their control. This included the price of land and the related carrying costs, the cost of labour, and the cost of water and irrigation infrastructure. They indicated that these costs were much lower for their major competitors in Washington State. Other growers did not reference this as an issue.

While these factors do impact the cost of growing fruit in BC, they also affect every other citizen and business. Land and housing prices in BC are among the highest in North America. The minimum wage in BC is high but also reflects the cost of living and quality of life experienced in BC.

Realistically, these costs are not going to go down and will remain a permanent feature of living in BC, running a business in the province, and growing tree fruit. It will be difficult to make changes to these costs to help growers improve their returns unless government and society are willing to allow for special treatment.

Some growers suggest that the important role they play in providing food and food security to British Columbians warrants that special consideration.

### *Washington State*

Many participants spoke about the impact of competition from Washington State apple growers, in effect undermining the province's industry. In some instances, they suggested this competition was unfair because those growers were "dumping" apples into British Columba and, therefore, dominating the marketplace and reducing the returns paid to BC growers.

They suggest the reasons Washington State is so dominant include:

- The impact of the Columbia River Treaty (substantially increasing the amount or land viable for apple and cherry production).
- The licensing of varieties grown in BC to other jurisdictions, including Washington State, which make it to the BC marketplace.
- The subsidy being paid by the US Department of Agriculture (5 cents per pound) which helps sustain growers.

Some growers and packers suggested this was a red herring being used as an excuse for poor quality apples, poor business practices, and ineffective leadership.

### *The Power of Retailers*

A further factor suggested by apple growers as negatively affecting returns was the ability of retailers to set prices which were low and from which the retailers retained substantial profits. The small number of large size retailers and the large number of packing houses competing for the domestic market have created this level of control for the retailers.

Growers indicated that, because they were the last parties paid in the production line (after retailers, marketers, packers, etc.), they received minimal returns. They indicated they were "price takers".

### *Fruit Quality versus Quantity*

Perhaps the most contentious issue that elicited a large range of views was the way the industry and those involved in it (growers, packers, etc.) focus on the quality versus quantity of the apples they grow, pack, or market. Of course, these two emphases are not complementary.

Most respondents felt the overall quality of BC apples has declined because apple growers and some packing houses focus on product quantity (rather than quality), and some packing houses will accept fruit of any quality to meet business targets. The variation in the quality of BC apples reduces returns to growers of better-quality fruit and diminishes the reputation of BC's apple industry and sales.

Many respondents noted the absence of quality standards, combined with the large number of packing houses and growers with different views on quality, was a significant problem for the industry.

Many respondents suggested there are too many growers producing a large quantity of sub- quality fruit.

Some specific comments included:

- "let the market decide who survives".
- "too many growers are producing poor quality product, to the detriment of those producing good quality fruit".
- "there is no industry standard for quality".

A small minority of respondents indicated that the overall quality of BC's apples has not declined or has improved. They argue apple growers know how to grow quality fruit, but some are hampered by other factors (e.g.: lack of extension services or economics).

There is a strong difference of opinions concerning the range of quality of apples produced in BC, but a majority view that apple supply (quantity) was deemed more important than maximum quality. This has been attributed to fragmentation in the industry and competition among packing houses for the limited options for retail outlets.

There is also a range of views on what has impacted growers returns, including the cost of living in BC, the impact of the growth in the Washington State industry (initially apples but now also cherries), and the influence and power of a small number of retailers with so many suppliers (packing houses) competing for the marketplace. Other suggest the significant range of quality (the number of growers and packers that accept low quality fruit) is the most important factor.

## *Government Programs and Support*

### *A Financial "Lifeline" or Bridge*

On behalf of its members, the BCFGA has sought financial support from the BC government. They have requested a "per pound" grant (the request has ranged from five to fifteen cents a pound) to be paid to apple growers to make up the difference between the returns those growers are receiving and their COP. They suggest this "lifeline" will be temporary (ending after a few years once the industry "rebounds") and will offset the competitive advantage Washington State growers have from the subsidy they receive from the US Department of Agriculture.

This request was repeated by some individual apple growers during the engagement sessions.

Not all growers are supportive of such a "lifeline". They believe funding from government is unfairly distributed and may serve to sustain what they term "bad growers" and perpetuate the negative impact those growers have on quality growers.

One of the reasons some apple growers champion government support is the belief that government subsidizes other sectors, but such support is not generally available for the agriculture industry (including the tree fruit sector).

### *B.C. Government Programs*

There is a wide range of views among tree fruit growers regarding the BC government's programs in direct support of the sector. For example, many growers expressed support for the replant program and the impact it has had.

Alternatively, other participants suggested that the program was initially very well managed and effective but felt that, over time, administration of the program has gotten worse, and the benefits of the program have diminished. Specifically, those individuals felt the wrong types of replant activities were being supported (e.g.: replanting an unpopular variety with the same variety) or the program was being used only to support growers that provided fruit to the Cooperative.

There was a similar range of views concerning the Ministry's suite of business risk management programs. Some felt the program and its benefits were appropriate while others expressed concern that the programs and the supporting documentation were too onerous, and the criteria excluded some growers.

As a result, some participants indicated the government's programs were misdirected.

### *Agricultural Land Reserve (ALR) and Agricultural Land Commission (ALC)*

The Agricultural Land Reserve (ALR) and Agricultural Land Commission (ALC) were enacted in 1973.

Initially, the enactment of the ALR was contentious and government responded to the industry's discontent by enacting the Crop Assurance Program, which was later discontinued as part of a larger business risk management insurance program which is still active today.

Participants in the engagement process frequently commented on the elimination of the Crop Assurance Program as a foundational problem (many suggested it was a betrayal by government), although many also commented the problems it caused for the industry in encouraging quantity instead of quality production and thus, less commercially competitive products. Few noted it was replaced by a more comprehensive suite of programs.

Generally, participants in the engagement process were positive about the ALR in principle, they felt the ALC places restrictions on "real growers". The ALC's emphasis on protecting agricultural land (as opposed to agriculture and farmers) has had a negative impact. They expressed the need for the ALC to place as much emphasis on facilitating and supporting a farmer's ability to farm, as it does on protecting the land base.

### *Local Governments*

Some respondents expressed concern about the impact of local governments in two ways.

Local governments were seen to be inconsistent in how they dealt with farmers, including orchardists. Some respondents felt some local governments expressed support for farming, but their actions did not reflect that sentiment. For example, it was indicated that some local governments:

- Had very lengthy approval processes compared to their requirements and timelines for other businesses.
- Had restrictive and onerous rules and requirements around housing.
- Had extensive and costly inspection regimes (e.g.: for housing).
- Did not support farmers' applications to the ALC.

### *Columbia River Treaty and Columbia Basin Trust*

In 1964, the Columbia River Treaty was ratified.  In the early 1990's, the Columbia Basin Trust was established.

Several participants from the tree fruit sector indicated the Treaty provided opportunity to Washington State agriculture and that Washington capitalized on by subsidizing primary production and funding water and irrigation infrastructure in that state.

They indicated similar opportunities were not made available to British Columbia agriculture or capitalized on in similar form.  They suggest that Washington State has since become the primary competitor to BC for tree fruit production as a result.

Respondents did not display any recognition of the benefits of the Columbia Basin Trust that accrue to BC's the tree fruit sector and broader agriculture industry (e.g.: heavily subsidized hydro rates).

# *Summary of Engagement Sessions*

## *Leadership and Direction in the Industry*

The industry (especially the apple sector) is seen to lack leadership and direction and is fractured and unsuccessful as a result. This has meant limited cooperation among organizations to achieve collective success.  While there are also other drivers, low apple grower returns are likely partly the result of ineffective leadership. Leadership is a foundational challenge that must addressed if BC's tree fruit industry is going to thrive.

## *Labour Supply and Housing*

Labour needs are heavily reliant on foreign and seasonal workers, labour costs are on the rise, and the requirements for housing to accommodate workers are complicated and inflexible. Coordination among government agencies and the ability to facilitate the transfer of foreign workers have been suggested as two of the critical elements to improve this situation.

## *Horticulture and Extension Services*

The reduction in and (at times) absence of horticulture and extension services over the past few years has negatively impacted the industry. Based on the suggestions to improve extension services industry wide, it appears the opportunities that are available should be able to overcome this challenge.

## *Development of New Varieties*

There is a wide range of opinions on the issue of the development, selection, and marketing of new tree fruit varieties.  Participants saw an absence of leadership for a consumer-oriented approach that would guide growers.  There was some concern about the absence of a sufficient supply of high-quality fruit to be able to access foreign markets and the reluctance of many industry participants to innovate.  Finally, it is fair to say there is a lack of understanding of the role of SVC and the opportunities it could provide by many in the industry.

It is likely the commercialization model for apples has been largely ineffective as there are no or limited marketing funds to launch new apple varieties. However, work underway in the Ministry and elsewhere could help BC's apple sector re: domestic and international market opportunities. Based on the suggestions regarding new varieties, it appears the opportunities that are available should be able to overcome this challenge but will take a coordinated effort from the industry and government.

It is clear the industry needs to understand what the market and consumer want and work backwards from there. It is also clear the high level of competition within the sector (among packing houses) must be addressed for an industry as small as the one in British Columbia to be competitive and successful.

## *Marketing and Sales*

There is a high level of competition and a lack of cooperation among packing houses in BC. This has primarily benefitted retailers, often at the expense of growers. A consistent supply of quality fruit is seen as a challenge to BC's ability to access major international markets.

## *Grower Returns and the Factors that Could Affect Them/Fruit Quality*

There is a strong difference of opinions concerning the range of quality of apples produced in BC, but a majority view that apple supply (quantity) sometimes was deemed more important than maximum quality. This has been attributed to fragmentation in the industry and competition among packing houses for the limited supply of retail outlets.

There is also a range of views on what has impacted growers returns, including the cost of living in BC, the impact of the growth in the Washington State industry (initially apples but now also cherries), and the influence and power of a small number of retailers with so many suppliers (packing houses) competing for the marketplace. Others suggest the significant range of quality (the number of growers and packers that accept low quality fruit) is the most important factor.

## *Government Programs and Support*

Many topics have been considered as government support or programs. There are strong and varying positions on whether government should provide a financial "lifeline" to tree fruit growers, with some concerned it only serves to sustain bad growers.

The BC government's programs that support the industry receive varying levels of support. They are sometimes seen as complicated and with unfair, restrictive conditions. The impact of two long-standing government initiatives (the ALR/ALC and the Columbia River Treaty/Columbia Basin Trust) are frequently cited as major causes of challenges for the industry, although some suggest they are being used as excuses for bad fruit production.

There is no consensus on the impact of BC government programs and support on the tree fruit sector. In some instances, those involved in the industry are suggesting government should provide a subsidy and, over time, the industry's long-standing challenges will go away.

## *The Need for Quality Data*

This analysis demonstrates a real challenge for the industry. The absence of any accurate, comprehensive data, and the lack of any clear ability or apparent interest in collecting data, is a fundamental issue affecting the tree fruit sector (and very likely other agricultural commodities). It makes it difficult to plan for or resource initiatives, ensure the fair and accurate administration of funding and other programs, and track, assess, and demonstrate the effectiveness of any initiatives.

Members of the advisory group mentioned multiple times about the lack of adequate data for the tree fruit sector: the industry does not collect sufficient data to help farmers make sound business decisions, and the provincial does not have sufficient information to help support high level decision making. To have a data strategy in place to prioritize and enable data collection and analysis would help setting up benchmarks for the provincial to measure the success of new policies/actions introduced to the tree fruit sector.

# *Summary and Concluding Comments*

As part of the BC Ministry of Agriculture, Food and Fisheries' efforts to develop a Tree Fruit Industry Stabilization Plan, engagement sessions involving growers, packers, organizations, and associations in BC's tree fruit sector, as well as some supporting organizations (e.g.: financial institutions) were conducted from April to June 2021.

While the sessions built on the many studies of the sector that had been conducted previously and generally not acted on, the Ministry opted for a fresh and comprehensive approach with no preconceived outcomes.

Data from key organizations suggest there are about 800 growers in the industry. There were 30 primary and secondary sessions with 165 participants. This included 85 growers, 49 others from within the industry, 11 others in support roles outside the industry, and 20 others in the Ministry or AAFC whose role was directly related to, or in support of, the sector.

The Ministry made considerable effort to create awareness of, and the opportunity to participate in, the sessions. As such, no one in the industry can disagree with the findings of this work due to a lack of opportunities to contribute to, comment on, or inform those findings.

While some variation in views were conveyed at the engagement sessions, there was much consistency in the comments that were expressed. Either directly or indirectly, participants identified the elements that were critical to success of, but not currently present in, the industry. These included:

- The need for strategy, a long-term plan and management of its implementation.
- Strong leadership on behalf of the full tree fruit sector that coordinates efforts among participants.
- Reliable and current information for decision-making.
- Integration with other parts of the agriculture industry (esp. those with common challenges).
- Modern and accessible horticulture support and extension services.
- Local governments that are supportive of the sector through their roles and efforts (e.g.: land use planning, bylaws, etc.).
- Awareness and access to emerging entities (e.g.: food hubs).
- Retail practices that supported growers.

These factors were endorsed through the topic-specific secondary sessions and by the External Advisory Group comprised of key industry organizations and associations.

Some participants did identify other factors (e.g.: improvements to some Ministry programs, decision-making by the Agricultural Land Commission) that need to be considered as part of the development of the Tree Fruit Industry Stabilization Plan.

BC's tree fruit sector (especially apple growers) is in a difficult situation that has prevailed for some time. Discussions with industry and its participants has identified the complicated array of foundational and other challenges that must be overcome of stabilize the industry and create the opportunity for success and revitalization.

# Appendix 1

## *Schedule, Participants, and Details of Engagement Sessions*

This table provides a summary of the involvement of individuals, organizations, and perspectives in the engagement sessions.

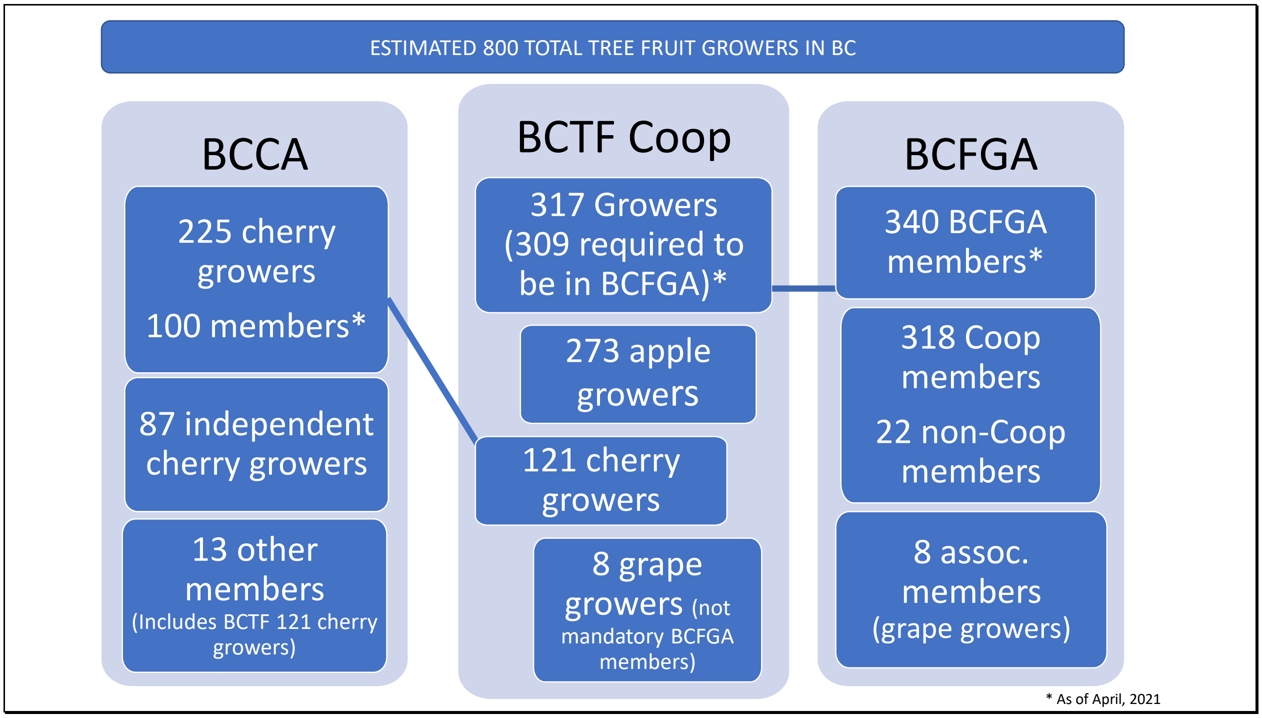
| Group Session | Special Considerations | Focus Points | Session Time/Date | # Participants (not including the 4 facilitators of project) |
|---|---|---|---|---|
| Primary Engagement Sessions<br>○ Orchardists representing Okanagan, Similkameen, and Creston Valley production areas<br>○ Industry Associations and Organizations | | | | |
| Industry Associations | Advisory Group members (BCFGA, BCCA, SIR, BCGA, NTFVDC, AAFC) | Leadership structure, Challenges, Opportunities, Impact of Ministry Investments, Costs of Production, Marketing, Replant | 1 session: April 8th 10am | 9 participants (5 tree fruit producers included as representatives of various organizations). |
| Apple Producers some also have cherries and other commodities | Various sessions of mixed commodities | Leadership structure, Challenges, Opportunities, Impact of Ministry Investments, Costs of Production, Marketing, Replant | 8 sessions: April 13th 8am and 3pm, April 26th 12:30pm and 3pm, and April 28th 3pm, May 17th 6pm, May 18th 2pm, May 27th 4pm | 35 producers total all sessions |
| Cherry Producers | 3 have apples and other commodities too | Leadership structure, Challenges, Opportunities, Impact of Ministry Investments, Costs of Production, Marketing, Replant | 2 sessions: April 14th 3pm, April 16th 1pm | 7 producers total all sessions |
| Retired Producers | Producers still involved with the decisions on the orchard, but not responsible for day-to-day operations. | Leadership structure, Challenges, Opportunities, Impact of Ministry Investments, Costs of Production, Marketing, Replant | 1 session: May 6th, 1pm | 7 producers |
| Next Generation Producers | Growers who are involved in orchard operation as main source of income but have yet to take over the ownership of the orchard. (Mix of commodities represented) | Leadership structure, Challenges, Opportunities, Impact of Ministry Investments, Costs of Production, Marketing, Replant, Succession | 1 session: April 19th, 3pm | 6 producers |
| Industry Associations and Organizations | Each group was an individual session | Roles and Responsibilities | 4 sessions: April 19th, 10am, April 9th & 27th 9am, May | • Sterile Insect Release Program (SIR): 4 participants<br>• BC Fruit Growers' Association |

| Group Session | Special Considerations | Focus Points | Session Time/Date | # Participants (not including the 4 facilitators of project) |
|---|---|---|---|---|
| | | | 17th 1pm, May 31st 10am. | (BCFGA): 8 participants<br>• Summerland Variety Corporation (SVC): 1 participant<br>• BC Cherry Association (BCCA): 3 participants |
| Creston Valley Producers | Orchardists with operations located in the Creston Valley (Mixed Commodities) | Leadership structure, Challenges, Opportunities, Impact of Ministry Investments, Costs of Production, Marketing, Replant | 1 session: April 29th, 1pm | 2 producers (2 additional responded to questionnaire). |
| Secondary Engagement Sessions: (Invited participants list may be subject to change depending on outcomes of Primary sessions and availability of participants. Participants may also include various relevant BC Ministry staff).<br>o Industry roles serving needs of primary tree fruit producers. | | | | |
| Horticulture and Extension | Consultants, researchers, industry groups providing extension services (past/present) | Communication, Fruit Quality, Innovation, Training | 1 session: May 18th, 9am | 19 Participants (AAFC researchers, current/past fieldstaff from various packinghouses, University/College professors, SIR, SVC) |
| Packers, Marketing, and Sales | Sessions run individually with each private packer | Sales and Marketing | 4 Sessions: April 15th, 10am, May 19th 1pm and 2pm, May 21st 10am, May 27th 9:30am, | 7 Private packing houses<br>13 participants |
| Packers, Marketing, and Sales | BC Tree Fruits Cooperative | Sales and Marketing, Industry Leadership | 1 session: May 19th 8am | 6 participants |
| New Varieties and Replant | Local nurseries, breeders, growers, variety representatives and brokers | Variety development and replant issues | 1 session: May 13th, 9am | 13 participants<br>3 Nurseries<br>SVC, AAFC breeding program, Ambrosia owners, Midwest Apple Improvement Assoc. |
| Labour | Grower organizations providing labour related services, Foreign Worker program representatives | Labour issues | 1 session: May 12th, 1pm | 10 participants: (BCFGA, BCAC, and WALI |
| Farm Financials | Various lending institutions. | Costs of Production, Grower financial situation | 1 session: June 28th, 10am | 9 industry participants representing BMO, Royal Bank, CIBC, TD, Community Futures, Farm Credit Canada, plus 3 additional BCMAFF staff: |
| Organics and Other Growing Regions in BC | BC Orchardists with operations outside the typical Okanagan/Similkameen/Creston growing areas, grow organically. | Organics | 1 session: June 28th, 4pm plus 3 phone conversations | 7 grower participants (1 was present representing Certified Organic Associations of BC - COABC) |

| Group Session | Special Considerations | Focus Points | Session Time/Date | # Participants (not including the 4 facilitators of project) |
|---|---|---|---|---|
| Marketing | Federal and Provincial Agricultural Ministry staff | Potential opportunities and challenges | 1 session: June 2nd 1pm | 6 participants: 2 AAFC and 4 additional BCMAFF staff |
| 30 total sessions<br>165 Total participants<br>• 85 producers, of which 33 were of South Asian descent<br>• 49 individuals representing an organization (e.g.: association, packing house, etc.)<br>• 11 individuals from outside the industry in a supportive role (e.g.: financial institutions, BCAC or WALI, etc.).<br>• 20 individuals representing the Federal (AAFC) or provincial (Ministry) governments whose role was directly related to, or in support of, the sector | | | | |

# *Appendix 2*

## *Number of Growers/Members by Organization*




Sources:

- BC Cherry Association
- BC Tree Fruits Cooperative
- BC Fruit Growers Association

# Appendix 3

## Leadership Characteristics Critical to the Success of BC’s Tree Fruit Industry

Organizations (or Industries) providing Effective Leadership:

- Are led/governed by people with diverse views, knowledge, and skills.
- Are client (consumer) focussed.
- Have a forward-looking plan for success. They focus on and “work” their plan.
- Remain cognizant of their core business.
- Are open to change and rethink approaches, as necessary, to reflect changing circumstances.
- Anticipate problems and seek collaborative solutions.
- Make decisions based on research and evidence.
- Understand their employees’ (members’) needs and culture and help them achieve success.

# Appendix 4

## Leadership in BC's Tree Fruit Industry (Based on Stakeholder Engagement Sessions)

### Industry Views of Industry Leadership

Most comments on industry leadership during the engagement sessions Identified:

- A lack of leadership, vision, and representation.
- The leadership structure is confused and unclear.
- There is an overlap in the roles and responsibilities of associations and organizations in the sector.
- There is no comprehensive strategic or business plan or approach for the industry.
- No organization has clear responsibility for leading efforts or a strategic vision.
- There is fragmentation of the apple industry due to "politics".
- There is conflict and no collaboration.

### The Consequences of Deficient Leadership on the Industry

Participants indicated the lack of leadership has had the following consequences:

- High level of mistrust and internal competition has led to establishment of many private packing houses.
- Many apple growers and some packing houses focus on product quantity, rather than quality.
- Some apple growers stuck in the past, relying on perpetual government support for existence and blaming historical decisions for the current circumstances.
- Collectively, apple growers have not been able to overcome the real disadvantages they face (e.g.: land and labour prices).
- Several organizations (including AFF) have not been able to sustain extension/field services).

### The Identified Leadership Gap

Industry participants effectively identified gaps in the leadership in the industry that is critical to success. They indicated leadership and, consequently, the industry:

- Is not led/governed with diverse views and knowledge, and skills.
- Is not client (consumer) focussed.
- Does not have a forward-looking plan that gets the focus and work required for success.
- Is not open to change and rethink approaches, as necessary, to reflect changing circumstances.
- Does not anticipate problems and seek collaborative solutions.
- Does not make decisions based on research and evidence.

# Appendix 5

## Requirements for a Successful Tree Fruit Industry in BC

The following requirements for a successful tree fruit industry were endorsed by participants in the secondary engagement sessions and the External Advisory Group.

## Appropriate Legal Framework

- Responsibility of: Ministry of Agriculture, Food and Fisheries; and Agriculture and Agri-food Canada.

## Activities that are the Responsibility of Organizations within the Industry

Industry Wide Activities (Common to all with Collective Benefit)

- Strategy, leadership, coordination, planning and implementation management.
- Reliable and current information for decision-making.
- Integration with other parts of the agriculture industry (especially those with common challenges).
- Advocacy (governments and others).
- Labour supply and housing challenges.

Activities that are Common but Somewhat Variable by Sector/Fruit (outside the supply chain)

- Research and Development (incl. technology and innovation).
- Development of varieties.
- Horticulture support and extension services.

Activities that are Common but Unique to Each Sector/Fruit (within the supply chain)

- Production/growing.
- Pest management.
- Packing and storing.
- Marketing.
- Sales.

Support Required from Other Entities

- Financial institutions.
- Government Programs (e.g.: crop insurance, extension services, etc.).
- Consistent support from local governments (e.g.: land use planning, bylaws, etc.).
- Awareness and access to emerging entities (e.g.: food hubs).
- Retail practices that supported growers.

# Appendix 6

## Gaps in the Requirements for a Successful Tree Fruit Industry in BC

The following gaps in what is required for a successful tree fruit industry (in red) were endorsed by participants in the secondary engagement sessions and the External Advisory Group.  This did not suggest all other factors were fully available in the industry but rather, the identified factors were foundational to any opportunity for success.

## Appropriate Legal Framework

- Responsibility of: Ministry of Agriculture, Food and Fisheries; and Agriculture and Agri-food Canada.

## Activities that are the Responsibility of Organizations within the Industry

Industry Wide Activities (Common to all with Collective Benefit)

- Strategy, leadership, coordination, planning, and implementation management.
- Reliable and current information for decision-making.
- Integration with other parts of the agriculture industry (especially those with common challenges).
- Advocacy (governments and others).
- Labour supply and housing challenges.

Activities that are Common but Somewhat Variable by Sector/Fruit (outside the supply chain)

- Research and Development (incl. technology and innovation).
- Development of varieties.
- Horticulture support and extension services.

Activities that are Common but Unique to Each Sector/Fruit (within the supply chain)

- Production/growing.
- Pest management.
- Packing and storing.
- Marketing.
- Sales.

## Support Required from Other Entities

- Financial institutions.
- Government Programs (e.g.: crop insurance, extension services, etc.).
- Consistent support from local governments (e.g.: land use planning, bylaws, etc.).
- Awareness and access to emerging entities (e.g.: food hubs).
- Retail practices that support growers.