

BC Regulated Vegetable Industry Snapshot

Industry Facts

- BC vegetable production is provincially regulated.
- Currently, specific types of storage, processing, and greenhouse crops are actively regulated in 3 areas (Fraser Valley, Interior, and Vancouver Island).
- There are over 60 greenhouse producers and 106 storage crop producers in BC.
- The total 2016 value for regulated vegetables in BC was \$359M, a decrease from \$361M in 2015.
- BC farm cash receipts ranked 2nd in Canada for greenhouse peppers, tomatoes and cucumbers.
- The majority of registered BC producers market through 10 provincial agencies, which provide producers a sales outlet for their products and help harness producers' competitive power.
- There is 2 registered greenhouse producer-shippers and 1 registered licensed storage crop producer-shipper. These producers market their crops directly to retail, food service, and wholesalers.
- Only 2 vegetable processors remain in the province. The volume of product grown for processing is minimal and continues to decline.
- There are 34 registered wholesalers operating in all 3 regulated areas. Wholesalers sell to retailers, caterers, processors, and other wholesalers.
- There are four producers associations that represent producer issues: BC Potato & Vegetable Growers Association; British Columbia Strawberry Growers Association; Fraser Valley Cole Crop Growers Association; and Fraser Valley Processing Peas, Bush Beans & Corn Growers Association.

Industry Overview

Trade

- BC greenhouse production is growing. Exports were valued at \$167M in 2015, an increase of 14% over 2014. Peppers accounted for >50% of these exports.
- BC is a net importer of fresh and processed field vegetables. Crop production in BC fell by 20.4% between 1991 and 2011. In 2010, 67% of BC vegetable imports came from the US, over half of which were produced in California, including 95% of all broccoli and 74% of all lettuce.
- There is limited market protection for BC vegetables. An anti-dumping agreement with the US is in place for the importation of whole potatoes into BC. The agreement is reviewed every 5 years and the next review is scheduled for 2020.
- BC vegetable producers are challenged to compete with imports from the western US, both in terms of volume and price.

Competitiveness

- Greenhouse producers in BC have a number of competitive advantages. These include lower operating costs than other areas due to a moderate climate in the Fraser Valley; growing a variety of crops and constantly developing new markets (e.g., mini cucumbers); and expanding production into the US to support a year-around supply of products for BC consumers. Other advantages include BC's close proximity to Asian markets.
- Storage and processing crop producers face more competitive challenges than greenhouse producers due to seasonal production, unpredictable weather that impacts quality and volume, high production expenses (e.g., land) versus low prices, and high volumes of lower-priced imports.

Regulated vegetables by crop type, acreage, and dollar value

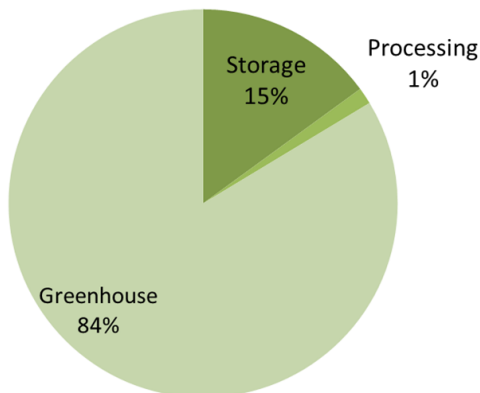
Crop type	Regulated vegetables	Acreage planted in 2015/16	Values for 2015/16
Processing	Peas, beans, corn, broccoli, Brussels sprouts, cauliflower, potatoes, and strawberries	Acreage not available, but downward trend	\$5.42M
Storage	Potatoes and root vegetables (onions, parsnips, carrots, beets, rutabagas, and turnips)	5,798 acres	\$54M
Greenhouse	Cucumbers, tomatoes, peppers, butter lettuce, and specialty (e.g., cherry tomatoes, hot peppers)	803 acres	\$274M

- Storage crop producers are also indirectly challenged by loss of vegetable processing in the province. These producers rely on being able to sell cover crops (e.g., peas) to processors to help cover production expenses.
- Provincial production of storage and processing crops continues to decline. Loss of local production can leave BC consumers vulnerable to price swings due to production challenges in other countries (e.g., recent high lettuce prices due to California crop rain damage).
- An *Opportunities* report (2012) identified the overall risks and challenges perceived to be impacting the competitiveness of BC's vegetable industry. These are (1) increasing operational costs, (2) inconsistent quality, (3) inconsistent supply, (4) lack of industry cohesion/cooperation and overall, (5) financial risk.
- Retailer consolidation and expansion (e.g., Walmart and Costco) means buyers are increasingly seeking a reliable, consistent supply of product at a competitive price. While local product is in demand, stores still need sufficient supply of products that meet their price, type, and quality benchmarks.

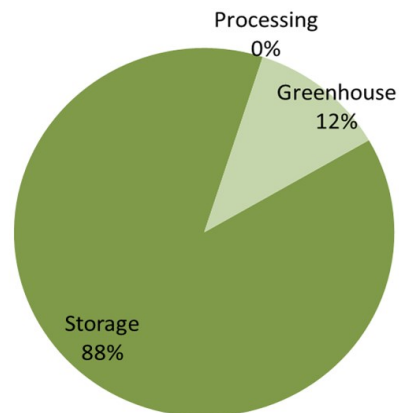
Industry Governance

- BC's vegetable production is regulated under provincial legislation.
- The BC Vegetable Marketing Commission is the first instance regulator under the *Natural Products Marketing (BC) Act* and the British Columbia Vegetable Scheme.
- The Commission is responsible for orderly production and marketing through promoting and regulating the production, transportation, packaging, storage and marketing of vegetables. For example, it sets minimum producer price for storage crops, regulates production volumes, has a leading position in establishing anti-dumping agreements, and plays an important role in food safety and quality.
- The BC Farm Industry Review Board is responsible for ensuring the Commission meets its responsibilities in an effective, strategic, and accountable manner that results in sound marketing policy.

% dollar value of regulated vegetables crops (2015/16)



% area planted of regulated vegetables crops



Sources:

- * Agriculture and Agri-Food Canada; Statistics Canada
- * BC Ministry of Agriculture. "Fast Stats: 2015".
- * BC Vegetable Commission
- * Gooch, M., Schmidt, C., Marenick, N., Martin, L., and A. Simo. (2012). "Opportunities Assessment of British Columbia's Vegetable Sector".



BC Farm Industry Review Board

www.gov.bc.ca/BCFarmIndustryReviewBoard

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