

Public Accountability and Reporting Project (PARP) Report

Report Period: January 2018 - December 2018

Submitted to: BC Farm Industry Review Board, June 2019

Submitted by: BC Cranberry Marketing Commission



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Industry Performance Targets – 2018

The BC Cranberry Marketing Commission's core purpose is to support the viability of the cranberry industry in British Columbia. To that end, the following performance indicators and targets have been identified:

1. BC aggregate production yield increasing year over year

BC - Year	BC Production (barrels)	BC Acreage
2018	1,347,753	6,382
2017	858,941	6,411
2016	1,007,684	6,483
2015	988,803	6,483
2014	837,538	6,541
2013	941,277	6,566
2012	944,051	6,539
2011	607,520	6,505

In 2018, the BC Cranberry industry saw their largest volume of production to date. This is in large part due to ideal weather conditions at optimal times and good management practices by the growers.

In the two other jurisdictions we would look at for comparisons, based on climate and market availability, we have seen the following in the US and Quebec:

US - Year	Production (barrels)	US Acreage
2018	8,615,159	40,950 (est)
2017	8,121,986	40,950
2016	9,257,745	41,500
2015	8,412,700	41,400
2014	8,400,000	40,600
2013	8,957,400	42,000
2012	8,045,000	40,300
2011	7,713,700	38,500

Quebec : Year	Production (barrels)	Production Acreage
2018	2,513,928	9,965
2017	1,602,672	9,828
2016	2,758,937	9,504
2015	2,085,387	9,247
2014	2,410,472	8,516
2013	1,621,764	7,657
2012	1,854,680	7,070
2011	1,193,306	5,880

Key risks to production in BC are mostly related to variable weather conditions at different points in the growing season. For example, colder than normal temperatures throughout the winter months could damage plants, a sudden frost in the spring during the bud set period could arrest the development of buds and subsequent berries, or lack of rainfall throughout the spring and summer can hinder the berries from filling out to optimal size, weight and colour.

2. Yield per acre over number of planted acres (5 year review):

Year	Yield per Acre/Planted Acres
2018	211.2 / 6,382
2017	134 / 6,411
2016	155.4 / 6,483
2015	152.5 / 6,483
2014	128 / 6,541

While the number of planted acres remained relatively consistent, the yield per acre varied over the past 5 years. A noticeable jump in yield per acre was seen between 2014 and 2015-2016, which could have been attributed to better management practices following the identification of cranberry decline – a relatively new issue that affects the cranberry plant canopy resulting in fewer berries being produced and areas of poor plant health in bogs with no berry production. The decline in yield in 2017 is thought to be a result of a number of producers conducting renovations on their bogs. Renovating a bog is a process where the existing perennial cranberry plants are physically removed from the ground, the site is prepped (if necessary) with soil amendments, etc., and new plant material is brought in for establishment. The new cranberry plants take 2-3 years to become a producing bog, so yield numbers will decrease as these new bogs take effect.

3. Number of education sessions (and number of attendees)

The BC Cranberry Marketing Commission (BCCMC) strives to provide the BC cranberry growers with information that will aid them in making best management decisions for their farm, resulting in a thriving, sustainable industry. In effort to support this, the BCCMC organizes education opportunities for the growers. In 2018 there were 3 key education events:

1. 2018 BC Cranberry Congress

62 people attended the 2018 Congress in February 2018 held in Richmond, BC. The day was geared towards research on various aspects of cranberry production. Copies of the presentations are posted on the BCCMC website (www.bccranberries.com).

2. BC Cranberry Research Farm Open House (May)

In May 2018, BC cranberry producers and other related industry representatives were invited to visit the BC Cranberry Research Farm in Delta, BC. This event was designed to showcase some of the research projects at the Farm and provide opportunity for growers to interact with some of the researchers directly to learn more about their work.

3. BC Cranberry Research Farm Open House (September)

In September 2018, BC cranberry producers and other related industry representatives were invited to visit the BC Cranberry Research Farm in Delta, BC. This event was designed to showcase some of the research projects at the Farm and provide opportunity for growers to interact with some of the researchers directly to learn more about their work.

Other ways there was support and encouragement of education for growers in various aspects of the cranberry industry and pan agriculture in 2018 included:

- COGA – BC Council of Marketing Boards hosted professional development seminars that the BCCMC participated in throughout the year.
- Updating website – www.bccranberries.com underwent a review and update in 2018 to get a fresh new look, provide easier navigation to find information, and be mobile friendly (so growers and others could search for information on their mobile devices in a faster, more effective way).
- BCCMC AGM – The BCCMC brings in a guest speaker to their AGM in effort to highlight aspects of the agriculture industry. In 2018 the guest speaker was John Les, Chair of BC Farm Industry Review Board.
- Industry newsletters – the BCCMC distributes a quarterly newsletter to keep growers and other industry associates updated on the BC cranberry industry. Included in the newsletter are updates on research, reports on events and other various activities.

4. Number of industry research projects coordinated in part with the BCCMC

The BCCMC (and the cranberry industry) have identified the need for on-going research as critical to the long term viability of the industry. BC has a unique growing medium and climate compared to other large cranberry growing regions in the United States and Quebec, so research work isn't always transferrable to BC from these areas. With the establishment of the Research Farm in Delta, and some regional researchers that are versed in cranberry production and it's needs, the BCCMC has proudly supported a variety of research projects throughout the years in effort to provide BC growers with information tailored to their farming management needs here in BC.

In 2018, the BCCMC was involved with 4 research projects:

- Effect of fall Nitrogen fertilization on nitrogen and carbohydrate reserves, yield components, and fruit quality – Dr. A. Atucha
- Canopy Management Trials - Dr. R. Harbut
- Assessment of New Pest Management Tools that Address Priority Needs of the BC Cranberry Industry - Dr. K. Patten
- Evaluating Varietal Performance at the BC Cranberry Research Farm - Dr. R. Prasad, H. Meberg

5. Confirmation all registered producers adhere to a pest management program

All licensed agencies in BC are required to ensure all growers they receive fruit from participate and be in compliance with a pest management program. All licensed producer-vendors submit paperwork to the BCCMC that they also followed a pest management program.

Board Governance – General

Good Governance Tools

Board Composition and Election Rules

Section 3.02 of the British Columbia Cranberry Marketing Scheme states that the BC Cranberry Marketing Commission consists of

- A Chair appointed by the Lieutenant Governor in Council,
- Up to 4 members who are Registered Growers, elected by the Registered Growers, and
- One member who is not a Registered Grower, appointed by the Commission.

In 2018, the BCCMC reviewed their Election Policy and identified a few opportunities to improve upon them. Two significant changes were made: 1) to go from an in-person voting system to a mail-in ballot system, and 2) ensure appropriate wording to include a fourth elected grower representative on the Board if there was the opportunity to do so.

Additional details on the Election Policy review process can be found in Appendix 1 (*Letter to BC FIRB 30Aug2018*). Full Election Policy can be found in Appendix 2 (*BC Cranberry Marketing Commission Election and Appointment Rules and Procedures*).

Board Responsibilities

Board responsibilities are reviewed annually within the BCCMC Governance Documents binder. The Governance binders are updated annually. Additional details can be found in Appendix 3 (*Duties and Responsibilities of a Director*).

Director Orientation

The BCCMC Governance Documents binders are updated and reviewed annually by all directors. Included in this is a review of all applicable policies and principles. This was completed at the April 16, 2019 BCCMC meeting.

Training & Professional Development – for board and staff, general

The BCCMC directors and General Manager participate whenever possible in the professional development sessions provided through BC Council of Marketing Boards (COMB) under the Centre for Organizational Governance in Agriculture (COGA). In 2018, sessions were held in Abbotsford on January 11, February 1 and November 8.

Training & Professional Development – for directors, roles & responsibilities

Director responsibilities, mandate and fiduciary duties, roles of officers, ethics, confidentiality, privacy, conflict of interest, recusal policies and governance best practices are reviewed annually within the BCCMC Governance Documents binder. This was completed at the April 16, 2018 BCCMC meeting.

Professional Expectations & Evaluations

There is an annual Board Chair evaluation conducted to review performance and effectiveness. This is carried out by BC COMB. Every two years the evaluation is expanded to include evaluation of directors as well. Self-evaluation as well as peer evaluations are included in these reviews, and a copy of the Chair evaluation is provided to BC FIRB.

Code of Ethics/Conduct

Every year, each director and the Chair reviews and signs a Code of Conduct confirmation form, as well as one for Conflict of Interest. Templates of these forms can be found in Appendix 4 (*BC Cranberry Marketing Commission Code of Conduct*) and Appendix 5 (*BC Cranberry Marketing Commission Conflict of Interest Policy*).

Strategic Plan

The BCCMC strategic plan is reviewed annually and posted on the BCCMC website (www.bccranberries.com). A copy can be found in Appendix 6 (*BC Cranberry Marketing Commission 2019 Strategic Plan*).

Annual Report

The BCCMC annual report is compiled and presented at the BCCMC Annual General Meeting. The 2018 annual report was presented at the AGM on March 5, 2019 and posted on the BCCMC website (www.bccranberries.com). A copy can be found in Appendix 7 (*2018 Annual Report BC Cranberry Marketing Commission*).

Succession Planning

Some of the actions the BCCMC has incorporated to assist with succession planning for the Chair and directors include:

- Staggered terms for their directors in effort to minimize overwhelming turnover at any one point
- Having an independent director serve on the Commission to learn the industry as well as the governance policies and procedures to ideally serve as Chair when that position's term ends
- Ongoing communications with the BC Cranberry Growers Association (BCCGA) and individual growers to answer questions and gauge interest in participating as an elected grower director

Succession planning for staff is done on an as-needed basis. In 2018, this activity was not necessary.

Communication Strategies

General Communications – The BCCMC went through a major review and update to their website (www.bccranberries.com) in effort to improve communications with growers, consumers and other interested industry partners. A quarterly newsletter is drafted and distributed as well, also posted on the website for future reference.

BCCMC participates and attends the annual Dietitians Conference of Canada to engage with dietitians from across Canada and parts of the United States to further disseminate information as well as gather feedback they hear from consumers (or potential consumers). In 2018 the BCCMC also participated in the Food & Nutrition Conference & Expo (FMCE) in Chicago (October 2018). Further information can be found in Appendix 8 (*BCCMC FNCE debrief*).

Crisis Communications – The BCCMC coordinates an annual meeting with key stakeholder representatives to review the Crisis Communications manual, including the BCCGA and BC Ministry of Agriculture staff. Communications are sent electronically to all licensed BC cranberry growers, producer vendors and agencies identifying what they need to remember with respect to crisis management and reaffirming the correct contact information for who they may need to speak to in the event an issue arises.

Policies

In 2018, all BCCMC policies were up to date and published on the website (www.bccranberries.com).

Organizational Governance Controls

The following documents that contribute to the successful governance of the BCCMC are available at the BCCMC office and accessible on the website (www.bccranberries.com):

- Natural Products Marketing Act (NPMA)
- NPMA – Regulations
- British Columbia Cranberry Marketing Scheme
- BC Cranberry Marketing Commission General Orders
- BC Cranberry Marketing Commission Strategic Plan
- BC Cranberry Marketing Commission Code of Conduct Policy
- BC Cranberry Marketing Commission Conflict of Interest Policy
- BC Cranberry Marketing Commission Election and Appointment Rules and Procedures

Financial Responsibility and Accountability

Financial Statements

The 2018 financial audits and statements were conducted and prepared by Agatha Cluff Inc, Chartered Professional Accountant. These were presented at the AGM held March 5, 2019. Copies were included in the Annual Report, which was handed out at the AGM, copies are available at the BCCMC office, as well as posted on the website (www.bcccranberries.com). The 2018 BCCMC financial statements are included in Appendix 9 (*BCCMC 2018 final FS*).

Auditors

The BCCMC engage the services of Agatha Cluff of Agatha Cluff Inc., Chartered Professional Accountant, to conduct an independent annual audit of the financial statements. The BCCMC does this in effort to proactively follow good governance as this is not a requirement in the Cranberry Marketing Scheme.

Board Remuneration and Expense Policy

The BCCMC remuneration and expense policies are reviewed annually. This is usually done in conjunction with a survey of compensation across all BC marketing boards along with a few other comparable organizations conducted by BC COMB. The BCCMC strives to remain consistent with their remuneration with respect to legislation and relevant policies.

Financial and Policy Controls

Category	% score	Details
Internal Controls	75	Policy checklist not published
Senior Staff Engagement in Budget Development	100	Evidence in reports to board
Accounting Practices	100	
Financial Accountabilities	100	Evidence in meeting packages and minutes

Internal Controls

The BCCMC has the following internal controls in place:

- Two authorized signers are required for every cheque (and the BCCMC only disburses funds by cheque)
- Any expenditure over \$2,000 must have prior approval from the BCCMC (unless approved as a part of the budget process)
- Expenditures sent for payment have an authorization for approval by the appropriate party.

Budget Development

Senior staff are an integral part of the development of annual budgets. The General Manager and financial manager/bookkeeper review budgets from the previous year(s), discuss any new opportunities in the coming year that would have a financial impact on the Commission, and draft a proposed budget for the directors and Chair to review. All discussions at all levels are conducted while keeping in mind legislation, regulations, standards and stakeholder expectations.

Accounting Practices

All of the BCCMC accounting practices are in accordance with legislation, regulations, standards and stakeholder expectations of accountability and transparency.

Financial Accountabilities

The BCCMC strives to conduct appropriate financial accountabilities and keeping them in line with FIRB's SAFETI principles. All requests for funding are presented at a regular Commission meeting for consideration, and if the directors are not satisfied there is enough evidence that the request will be used for acceptable purposes they request more information. Documentation of such decisions are captured in meeting minutes.

Stakeholders/Producer Consultation & Involvement

Stakeholder Experience

Stakeholders are made aware of some board operations, processes and policies through the quarterly newsletter and reminded that policies and some communication pieces can be found on the website (www.bcccranberries.com). The BCCMC has a few set committees designed to assist the Commission with specific tasks (e.g. Cranberry Congress, Cranberry Field Day, Research) where those committees are not limited to set participants but rather open for producers to volunteer. The BCCMC works to have a representative from the provincial government and the BCCGA at all committee meetings, plus other stakeholders as appropriate (e.g. key researchers at the research committee meetings). Volunteerism is difficult to instill in others, especially if it requires producers to leave their farms at busy times of the year.

Stakeholder Feedback

Where appropriate, the BCCMC engages stakeholder feedback. In 2018 stakeholder feedback was requested in the Election Policy review process. Details can be found in Appendix 2. Feedback is also encouraged through the various committee work.

Stakeholder Consultation

In 2018 there were no emerging social, environmental, production and demand issues in BC that required consultation with stakeholders.

Sound Decision Making/Sound Marketing Policy

BC FIRB Appeals

The BCCMC was not required to participate in any appeals made to BC FIRB in 2018.

Demonstrated Transparency on Major Decisions

There were no significant or major commodity board decisions in 2018.

Decision-Making Governance Requirements

The BCCMC incorporated the following decision-making governance measures:

- Director quorum was present for all decisions made at BCCMC meetings
- Directors were encouraged to recuse themselves if there was a suspect conflict of interest (one occurrence in 2018)

Disclosure of Board Decisions

There were no significant or major commodity board decisions in 2018 requiring specific delivery of information.

Documentation to FIRB

All meeting minutes of the BCCMC were forwarded to BC FIRB in a timely fashion.

Appendix 1

Letter to BC FIRB 30Aug2018



BC Cranberry Marketing Commission
36376 Stephen Leacock Drive
Abbotsford BC V3G 0C2
p 604-557-8717
e – info@bcccranberries.com

August 30, 2018

DELIVERED BY EMAIL

Wanda Gorsuch
Manager, Issues and Planning
BC Farm Industry and Review Board

Dear Ms. Gorsuch,

The BC Cranberry Marketing Commission ("BCCMC") has recently completed a review of the document "BC Cranberry Marketing Commission Election and Appointment Rules & Procedures" as per 11. Review of that document ("*These procedures shall be reviewed..... not later than 2018.*") Enclosed is a MS Word document identifying all proposed changes for review by BC FIRB.

The BCCMC conducted the election policy review process mindful of the SAFETI principles, the "Guidelines for Approval of Election Rules and Procedures Submitted by marketing Boards and Commissions" and the relevant sections of the Natural Products Marketing Act Regulations.

S (Strategic) – Identify key opportunities and systemic challenges, and plan for actions to effectively manage risks and take advantage of future opportunities.

- Systemic challenges were identified by BCCMC directors and staff and opportunities to improve upon them (e.g. voting method, end of terms, definitions, number of directors).
- Actions to effectively manage risks were drafted (e.g. in-person voting to paper mail-in ballot, expanding timeline to allow maximum opportunity for each step to be conducted fairly, better definitions of roles and terms).

A (Accountable) – Maintain legitimacy and integrity through understanding and discharging responsibilities and reporting performance.

- The BCCMC staff maintained document control of versions being reviewed by stakeholders.

F (Fair) – Ensure procedural fairness in processes and decision-making.

- The review process was not rushed.
- The review process was not limited to input by BCCMC directors and staff only.
- Discussions on all proposed changes were conducted at BCCMC meetings before decisions to accept the changes were made.

E (Effective) – A clearly defined outcome with appropriate processes and measures.

- The outcome of this process was to have revised election policy for BCCMC. This was communicated to all stakeholders throughout the process.

T (Transparent) – Ensure that processes, practices, procedures & reporting on exercise of mandate are open, accessible and fully informed.

- BCCMC directors were kept apprised at every meeting of the process.
- BC cranberry producers were verbally told at the March AGM of the review, the current policy has been available on the website for review and/or question by any stakeholder at any time, the draft changes were circulated and opportunity to provide feedback was given (with a reminder).
- BC FIRB staff were informed of the process as it happened and the expectations of when a final draft would be ready for review.

I (Inclusive) – Ensure that appropriate interests, including the public interest, are considered.

- Appropriate interests for the BCCMC election policy to be successful include BC cranberry producers, BCCMC directors and staff, BC FIRB staff and board, and legal counsel. All were considered and invited to provide input to the election policy with BC FIRB board providing final reviews.

Stakeholder Consultation Process

- | | |
|------------|---|
| March 19: | BCCMC directors had preliminary discussion on the current election policy and suggested changes based on past experiences, most notably the 2018 election and 2018 Special Election. |
| April/May: | BCCMC Manager reviewed other marketing board election policies to identify helpful options that could be applied to the BCCMC elections, in particular regarding a paper ballot system and timelines. |
| June 13: | BCCMC directors reviewed a draft document with initial changes and directed the manager to collect feedback from key stakeholders (producers, legal, and BC FIRB staff). |
| June 21: | Electronic notice sent to all registered BC cranberry producers with a copy of the draft election policy identifying all recommended changes for consideration. They were instructed to provide feedback to the BCCMC Manager within 30 days. |
| June 21: | Electronic notice was sent to BC FIRB staff asking for input on the draft election policy identifying all recommended changes for consideration. |
| June 30: | Quarterly BCCMC newsletter was distributed to all stakeholders reminding them of the deadline for feedback on the draft changes for the election policy. |

Stakeholder Consultation Process (continued)

- July 18: Feedback was received from BC FIRB staff.
- July 21: No feedback was received from BC cranberry producers.
- August 2: Electronic correspondence with a copy of the draft election policy identifying all recommended changes for consideration was sent to BCCMC legal counsel.
- August 8: Feedback was received from BCCMC legal counsel.
- August 28: BCCMC reviewed all feedback received and passed a motion to approve the final version of the election policy (enclosed).

At this time, we would ask BC FIRB to review the enclosed document "BCCMC Election Rules 28Aug2018draft" (with track changes) for approval of use in the next BCCMC election. If there are any questions, please feel free to contact Heather Carriere, General Manager, at info@bcccranberries.com or 604-557-8717.

Regards,



Jack Brown
Chair, BC Cranberry Marketing Commission

cc. Katia Gauvin, Issues Management Analyst, BC FIRB
Heather Carriere, Manager, BC Cranberry Marketing Commission

Appendix 2

BC Cranberry Marketing Commission Election and Appointment Rules and Procedures

BC CRANBERRY MARKETING COMMISSION ELECTION AND APPOINTMENT RULES AND PROCEDURES

1. *Commission Composition*

Section 3.02 of the British Columbia Cranberry Marketing Scheme states that the BC Cranberry Marketing Commission consists of

- A Chair appointed by the Lieutenant Governor in Council,
- Up to 4 members who are Registered Growers, elected by the Registered Growers, and
- One member who is not a Registered Grower, appointed by the Commission.

Effective with the approval of these rules and procedures, in addition to the Chair, the Commission will be comprised of three or four elected members who are Registered Growers (elected members) and one appointed member who is not a Registered Grower (independent member), which positions will be filled by the processes described below.

In the event there are insufficient nominations to fill the fourth elected producer member position, the Commission shall operate with three elected producer members.

2. *Definition*

“Registered Grower” is defined in the Scheme as any person owning, leasing or licensing and operating a cranberry bog of 2 acres or more fully planted in cranberries in BC.

“Registered Voter” is defined for the purposes of this document as either a Registered Grower or an appointed representative of a Registered Grower that is a partnership or corporation.

“Producer Vendor” is defined in the General Orders as a grower authorized and licensed by the Commission to pack, transport, process, store and market, the regulated product grown by him.

The term Registered Grower as used in these Election Rules and Procedures shall include both Registered Growers and Producer Vendors as defined above.

3. *Terms of Office*

Except for temporary appointments or members elected to fill vacancies, terms of office for Commission members shall be 3 years.

A Commission member whose term is expiring is eligible for re-election or reappointment, as the case may be.

Terms of elected members shall be sequenced so that normally one member is elected each year, except when the Commission is comprised of four members who are Registered Growers, in which case there could be two members elected in the year that two terms expire.

A person elected or appointed to the Commission continues to hold office during his term until:

- The person is convicted of an offence under the *NPMA* or Scheme; or
- The person resigns in writing; or
- The member is absent from the province for three consecutive months or fails to

attend to his or her duties for three consecutive months and the position is declared vacant by the remaining commission members.

If no successor has been elected or appointed to replace a member whose term has expired, such member will continue to hold office until the successor is appointed or elected, unless such member has otherwise been removed from office pursuant to this Section 3.

4. Vacancies

Elected Member Vacancy

- If a vacancy occurs by death or any of the reasons above, the remaining members of the Commission, if constituting a quorum, may make an appointment of a new member to the Commission.
- A person appointed to replace an elected member who vacated office before their term expired shall only serve until the next election. At that time, the scheduled election will include a vacancy for the balance of the elected member's term.

Appointed Member Vacancy

- Temporary appointments to replace an appointed independent member shall be made in accordance with section 5.
- A member appointed to replace an independent member who vacated office before their term expired, shall be appointed for a term of up to, but not more than, three years, as determined by the Commission.

5. Appointment of Independent Member

Upon the request of the Commission, the Cranberry Industry Advisory Committee ("CIAC") will recommend one or more candidates for the position of independent member.

The criteria to be considered by the CIAC in the candidate selection process will include, but not be limited to:

- A candidate's qualifications, interest and willingness to devote time to the work of the Commission
- A candidate's familiarity with agricultural issues; and
- A candidate's understanding of board governance and ability to develop policies consistent with the Orders and rules of the Commission.

Upon receiving the names of recommended candidates from the CIAC, the Commission will make the appointment from the recommended candidates or request that the CIAC make additional recommendations.

Once the successful candidate has accepted the position, BCFIRB will be notified and an announcement made in the next published Cranberry Newsletter.

6. Independent Elections Officer (IEO)

Prior to the AGM, the Commission will appoint an Independent Elections Officer (IEO) to oversee the election procedures and to certify the results. The IEO shall be a person who is independent of the cranberry industry and of the Commission.

7. Nominations

A valid nomination requires:

To be nominated and stand for election, a candidate must be a Registered Grower supported by a minimum of five (other) Registered Growers who shall each sign the nomination form.

The nominee must sign the Nomination Form as confirmation of the absence of any enduring conflicts of interest that could substantially impair his or her ability to fulfill the obligations of a member.

The deadline for nominations will be a minimum of 6 calendar weeks before the Annual General Meeting.

8. Eligibility to vote

All Registered Growers may vote in Commission elections.

As required in Section 3(p) of the Regulations to the *Natural Products Marketing (BC) Act*, every partnership or corporation that is a Registered Grower shall in writing appoint an individual as Registered Voter to vote on its behalf and shall file the appointment of the Registered Voter with the Commission.

A partnership or corporation may change its Registered Voter by filing with the Commission a written appointment of a different individual by September 1 in order to participate in subsequent elections. Registered Voters can be changed after this date, but would not be in effect for the following first election.

To vote, the appointment of a Registered Voter must be confirmed by the IEO referencing the Commission's current list of Registered Growers.

The Commission will maintain a register of Registered Voters in an election (the Election Register) and the register is open to inspection by any Registered Grower.

An individual whose name does not appear on the Election Register and who believes that they are eligible to vote shall be given the opportunity to appeal their eligibility to vote to the IEO. The deadline for appeal is December 31. If the IEO determines the individual is eligible to vote, the Commission's Election Register will be amended accordingly to list the individual as a Registered Voter.

9. Election Procedures

The objective of the procedures is to ensure that all Registered Voters are advised of the forthcoming election and of the processes to be followed.

At least 10 calendar weeks prior to any Election, all Registered Growers shall be informed by regular or electronic mail, of the Election, the vacancy or vacancies to be filled, and of the procedures to nominate candidates.

Voting for Commission members shall be conducted by paper ballot using the postal service. The IEO will confirm the eligibility of voters. There shall be no proxy voting.

If the number of valid nominations received is identical to the number of vacancies in that election process, the candidate(s) will be elected by acclamation.

If there are more valid nominations than vacancies, then the candidate(s) receiving the most votes is/are elected.

If a vote is required, voting packages will be sent out to all registered voters one calendar week

after nominations close.

Each Registered Voter will receive:

- A paper election ballot;
- One small envelope labeled "Ballot Envelope"; and
- One envelope addressed to the IEO.

To Vote, the Registered Voter must:

- Mark clearly on the ballot his or her choice of candidate(s);
- Places the ballot into the small Ballot Envelope and seal the envelope;
- Avoid making any identifying marks on the small Ballot Envelope;
- Insert the small Ballot Envelope (containing the marked ballot) into the envelope addressed to the IEO and seal the envelope; and
- Mail the envelope and contents to the IEO. Ballots cannot be hand delivered to the IEO.

No ballots and envelopes will be available at the AGM.

Ballots must be received by the IEO no later than 1 business day prior to the AGM.

Vote counting shall be conducted, or supervised, by the IEO at the AGM and shall be scrutinized by a person determined by the BC Cranberry Growers Association ("BCCGA") as well as a scrutineer provided by each nominee if they so choose.

In the event of a tie, all ballots will be recounted.

If after a recount, a tie vote count remains, as provided in Section 3 (i) of the Regulations to the *Natural Products Marketing (BC) Act*, the Chairman of the Commission shall cast the deciding vote.

10. Officers

The Commission shall elect a Vice Chair and a Secretary at its first meeting following the AGM.

11. Review

These procedures shall be reviewed upon the request of the BC Cranberry Growers Association, or by a motion passed at any Commission AGM, and in any case not later than 2023. Any changes, to the Election Rules and Procedures take effect when approved by the BC Farm Industry Review Board.

12. Effective Date

Approved by the BC Cranberry Marketing Commission on: November 1, 2018

Approved by the BCFIRB on: November 20, 2018



Mary O'Callaghan
Member, BCFIRB

These Election Rules and Procedures come into effect on approval of the BCFIRB and replace all previous rules and procedures for the election and appointment of members.

Appendix 3

Duties and Responsibilities of a Director

5.g. New Director Information – BC Cranberry Marketing Commission: Duties and Responsibilities of a Director

Structure of the BCCMC: The BC Cranberry Marketing Commission (the “Commission”) became a legal entity through Order-in-Council BC Reg. 259/68 under the *BC Cranberry Marketing Scheme, 1968* and functions under the authority of the *Natural Products Marketing (BC) Act*.

Reporting Structure and Authority: The BC Farm Industry Review Board (“FIRB”) is responsible for the general supervision of marketing boards and commissions in BC. They hear appeals from decisions of marketing boards and commissions and complaints arising from farm practices used by agricultural operations. FIRB is accountable to the Minister of Agriculture for its administrative operations, although it is independent of government in its decision-making.

Core Purpose of the Commission: To support the viability of the cranberry industry in BC.

Brand Promise: To assist cranberry growers in achieving their goals through regulated marketing and program delivery.

Board Member Roles and Responsibilities:

- The composition of the Commission includes:
 - Chair – appointed by Order-in-Council
 - Directors – 3 or 4 growers elected by growers and 1 independent member recommended by the Cranberry Industry Advisory Committee and the appointment made by the Commission.
 - The directors act as the ultimate decision-making body of the Commission and advises and oversees management who are responsible for the day-to-day operations.
- A Commission member needs to be available most of the time and should respond to emails or phone calls within 24 hours.
- A Commission member should expect to be available for 2–3 hours of prep time for regularly scheduled Board meetings. This prep time includes reading material for the meeting ahead of time.
- The Commission usually meets every two months. The meetings are scheduled from 10:30am–2pm.

- In addition, Commission members are assigned to various Committees that they will represent the Commission on.
- A term is three years.
- Benefits from being on the Commission include:
 - o Increased knowledge and awareness of the industry
 - o Satisfaction of being involved in the decision making process
 - o Increased contacts and relationships with industry stakeholders
 - o To deal and respond to matters that concern growers/industry
 - o Encouragement to participate in professional development seminars
- Compensation is \$300 per meeting, \$50 per conference call, \$0.55/km for personal vehicle use and “out-of-pocket” expenses with supporting documents.
- Code of Conduct and Conflict of Interest: A director has a duty in the performance of the activities of the Commission to act in the best interest of the Commission. Annually, directors complete Conflict of Interest and Code of Conduct policy forms.
- Board Performance Review: The Commission conducts a bi-annual self-evaluation for its directors and an annual evaluation for its Chair.
- Directors receive a Board Governance Manual which includes:
 - o Legislation
 - o Governing policies i.e. Election Policy
 - o Organizational information
 - o Strategic Plan
 - o Other Commission resources

Appendix 4

BC Cranberry Marketing Commission Code of Conduct

BC Cranberry Marketing Commission

Code of Conduct

All Members and Officers of the BCCMC are required to abide by this Code of Conduct (Code), and shall indicate their knowledge and understanding of the Code by signing this statement annually.

As a Member or Officer of the Commission, I:

- ◆ Agree to at all times act in a manner that appropriately advances the interests of the Commission;
- ◆ Agree to abide by the Commission Scheme;
- ◆ Agree to act in a manner that upholds the ethical, moral and legal standards normal and acceptable to the Commission, producers, and other stakeholders;
- ◆ Shall comply fully with all laws and regulations applicable to the Commission's operations, and shall make myself reasonably knowledgeable of the applicable laws and regulations;
- ◆ Agree to abide by the policies and procedures established by the Commission, as amended from time to time;
- ◆ Shall use the Commission's assets solely for their intended purposes;
- ◆ Shall treat all information and knowledge of the Commission as confidential, and shall not disclose or communicate information concerning the Commission to 3rd parties except as required by law or to properly advance the business of the Commission;
- ◆ Shall avoid any activity, interest or relationship which would create, or which might appear to create, a conflict with the interests of the Commission, including:
 - a. Accepting remuneration for activity outside the organization which may interfere with my ability to fulfill my responsibilities to the Commission;
 - b. Holding material ownership interests in businesses that could influence my decision making in fulfilling my responsibilities to the Commission; and,
 - c. Accepting gifts from growers, Agencies or other stakeholders of the Commission that might influence my decision making concerning the Commission.
- ◆ Agree to annually provide a list to the Manager of all other directorships which I hold;
- ◆ Shall record all transactions for which I am responsible accurately and truthfully;
- ◆ Shall treat all stakeholders respectfully and in a dignified and understanding manner. Specifically, I will ensure that the Commission does not tolerate discrimination or harassment of any kind;
- ◆ Shall ensure our Commission acts in a fair, reasonable and prudent manner in accordance with the law, the Act, the Scheme and the General Order.

CONFIRMATION

I agree that failure to abide by the guidelines set down in this Code of Conduct (the "Code") shall be cause for my termination as a Member of the Commission.

I have read the Code and confirm that:

- I have complied with, and will continue to comply with, all provisions of the Code;
- I am not aware of any violations of the Code by any other person (including the Commission Members); and
- I will provide the Chair of the BCCMC with prompt written disclosure of all matters which appear to constitute violations of the Code.

Date: _____ Name: _____

Appendix 5

BC Cranberry Marketing Commission Conflict of Interest Policy

BC CRANBERRY MARKETING COMMISSION

Conflict of Interest Disclosure Form - 2019

Name: _____

I confirm that if any decisions to be made by the Commission directly affects me or my family solely, or to a greater extent than other persons regulated by the Commission, I will immediately notify the Chair of the circumstances and will absent myself from all relevant discussions (not just the decision making). If I am unsure whether a potential Conflict of Interest situation may arise I will advise the Chair in advance and abide by the Chair's determination.

I also confirm that:

- ◆ I have no other official public duties that include competing or conflicting interests, and
- ◆ I have not and will not publicly oppose a Board decision, and
- ◆ I will not reveal the organization's confidential information, and
- ◆ I have not and will not accept any gifts, entertainment, or favours, received in relation to my organization duties, to a value exceeding \$100, and
- ◆ I have read, understood and will abide by the Commission's Conflict of Interest Policy.

Signature



Appendix 6

BC Cranberry Marketing Commission 2019 Strategic Plan

BC Cranberry Marketing Commission

2019 Strategic Plan

Strengths:

- Financial security
- Part of NA marketplace
- Young people in industry
- Grower community cohesiveness
- Legislation
- Strong processor
- Strong team of commissioners
- Strong resources and services to growers
- Industry sharing of resources / knowledge
- Long term commitment

Weaknesses:

- No or little succession for Board
- Diversity of processor
- Annual General Meeting attendance
- Producer perception of value (commission)

Trends:

- Corporate speculation versus family / long term
- Land prices in the Lower Mainland
- Sugar added content
- Increasing yields
- International trade agreements
- Decreased tools available for crop production
- Viability of agricultural production (urban / rural interface)
- Water act
- Technology
- Production
- Other countries growing crop

BC Cranberry Marketing Commission

2019 Strategic Plan

Core Values:

- Strategic
- Accountable
- Fair
- Effective
- Transparent
- Inclusive

Discussed but did not adopt:

- Financial stewardship
- Promptness in response
- Orderly marketing
- Viable producers
- Effectiveness in organizational efficiencies
- Governing with accountability

Core Purpose:

“Support the viability of the Cranberry industry in British Columbia”

BHAG:

“BC Cranberry Growers will be Leaders in the Global Cranberry Market”

Actions to bring Culture Alive:

- Research
- Education
- Communication
- Sharing of successes
- Public relations

Parking Lot:

- Goals
- Set priorities
- Vision and direction
- Succession plan
- Risk assessment
- Accountability
- Buy in

Brand Promise:

“Will assist Cranberry Producers in achieving their goals through regulated marketing and program delivery”

BC Cranberry Marketing Commission

2019 Strategic Plan

Goals, Targets, Key Performance Indicators - Three Year, One Year and Historical Baseline

Key Performance Indicators	Baseline 2018	Targets 2019	Targets 2020	Targets 2021
BC Aggregate Production		100,000,000	115,000,000	130,000,000
Yields per acre / # Acres		155 / 6500	175 / 6500	200 / 6500
Education session / # Attendees		3 / 200	3 / 300	6 / 430
Survey Results - NPS		80 – 50	80 – 50	88 - 50
Research Project #'s		4	4	4
Board / Chair effectiveness		90	90	90

Appendix 7

2018 Annual Report BC Cranberry Marketing Commission



2018 Annual Report

BC Cranberry Marketing Commission



cranberries



Contents

1	Agenda
2	2018 AGM Minutes
4	Research Farm
6	From the Chair
8	From the Board
10	Governance
12	Activities/Events
22	Statistics
24	BCCMC Financial Statements
36	BCCRS Financial Statements



Agenda

Welcome

Review of Agenda

2018 AGM Minutes

Research Farm Progress Report

Reports

BCCMC

Financial Statements

BCCRS

Financial Statements

Election

Other Business

Guest Speaker: Michele Koski, Investment
Agriculture Foundation



2018 AGM Minutes (draft, not approved)

Item No.	Item	Discussion	Decisions
1	Welcome	Commission Chair, Jack Brown, welcomed growers, agency representatives and guests.	
2	Minutes of the Feb. 22, 2017 AGM		M/S That the Minutes of the February 22, 2017 AGM be adopted as circulated. CARRIED
3	Reports		
		<ul style="list-style-type: none">Chair Report was presented by Jack Brown.	
		<ul style="list-style-type: none">Board Report was presented by Bob Mitchell.	
		<ul style="list-style-type: none">North American Cranberry Industry Report was presented by Jeff Hamilton.	
		<ul style="list-style-type: none">Research Report was presented by Todd May.	
		<ul style="list-style-type: none">BC Cranberry Research Farm Report was presented by Grant Keefer.	

Chair: Jack Brown

Commission Members: Todd May, Bob Mitchell, Jeff Hamilton

Manager: Heather Carriere

Growers & Guests: 26 growers and guests attended Regrets: J. DeWit

Time and Place: 10:00 AM, March 7, 2018, Richmond BC

Item No.	Item	Discussion	Decisions
		<ul style="list-style-type: none">Foreign Market Development Report was presented by Heather Carriere.	
			M/S that all reports presented be received. CARRIED
5	Financial Statements	Agatha Cluff, CA, presented the 2017 audited Financial Statements for the BC Cranberry Marketing Commission and the BC Cranberry Research Society.	M/S The Financial Statements for the BCCMC and BCCRS presented be received. CARRIED
6	Elections	Jack Brown read a statement regarding the 2018 BCCMC election being cancelled. Another election will be called in the near future.	
7	Guest Speaker	John Les, Chair, BC Farm Industry Review Board gave a presentation on BC FIRB and their responsibilities and more recent events.	
8	Adjournment		The Chair adjourned the meeting at 11:26 AM.

BC Cranberry Research Farm Report - 2018

Demonstrating how to grow Cranberries effectively and efficiently in our unique west coast environment is a key objective of the BC Cranberry Research Farm (BCCRF). Through the evaluation of new cranberry varieties, cultural practices, IPM, crop protection, water and nutrient management, the BCCRF provides information to BC cranberry growers to make educated on-farm decisions, growing their farms forward for the next generation of growers.

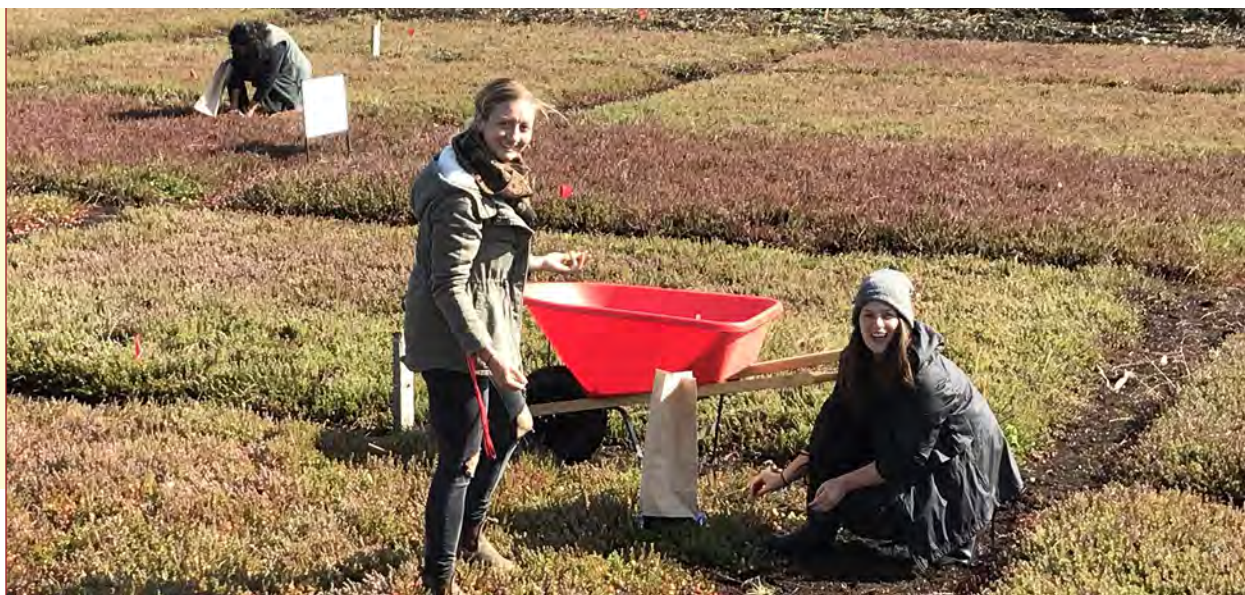
Throughout the year, short and long-term projects have progressed. Dr. Renee Prasad, our Field Technician and our Director of Science Dr. Kim Patten continue to evaluate the two breeding programs currently in trials, both Rutgers and Valley Corp. This is exciting as the BCCRF is the only location amongst any of the growing regions where these two varietal trials are growing side by side. TAcY, brix, firmness, weight, size and quality (rot resistance) are evaluated annually to compare both long-term trends and varietal performance. As a result of the BCCRF's Varietal Evaluation, two new varieties (98-11 and 99-25) have been released from the Rutgers Breeding Program and will be available to the BC cranberry growers in the near future. These varieties performed exceptionally well in BC's unique growing conditions.

Important pesticide screening / residue work was also completed in order to allow growers expedited access to newly registered compounds and hopefully finding new solutions for the future.

Pollinator observation, evaluations, and nutrient management are also some of the additional ongoing activities taking place on the BCCRF.

Moisture and irrigation monitoring was a new project that started in 2018. Miranda Elsby, Ocean Spray Cranberries' BC Ag Scientist, tracked the varying moisture levels in Field 3 as they related to irrigation and precipitation under normal BC growing conditions. The use of the Hortau tensiometers provided good baseline information. This data was then correlated to the varietal yield data in Field 3, as well as berry quality characteristics like size, TAcY, brix, and rot. This information provides a foundation for future irrigation and water management projects, as we work to better understand the optimal irrigation practices for BC's unique cranberry fields.

A long-term project with Dr. Harbut continued with a section of Field 3 (DM /MQ) to evaluate various top-dressing treatments of sand and sawdust mixes, as well as vine pruning intensities. These treatments are being looked at in the context of both



short-term effects (canopy depth, upright intensity, berry quality), as well as long-term canopy architecture and yield sustainability. Looking to the future, cranberry canopy management and other growing practices unique to BC will be observed, demonstrated and improved for the benefit of BC growers.

The BCCRF held two drop-in Field Days sessions for BC growers in 2018; one in June, the other in September. Each day focused on different aspects of cranberry production and included written materials and updates on some of the current research projects and presentations from Drs. Nick Vorsa, Kim Patten and Rebecca Harbut.

The BCCRF also provided key facilitation for Industry Development in 2018. A visit from the PMRA Environmental Review Section was able to observe On-Farm Cranberry Management Practices and gain a better understanding of the systems in place which are unique to BC growing conditions. Additionally, we hosted a group of 50 delegates from the International Agricultural Economics Conference in Vancouver.

Thank you to our farm manager Kyle Botkin, and all the other hard working technicians and scouts from ES CropConsult who once again did a great job of taking care of the day-to-day operations and keeping the farm healthy and running smoothly. We look forward to another exciting year ahead and continuing to build on the great work accomplished in 2018.



From the Chair

Good morning and Thank You for attending this morning.

Last year at this time I was preparing myself for retirement. About a week before my term expired I was asked if I would consider another term, after consulting with my wife and my fellow Commissioners I decided to say yes, so here I am again.

The 2017 crop as you may recall was down about 15% at 850,000 barrels. At that time I predicted that this was only temporary, and sure enough this year's yield was at 1,300,000 barrels. For once, my prediction was correct.

Your Commission's activities for the past year were very similar to every other year. We continue to be involved in the CI, CMC, CCGC, as well as supporting Ag in the Classroom. We also provide a Scholarship to a student of a cranberry family, and the 2018 scholarship went to Nick de Boer. Congratulations Nick!

Thanks to Jeff for chairing the Congress committee. Last year's Congress was well attended, and thank you to the participants that provided comments on the day. These comments are always very useful when planning the next Congress.

The Research Farm continues provide valuable information for the growers as well as education to those who have been there with one of the tours. It has definitely put BC cranberries on the map. Thanks to everyone who makes the farm such a success.



This past year was the year where we reviewed our Election Policy. The review went smoothly, thanks in part to Heather's guidance regarding the process. The biggest change is that we now can have up to four elected grower members. Last year also saw changes at FIRB, with John Les retiring as the Chair and Peter Donkers appointed as the new Chair. We look forward to working with Peter and the FIRB staff this next year.

Bob Mitchell's term as the non-producer member of the Commission ended in January and we are pleased to welcome Andy Dolberg as the new non-producer member of the Commission. Thank you to Bob for his service to our industry.

A big Thank You to the Commissioners and Heather for all they do for the Commission. It is a team effort all the way.

Once again it has been my pleasure to be your Chairman.

Respectfully submitted:

Jack Brown, Chair
BC Cranberry Marketing Commission



From the Board

Good morning everyone and thank you for attending this Annual General Meeting of the BC Cranberry Marketing Commission. On behalf of the directors, I would like to welcome you here today.

In 2018 we issued 74 grower licenses, 5 producer vendor licenses and 3 agency licenses. Registered BC acreage was 6,382 acres and the crop delivery for 2018 was 1,347,753 barrels.

Grower Programs and Services:

The Commission, along with representatives from the Grower's Association, agencies and other industry stakeholders, make up industry Committees. The results of the partnerships within the cranberry industry allow for the planning and delivering of programs and events for growers and others. We are always mindful of our fellow growers and other stakeholders for their continued support and advice. A strong feature is the co-operative nature of the cranberry industry and its willingness to work together. This has greatly assisted in the ability to deliver valuable programs and services.

The 2018 programs and services provided to our growers include:

- Cranberry Congress
- Research Projects
- Cranberry Industry Communications Plan
- Scholarship Program
- National Voluntary Farm-Level Biosecurity Standards
- Educational materials for classrooms and on-farm tours
- Domestic Promotion
- Foreign Market Development
- Quarterly Newsletter
- Cranberry Field Day
- Resource materials for growers

These programs and services are outlined in further detail over the next few pages of this Report.



Governance:

Your Board met 10 times in 2018. The workplan to achieve the goals and measures as outlined in the Strategic Plan is reviewed regularly at Commission meetings.

Commissioners are provided with a Governance Manual which is reviewed each year and updated as required. Directors and staff participate in ongoing educational programs sponsored by the Centre for Organizational Governance in Agriculture (COGA) and attend meetings with the BC Council of Marketing Boards and the BC Farm Industry Review Board.

On behalf of my fellow directors, we would like to thank the many people and organizations who have supported and helped us throughout the year including:

- Agriculture and Agri-Food Canada
- BC Ministry of Agriculture
- Investment Agriculture Foundation of BC
- BC Farm Industry Review Board
- BC Council of Marketing Boards
- BC Cranberry Growers Association
- BC Cranberry Research Society

A special thanks to our agencies, producer vendors and growers for your continued support of the objectives your board tries to meet.

Respectfully submitted:

Jack DeWit, on behalf of the
BC Cranberry Marketing Commission



Governance

Board Structure

The Commission is currently comprised of Jack Brown, Chair appointed by the Lieutenant Governor in

Council, Jeff Hamilton, Todd May and Jack DeWit, elected members who are registered growers and Bob Mitchell, non-grower, appointed by the Commission.

Commission Member Terms

Board Member	Position	Term Start	Term End
Jack Brown	Chair (Cabinet appointment)	March 10, 2018	March 10, 2021
Jeff Hamilton	Elected Member	May 2018	March 2021
Bob Mitchell	Appointed Member	January 2016	January 2019
Jack DeWit	Elected Member	February 2016	February 2019
Todd May	Elected Member	February 2017	February 2020

The term for office is three years and the three elected members' terms are staggered. The BC Council of Marketing Boards acts as the Commission's Independent Elections Officer.

The BC Cranberry Election and Appointment Rules and Procedures were reviewed in 2018. BC FIRB approval was received for the revised election rules and procedures following this scheduled three-year review.

Chair and Board Evaluation

The Commission completed a Chair and Board evaluation through the services of the BC Council of Marketing Boards. A compilation of these evaluations was forwarded to the BC Farm Industry Review Board.

Training

Directors and staff participated in ongoing educational programs sponsored by the Centre for Organizational Governance in Agriculture (COGA) and attended meetings with the BC Council of Marketing Boards and the BC Farm Industry Review Board.

Financial Accountability

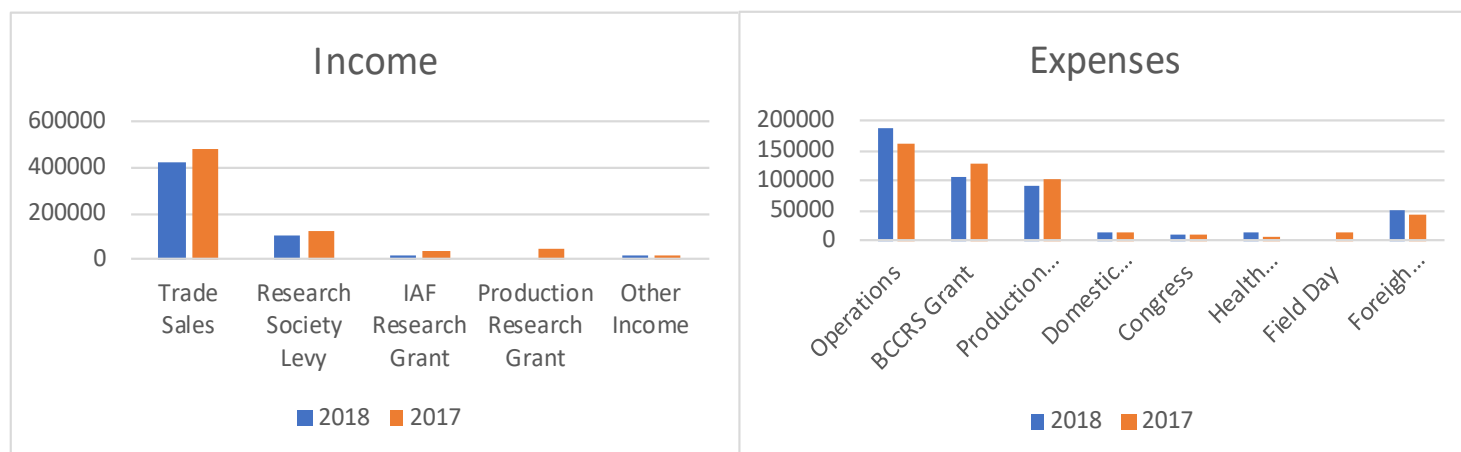
1. Levy collection:

Levy collection is done as per the General Orders of the Commission. These Orders are included on the website. Licensed agencies submit these levies on behalf of growers. Producer vendors remit levies directly to the Commission. Regular levies are used to fund Commission activities and general operations. Current levy rate is \$0.0048USD per pound. To determine levy rate, historical costs and revenues along with projected costs and revenues were reviewed.

The Financial Statements, included in this Report, will include the details of levy income and distribution. The chart below illustrates the percentage of levies used on various budget items.

Income - (2018) \$562,429 (2017) \$708,390

Expenses - (2018) \$472,510 (2017) \$480,886



2. Agreement between the BC Cranberry Research Society and the Commission:

The Commission and the BC Cranberry Research Society continues the requirement of the Society providing to the Commission:

- (i) Annual budget for funding required for the operations of the BC Cranberry Research Farm.
- (ii) Acknowledgment that funding forwarded to the Society from the Commission will be used only for the purpose(s) of the Society which includes:
 - To research the growing and farming of cranberries;
 - To operate as a cranberry research farm;
 - To perform such other lawful things as are incidental, necessary or conducive to the above purposes
- (iii) Minutes of Society meetings
- (iv) Quarterly and annual financial statements

Key Advisory Committees

Research Committee

This Committee is tasked with the responsibility of setting practical research priorities and reviewing and prioritizing research projects submitted. In February 2018 the Research Committee received, reviewed and approved projects for full or partial funding to the Commission. The funded research projects included:

- Effect of fall Nitrogen fertilization on nitrogen and carbohydrate reserves, yield components, and fruit quality – Dr. A. Atucha
- Canopy Management Trials - Dr. R. Harbut
- Assessment of New Pest Management Tools that Address Priority Needs of the BC Cranberry Industry - Dr. K. Patten
- Evaluating Varietal Performance at the BC Cranberry Research Farm
- Dr. R. Prasad, H. Meberg

The Committee met again in December to review and accept the research project reports. As well, the Committee reviewed research priorities and the application format and procedures for 2019.

Scholarship Review Committee

The Committee met to review all applications received for the 2018 Scholarship grant. Directors agreed to the Committee's recommendation that a full scholarship be awarded in 2018 to Nick DeBoer. Nick is currently completing his agriculture sciences degree at the University of Guelph and working on the family farm (Eagle View Farms).

BC Cranberry Congress Planning Committee

On February 19, 2018 this Committee hosted the BC Cranberry Congress. This was the 12th Congress and was well attended by growers and others.

Research Committee
Scholarship Review Committee
BC Cranberry Congress Planning
Committee

Communications Committee
Newsletter

Speakers and Topics included:

- Evaluating Variety Performance at the Cranberry Research Farm
~ Dr. R. Prasad
- Assessment of New Pest Management Tools that Address Priority Needs of
the BC Cranberry Industry ~ Dr. K. Patten
- Tipworms, Aphids and Beneficial Insects in the Post-Diazinon Era
~ Dr. S. Fitzpatrick
- Characterization of Cranberry Decline in BC Cranberry Beds
~ Dr. R. Harbut, T. Someya
- Update from the Cranberry Institute ~ J. Wilson
- Update on Minor Use of Pesticides ~ C. Bedard
- Efficacy of Fungicides against Cranberry Fruit Rot Pathogens
~ Dr. S. Sabaratnum
- Cranberry Root Growth Patterns (and its implications for production
management) ~ Dr. A. Atucha
- To Sand or Not to Sand, Is That the Only Question? ~ Dr. R. Harbut
- Cranberry Economics – Yesterday, Today and Tomorrow ~ B. Franz

Communications Committee

This Committee met in 2018 to review and update the Communications and Crisis Management Plan. This comprehensive plan covers internal and external communications and is an important tool in ensuring that we are not only connected as an industry, but also to be sure the public has current and correct information on the BC cranberry industry.

Newsletter

The Commission communicates with industry partners via the quarterly Newsletter. The Newsletter contains reports, industry events and updates and information about programs that growers may be interested in learning more about.

Past Newsletters can be accessed on the Commission's website

Key Advisory Committees

Industry Partners

The Commission's directors participate and attend meetings with:

Canadian Horticultural Council: The CHC represents producers across Canada primarily involved in the production and packing of over 100 fruit and vegetable crops. As the voice of horticulture in Ottawa, the CHC represents members on key issues such as crop protection, access to a consistent supply of farm labour, food safety and traceability, fair access to markets, research and innovation and government programs to ensure for a more innovative, profitable and sustainable horticultural industry for future generations.

US Cranberry Institute: The Cranberry Institute is dedicated to supporting research and increasing awareness about the health benefits of the cranberry. Founded in 1951, they work to further the success of cranberry growers and the industry in the Americas through health, agricultural and environmental stewardship research as well as cranberry promotion and education. The Cranberry Institute's Board of Directors consists of nine members representing their respective handlers and/or processors.





US Cranberry Marketing Committee: The Cranberry Marketing Committee (CMC) was established as a Federal Marketing Order in 1962 to ensure a stable, orderly supply of good quality product. The Marketing Order has been amended several times since its inception to expand the CMC's ability to expand market development projects in domestic and international markets.

BC Council of Marketing Boards: The BC Council of Marketing Boards (COMB) is a board of directors with representative from each of BC's regulated marketing commodity boards and commissions as its members. COMB provides services for its members such as conducting annual elections, Board and/or Chair effectiveness surveys, producer surveys and coordination of meetings.



Consumer Education Report

BC Ag in the Classroom and Take a Bite of BC

BC Ag in the Classroom (BCAITC) Foundation is an organization that works with educators through various programs to bring BC's agriculture to students. Students learn about where their food comes from, how to grow their own food and why farms and agriculture play such an important role in our society.

Take a Bite of BC program is a program that increases awareness and exposure of BC products, including cranberries, to over 7,200 Culinary Arts Students learning to cook in a commercial kitchen in 35 secondary schools.

With this program, students gain an appreciation of the value of local farms and farmland to their communities, the economy and to their environment.

The Pencil Patch is another initiative through BCAITC. Together with the Abbotsford Community Garden Society and the City of Abbotsford, they've created a working community garden that gives local schools and their students the opportunity to grow their own food. This year, cranberry plants were donated to the Pencil Patch for all to see first-hand the growing season and unique harvesting of this special berry.



Dieticians of Canada Annual Conference

Over 500 Registered Dietitians from across Canada attended the 2018 National Conference in Vancouver, BC in June. BC Cranberries were enjoyed during lunch and lots of good conversations took place regarding the well-loved product and the nutritional benefits they provide.





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Social Media



Our Twitter and Facebook presence continues to grow. We are working on ensuring that there are daily tweets and/or Facebook posts. Our followers include farms, agricultural organisations, restaurants, chefs, bloggers, and more.

bccranberries.com

This year work was done to update the BC Cranberry Marketing Commission website. Whether it's searching out a favourite cranberry recipe, meeting some of our amazing farmers, or checking out what's new in cranberry research, the website has a clean look that's easy to navigate.

Visitors by Country

Users	2017	2018
Canada	2339	2763
USA	321	581
China	96	71
India	28	49
Germany	25	42
UK	27	37
Italy	22	36
France	12	25
Mexico	12	25
Russia	26	23
Poland	10	20
Brazil	14	19
Netherlands	5	16
Japan	13	14

Other Stats

Pages viewed per visit	2017	2018
Canada	2.30	2.58
USA	1.91	1.29
Visit duration	2017	2018
Canada	2.04 min	2.31 min
USA	1.26 min	1.29 min
New visitors	2017	2018
Canada	2308	2739
USA	314	572
Platform	2017	2018
Mobile	26%	33%
Desktop	65%	60%
Tablet	9%	7%

Bounce Rate: The number of visitors who arrived at the website but left immediately was about 59% and consistent between 2017 & 2018 = approx. 41% stay to look at the site.

There was an extended spike in site visits between the beginning of Oct. 2018 to the end of Nov. 2018 with a large short spike Aug. 14, 2018.



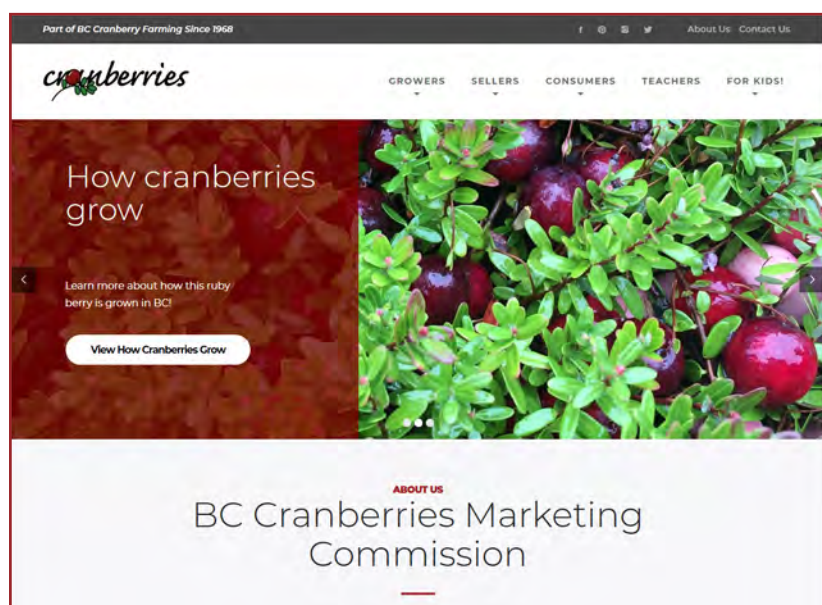


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Acquisition	2017	2018
Direct (user enters a page address)	18%	41%
Search engine (Google)	55%	40%
Referred by a link	27%	16%
Social Media	<1%	2%

One of the reasons for updating bccranberries.com was the general increase in use of mobile devices on the Internet - reflected in the rise of mobile use by our visitors from 26% in 2017 to 33% in 2018. Also, Google has changed the way it evaluates the quality, and thus the ranking, of websites in 2019 and now evaluates sites solely upon how they are presented in mobile devices. With the recent updates to the site, bccranberries.com is now well positioned for 2019 for Google searches.

An increased emphasis upon social media goes hand-in-hand with current trends in the way the public, and our growers, access information online. Frequent postings to Facebook and Twitter as well as our newsletter help to our information relevant and timely.



2018 Cranberry Research Committee Report



The BC cranberry industry has a well-established, producer-orientated process to identify issues that are limiting production and then to financially support projects that will deliver information, techniques and tools required by growers to address those limitations. The Research Committee was tasked with the responsibility of facilitating this goal.

Research priorities are established each year based upon what is actually happening on BC cranberry farms. Those priorities are then segmented into High, Medium and Longer Term and circulated to cranberry researchers across North America with an invitation to address the problems.

In 2018, research projects that were recommended from the Research Committee and were approved for full or partial funding included:

- Effect of fall Nitrogen fertilization on nitrogen and carbohydrate reserves, yield components, and fruit quality – Dr. A. Atucha
- Canopy Management Trials - Dr. R. Harbut
- Assessment of New Pest Management Tools that Address Priority Needs of the BC Cranberry Industry - Dr. K. Patten
- Evaluating Varietal Performance at the BC Cranberry Research Farm - *Dr. R. Prasad, H. Meberg*

Researchers are required to submit timely reports of the results achieved by the project. Those reports are reviewed by the Committee who may request clarification or further information.

Reports of Project results are then presented to growers at the Cranberry Congress, via Newsletters and on the website.

Our thanks to Investment Agriculture of BC, Agriculture and Agri-Food Canada and Ocean Spray for their financial support of these research projects.

Respectfully submitted,
Todd May

Foreign Market Development Report

In 2018, the BC Cranberry Marketing Commission worked with Pollock Communications and the Cranberry Institute to participate at the 2018 Food & Nutrition Conference (FNCE) in Philadelphia, PA. FNCE is the premier national conference for registered dietitians who work in many areas, including private practice, hospitals and clinics, supermarkets, schools, corporate settings, government and in the media – attended by 10,000+ registered dietitians each year

Messaging at the Show revolved around two main objectives:

- Reinforce cranberries' position as a healthy fruit among registered dietitians by sharing key health and education information in a year when new food labels, added sugar and 100% juices are hot topics that will be highlighted during the conference
- Preserve the cranberry industry's continued position as a trusted resource for registered dietitians by maintaining a cranberry presence at the top nutrition conference of the year, the Academy of Nutrition and Dietetics Food & Nutrition Conference & Expo™ (FNCE®)

The results were fantastic! They included:



Statistics

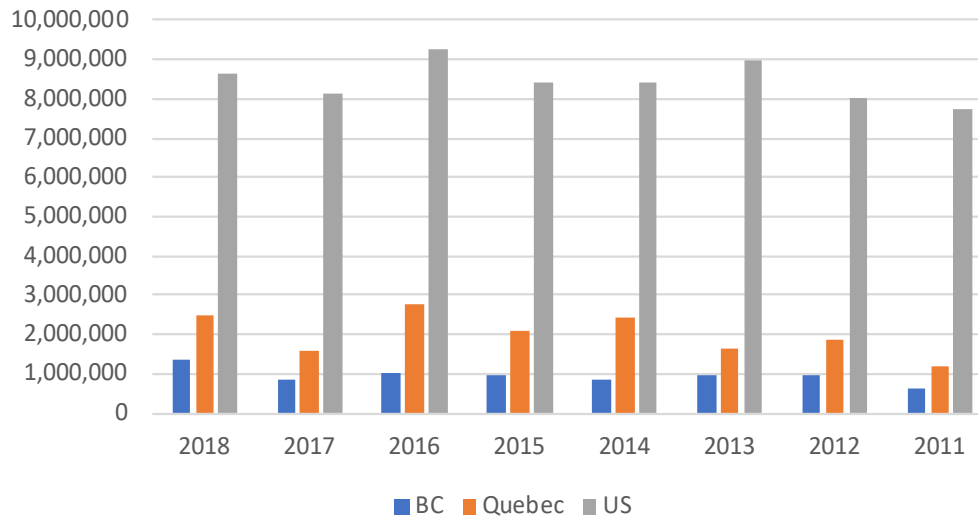


BC - Year	BC Production (barrels)	BC Acreage
2018	1,347,753	6,382
2017	858,941	6,411
2016	1,007,684	6,483
2015	988,803	6,483
2014	837,538	6,541
2013	941,277	6,566
2012	944,051	6,539
2011	607,520	6,505

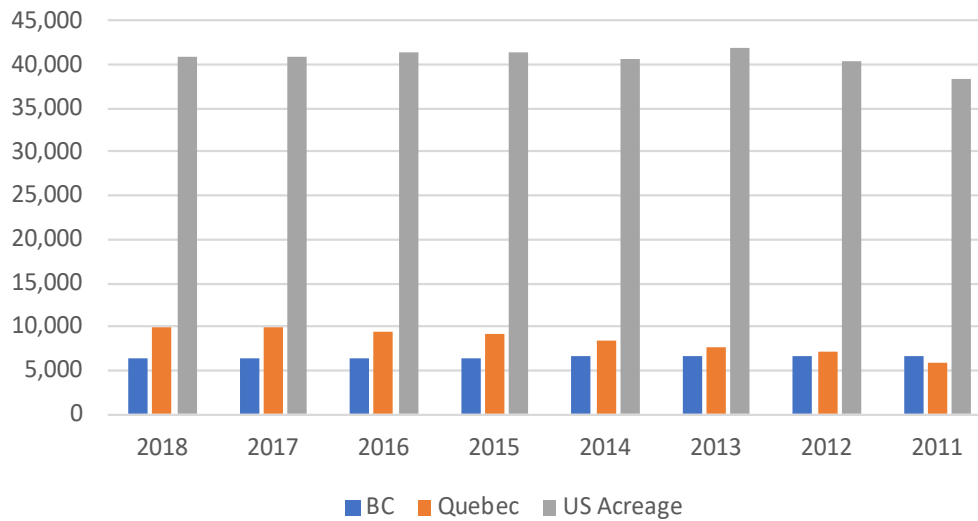
Quebec : Year	Production (barrels)	Production Acreage	Growers
2018	2,513,928	9,965	78
2017	1,602,672	9,828	80
2016	2,758,937	9,504	82
2015	2,085,387	9,247	82
2014	2,410,472	8,516	84
2013	1,621,764	7,657	81
2012	1,854,680	7,070	80
2011	1,193,306	5,880	76

US - Year	Production (barrels)	US Acreage
2018	8,615,159	40,950 (est)
2017	8,121,986	40,950
2016	9,257,745	41,500
2015	8,412,700	41,400
2014	8,400,000	40,600
2013	8,957,400	42,000
2012	8,045,000	40,300
2011	7,713,700	38,500

Barrels



Acreage



BC - Year	Growers	Producer Vendors	Agencies
2018	74	5	3
2017	70	5	3
2016	76	6	4
2015	72	6	4
2014	72	6	4
2013	72	7	4
2012	73	8	4
2011	72	7	4



BCCMC Financials

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Financial Statements
Year Ended December 31, 2018



BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
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Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of British Columbia Cranberry Marketing Commission

Report on the Financial Statements

Opinion

I have audited the financial statements of British Columbia Cranberry Marketing Commission (the Commission), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

(continues)

Independent Auditor's Report to the Members of British Columbia Cranberry Marketing Commission
(continued)

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

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

Surrey, British Columbia
February 14, 2019

Agatha Cluff Inc.
CHARTERED PROFESSIONAL ACCOUNTANT

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 32,408	\$ 107,898
Term deposits <i>(Note 3)</i>	776,430	791,164
Accounts receivable	10,942	11,712
	<u>819,780</u>	<u>910,774</u>
LONG TERM INVESTMENTS <i>(Note 4.)</i>	<u>178,689</u>	<u>-</u>
	<u>\$ 998,469</u>	<u>\$ 910,774</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 9,323	\$ 15,114
NACREW Funds	4,053	-
Goods and services tax payable	3,429	3,915
	<u>16,805</u>	<u>19,029</u>
NET ASSETS	<u>981,664</u>	<u>891,745</u>
	<u>\$ 998,469</u>	<u>\$ 910,774</u>

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	2018	2017
REVENUES		
Trade sales	\$ 419,998	\$ 482,997
Base Levy - Research Society	104,593	126,577
Production Research Grant - IAF	18,651	34,197
Interest income	19,187	11,084
Grower programs income	-	3,050
Production Research Grant	-	50,485
	<u>562,429</u>	<u>708,390</u>
EXPENSES		
Administration	89,767	88,900
Communications	11,021	2,483
Governance	57,347	44,451
Grants	6,500	6,750
Interest and bank charges	14,737	4,191
Memberships	3,377	11,608
Office	562	939
Professional fees	4,000	3,750
	<u>187,311</u>	<u>163,072</u>
Excess of revenues over expenses from operations	<u>375,118</u>	<u>545,318</u>
OTHER EXPENSES		
Grants to BC Cranberry Research Society	104,593	126,577
Development and production expenses (Note 5)	180,606	191,237
	<u>285,199</u>	<u>317,814</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 89,919</u>	<u>\$ 227,504</u>

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Changes in Net Assets
Year Ended December 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 891,745	\$ 664,241
EXCESS OF REVENUES OVER EXPENSES	89,919	227,504
NET ASSETS - END OF YEAR	\$ 981,664	\$ 891,745

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Cash Flows
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 89,919	\$ 227,504
Changes in non-cash working capital:		
Accounts receivable	770	(6,142)
Accounts payable	(5,791)	11,366
Goods and services tax payable	(486)	(288)
NACREW Funds	4,053	-
	<u>(1,454)</u>	<u>4,936</u>
Cash flow from operating activities	<u>88,465</u>	<u>232,440</u>
INVESTING ACTIVITIES		
Term deposits	14,734	(184,112)
Long term Investments	<u>(178,689)</u>	<u>-</u>
Cash flow used by investing activities	<u>(163,955)</u>	<u>(184,112)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(75,490)</u>	<u>48,328</u>
Cash - beginning of year	<u>107,898</u>	<u>59,570</u>
CASH - END OF YEAR	<u>\$ 32,408</u>	<u>\$ 107,898</u>

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2018

1. DESCRIPTION OF OPERATIONS

The Commission is established under the Natural Products Marketing (BC) Act for the purpose of regulation, marketing and promotion of the BC cranberry industry.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash and cashable term deposits. Because of the liquidity of these investments, their carrying amount approximates fair value.

Investments

Short term investments consist of changeable and non-redeemable term deposits with a maturity date of less than twelve months, are carried at amortized cost.

Long term investments are non-redeemable term deposits with maturity dates over one year. They are carried at amortized cost.

Deferred revenue

Unearned income represents growers levies received in advance.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which related expenses are incurred. Unrestricted contributions such as dues and grants are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(continues)

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Government grants

Government grants are recorded when there is a reasonable assurance that the Commission had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. TERM DEPOSITS

	<u>2018</u>	<u>2017</u>
Term deposits held	<u>\$ 776,430</u>	<u>\$ 791,164</u>

The term deposits are cashable term deposits held by Envision Credit Union. The terms earn interest at 01.50% to 2.80% per annum, maturing from February 5, 2019 to October 3, 2019.

4. LONG TERM INVESTMENTS

Long term investments consist of a non-redeemable term deposit earning interest at 2.50% per annum, maturing October 2, 2020.

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2018

5. DEVELOPMENT AND PRODUCTION EXPENSES

Development and production expenses

	2018	2017
Production research	\$ 92,618	\$ 104,017
Domestic market development	13,780	14,224
Congress	11,203	11,054
Health research	11,725	4,944
Field Day	-	14,999
Foreign market development	51,280	41,999
	<u>\$ 180,606</u>	<u>191,237</u>

6. RELATED PARTY TRANSACTIONS

During the year the Commission gave a grant of \$104,593 (2017 - \$126,577) to the BC Cranberry Research Society (BCCRC). The organizations serve members in common. These are measured at the exchange amount which approximates fair value.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Commission is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Commission's accounts receivable historically consists of government funding for specific programs and accrued interest on cashable term deposits, and poses minimal collections risk.

Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument might be adversely affected by a change in interest rates. The Commission is exposed to interest rate risk primarily through term deposits held.

Currency Risk

Currency risk is the risk to the Commission's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Commission holds \$18,911 US (\$26,653 Canadian) Funds at December 31, 2018.

Fair Value

The Commission's carrying value of cash, term deposits, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.



BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2018

8. ECONOMIC DEPENDENCE

The Commission receives approximately 95% of it's growers' dues from one customer. Should this customer substantially change it's dealings with the Commission, management is of the opinion that this change would affect operations and programs provided.

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.





BCCRS Financials

B.C. CRANBERRY RESEARCH SOCIETY

Financial Statements

Year Ended December 31, 2018

B.C. CRANBERRY RESEARCH SOCIETY
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Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of B.C. Cranberry Research Society

Report on the Financial Statements

Opinion

I have audited the financial statements of B.C. Cranberry Research Society (the Society), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

(continues)

Independent Auditor's Report to the Members of B.C. Cranberry Research Society (continued)

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

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

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, I report that, in my opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations..

Surrey, British Columbia
February 14, 2019

Agatha Cluff Inc.
CHARTERED PROFESSIONAL ACCOUNTANT

B.C. CRANBERRY RESEARCH SOCIETY
Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 29,912	\$ 130,461
Term deposits (Note 3)	252,425	203,068
Interest receivable	5,045	1,486
	<u>287,382</u>	<u>335,015</u>
LONG TERM INVESTMENTS (Note 4)	152,800	-
CAPITAL ASSETS (Note 5)	793,743	809,919
	<u>\$ 1,233,925</u>	<u>\$ 1,144,934</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,000	\$ 3,748
Goods and services tax payable	655	1,007
	<u>4,655</u>	<u>4,755</u>
NET ASSETS	<u>1,229,270</u>	<u>1,140,179</u>
	<u>\$ 1,233,925</u>	<u>\$ 1,144,934</u>

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

B.C. CRANBERRY RESEARCH SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	2018	2017
REVENUE		
Grants - BCCMC	\$ 104,593	\$ 126,577
Fruit sales	47,435	37,026
Interest income	5,809	2,365
	<u>157,837</u>	<u>165,968</u>
EXPENSES		
Amortization	16,176	16,176
Audit fees	4,000	3,750
Delivery, freight and express	600	-
Insurance	3,707	3,707
Legal fees	-	47
Memberships	90	90
Property taxes	1,796	1,719
	<u>26,369</u>	<u>25,489</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>131,468</u>	<u>140,479</u>
OTHER INCOME (EXPENSES)		
Building improvements	(3,858)	(3,282)
Consumables	(1,871)	-
Farm management and monitoring	(8,807)	(9,695)
Fuel	-	(143)
Harvesting	(10,047)	(8,931)
Irrigation	(796)	(1,235)
Irrigation & drainage	(411)	-
Monitoring	(1,149)	-
Pollination	(2,200)	(2,200)
Site preparation	-	(1,875)
Utilities	(3,607)	(3,664)
Weed control	(9,631)	(7,523)
	<u>(42,377)</u>	<u>(38,548)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 89,091</u>	<u>\$ 101,931</u>

See notes to financial statements

B.C. CRANBERRY RESEARCH SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 1,140,179	\$ 1,038,248
Excess of revenue over expenses	<u>89,091</u>	<u>101,931</u>
NET ASSETS - END OF YEAR	<u>\$ 1,229,270</u>	<u>\$ 1,140,179</u>

See notes to financial statements

B.C. CRANBERRY RESEARCH SOCIETY
Statement of Cash Flow
Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 89,091	\$ 101,931
Item not affecting cash:		
Amortization of capital assets	16,176	16,176
	<u>105,267</u>	<u>118,107</u>
Changes in non-cash working capital:		
Interest receivable	(3,559)	(392)
Accounts payable	252	(1)
Goods and services tax payable	(352)	(225)
	<u>(3,659)</u>	<u>(618)</u>
Cash flow from operating activities	<u>101,608</u>	<u>117,489</u>
INVESTING ACTIVITIES		
Term deposits	(49,357)	(1,865)
Long term Investments	(152,800)	-
Cash flow used by investing activities	<u>(202,157)</u>	<u>(1,865)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(100,549)</u>	<u>115,624</u>
Cash - beginning of year	<u>130,461</u>	<u>14,837</u>
CASH - END OF YEAR	<u>\$ 29,912</u>	<u>\$ 130,461</u>

See notes to financial statements

B.C. CRANBERRY RESEARCH SOCIETY
Notes to Financial Statements
Year Ended December 31, 2018

1. DESCRIPTION OF BUSINESS

The Society was incorporated under the Society Act of British Columbia September 10, 2010 for the purpose of owning and operating a cranberry research farm.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Investments

Short term investments consist of changeable and non-redeemable term deposits with a maturity date of less than twelve months, are carried at amortized cost.

Long term investments are non-redeemable term deposits with maturity dates over one year. They are carried at amortized cost.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which related expenses are incurred. Unrestricted contributions such as dues and grants are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants

Grants are recorded when there is a reasonable assurance that the Society had complied with and will continue to comply with, all the necessary conditions to obtain the grants. Grants received for the purchase and development of property will be deferred and amortized to income on the same basis as the related assets are depreciated.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(continues)

B.C. CRANBERRY RESEARCH SOCIETY
Notes to Financial Statements
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	straight-line method
Irrigation system	10%	straight-line method

The Society regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

3. TERM DEPOSITS

	2018	2017
Term Deposits held	\$ 252,425	\$ 203,068

Short term deposits are held by Envision Credit Union. The terms earn interest from 01.20% to 2.8% per annum, maturing from February 19, 2019 to December 19, 2019.

4. LONG TERM INVESTMENTS

Long term investments are non-redeemable term deposits held by Envision Credit Union. The terms earn interest from 2.25% to 2.85% per annum, maturing February 5, 2020 to June 19, 2021.

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 411,218	\$ -	\$ 411,218	\$ 411,218
Land improvements	188,806	-	188,806	188,806
Buildings	184,082	41,584	142,498	149,861
Irrigation system	88,125	36,904	51,221	60,034
	\$ 872,231	\$ 78,488	\$ 793,743	\$ 809,919

6. RELATED PARTY TRANSACTIONS

During the year the Society received a grant of \$104,593 (2017 - \$126,577) from the British Columbia Cranberry Marketing Commission (BCCMC). The organizations serve members in common. These amounts are measured at the exchange amount which approximates fair value.

B.C. CRANBERRY RESEARCH SOCIETY
Notes to Financial Statements
Year Ended December 31, 2018

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument might be adversely affected by a change in interest rates. The Society is exposed to interest rate risk primarily through term deposits held.

Fair Value

The Society's carrying value of cash, term deposits, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.





BC CRANBERRY MARKETING COMMISSION

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Appendix 8

BCCMC FNCE Debrief



The Cranberry Institute 2018 Food & Nutrition Conference & Expo Debrief

October 2018




What is FNCE?




The Food & Nutrition Conference & Expo (FNCE) – the premier national conference for registered dietitians who work in many areas, including private practice, hospitals and clinics, supermarkets, schools, corporate settings, government and in the media – attended by 10,000+ RDs each year

Opportunities

- Reinforce cranberries' position as a healthy fruit →
- Preserve the cranberry industry's continued position a trusted resource for registered dietitians →

What We'll Do

- Engage dietitians directly and share valuable cranberry health and nutrition resources and information at FNCE 2018, including:
 - The Cranberry Chronicles & CI Health Research Library postcards
 - Cranberry Recipe Cards
 - CMC School Foodservice postcard
 - Dried cranberry samples (from CMC)
 - Information on the whole-body benefits of cranberries, and education on added sugar
- Continue to build our network of influencers to drive a continued conversation during and after the conference




2

2018 FNCE Objectives

The **Food**
CRANBERRY
INSTITUTE™

cranberries

- Reinforce cranberries' position as a healthy fruit among registered dietitians by sharing key health and education information in a year when new food labels, added sugar and 100% juices are hot topics that will be highlighted during the conference
- Preserve the cranberry industry's continued position as a trusted resource for registered dietitians by maintaining a cranberry presence at the top nutrition conference of the year, the Academy of Nutrition and Dietetics Food & Nutrition Conference & Expo™ (FNCE®)



pollock communications
POWERING CHANGE
Food, Nutrition & Wellness Communications

2

3

What we did...

The **Food**
CRANBERRY
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cranberries

Took photos of attendees
harvesting cranberries

Captured attendees email
addresses to add to the
CI Newsletter & answered
questions

Provided CI's newest
whole-body benefits
resources and drove
RDs to the CI Health
Research Library

Distributed
cranberry samples
and recipes



4

Exceeded All Key Performance Indicators

The **CRANBERRY**
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cranberries

Goals:

- 800-1,000 dietitians register to receive information from the CI
- Increased awareness of cranberry health and culinary messages
- Expand network of RD influencers who recommend cranberries
- Distribute 150-200 sets of educational materials
- Distribute 1,000-2,000 SDC samples
- Distribute 50-75 foodservice website postcards



5

Results

The **CRANBERRY**
INSTITUTE™

cranberries

1,255

educational handouts
distributed



1,600+

recipe cards distributed



1,472
unique leads generated



2,600

Dried cranberry samples
distributed



200

CI-branded spatulas distributed

 pollock communications
POWERING CHANGE
Food, Nutrition & Wellness Communications

Seen and Heard at FNCE

Author of Krause's Food & Nutrition Therapy, THE nutrition textbook used by almost all university nutrition programs wants the latest research on cranberries and UTIs, as well as other areas

Robyn Flipse, Media RD, blogger, said she receives the CI Newsletter and finds it very helpful. It keeps the new cranberry research at her fingertips

StarKist VP of Marketing and Innovation wants to create a mix-in product with dried cranberries

Angela Haupt, Assistant Managing Health Editor at US News & World Report, expressed interest in the Berry for Every Body handout and is keeping the information in mind for future content

The **Good**
CRANBERRY
INSTITUTE™

cranberries



7

What did we learn?

- RDs were less concerned with sugar content than past years. They asked if the dried cranberry samples were sweetened, but weren't concerned, just curious
- They were interested to learn about emerging areas of research and receive resources on the whole-body health benefits of cranberries. *Whole-body handouts were in demand, and we reprinted an extra 50 copies for the final show day*
- Many incorporate cranberries into their diet daily and recommend them to patients and clients
- They love the CI Newsletter! Several mentioned they already receive the CI Newsletter and appreciate the research update and content provided
- Recipes are an important resource – RDs want to have more ways to recommend eating healthy foods, like cranberries
- RDs love having their picture taken and cooking tools, like spatulas, are valuable incentives
- RDs appreciate the CI Health Research Library and plan to use it as a future resource



8

Next Steps

The  CRANBERRY
INSTITUTE

 cranberries

- Follow up with all inquiries and provide additional research, recipes and information as requested
- Continue cranberry industry presence at FNCE 2019 to continue to engage with RDs and promote cranberries' whole-body health benefits
- Continue directing RDs and media to the Cranberry Health Research Library to access cranberry research
- Continue developing and providing health-focused, consumer-sized recipes to promote usage and recommendations
- Continue industry participation in conference activations to provide recipes, resources and cranberry samples

9



Questions?

Appendix 9

BCCMC 2018 final Financial Statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Financial Statements

Year Ended December 31, 2018

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Index to Financial Statements
Year Ended December 31, 2018

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Statement of Changes in Net Assets	5
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INDEPENDENT AUDITOR'S REPORT

To the Members of British Columbia Cranberry Marketing Commission

Report on the Financial Statements

Opinion

I have audited the financial statements of British Columbia Cranberry Marketing Commission (the Commission), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

(continues)

Independent Auditor's Report to the Members of British Columbia Cranberry Marketing Commission
(continued)

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

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

Surrey, British Columbia
February 14, 2019

Agatha Cluff Inc.
CHARTERED PROFESSIONAL ACCOUNTANT

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 32,408	\$ 107,898
Term deposits <i>(Note 3)</i>	776,430	791,164
Accounts receivable	10,942	11,712
	<u>819,780</u>	<u>910,774</u>
LONG TERM INVESTMENTS <i>(Note 4.)</i>	<u>178,689</u>	<u>-</u>
	<u>\$ 998,469</u>	<u>\$ 910,774</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 9,323	\$ 15,114
NACREW Funds	4,053	-
Goods and services tax payable	3,429	3,915
	<u>16,805</u>	<u>19,029</u>
NET ASSETS	<u>981,664</u>	<u>891,745</u>
	<u>\$ 998,469</u>	<u>\$ 910,774</u>

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Revenues and Expenditures
Year Ended December 31, 2018

	2018	2017
REVENUES		
Trade sales	\$ 419,998	\$ 482,997
Base Levy - Research Society	104,593	126,577
Production Research Grant - IAF	18,651	34,197
Interest income	19,187	11,084
Grower programs income	-	3,050
Production Research Grant	-	50,485
	<u>562,429</u>	<u>708,390</u>
EXPENSES		
Administration	89,767	88,900
Communications	11,021	2,483
Governance	57,347	44,451
Grants	6,500	6,750
Interest and bank charges	14,737	4,191
Memberships	3,377	11,608
Office	562	939
Professional fees	4,000	3,750
	<u>187,311</u>	<u>163,072</u>
Excess of revenues over expenses from operations	<u>375,118</u>	<u>545,318</u>
OTHER EXPENSES		
Grants to BC Cranberry Research Society	104,593	126,577
Development and production expenses (Note 5)	180,606	191,237
	<u>285,199</u>	<u>317,814</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 89,919</u>	<u>\$ 227,504</u>

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Statement of Changes in Net Assets

Year Ended December 31, 2018

	2018	2017
NET ASSETS - BEGINNING OF YEAR	\$ 891,745	\$ 664,241
EXCESS OF REVENUES OVER EXPENSES	89,919	227,504
NET ASSETS - END OF YEAR	\$ 981,664	\$ 891,745

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION**Statement of Cash Flows
Year Ended December 31, 2018**

	2018	2017
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 89,919	\$ 227,504
Changes in non-cash working capital:		
Accounts receivable	770	(6,142)
Accounts payable	(5,791)	11,366
Goods and services tax payable	(486)	(288)
NACREW Funds	4,053	-
	(1,454)	4,936
Cash flow from operating activities	88,465	232,440
INVESTING ACTIVITIES		
Term deposits	14,734	(184,112)
Long term Investments	(178,689)	-
Cash flow used by investing activities	(163,955)	(184,112)
INCREASE (DECREASE) IN CASH FLOW	(75,490)	48,328
Cash - beginning of year	107,898	59,570
CASH - END OF YEAR	\$ 32,408	\$ 107,898

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2018

1. DESCRIPTION OF OPERATIONS

The Commission is established under the Natural Products Marketing (BC) Act for the purpose of regulation, marketing and promotion of the BC cranberry industry.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash and cashable term deposits. Because of the liquidity of these investments, their carrying amount approximates fair value.

Investments

Short term investments consist of changeable and non-redeemable term deposits with a maturity date of less than twelve months, are carried at amortized cost.

Long term investments are non-redeemable term deposits with maturity dates over one year. They are carried at amortized cost.

Deferred revenue

Unearned income represents growers levies received in advance.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which related expenses are incurred. Unrestricted contributions such as dues and grants are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(continues)

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Government grants

Government grants are recorded when there is a reasonable assurance that the Commission had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. TERM DEPOSITS

	<u>2018</u>	<u>2017</u>
Term deposits held	<u>\$ 776,430</u>	<u>\$ 791,164</u>

The term deposits are cashable term deposits held by Envision Credit Union. The terms earn interest at 01.50% to 2.80% per annum, maturing from February 5, 2019 to October 3, 2019.

4. LONG TERM INVESTMENTS

Long term investments consist of a non-redeemable term deposit earning interest at 2.50% per annum, maturing October 2, 2020.

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2018

5. DEVELOPMENT AND PRODUCTION EXPENSES

Development and production expenses

	2018	2017
Production research	\$ 92,618	\$ 104,017
Domestic market development	13,780	14,224
Congress	11,203	11,054
Health research	11,725	4,944
Field Day	-	14,999
Foreign market development	51,280	41,999
	<u>\$ 180,606</u>	<u>191,237</u>

6. RELATED PARTY TRANSACTIONS

During the year the Commission gave a grant of \$104,593 (2017 - \$126,577) to the BC Cranberry Research Society (BCCRC). The organizations serve members in common. These are measured at the exchange amount which approximates fair value.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Commission is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Commission's accounts receivable historically consists of government funding for specific programs and accrued interest on cashable term deposits, and poses minimal collections risk.

Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument might be adversely affected by a change in interest rates. The Commission is exposed to interest rate risk primarily through term deposits held.

Currency Risk

Currency risk is the risk to the Commission's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Commission holds \$18,911 US (\$26,653 Canadian) Funds at December 31, 2018.

Fair Value

The Commission's carrying value of cash, term deposits, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2018

8. ECONOMIC DEPENDENCE

The Commission receives approximately 95% of its growers' dues from one customer. Should this customer substantially change its dealings with the Commission, management is of the opinion that this change would affect operations and programs provided.

9. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
