



MPL British Columbia Distributors Inc.

Application & Plan to Establish & Operate a Licensed Agency to Market
British Columbia Regulated Greenhouse Vegetable Product

Submission Date: September 10, 2020

Amended Submission Date: May 27, 2021

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1. Executive Summary

This document is an application to the BC Vegetable Marketing Commission (BCVMC) for a vegetable marketing Agency Class I License for applicant, MPL British Columbia Distributors Inc. (MPL BC) in accordance with the BCVMC General Orders, as amended 2019 February 08 and thereafter (General Orders). The application follows the format set out in General Orders Part XIV Procedures for Designation of Agencies.

MPL BC filed this Application for an Agency Class 1 License on September 10, 2020. On September 18, 2020, BCVMC General Manager, Andre Solymosi, confirmed receipt of the Application in writing and further advised that on June 28, 2019, the Commission imposed a moratorium on all applications for Agency and Producer-Shipper Status and that the moratorium is to remain in place until completion of the Commissions Strategic and Agency Reviews, or until further order of the Commission. Mr. Solymosi also advised MPL BC that the Commission would not accommodate MPL BC's request to have the Application expeditiously reviewed and processed without an Order of the Commission, and MPL BC would be notified once a decision is made. On November 13, 2020 Andre Solymosi advised MPL BC that its Application has been forwarded to a panel, but the panel has been asked to defer consideration of the application until the Commission has finalized its additional criteria, considerations and processes for agency applications, with an expedited time frame of four weeks. On March 16, 2021 Andre Solymosi wrote to MPL BC providing a copy of Amending Order #54 so that MPL BC could update the Application in light of Amending Order #54. Subsequent communications occurred among Mr. Solymosi and MPL BC and its representatives during which MPL BC affirmed that it would file an amended Application, and also requested clarification from the Commission of several aspects of Amending Order #54. This Amended Application submission followed and is timely filed prior to the June 1, 2021 deadline.

There is great opportunity for BC Producers in the Lower Mainland by the BCVMC designating MPL BC as an alternative agency that will serve as a catalyst of growth and financial stability to not only the direct Producers but for the indirect BC economy for which it supports. MPL BC will provide Producers with a choice to leverage a proven marketer to displace imported Regulated Products into BC and open a vast array of exports to new markets with proprietary varieties and innovation from plant to packaging and beyond. The BC greenhouse sector will no longer be stagnating in terms of growth, innovation, and financial health compared to Ontario and other Provinces. Competition in the marketplace is favourable to the industry as it leads to innovation and efficiency and ensures BC Producers have access to more and larger markets.

Upon admission, MPL BC will be immediately positioned to provide BC Producers with:

- A. AN ALTERNATIVE MARKETER OF SPECIALTY AND PROPRIETARY GREENHOUSE VEGETABLE PRODUCTS THAT COMMAND **HIGHER PRICES** WHICH BC PRODUCERS HAVE NOT PREVIOUSLY BEEN ABLE TO GROW DOMESTICALLY.
- B. ACCESS TO THE **GLOBAL EXPORT** MARKET MORE EFFICIENTLY.

- C. THE ABILITY TO **DISPLACE IMPORTS** AND EXPAND “SPECIALTY” DOMESTIC MARKET OPPORTUNITIES.
- D. THE ABILITY TO EXPORT PRODUCTS TO **MASTRONARDI PRODUCE’S CUSTOMER BASE** WHICH INCLUDES THE TOP RETAILERS AND FOODSERVICE OPERATORS IN THE UNITED STATES.
- E. OPPORTUNITIES TO **PLAN AND EXPAND THEIR BUSINESS WITH VARIOUS PRICE PROGRAMS**, INCLUDING FIXED PRICE PROGRAMS SUPPORTED BY EVER-INCREASING DEMAND FOR SUNSET® BRANDED PRODUCTS.

The British Columbia Facility

MPL BC has established a central office and distribution center at 5355 152nd Street, Surrey, British Columbia consisting of 70,154 sq. ft. close to major traffic arteries. This will allow for ease of export to the United States. This facility will assist smaller Producers by providing a place where their product could be graded, packaged and consolidated with other Sunset® specialties and sold by MPL BC. The Surrey BC distribution center will feature and be fully integrated with the same state of the art operating systems and food safety protocols as our other North American distribution centers for inventory tracking, customer fulfillment, receiving, shipping and tracing of produce from farms to consumer.

Products

At start up MPL BC plans to market all BCVMC Regulated Products. The list of Regulated Products that MPL BC intends to market include; greenhouse grown tomatoes, peppers, cucumbers and lettuce as defined by the General Orders. A wide range of unregulated products will also be marketed by MPL BC which will create additional opportunity for BC Producers of all sizes.

Licensed Agency Goals & Support

MPL BC 's goals are to develop an industry presence in BC that optimizes its business advantages in the marketplace. In the context of the North American market for greenhouse products, this means getting unique products into competition in markets where Sunset® brands will have a market advantage. This goal will be achieved by establishing production in proximity to concentrations of untapped consumer demand. This agency is focused on providing BC Producers with improved and strategic access to the western United States.

Target Market Overview

MPL BC will immediately focus on supplying its Canadian customers that prefer BC Grown Regulated Products over imports and it expects that in the first 12-24 months 100% of the production will be allocated to Canadian customers. In years 2-3 as acreage increases and local demand is filled, MPL BC will target export markets for BC grown greenhouse vegetables into the United States with a suite of products of higher quality, greater variety, and unique flavours. The fresh products will be, (i) transported to a Mastronardi Produce affiliate distribution center in the United States (such as, Castroville, California) or (ii) shipped direct to United States retail chains and fresh produce outlets or shipped into the Surrey BC distribution center for consolidation with other products prior to final distribution.

In addition, as more fully detailed below, invitation of MPL BC as an alternative agency will result in organic BC Producer growth that has been stagnant for decades compared to other Provinces. Naturally, BC Producer-led growth will reduce net imports and permit BC Producers to take advantage of less costs with greater efficiencies and less delivered miles, and in turn, less risk of loss and rejection.

Committed Producers

This business plan is supported by existing BC Producers who are committed to supplying produce to the marketing agency upon acceptance of this application. These BC Producers will also be afforded participation in unique promotional strategies as opportunities arise. The marketing strategy calls for the sequential development of what are considered winning product lines, penetration into, and new demand growth in established specialty greenhouse vegetable markets.

Corporate Governance

MPL BC is a subsidiary of Mastronardi Produce Limited, the organization's wholly owned parent company headquartered in Kingsville, Ontario.

The shareholders of MPL BC is as follows:

Mastronardi Produce Limited

[REDACTED]

[REDACTED]

[REDACTED]

MPL BC Commitment

MPL BC commits to following all the rules, regulations, and General Orders of the BCVMC. The new agency will work to enhance the BC Greenhouse industry and to improve profitability for Producers.

Mastronardi Produce has a long history of supporting the fresh produce industry as a company as well as its Employees which are actively involved in Industry issues, some of whom sit on boards of various trade industry associations. See attached Letter of Support from Ontario Greenhouse Vegetable Growers, **Schedule 1.1**

The Agency plans to appoint one of the staff as Commission Liaison with knowledge and understanding of the regulatory requirements and limitations imposed on Agencies under the

Commissions General Orders. The Business currently has a cross-functional team dedicated to the BC entities that meets regularly that includes representation from Sales, Marketing, Finance, Operations, Procurement, Growing and Legal.

The plan is to have the new agency approved that will permit timely planting decisions and contracts for the 2021-22 season.

2. Business Profile & Summary

2.1. History of the Business

MPL BC is a member of the Mastronardi Produce Limited family of companies with fresh produce roots that span over 70 years to the pioneering of the North American greenhouse industry. Before Grandpa Umberto Mastronardi came along, there were no viable commercial fresh produce greenhouses in North America. Umberto's vision, which remains a cornerstone of the organization's philosophy today, is to leverage protected agriculture techniques to provide consumers with a high-quality fresh supply of greenhouse grown fruits and vegetables. After four generations, the Mastronardi family still operates the largest protected agriculture fresh produce company on the continent, and together with its expanding third party Producer base, grow and sell world-class tomatoes, peppers, cucumbers, lettuce and berries within the domestic Canadian markets and export markets throughout the United States and beyond. While the Mastronardi organization has grown over several decades, the most significant growth and acreage expansion is afforded to our essential independent third-party Producer partners whom we provide access to the best proprietary varieties in the world. These marketer / Producer mutually beneficial synergies have created the leading greenhouse vegetable company in North America with the most greenhouse acreage under both ownership and Producer partner distribution.

2.2. Our North American Distribution Centers & Capabilities

Mastronardi Produce plays an essential role in support of North American agriculture that is the result of not only its investment in physical assets, but more importantly investment in people and third-party growing partners and relationships with its vendors, suppliers, customers and other corporate citizens. Mastronardi affiliate, MPL BC, has access through the organization's most recent distribution facility located in Surrey at 5355 152nd Street, Surrey, British Columbia consisting of 70,154 sq. ft., which together with existing operations represents 1,300,000 sq. ft. of cooled warehouse and distribution space throughout Canada and the United States as depicted in the Distribution Map, below. Each distribution centre is optimized for the region it serves and range in size from 60,000 sq ft to 400,000sq ft. The distributions centres provide value-added production and grading abilities. MPL distribution centers have multiple temperature zones for storing various Regulated and unregulated types of fresh produce and dry storage for ancillary packaging materials.

Figure 2.2: Distribution Map



MPL BC is part of the Mastronardi Produce network, a proven operator of distribution facilities and one of the most capable suppliers of fresh fruits and vegetables to the top retailers and food service operators in North America, servicing Canadians and Americans for over five decades. As a supplier of choice, Mastronardi Produce year after year meets or exceeds the vigorous safety, audit, social compliance, social responsibility and other standards required by the largest food retailers and food service companies. The Mastronardi Produce network was the pioneer to implement full traceability, with its program being touted by CNN back in 2008. It is patent from the submission that MPL BC, as part of the Mastronardi Produce network, is more than capable to effectively implement and perform the critical deliverable functions required of all BC agencies.

MPL BC will reap the benefits afforded by the Mastronardi Produce Quality Assurance team, responsible for managing and developing our product specifications to meet our customers' requirements, along with industry and government quality standards. This ability to ensure compliance to set specifications, includes inspection of product at Producer level, upon receipt into our distribution centers, and again during packaging, and finally upon shipment. We also certify our distribution centers to handle organic product. To ensure compliance to the organic regulations we use a third-party certification body, Quality Assurance International ("QAI") to verify our program annually. QAI is one of the globally

leading organic certification bodies. We also conduct chemical testing for unapproved pesticides to validate compliance of organic standards from all our suppliers.

Mastronardi Produce also follows and adheres to social responsibility standards (Sedex Members, Ethical Trade Audit). SMETA is one of our industry's most recognized social and ethical compliance standards. The Mastronardi Produce organization is committed to fair employment practices, as set forth in the network's Equal Employment Opportunity, Reasonable Accommodations, Anti-Harassment, and Anti-Retaliation policies. By providing equal access and fair treatment to all employees, the company's success is improved upon while enhancing the progress of individuals and the communities where the company's businesses are located.

Our Livonia, Michigan facility also maintains a microbial testing laboratory that has been ISO 17025 accredited since 2014. This laboratory provides microbial testing programs for food safety compliance, including PCR technology in our microbial testing program. This lab conducts testing for all products, including from third party Producers, to verify our practices and processes are working and functioning properly.

Mastronardi Produce has participated with the Non-GMO Verified Project program since 2010. Compliance with the Standard is determined through a document-based evaluation and, when required, onsite inspection of production facilities. As a verified entity, the company warrants that it is and will remain in full compliance with the terms and conditions of the Non-GMO Project Product Verification Program and the Non-GMO Project Standard. In our acceptance of this verification, the company demonstrates its commitment to selling products that are not genetically modified.

Mastronardi Produce was the 2010 recipient of the prestigious Annual Food Quality Award. We were the first fresh produce company to achieve this award. This award was sponsored by DuPont Qualicon and presented by Food Quality Magazine. Below are additional details on the programs and processes implemented in our Food Safety Management Program throughout our organization.

- All our Canadian facilities are registered and inspected by the Canadian Food Inspection Agency ("CFIA"). We maintain a good relationship with the CFIA and have developed processes and plans to ensure compliance with the Safe Foods for Canadians Act.
- We maintain all the Food Safety and Regulatory licenses required by the Province we operate in. This would also include any requirements that local municipalities may have in place.
- We follow the Global Food Safety Initiative at all our Farms and distribution centers. We have selected to use the Safe Quality Food Standard (SQF) at our distribution centers. As part of this standard we

also require our Producers to implement one of the GFSI standards at each of their farms.

- Several of our distribution centers are certified to pack and handle organic product. This is verified each year by an annual audit and assessment to check compliance to the CFIA requirements as well as industry organic standards.

2.3. Structure of the Business

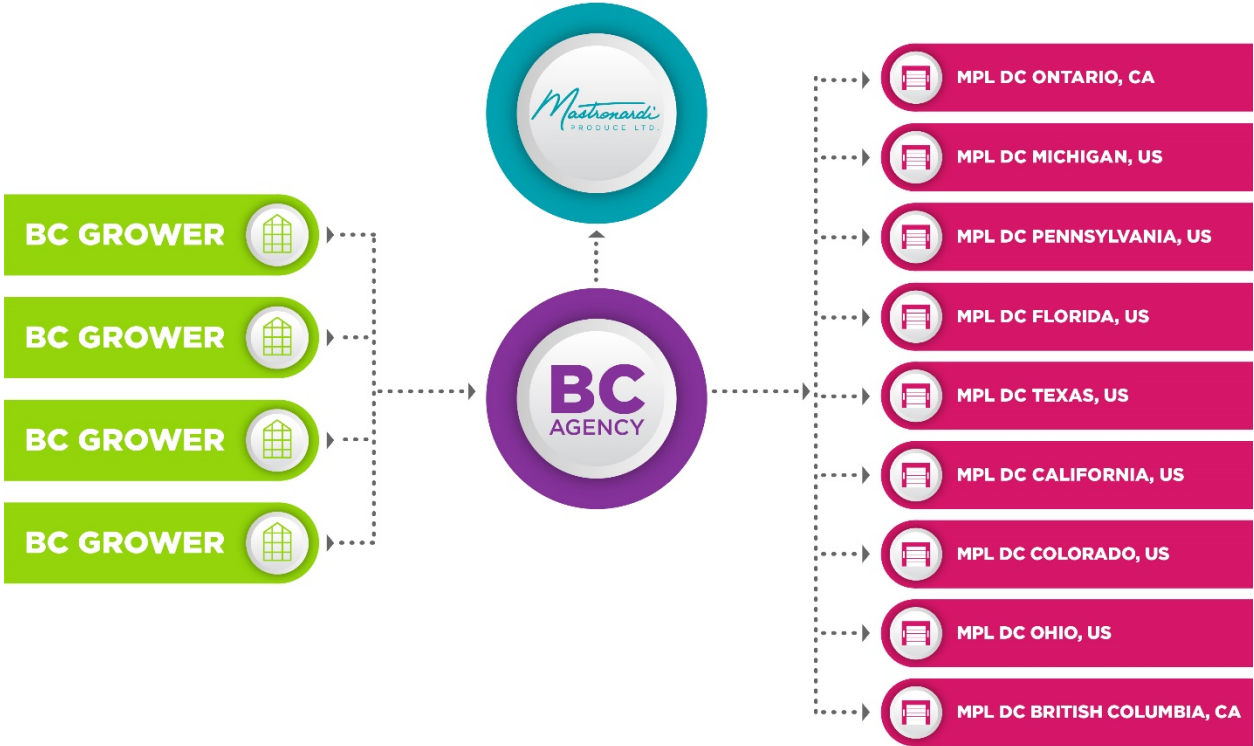
MPL BC is a subsidiary of Mastronardi Produce Limited, the organization's wholly owned parent company headquartered in Kingsville, Ontario. The Mastronardi Produce organization is a fully integrated Producer, shipper, distributor and marketer of protected agriculture fresh fruits and vegetables, [REDACTED]

[REDACTED] MPL BC will be able to leverage the entire Mastronardi Produce family affiliates to execute the entire plan from securing the best varieties along with extraordinary distribution capabilities throughout the United States, Canada and abroad.

The principals of MPL BC are as follows:

Paul Mastronardi	Director, President and Chief Executive Officer
Kevin Safrance	Executive Vice Chairman
Marne Safrance	Treasurer
David Einsteadig	Secretary
Richard Ball	Chief Financial Officer
John Hemeon	Chief Operating Officer
Chad Mead	Chief Administrative Officer

Figure 2.3 Organizational Chart



2.4. Business Activities & Targets

We intend to introduce BC grown Sunset® branded, proprietary greenhouse vegetables consisting of tomatoes, peppers, cucumbers and lettuce into the marketplace. In coordination with this effort, our team will pursue customer preferences for premium greenhouse vegetables varieties differentiated by flavor, taste, colour, shape, size, and other unique qualities along with our category management and merchandising expertise which provides retailers with unique sales programs, ad plans and promotional actives. This will allow us to differentiate BC Grown vegetable greenhouse products based on the highest standards.

As part of this process, in addition to launch of the new Vancouver, BC distribution facility, we will implement the following activities in furtherance of the targets to both, (i) displace products imported into BC and (ii) expand BC exports to the United States, Europe and Asian markets:

- Create a marketing alliance that leverages BC Producers with Mastronardi Produce’s own and other third-party Producers, including Producers in Ontario, the United States, and elsewhere, to offer retailers

and the food industry a secure source and suite of products and programs that enhance Producer returns.

- Provide BC Producers with availability of Sunset® branded, finest quality varieties in the global market.
- Provide BC Producers with access to our research and development results wherein we share the results of rigorous trials of over hundreds of new and benchmark varieties annually.
- Provide BC Producers access to Mastronardi Produce’s network of lenders to help facilitate expansion.
- Provide BC Producers with innovative state-of-the-art packaging, product lines, and marketing programs.
- Provide BC Producers with opportunities to participate and garner knowledge in innovation and groundbreaking advancements, including artificial intelligence and unique protected agriculture growing methodologies.
- Provide a valuable consolidation center in Vancouver, BC of over 70,154 sq. ft. which will provide access to even the smallest of Producers to massive markets that insist on suppliers offering a “full suite” of products.
- Provide BC Producers with access to Mastronardi Produce’s bulk purchasing programs that may provide Producers savings on packaging, raw materials, growing supplies and other inputs depending on volumes, Producer metrics.
- Provide BC Producers Shared Market access to ensure fair and maximized Producer returns.

Attached as **Schedule 3.5** are letters from Ontario Producers within the Mastronardi Produce network in support of this application. These Producers indicate that they have reaped the benefits afforded to Mastronardi Produce independent network Producers, including returns, assurance of sales channels during long or unpredictable markets, and a host of other benefits all of which are key components to exceptional Ontario greenhouse production and revenue growth.

MPL BC has garnered support from BC Producers upon admittance as an agency in British Columbia. Attached as **Schedule 3.6** are support letters expressed by BC Producers in support of this application, which are redacted for identification to respect confidentiality agreements.




2.6. Financial Letter of Support

Attached as **Schedule 3.8** is a letter of support of this application from BMO Bank of Montreal Asset Based Lending group recognizing their long-standing relationship with Mastronardi Produce. BMO emphasizes in its support letter that Mastronardi Produce is a profitable and well-managed organization.

3. Business Mission & Vision

3.1. Overview



Over 150 external Producers are contracted as Producer partners to produce Sunset® proprietary varieties. Over 50 varieties of greenhouse products are marketed to retailers, foodservice operators and wholesalers throughout North America, Europe and Asia. Mastronardi Produce also operates the largest research and development program in North America for greenhouse grown products.

As a result of Mastronardi Produce's growth, exceptional customer and retailer demand for our best-in-class products and ability to service and provide a surety of year-round supply, MPL BC is keenly positioned to uncap the significantly underutilized BC Producer network to fulfill increasing market demand. MPL BC is strongly positioned to immediately create mutually beneficial relationships with third-party Producers in BC to service these under-supplied markets and enhance exports.

3.2. Mission & Vision

Mission: ***Inspiring healthy living through WOW flavor experiences***

Vision: ***Become the most BELOVED brand in fresh***

3.3. Company Philosophy & Values

We believe that innovation, unique flavourful produce and long-standing Producer relationships are the key marks of excellence in the vegetable greenhouse sector.

Mastronardi Produce has been recognized as one of Canada’s Best Managed Companies (an award sponsored by Deloitte, CIBC, Canadian Business, Smith School of Business, TMX Group and MacKay CEO Forums) for overall business performance and sustained growth for the last 11 consecutive years. Our ambition is to provide the finest quality food products to global consumers with world-class business practices committed to sustainable growth. The company has pursued this vision through the creation of innovative new food products (such as greenhouse vegetable/pasta kits, value added products and unique and innovation greenhouse grown vegetables), and the commercialization of numerous proprietary varieties), and development and implementation of sustainable practices.¹

The company’s longevity and its ability to continue to grow and move toward achieving its Mission and long-term Vision are based upon the organization’s foundation **PRIDE** values.

- **P**assion, for the unwavering desire to deliver best-in-class products, service and results
- **R**espect, for yourself, all people and the planet we all live upon.
- **I**nnovation, and industry leaders throughout the entire human resource, procurement, supply and distribution channels.
- **D**rive, the inner drive and ambition to grow, inspire and continue to listen and learn.
- **E**xcellence, in all aspects to balance life to provide above-and-beyond results and exceed expectations.

4. Business Organization

The Agency will conduct BC operations under MPL BC, which has been organized as a single purpose entity dedicated to be an agency which shall receive fruits and vegetables grown by contracted BC Producers and to deliver these products to the marketplace.

4.1. Organization Information

Business Name:	MPL British Columbia Distributors Inc.
Business Address:	5355 152 nd Street, Surrey, British Columbia V3X 5A5
Type of Organization:	Corporation organized under the Province of British Columbia

¹ See Wright, J. 2020, How Mastronardi Produce became Pioneers of High-Tech Vegetable Growing. <https://www.greenhousegrower.com/crops/how-mastronardi-produce-became-pioneers-of-high-tech-vegetable-growing/>

Permits & Participant Identification:	Incorporation License No.: BC1264587 Federal Business License No.: 713472678BC0001 Surrey Business Licenses. See, Schedule 4.1 Certificate of Insurance. See, Schedule 4.1.2
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5. Market Research

5.1. Overview

The BC export market opportunity to the United States for fresh greenhouse vegetables is immense. At the same time, the data supports that BC greenhouse vegetable production is relatively stagnant while Ontario growth in both acreage and export market share has been significant and steady.

5.2. BC Greenhouse Vegetable Marketing Structure

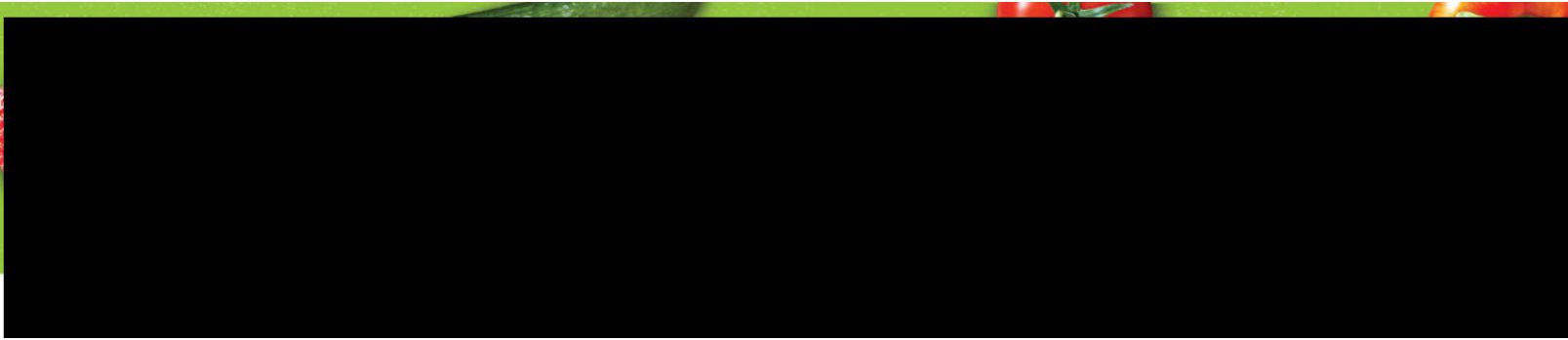
The marketing of certain vegetables has been regulated in BC since 1935, starting with the Coast Vegetable Marketing Board and the Interior Vegetable Marketing Board. These two Boards were amalgamated into the BC Vegetable Marketing Commission (BCVMC) in 1980.

In 1973, Western Greenhouse Producers Cooperative (WGGC) was created by Producers as a central distribution organization for greenhouse vegetables in the Province. The WGGC incorporated in 1995 under the name BC Hot House Foods Inc. (BCHHFI). Except for municipal markets and Producer-vendor stands, Producers are required to sell Regulated Products through sales agencies designated by the BCVMC. In order to legally market regulated greenhouse vegetables grown in BC, it is necessary for a prospective marketing agency to obtain a marketing license from the BCVMC. Currently there is a moratorium on agency licensees with no end date or stated reasoning for such.

The BCVMC also controls the supply of regulated greenhouse vegetables through the issuance of quota based on demand for product, based on consultation with its sales agencies and the landed Vancouver price of vegetables imported into BC. Evidence of new demand is translated into greater supply through the issuance of new quotas.

5.3. Size of the United States Greenhouse Vegetable Import Markets

The United States fresh vegetable market is the immediate focus of this business plan. The combined United States market for greenhouse vegetable imports is currently about USD\$2.9 billion. The market has grown almost 17% in volume and by 27% in value over the 2015-2019 period. Since 2015, the United States greenhouse vegetable import market has increased by



more than 627 million lbs, with only 111 million of additional lbs coming from Canada. (Source: US International Trade Commission. Dataweb.)



Figure 5.3-A

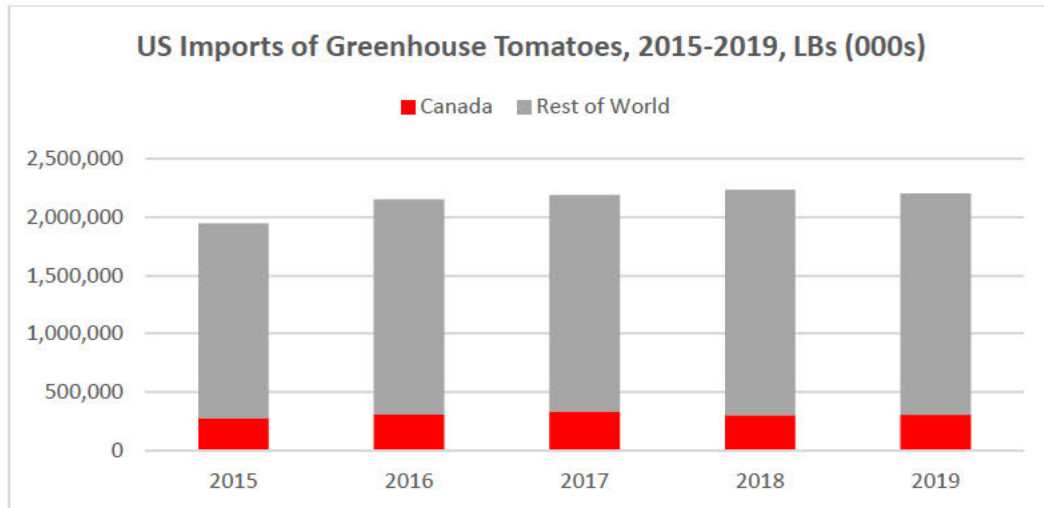
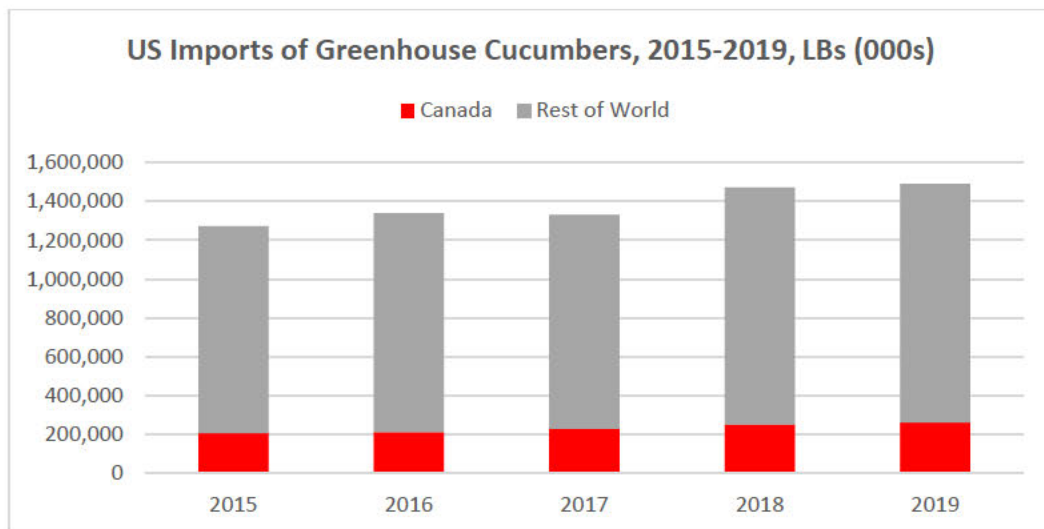


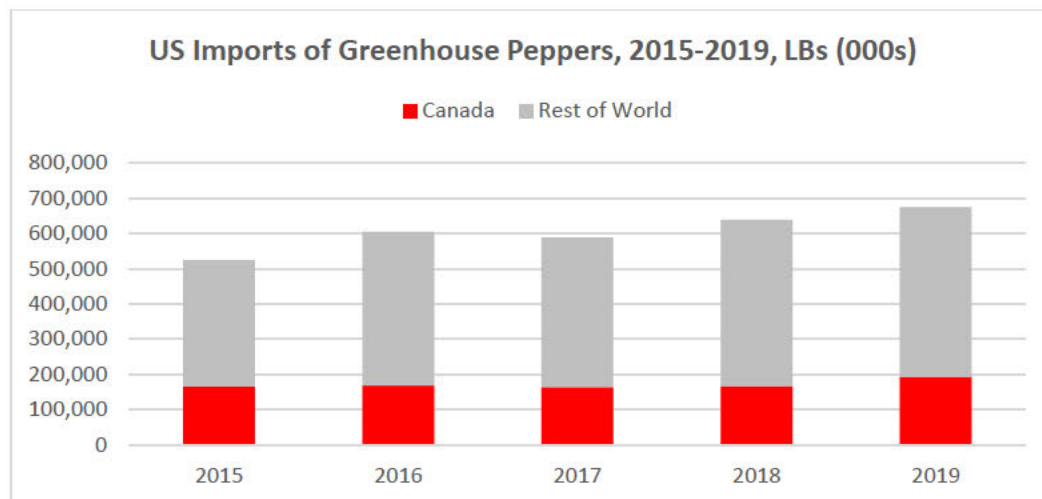
Figure 5.3-B





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Figure 5.3-C



5.4. Size of the Canadian Greenhouse Vegetable Export Market

Canadian exports of greenhouse tomatoes, cucumber, and bell peppers to the United States in 2019 comprised almost 757 million lbs of produce with a customs value of USD\$792 million. Export volumes in the 2015 to 2019 period increased 17% while the value of those exports increased 31%.²

Canada still only supplied about 17% of the combined market for United States greenhouse vegetables. As such, the size of the market opportunity to supplant Imported production may be up to six (6) times current exports, depending on Imported-United States vegetable trade relations and developments in United States domestic field production. (Source: US International Trade Commission. Dataweb.)³

5.5. Penetration of Greenhouse Production into the United States Market

Greenhouse vegetables are increasing in market share in the United States due to several factors, including:

- Protected agriculture greenhouse produce provides a greater surety of supply versus the overall risk of field production.
- Superior varieties are available in greenhouse production that result in higher quality products that have greater yield and command higher prices than field products.

² Source: US International Trade Commission. Dataweb.

³ Source, Id.

- Increasing consumer preference and expectancy for greenhouse quality and consistency.

5.6. Coronavirus Related Factors

Greenhouse vegetables are seeing a spike in demand due to Coronavirus related factors, including:

- More consumers are eating at home – leading to more demand for fresh vegetables; and
- Less meat consumption due to public concern over the virus' impact at slaughter and packing plants.

5.7. Climate Change Factors

It is becoming increasingly more apparent that climate change is occurring at an unprecedented rate. Greenhouse vegetable production facilities are well positioned to capitalize on climate change impacts, due to:

- More variable weather creating supply uncertainty in field crop production and degrading quality. (For example, recent The Packer article, reporting on extreme heat and wildfires affecting Salinas, CA produce production, endangering employees and damaging crop supply⁴).
- Less greenhouse gas emissions in greenhouse production than field production.
- Greater recycling and conservation of natural resources in greenhouse production.
- Northern greenhouses in temperate locations are becoming more suited to greenhouse production, using less energy than southern locations in the future.

5.8. Trends in the Canadian Greenhouse Vegetable Sector

The tomatoes, cucumbers and bell peppers growing area of the Canadian greenhouse vegetable industry is centered in Ontario (73%) and BC (17%). The sector is export-oriented with over half of Canadian-grown products leaving the country with most exports going to the United States.

⁴ See, 21 August 2020 The Packer, Extreme heat, wildfires affecting Salinas produce, <https://www.thepacker.com/article/extreme-heat-wildfires-affecting-salinas-produce>

In 2019, the Canadian greenhouse vegetable sectors had combined production of 1.4 billion lbs with a farm gate value of CAN\$1.52 billion.⁵

In 2019, Ontario exports of greenhouse vegetables represented about 83% of total exports. Moreover, the share increased in the 2015 to 2019 period. In the same period, BC exports declined 5% overall, highlighted by an 7% decrease in export tomatoes.⁶

5.9. Industry Trends

A comparison of the Ontario and BC greenhouse sectors over the 2008 to 2018 period reveals the following stark contrasts in market position and trends, as evidenced from the data figures set forth in this Section 5.9. It is unequivocally patent that Ontario greenhouse Producers have outpaced their BC counterparts in virtually all growth metrics, which in large part is attributed to the successful relationships among Ontario Producers and Ontario's largest marketer, Mastronardi Produce (see, Schedule 3.5, Ontario Producer letters of support):

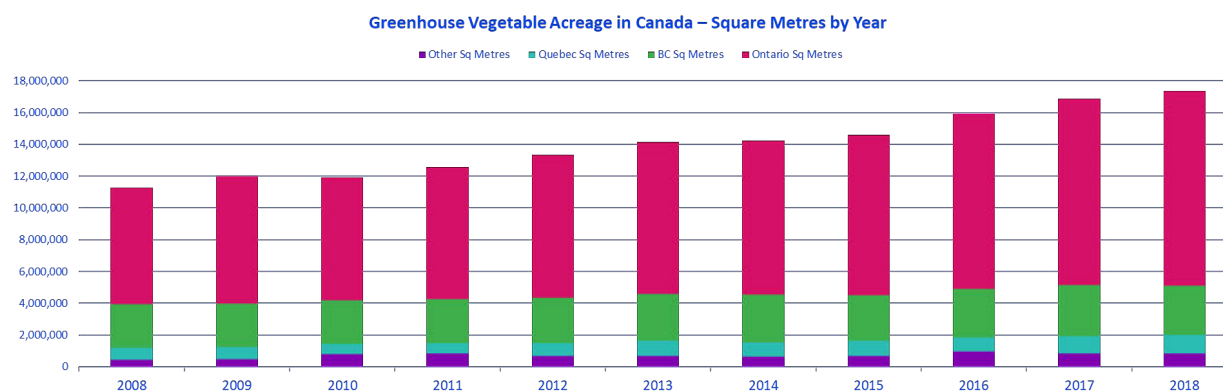
- Canadian greenhouse vegetable sq metres grew +54% or +6MM sq metres from 2008-2018
- Ontario greenhouse vegetable grew +4.9MM sq metres (+67%) while BC grew only 364K sq metres (+13%)
- In 2019, Ontario continued to grow sq metres (+200K), while BC lost sq. metres (-85K)
- Quebec, with less than half the sq metres of BC, contributed more sq. metre growth than BC (+401K)
- In 2018, Ontario accounted for 70% of total harvest area and 82% of the exported dollars

If BC accounts for 18% of the total harvest area, why are they under-represented in sq. metre growth? (Only 6%)

⁵ Source: Statistics Canada. Table 32-10-0456-01. Production and value of greenhouse vegetables DOI: <https://doi.org/10.25318/3210045601-eng>

⁶ Source: Statistics Canada. Table 32-10-0456-01. Production and value of greenhouse vegetables DOI: <https://doi.org/10.25318/3210045601-eng>

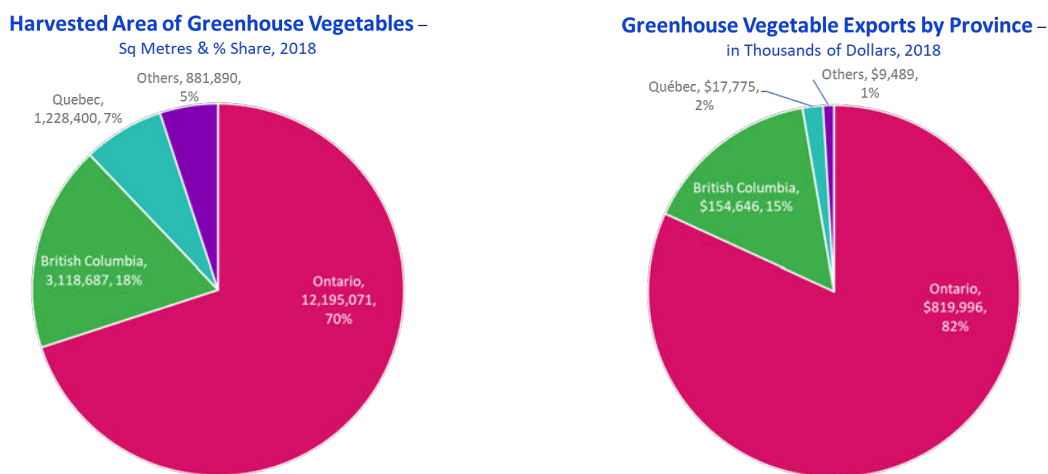
Figure 5.9-A: Comparison of Vegetable Acreage in Canada 2008 to 2018



Over **6MM** sq. metres of Greenhouse Vegetable production added in this 10 year window, With **80% of growth** coming from Ontario & only **6% from BC**

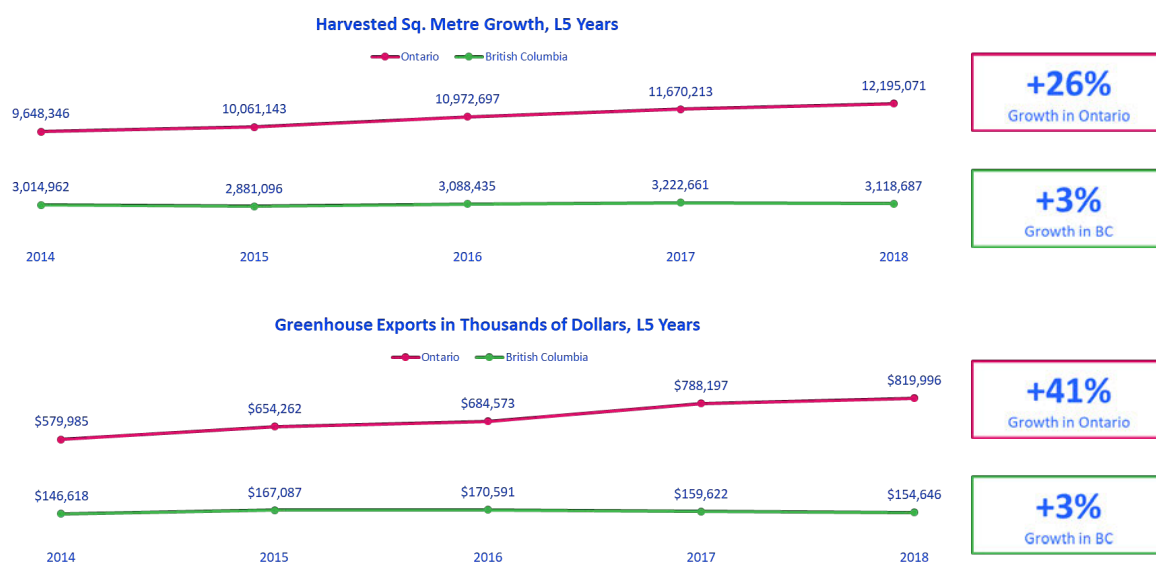
Source: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3210045601>; Statistics Canada; Production and value of greenhouse vegetables; Table: 32-10-0456-01 (formerly CANSIM 001-0006)

Figure 5.9-B: Greenhouse Harvested Area and Exports by Province



Source: <https://www.agr.gc.ca/eng/horticulture/horticulture-sector-reports/statistical-overview-of-the-canadian-greenhouse-vegetable-industry-2018/?id=1578950554200>; Government of Canada; Statistical Overview of the Canadian Greenhouse Vegetable Industry, 2018; Statistics Canada. Table 32-10-0456-01 Production and value of greenhouse vegetables; Statistics Canada. Table 32-10-0019-01 Estimates of specialized greenhouse operations, greenhouse area, and months of operation; Statistics Canada. CATSNET

Figure 5.9-C: Greenhouse Harvested Sq. Metre and Exports – Last 5 Years Growth Trends



Source: <https://www.agr.gc.ca/eng/horticulture/horticulture-sector-reports/statistical-overview-of-the-canadian-greenhouse-vegetable-industry-2018/?id=1578950554200>; Government of Canada; Statistical Overview of the Canadian Greenhouse Vegetable Industry, 2018; Statistics Canada. Table 32-10-0456-01 Production and value of greenhouse vegetables; Statistics Canada. Table 32-10-0019-01 Estimates of specialized greenhouse operations, greenhouse area, and months of operation; Statistics Canada. CATSNET

Figure 5.9-D: Specialized Greenhouse Operations in Ontario & BC – Employee Trends 2014 - 2018



Source: <https://www.agr.gc.ca/eng/horticulture/horticulture-sector-reports/statistical-overview-of-the-canadian-greenhouse-vegetable-industry-2018/?id=1578950554200>; Statistics Canada. Table 32-10-0028-01 Total number of employees of specialized greenhouse operations

5.10. Key Canadian Export Market Take-Aways

Demand for Canadian greenhouse vegetables in the United States has been steadily increasing. Ontario Producers have been taking greater advantage of export market opportunities than other Canadian Producers, and significantly more than BC Producers. The key take-away is that Ontario greenhouse Producers have prospered in acreage and economic growth, while BC Producers remain stagnant, which is attributed to several factors, including:

- United States demand is being serviced by Ontario, primarily because of the Province's export market orientation among Ontario Producers with skilled and advanced export marketers, such as Mastronardi Produce, who is the leading marketer of Ontario fresh tomatoes, cucumbers, and peppers.
- New markets for Ontario greenhouse vegetable produce are being aggressively pursued by in North America and Asia by marketers, such as Mastronardi Produce, who has the knowledge, capabilities, and resources to reach these markets.
- BC Producers do not have access to the suite of specialty varieties that can be leveraged by export marketers, such as Mastronardi Produce. Several of these export specialty markets, especially for specialty tomatoes and cucumbers, are blatant missed opportunities for BC Producers year after year, for several reasons, including:
 - BC Producers are not growing as many proprietary products that are in high demand and command premium pricing.
 - BC Producers have no market access to those specialty markets since agencies in BC are not targeting those markets.
 - BC is effectively withdrawing from export markets in several ways, as evidenced by the declining production and declining value per kilogram of production.
 - The BC greenhouse sector appears to be stagnating in terms of growth, innovation, and financial health.
 - Many national (country-wide) chains are supplied by Ontario Producers already and look to these partners to move west with proprietary varieties.

5.11. Off-Shore Markets

Mastronardi Produce is exploring expanding markets for specialty greenhouse vegetable products in Asia. These markets are currently held largely by European countries supplying

specialty greenhouse vegetable products in Asian markets. BC's location relative to these markets is favourable. Mastronardi Produce is also interested in penetrating winter markets in the Southern Hemisphere. Mastronardi Produce is already supplying some of these markets and has operations in Europe through its Dutch affiliate Soho (Sunset of Holland) Produce.

5.12. Industry Interests, Agency Cooperation and Impact

5.12.1. Agency Cooperation

MPL BC believes that BC vegetable marketing agencies should work cooperatively for the good of the industry and MPL BC's entry is not a threat to other agencies. In fact, Mastronardi Produce currently and for many years purchases Regulated Products from BC agencies. Often, we work collaboratively with BC marketers to service growing demand of large national retailers. We will leverage these existing BC and national retailer relationships in furtherance of a BC grown product priority to supplant imports and fulfill the significant additional market demand we have identified in this business plan. The result will be to foster additional synergies, innovation and opportunities among the agencies, Producers, suppliers, and the entire BC industry as a whole.

MPL BC, consistent with Amending Order #54, has taken all reasonable steps to meet with, and seek the cooperation of, the existing Agencies. The results of such initiatives are summarized as follows:

1. On May 5, 2021 MPL BC sent each agency a written request for cooperation and related information as to the substance and process for cooperation among existing Agencies presently, as well as what has occurred over the past three years, and to include, without limitation, a host of information of how Agencies foster collaboration and Industry issues in BC going forward. The initial information requested included, the following;
 - a. A general description of the overall cooperation process among agencies;
 - b. An overview of the five most relevant subject matters and undertakings that form the basis of such cooperation;
 - c. Describe any formal or informal process and the logistics of cooperation among the agencies;
 - d. Are there currently scheduled, or have their been any meetings in furtherance of agency cooperation; and if so, provide the approximate dates, locations, attendees and frequency of such meetings or undertakings, together with copies of all reasonably available agendas, minutes, reports, records or meeting notes relating to agency cooperation, and identify the creator and recordkeeper of such items and similar items;
 - e. Describe, in your opinion, the three most significant benefits to the BC fruit and vegetable industry as a whole that has occurred as a result of agency cooperation during the past three years;

- f. Describe, in your opinion, the three most significant detriments to the BC fruit and vegetable industry as a whole that has occurred as a result of agency cooperation during the past three years;
- g. Identify the person(s) that currently represent or are affiliated with your agency with the most knowledge and experience in agency cooperation matters; and
- h. Identify the person(s) on behalf of your agency that you would expect to participate in agency cooperation on a going forward basis.

In furtherance of these endeavors, MPL BC proposed regular occurring meetings in anticipation of cooperation dialogue among the BCVMC Agencies. A copy of the cooperation correspondence is set forth in **Schedule 5.12.1**, which included the following discussion topics for the proposed meetings, which are helpful to determine a cooperation framework to promote Agency mutual interests:

- a. current market conditions and forecasts for future opportunities;
- b. existing methods of agency cooperation;
- c. potential initiatives for inter-agency cooperation to take advantage of marketing opportunities;
- d. reporting requirements;
- e. efforts to improve producer returns;
- f. historic frequency of meetings and proposed framework for future meetings and collaboration;
- g. impact of proposed MPL's proposed agency on existing agencies;
- h. efforts to promote BC producer expansions, increase BC producer exports and displaced imports;
- i. issues and efforts related to detect and mitigate Tomato Brown Rugose Fruit Virus; and
- j. accountability to the Commission.

Results of Cooperation Correspondence

MPL BC received two responses from the cooperation correspondence. The first response was from Travis Drew, General Manager of Sensei Ag the successor of Global Greenhouse Produce Inc. ("Sensei Ag"), which resulted in a dialogue among MPL BC and Sensei Ag. During the dialogue, Sensei Ag advised that they are the successor of Global Greenhouse Produce Inc. and intend to seek an Agency license. MPL BC and Sensei Ag further discussed a potential cooperation to foster collaboration to displace imports and increase exports with BC Grown Regulated Products. The second response was from BC Fresh Vegetables Inc. indicating a refusal for cooperative dialogue for the reasons set forth in the correspondence that was copied to the Commission.

5.12.2. Impact on Existing Agencies

MPL BC believes that BC vegetable marketing agencies should work cooperatively for the good of the industry and MPL BC's entry is The proposed Agency should have minimal impact on existing designated Agencies as it aims to fill market needs that are not currently filled (export market, import replacement). Additionally, the Agency aims to increase BC Grown Regulated production by helping Producers expand to fill the needs of Mastronardi's customer portfolio preference for BC Grown product.

The risk to MPL BC is relatively low as the Mastronardi Produce organization has a proven 70+ year heritage and currently supplies the largest retail and foodservice operators in North America. The ability for MPL BC as part of the fully integrated Producer, shipper, marketer, long and distributor of the Mastronardi Produce family to meet its marketing goals can be distilled down to four key abilities:

1. Proven ability to access BC market and retain premium markets.
2. Proven ability to achieve and retain price advantage.
3. Proven ability to furnish Producers with premium varieties and achieve target specifications.
4. Proven ability to attract and retain Producers that are not otherwise restricted from selecting alternate marketing agencies.

Attached as **Schedule 5.12.2** is a letter from Country Fresh Produce Inc. in full support of MPL BC's Agency Application that recognizes MPL BC and its affiliates longstanding operations as a reliable and potential contributory member to BC as a whole with many valuable contacts and an extensive distribution network throughout North America that will assist in growing the market for regulated BC vegetables, which will benefit BC Producers, other agencies, consumers and other stakeholders through the distribution chain.

5.12.3. Market Access – Opportunities & Demand

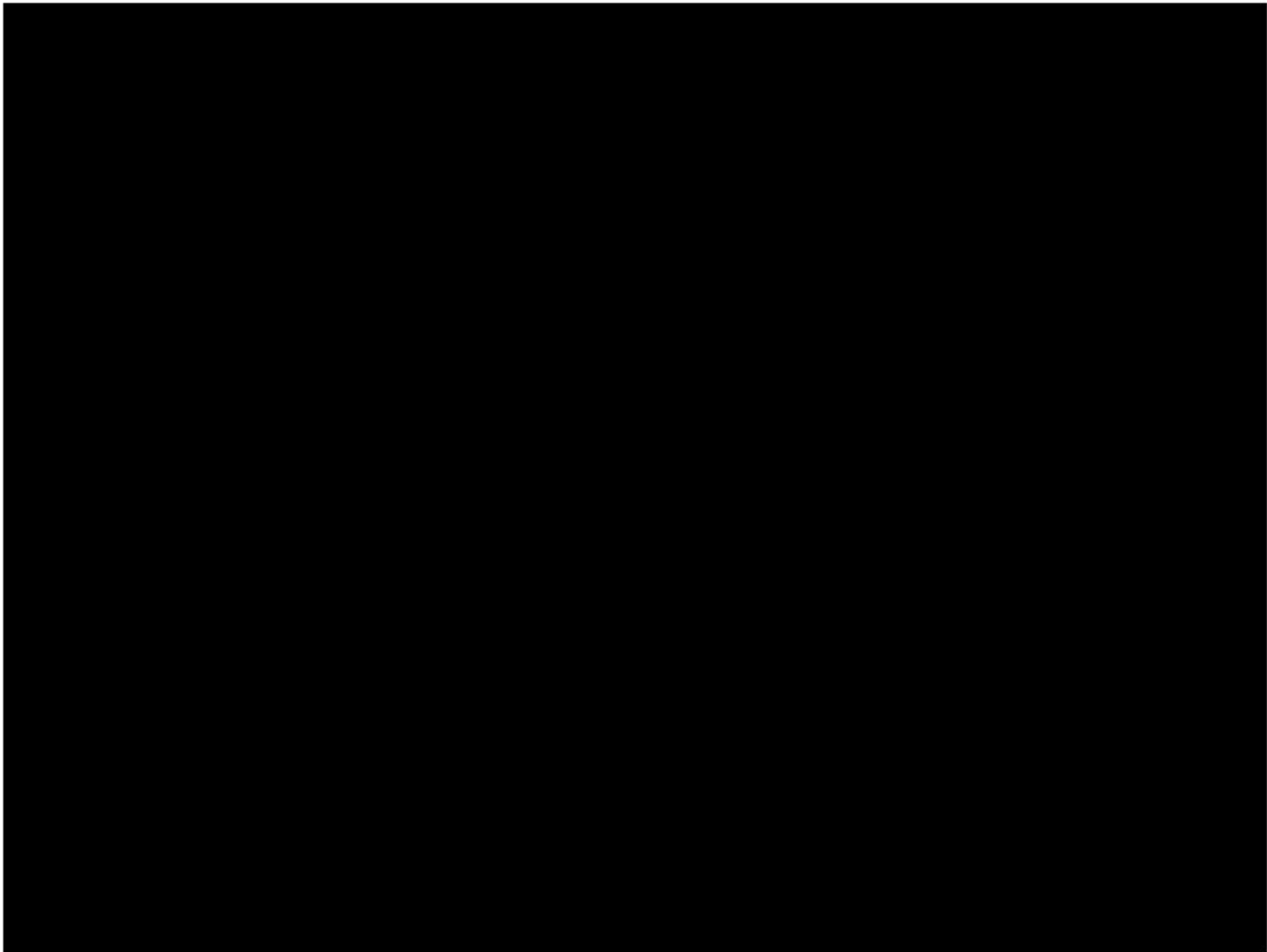
MPL BC's strategy includes access to western United States markets for specialty greenhouse vegetables is to source these vegetables from BC and market them in competition with other United States imported specialty branded and private label products from outside of BC. An opportunity exists for BC Producers to foster and garner the benefits of competition in these western United States markets which is an estimated USD \$278 million dollar brand

[REDACTED]

[REDACTED]



MPL BC's entry to the BC market will benefit the industry as a whole because of its ability to deliver the various outcomes identified in the plan more fully set forth in this application.

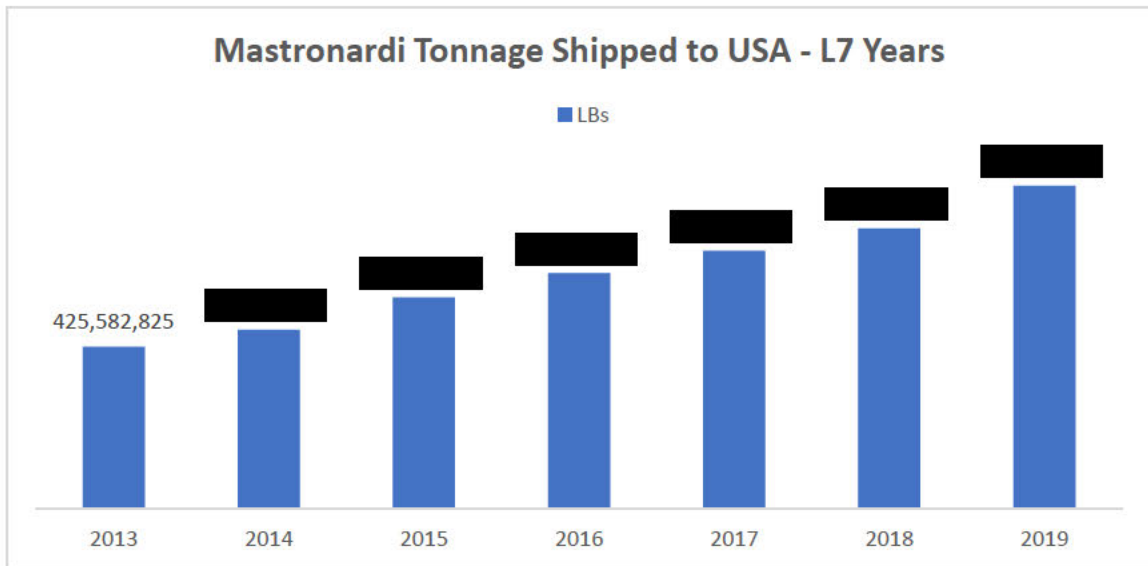




As part of the Mastronardi Produce network, MPL BC is in a superior position with a proven ability to export, deliver and serve the United States market. As depicted below, Mastronardi Produce has leveraged strong retailer relationships in the United States [REDACTED]

Figure 5.12-B: Mastronardi Tonnage Shipped to United States – Last 7 Years

Mastronardi Produce has leveraged strong retailer relationships in the USA [REDACTED]

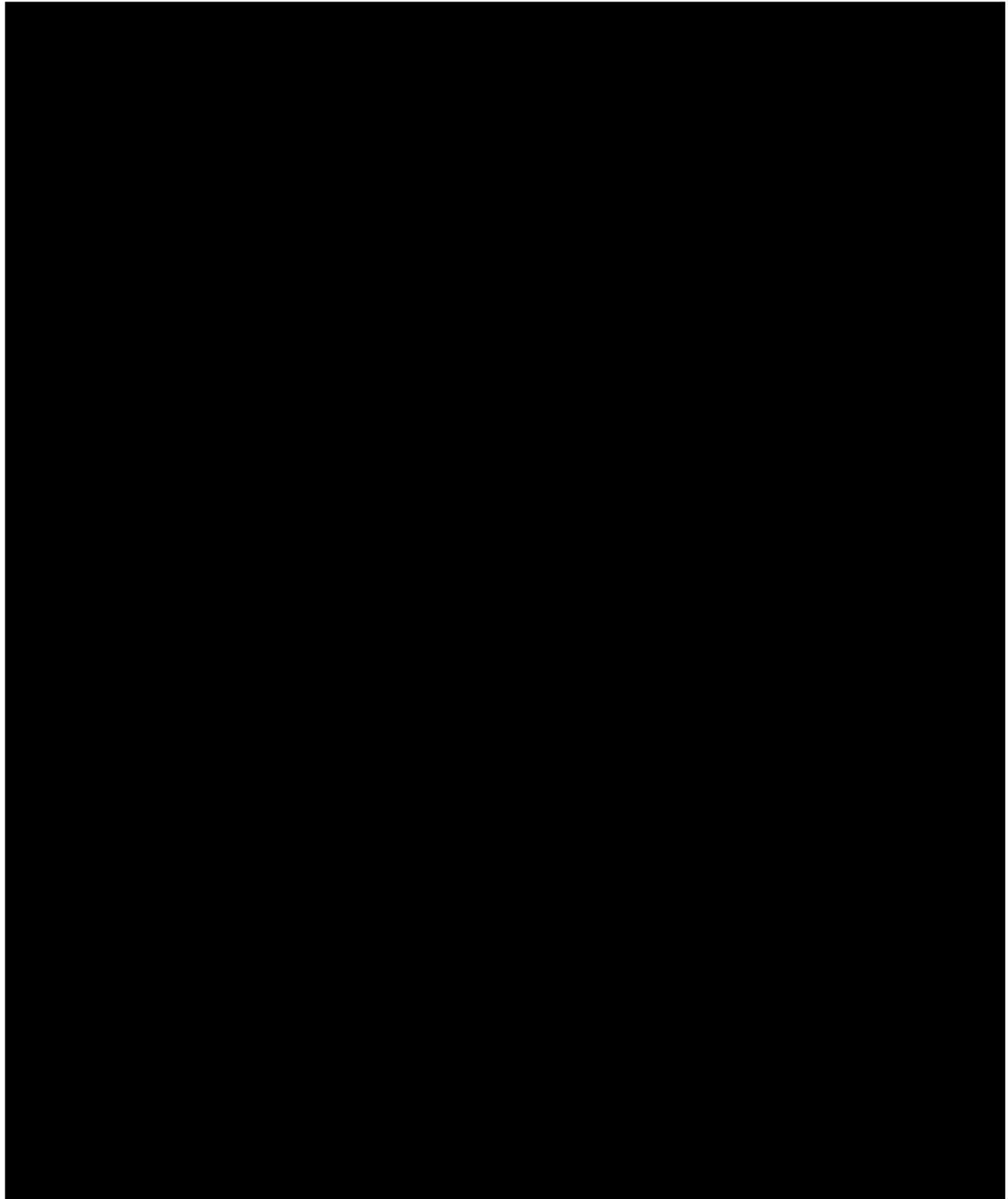


5.12.4. Ability to Achieve Premium Pricing

Mastronardi Produce is an established entity in the North American greenhouse vegetable industry with an established reputation for delivering specialty products and achieving premium pricing [REDACTED]



← INSPIRED BY FLAVOR

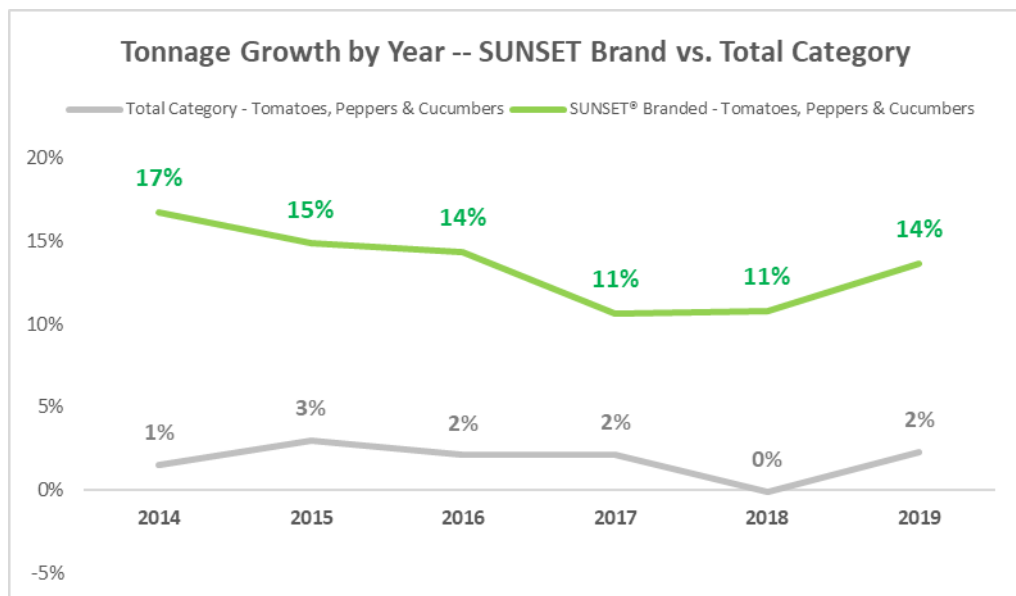


The exceptional demand for Sunset® brand products that outpace commodity growth for the past 5 years by a compound annual growth rate by approximately +16% since 2013. (See Figure 5.12.2-B, below)

Figure 5.12.2-B: Sunset Brand vs Total Commodities – Tonnage Growth by Year

Retail Consumption of SUNSET® Branded Tomatoes, Peppers & Cucumbers has consistently outpaced the market, with a +15% CAGR since 2014 vs. commodity growth of 1 to 3%

***IRI Unify, Total US MULO, 2013-2019, includes all major US Retailers except Costco*



MPL BC, as part of the Mastronardi Produce family is positioned to leverage the following all of which supports premium pricing opportunities for Sunset® branded products:

- Consumers are increasingly aware of and concerned about environmental issues related production methods, waste disposal practices and environmental regulation. Mastronardi Produce is an industry leader in sustainability and will assist BC participating Producers in providing low GHG emission, clean and safe products, as appropriate.
- Retailers and foodservice operators would welcome a source of differentiated, “specialty” market niche products from BC production.
- Low petroleum prices have increased the ability of premium products to travel. A surplus of air cargo space on long hauls provides the opportunity to access more distant markets.



- Mastronardi Produce’s North American distribution and vast Producer network capabilities enables it to market products and year-round programs with national and regional retailers resulting in enhanced pricing not afforded to others.

In sum, Sunset® branded products demand +43% higher retail pricing over primary BC brands, which will provide higher Producer returns. Volume potential for BC Producers is also much higher, as Sunset® branded products sold nearly 7x more than current BC marketers.

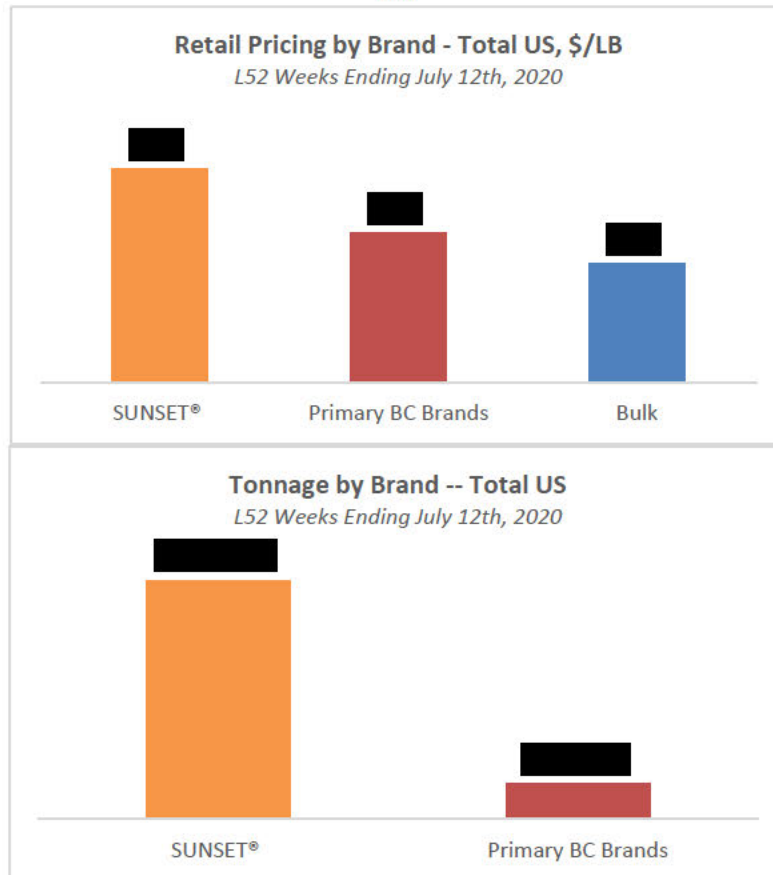
Figure 5.12.2-C: Retail Pricing & Tonnage by Brand – Last 52 Weeks

SUNSET® Branded products generate +43% higher retail pricing vs. primary BC brands, [REDACTED]

[REDACTED]

IRI Only, Total US MOLD, L52 WE July 12th, 2020, Includes all major US Retailers except Costco
** "Primary BC Brands" include Windset Farms, BC Hothouse & Houwelings

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5.12.5. Ability of Contracted Producers to Produce to Mastronardi Produce Specifications

MPL BC is confident that contracted BC Producers can provide and achieve Mastronardi Produce target product specifications for the following reasons:

- Sunset® brand varieties are successful at other Canadian greenhouses.
- The BC vegetable greenhouse technology is among the most sophisticated in the world, employing the latest growing, harvesting and handling technology. A strong supporting infrastructure has developed, labour and management are seasoned.
- The BC Lower Mainland is a preferred greenhouse vegetable growing and marketing location in the world. The mild and sunny climate, available labour force and supply of water and energy give the area a natural competitive advantage in high quality production.
- BC Producers fit within the Mastronardi Produce mandate to utilize integrated pest management techniques as a line of first defense to control the environment.
- The BC greenhouse industry has the facilities and know-how to produce greenhouse vegetables that can compete on quality with any other growing region.
- BC has a favourable locational advantage into the Mountain and Western United States market.
- Low interest rates make this an ideal time to invest in and pursue new market opportunities in the greenhouse vegetable industry.

5.12.6. Ability of Mastronardi Produce to Attract and Retain BC Producers

Considering the relative stagnation in the BC greenhouse vegetable sector, BC Producers will be attracted to MPL BC to become a Mastronardi Produce network Producer for several reasons, including:

- Marketing opportunities for BC greenhouse products in pursuit of high value niches which only large and stable national and retail industry marketers can access.
- Access to the Mastronardi Produce's robust Producer liaison program with a physical presence at BC Producer level. Under the Producer liaison program, a nation-wide team of Producer and procurement liaisons build and maintain relationships with Producers across North America to provide to provide real-time support guidance and feedback.

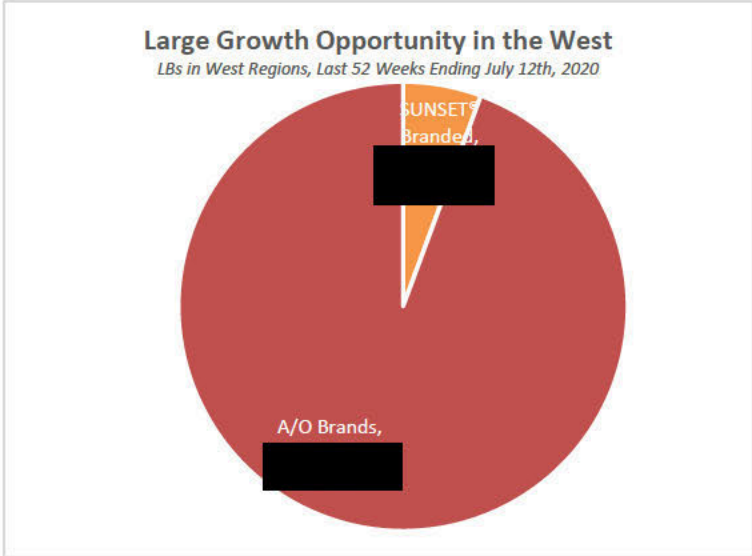
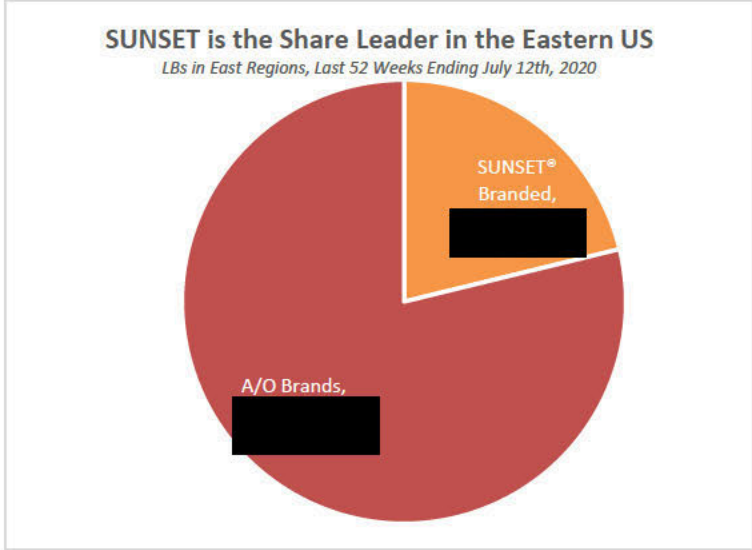
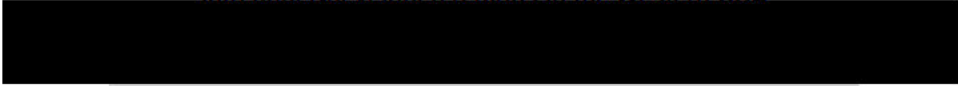
- The ability to utilize a network to enhance operations and implement best practices amongst all Mastronardi Produce network Producers.
- Options to grow unique and higher return proprietary varieties, diversifying their sector with short-term and long-term fixed pricing options.
- Options other than cannabis, that cater to healthier food, eating experiences, innovation and sophistication.
- Options that provide appropriate returns to the large investment Producers have made in plant and technology.
- The ability to leverage an offtake agreement with MPL BC to permit BC Producers with commercial financing alternatives at competitive rates. It is not uncommon for Canadian lenders to require a marketing agreement with a Mastronardi Produce marketer to support financing for Canadian Producer expansions, working capital and other financing needs.
- Benefits of Mastronardi Produce's robust research and development programs, which represent the largest varietal trial operation in North America, including evolving industry techniques, knowledge and know-how.

These attributes will more than attract BC Producers as Sunset® branded tomatoes, peppers and cucumbers would give BC Producers the opportunity to sell the #1 greenhouse brand nationally into under-developed regions in the western United States (See, Figure 5.12.4, below).



Figure 5.12.4: Sunset Brand Share East & West Regions – Last 52 Weeks

SUNSET® branded Tomatoes, Peppers & Cucumbers in BC would give Producers an opportunity to sell the #1 Hothouse brand Nationally into under-developed regions in the Western USA



5.12.7. Access to Regulated Products and Shared Markets

MPL BC intends to secure arrangements with Producers to ship Regulated Products to the Agency in 2021. MPL BC purchase and marketing agreements are expected to range from 1 to 3 years depending upon the terms, underlying varieties and price programs agreed to among the BC Producers and MPL BC. MPL BC has spoken with Producers that are ready to expand their production and deliver Regulated Products to the Agency which customers are requesting to displace imported product. MPL BC anticipates we will secure GMA's with Producers within days of Agency license approval.

5.12.8. Shared Market Access

In addition to the operations detail set forth elsewhere in this application, MPL BC will manage Shared Market access among Producers in various ways taking into account and based on; production season, market demand, negotiated contracts and forecasts, all of which is currently being managed by MPL affiliates throughout North America on a large scale for the many MPL Network Producers. Shared Market access will also be managed based upon individual Producer capabilities. Such capabilities include, without limitation, production and machinery capacity, associated tooling, packaging capacity, and know-how for the foregoing, all of which MPL BC will be able to assist and provide analytics, recommendations, implementation and other support designed to maximize Producer capabilities and market access. The methods by which this information and support is managed and delivered includes; weekly and monthly reporting including electronic and in-person communications from MPL BC's seasoned Producer Liaisons and other Mastronardi personnel.

As part of MPL BC's operational procedures, sale proceeds of Regulated Product will be distributed based upon the underlying agreements with Producers, which include set price arrangements and FOB Farm Gate commission structures [REDACTED]

MPL BC may also distribute proceeds from the sale of Regulated Products utilizing pooled pricing methodologies that will account for average price for the item at SKU level, freight costs on a per pound basis which permits Shared Market access among Producers.

Shared Market Access will also include monitoring through of Microsoft ERP system all shipments, rejections, returns, allowances, rebates and other handling of Product to document and report disposition of all Regulated Product handled by MPL BC.

6. The Marketing and Business Plan

6.1. Overview

Twenty years ago, the Canadian greenhouse vegetable sector was competing with field-grown produce at commodity prices in the United States marketplace. The business model at that time was to displace field-grown produce with higher-quality greenhouse products that could command higher prices in the marketplace than commodity produce. The model was successful in capturing a significant share of United States demand, assisted with phenomenal success in increasing yields and lowering costs of production.

Since 2000, Imported greenhouse production has rapidly expanded into the American market. Today, Canadian greenhouse-grown products are being sold in the highly competitive United States market in competition with other imported products.

Higher-value greenhouse products that can successfully compete with products from other growing areas are critical to the continued viability of BC vegetable greenhouse Producers. Ongoing product differentiation and innovation are key approaches to capturing opportunities to create new markets and displace greenhouse “commodity” products in the marketplace with more attractive alternative in the marketplace. Mastronardi has shown how this can be done and intends to bring their market development model to BC.

6.1.1. Western Expansion

While considering Western Canada expansion, the company evaluated both British Columbia as well as Alberta. Currently, BC Lower Mainland is the preferred greenhouse vegetable growing location. The mild climate, available labour force and energy, and technological sophistication give BC Producers a natural competitive advantage in supplying high quality products at competitive prices. The following serves as an outline for the marketing and business plan forward.

BC is a preferred location in terms of proximity to the United States, western Canada, and the Far East. These markets either have a high rate of per capita greenhouse vegetable consumption or have the potential and population base to grow tremendously in response to increased product differentiation, advertising, marketing and promotion. However, BC’s competitive advantage has narrowed due to higher land costs, higher input costs and cost of labour.

Our business plan is based on developing access to new international markets in areas not currently being fully exploited by competitors or other Canadian companies. This initiative is consistent with the trading orientation of Canada and further establishes BC’s presence in the international marketplace.

A key strategy is to work with established BC greenhouse Producers with modern production facilities who share the concept of pursuing of “specialty” and niche market opportunities. We are also interested in creating and growing new niche greenhouse products that the large United States and Far Eastern markets are demanding.

The aspects of specialty product production will include, among other advancements:

- Production of new specialty products (i.e., heirloom, organic, proprietary products).
- Innovative bundles of products, focusing on ethnic, fusion and modern cuisine.
- The delivery of a fresher product into the market with reduced food miles.⁸
- Emphasis on quality in handling and shipping from a 70,154 sq. ft. Surrey, BC based Distribution Center which the company has already secured.
- Sunset® branded stringent quality standards.
- Leveraging a coveted brand to support higher pricing on accompanying commodity items.

It is anticipated that BC Producers will supply between 40,000 m2 and 100,000 m2 of greenhouse production in tomatoes, peppers, and cucumbers to the MPL BC agency at start-up. This acreage will significantly increase as BC Producers will reap the benefits of increased Producer profitability, access to proprietary performing varieties, access to new markets, and all of the other benefits and synergizes identified in this application, which they simply were unable to garner without the Mastronardi Produce experience.

The availability and stability of supply and size of the existing regional markets are both beneficial to our plan. Because of new farm investments, the industry is among the most sophisticated in the world. Moreover, the current marketing climate facing BC greenhouse Producers calls out for innovative solutions. The industry requires options which offer marketers more in tune with consumer demand and tailored to maximizing the returns received by Producers. Marketing complacency is not only dangerous but can leave Producers in precarious financial positions. MPL BC will provide proven marketing solutions to address all these fronts.

⁸ Lower grade products may find markets locally where the cost of freight may be minimized and MPL BC will have market outlets for below grade produce.

Accessing these untapped demands for greenhouse vegetables will provide increased production opportunities for the BC industry, without causing disruption of the local availability of supply or negative impacts on the existing distribution system and agencies.

6.1.2. Market Segment

Our review of greenhouse vegetable markets identifies major underlying trends in the United States which favour Canadian product. This bolsters our BC agency business plan. We propose to initially target our United States customers' preference for Canadian Product. A concurrent strategy will be to produce certified organic greenhouse products and heirloom varieties for emerging specialty markets. The indicators which support this strategy include:

- Demonstrated export standard, premium-priced in markets in Eastern Canada and the United States.
- Continuing and increasing consumer demand for fresh, natural, nutritious products.
- Increasing consumer demand and willingness to pay for produce grown sustainably, under reduced carbon emission protocols.
- Increasing sophisticated consumer demand for “foodie” products, visually appealing and exotic products.
- Far East demand for safest, highest quality, specialty products.

6.1.3. Servicing the Export Market to benefit BC Producers

As indicated earlier, we will initially target products imported into BC. What makes our approach unique is the coordinated marketing program that will accompany entry into this marketplace. In contrast to conventional marketing approaches, applicant proposes to coordinate our marketing program with the Mastronardi Produce organization who is currently servicing the BC market with imported product. This approach offers the benefits of immediate presence in the marketplace as well as access to expertise of an international sales agency to assist in the further development of domestic and new export markets.

Mastronardi has a well-established continental distribution and marketing network with unique strengths that buttress a successful marketing plan, which include:

- Knowledge of the requirements of specialty foreign markets as demonstrated by the Sunset® brand presence throughout the United States and intimate knowledge and connections in other international markets such as Asia and Europe.
- The Mastronardi Produce distribution network allows for the direction of products on an as-required basis. We have similar exclusive marketing arrangements with Ontario, United States and imported Producers to

ensure year-round market presence. These other producing locations are similarly committed to high quality export standards all of which will be mutually beneficial to the Mastronardi Produce family of BC, Ontario and other Producers.

- We have demonstrated our ability to work with Producers to develop high export quality products. BC Producers will collaborate with our team to develop and adopt new quality characteristics in response to the evolving demands of the marketplace.
- We offer unique market-tested packaging and display concepts that will differentiate BC products in the marketplace and add value beyond pricing.
- We have the expertise to implement specialty Producer programs tailored for specific end users.

6.1.4. Market Entry Timing

MPL BC has the present capabilities and plan to commence agency operations immediately upon acceptance of this application which will provide an immediate benefit to the BC industry as a whole.

This is an excellent time to establish a new marketing presence in the BC greenhouse vegetable sector. Favourable factors include:

- The BC industry is experiencing stagnating growth, marketing slowdown and lower prices, reflecting a need for new approaches to market development. In contrast, Mastronardi Produce is experiencing sustained growth in markets and steadily increasing prices and often must acquire third party product at market to meet identified demand.
- Several BC Producers are particularly receptive to new initiatives that expand market opportunities.
- The current greenhouse vegetable marketing agencies do not market several proprietary products that MPL BC will introduce into BC and Western USA markets.
- Other significant marketing opportunities to displace imported produce in the United States marketplace are not being presently pursued. The net impact on the existing BC greenhouse vegetable sector will be to spur production to meet expanded markets.
- There is great opportunity to differentiate BC grown greenhouse vegetables based on unique products.

- Canadian domestic interest rates are at record low levels. In July 2020 the Bank of Canada benchmark rate was 0.25%. This rate environment reduces the overall costs of financing new investment in the critical start-up phase of the business.
- The global corona virus pandemic is prompting examination of eating habits and reduced reliance on meat products for sustenance. Combined with climate change concerns, there has never been a better time to emphasize plant diets in terms of personal and planetary health.

6.1.5. Product Positioning

There is a niche for committed and capable Producers who wish to focus on quality and flavour to supply greenhouse vegetable products in the United States and Far Eastern markets. These Producers have modern facilities, are larger than the average operation, and obtain high yields of top-quality products. At present, there is no differentiated marketing channel in BC like Mastronardi Produce, through which to supply consumers with specialty greenhouse vegetable products.

This business plan is supported by existing BC Producers who are committed to supplying produce to the marketing agency to get it established. These Producers will have access to export markets and will participate in unique promotional strategies as opportunities arise. The marketing strategy calls for the sequential development of what are considered winning product lines, penetration into, and new demand growth in established specialty greenhouse vegetable markets.

Moreover, there is no confusion with existing BC products, labels or identification as MPL BC products will be marketed under the established Sunset® brand already present in the BC market and throughout Canada and the United States.

See, the following link for a description of the Sunset® brand distinctive suite of products <https://www.sunsetgrown.com/products/>

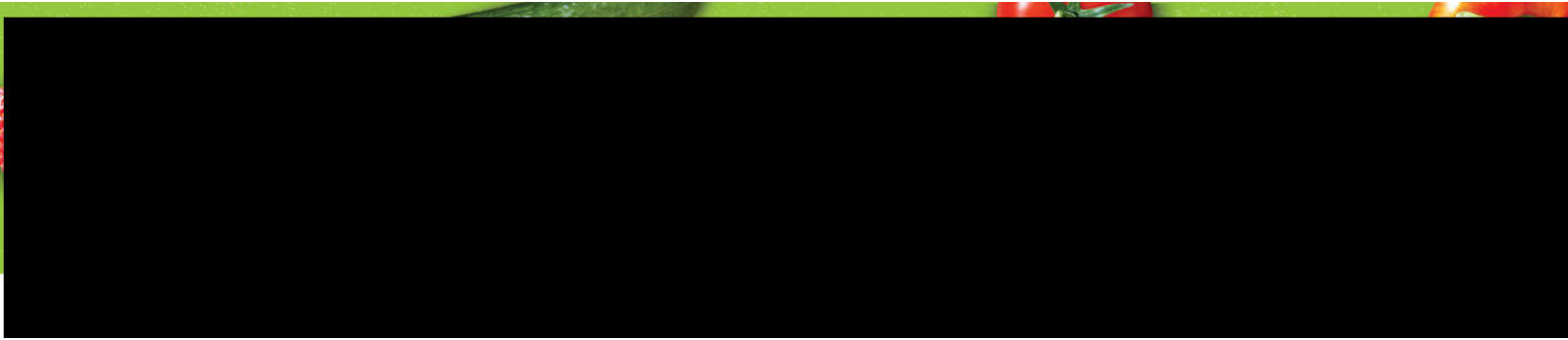
6.2. Local Support

6.2.1. Sunset® a TRUE partner to Producers.

Sunset® greenhouse vegetable quality will be established and enhanced through a multi-pronged quality assurance program consisting of the adoption of rigorous Sunset® brand standards in the following areas:

- **On the farm.** Local BC Producer liaisons will work from our BC based Distribution Center supporting our BC Producers.

- **Pickup and handling.** Mastronardi Produce operates a sophisticated transportation program that handles all logistics from farm to customer. We will have local logistics planners, who are experts in cross-border logistics.
- **Quality Inspection and Consolidation.** Our BC distribution center in Surrey will receive products from BC Producers and consolidate that along with other Producers' products to build complete orders for our customers to their individual specifications.
- **Distribution and delivery.** We do not rely on Less than Load shipments, instead choosing to coordinate our own efficient delivery focusing on swift and timely delivery utilizing the lowest possible food miles plan.
- **Marketing.** BC Producers will benefit from the marketing both in merchandising and on packaging highlighting BC Grown produce where its value is highest and most sought-after by our customer base.
- **Mastronardi-allied Producers alliance.** We have exclusive production agreements with Producers throughout the world with streamlined access to the global market that provide our allied Producers with market opportunities along with the sharing of best practices amongst our Producer partner network of over 150 Producers.
- **Agency – Producer Collaboration.** The Agency will regularly engage with Producers in discussions on production, transportation, packaging, storage, food safety, best practices and marketing of Regulated Products. To foster a spirit of partnership, the Agency and its Producers will be invited to participate in all Mastronardi Producer Summit events including workshops and informational seminars, held throughout the year. All varieties, forecasts, pack schedules etc are mutually agreed to in advance and evaluated as necessary during the growing season.
- **Quality monitoring and feedback.** We will provide continuous and frequent monitoring and feedback to Producers concerning quality specifications and forecasts.
- **Food Safety and Quality.** BC Producers will have the benefit of the Mastronardi Produce robust food safety program. We have a well-developed traceability process, that we test several times a year that has been in place many years. This process allows us to track where our product originated from down to farm level. Further details on our quality assurance procedures are outlined in Section 8.2 Quality Assurance.



MPL BC will not only comply with all applicable legal requirements, including with respect to grading, record keeping, traceability and food safety, but will meet and often exceed the stringent additional requirements required to service the top retailers in North America.

6.2.2. Marketing & Acreage Targets



6.3. Marketing Framework for sales by type, volume, and segment

6.3.1. Type of Product.

MPL BC expects to market Regulated Product from the forecasted area in the table above and has provided an estimation of the assortment it expects will comprise the total area based on the long-term sales forecast. [REDACTED]

6.3.2. Producer Forecast.

The Quota and Agency allocations for the 2021 crop year are established and it is impractical to secure detailed Producer commitments without an Agency license. It is noted that an MPL BC affiliate currently purchases Regulated Product from an existing Agency representing 30,530 m2 sourced from Creekside Hothouse. At a minimum, it is expected that this Regulated Product will be sold to MPL BC for the crop year subsequent to the issuance of the MPL BC Agency license, which activities are supported through the cooperative relationship between MPL BC and Country Fresh Produce. Moreover, market conditions and Producer capabilities must be considered when trying to forecast supply by Producer and as such any long-term forecast is not accurate beyond 12-24 months.

6.3.3. Target Market Category.

*NB “Target Market Category” is not defined by the Commission. The applicant sought clarification on this term and was only referred to the plain language of the Order in response.

Mastronardi Produce enjoys long-standing relationships with largest retailer and foodservice operators in North America who have come to rely on Mastronardi as “partner of choice” because of its premium products, unique proprietary varieties, continent-wide distribution capabilities and world class service. These customers rely on having “uniform” offerings for their customers and as such look to Mastronardi to make it easy for them by offering specialty products everywhere they operate. As such, we anticipate significant opportunity exists to plant the Sunset specialties to service the ever-increasing customer demand for these products. Together with “commodity” staples such as Tomatoes on the vine, Beefsteak Tomatoes, Bell Peppers and English cucumbers, the company’s focus is on allocating Regulated Products to premium customers as opposed to wholesale markets.

6.3.4. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.3.5. Packaging disposition.

In order to streamline operations and increase Producer returns by driving costs out, the company intends to align with Producers in order to pack at Producer, to customers' requirements and with proper planning will endeavor to pack 100% at farm level.

6.4. MPL BC Financials, Projections and Forecasts of the Business Plan

Mastronardi Produce will provide MPL BC with financial, industry and all other support needed in order to permit MPL BC to conduct its business in the normal course. Mastronardi Produce has a solid, proven track record of successfully entering new markets over many decades in the industry. Mastronardi Produce will protect its Sunset® brand that it has spent substantial resources in the tens of millions of dollars to develop over many years. As part of the Mastronardi Produce family, MPL BC will be subject to resource and capital reserve reviews, metrics, resource allocations and contingencies, financial and responsibility oversight, reporting, and constantly be afforded with current and future market conditions, forecasts and be part of the organization's short and long-term planning to identify risks and make appropriate adjustments to ensure growth and profitability. [REDACTED]

[REDACTED] Mastronardi Produce will stand in place of MPL BC and will ensure that Producers will be paid for Regulated Product in the unlikely event that the Agency encounters financial difficulties.

7. The Human Resources Plan

7.1. The Employee Plan

The Agency will create and ramp up new jobs within two (2) years of approximately twenty-six (26) employees. As Figure 7.1 indicates MPL BC's initial workforce will consist of several key roles, including the following:

7.2. Management Team

John Hemeon -Chief Operations Officer / Agency Director

Mr. Hemeon will direct a significant and vital part of our operations. Given Mr. Hemeon's experience with business operations, as well as his extensive experience prior to joining Mastronardi Produce, he is ideally suited to lead MPL BC in its operations.

Mr. Hemeon was hired as Chief Operations Officer for Mastronardi Produce in October 2019 to oversee all affiliate operations. Prior to joining Mastronardi Produce in this executive capacity, he gained extensive experience in sales, operations, and employee engagement in

the hospitality, food service, and distribution industries. He holds a Master of Business Administration degree from the University of Guelph, awarded in 2005, and has held executive-level roles within prominent organizations in the food service/distribution industry for close to twenty (20) years.

Most recently, from August 2018 to October 2019, Mr. Hemeon was Senior Vice President and General Manager for Summit Food Service - A Division of Colabor. A distributor of food products and related products, Summit Food Service provides over 18,500 products to 3,500 clients in the restaurant, hotel, healthcare, and education sectors. In his tenure as SVP and General Manager, Mr. Hemeon was responsible for all aspects of the Ontario Division, operating out of three locations: London, Mississauga, and Ottawa. He had full accountability for sales, customer service, supply chain, strategic sourcing, operations, finance, human resources, information technology, legal, safety and compliance, and facility management, totaling 580 employees.

From 2016 to 2018, Mr. Hemeon was Chief Operating Officer of Canada Cartage, Canada's largest provider of dedicated fleet outsourcing, managed transportation, warehousing, and B2C home delivery solutions. As COO, he was responsible for leading 2,600 national employees, in teams within operations, human resources, safety and compliance, and fleet purchasing/maintenance. The fleet consisted of over 5,000 units generating more than \$600 million in annualized revenue. He also held a Director position on the Canada Carthage Systems' Board.

From 2009 to 2015, Mr. Hemeon was Executive Vice President, Supply Chain for Tim Hortons, the multinational, casual restaurant franchise. He was accountable for the end-to-end global supply chain infrastructure and operations in a business comprised of approximately 1,000 employees that generated \$2 billion in annual revenue. He was also a Member of Tim Horton's Restaurant Advisory Board.

Prior to that, Mr. Hemeon held several increasingly responsible roles over the course of twenty-six (26) years with Sysco, a global leader in selling, marketing, and distributing food products to restaurants, healthcare and educational facilities, lodging establishments, and other customers who prepare meals away from home. He was Executive Vice President from 2005 to 2009, selected to take control of a 650-person entity operating as an autonomous business. He assumed management accountability for all facets of the business operations including sales, merchandise, finance, operations, human resources, and business development, generating \$750 million annually. From 2004 to 2005 he held the role of Senior Vice President, Business Review and Development, Ontario Region. He was promoted to lead a ten-person team of top performing sales representatives selected from internal resources with a mandate to educate customers on new Sysco products. He was Vice President, Purchasing, Merchandising, and Marketing, Ontario Region from 2000 to 2004, responsible for managing the Procurement Team for the \$350 million operating company, with a 50-person team servicing southern Ontario restaurants, hospitals, and institutions. From 1983 to

2000 he held progressively responsible roles within the sales, purchasing, and operations division of the organization.

Richard Ball -Chief Financial Officer

Mr. Ball first began working for Mastronardi Produce in Canada on November 20, 2017, in the role of Vice President of Finance, Accounting, & Controls. Since August 24, 2018, Mr. Ball has been Chief Financial Officer for the Mastronardi Produce organization, replacing the organization's previous CFO.

Mr. Ball is responsible for all financial issues and provides guidance on practices and policies to the highest levels of our company's leadership. As Chief Financial Officer of Mastronardi Produce Limited, Mr. Ball oversees financial oversight of Mastronardi Produce Limited and all of its international subsidiaries. Mr. Ball's responsibilities include the following:

- Directing the financial management of the international organization and providing overall management and oversight of overall business performance;
- Internal and external financial reporting including oversight of financial implications of all company activities;
- Financial control and compliance ensuring oversight by appropriate professionals of internal financial controls;
- Budget, forecast and analysis, and conferencing with ownership on current and future financial trends, making and implementing changes on these forecasts;
- Information technology oversight to ensure internal systems meet requirements for company financial control;
- Maintenance and review of all internal audit procedures regarding general company treasury issues;
- Directing management of the company to ensure compliance with internal and legal procedures and requirements;
- Directing risk management and mitigation strategies regarding currency, interest rates, credit and insurance issues;
- Finance organization design and development, including hiring and firing issues; day to day direction of high-level professionals under his control; setting of company policy and standards for adherence by all employees, insurance and other risk management and related company management issues;
- Long-range strategic planning from a financial perspective;

- Directing the management of policies and procedures to ensure tax compliance and optimal tax planning;
- Establishing and refining policies regarding the delegation of authority for financial matters, and internal controls over commitments and expenditures;
- High-level negotiating and execution of strategic transactions, including acquisitions, divestitures, and joint ventures, as well as overseeing the preparation of business cases to support new investments;
- Direct negotiations regarding financing and credit facilities to meet the company's liquidity needs, as well as ensuring the company's continuing good reputation and relationships with banking and financial partners;
- Directing management of the company's credit rating and relationship with credit rating agencies; and
- Preparing for, attending, and presenting at Board of Directors meetings regarding the financial management of the company.

Mr. Ball is a seasoned finance executive with a background in operations and corporate development working in a combination of mid-market and large-scale organizations in Canada and Internationally. He has a track record of driving growth in bottom line performance; raising and deploying capital to maximize returns; M&A execution and integration; and building/developing high performing teams.

Prior to his position with our company, Mr. Ball founded Richard David Coaching & Advisory in March 2015, an independent personal coaching and business advisory practice in Toronto. Prior to starting his own practice, he spent twelve (12) years at Barrick Gold Corporation in various leadership roles. Specifically, in his last role at Barrick Gold from July 2012 to December 2013 as a Business Unit CFO, he was assigned to restructure a \$9 billion capital project in South Africa. As Senior Vice President, Operations Business Strategy from June 2012 to December 2012 and Senior Vice President, Controller from March 2009 to June 2012, he successfully transformed the finance function and led the development and implementation of a new corporate strategy to refocus the organization during a time of industry change. As Vice President, Controller from March 2002 to March 2009, Mr. Ball hired and mentored a team of seventy (70) finance professionals to create a high performing finance function for the company in the areas of Financial Reporting; Financial Governance; Capital Projects; Business Planning; and Treasury Middle/Back office. Finally as Senior Director, Financial Reporting & Risk Analysis from March 2002 to March 2004, Mr. Ball worked to modernize and improve the financial reporting, public disclosure and enterprise risk functions and served as lead on corporate transactions, including related public filings.

Mr. Ball has been working in finance positions for the past eighteen (18) years. In addition to his executive level experience, Mr. Ball also holds a Bachelor of Science degree in Operational Research from Lancaster University.

Joseph Bonfiglio – Vice President of Sales

As Vice President of Sales, Mr. Bonfiglio's duties are primarily concerned with the directing of the sale of Mastronardi Produce's product lines, which effectually means he focuses on the coordination and functioning of the Sales Department. The bulk of Mr. Bonfiglio's day-to-day duties are high-level executive responsibilities involving developing and implementing sales strategies to take effect across the entire company, managing and delegating tiered responsibilities to the Mastronardi Produce sales teams, and acting as a key representative to larger customers and buyers. His additional duties entail a more focused review of the day-to-day sales operations of different sales teams to ensure consistency across our entire organization.

Mr. Bonfiglio was first hired by Mastronardi in 2009 as a Key Account Manager within our sales department. Due to his skillset and experience in sales and profit creation, as well as knowledge of food and produce sales strategies and processes, he was promoted to Director of Sales in 2016, a position he held until August 2019, when he was promoted to his current position of Vice President of Sales.

As Director of Sales with Mastronardi Produce in Canada, Mr. Bonfiglio collaborated with the senior management team to develop a strategy to exceed the organization's sales goals. He managed the identification, prioritization, and winning of new customer relationships as well as the retention and growth of current customers. He was responsible for forecasting volumes with monthly updates by item and customer six months out and was accountable for pricing and margin negotiations between Mastronardi and the customer. Mr. Bonfiglio built contracts for customers and ensured adherence to those contracts. He was responsible for budgeting, promotional planning, and customer management. He also attracted, hired, developed, and motivated a high caliber sales team, which included setting performance expectations and metrics, evaluating work, coaching, training, and mentoring.

As Key Account Manager with Mastronardi Canada from 2009 to 2016, Mr. Bonfiglio developed and implemented plans to maximize sales and profits and meet or exceed sales objectives. He managed current pricing and overall category margins and led company financial payment terms. He built an annual sales plan by managing commodities grown by outside Producers and product procured internally. His work included attending presentations, conferences, and client meetings, including setting up and developing food and trade show presentations. He expanded the customer base and increased sales by more than \$22 million over a seven-year span (to \$160 million). He created and built partner relationships and explored and proposed new revenue opportunities.

Prior to his employment with Mastronardi Produce, Mr. Bonfiglio was a Key Account Manager for Lakeside Produce, from 2004 to 2009, where he developed, maintained, and increased international sales. He developed and implemented plans to maximize sales and profits and exceed goals. He also managed pricing and overall category margin, led company financial payment terms, and built annual sales plans. He supported and led greenhouse expansion strategy, created and built partner relationships, and explored and proposed new revenue opportunities.

From 2003 to 2004 Mr. Bonfiglio was Plant Accountant for Omstead Foods Limited. He was responsible for assisting in the preparation of management financial reports and budgets. He conducted financial statement analysis, assisted in year-end audits (including developing internal control systems), prepared monthly and quarterly schedules for all areas of the business, and prepared financial statements for banks. In addition, Mr. Bonfiglio developed and supervised accounting team members, as well as managing and supervising all aspects of the day-to-day accounting department duties, including AP, AR, Payroll, and Customer Service. He was responsible for managing the work order system to ensure the proper projects were capitalized, the month end closes and processing to ensure balancing, deal and allowances toward customers, and payroll.

Mr. Bonfiglio also holds a Bachelor of Commerce degree in Business Administration from the University of Windsor, granted in 2000.

Dean Taylor – Vice President of Business Development

Mr. Taylor joined Mastronardi in 2010 as Key Account Manager. In this role he led the development and creation of Mastronardi Fresh Foodservice division which quickly grew in sales in few short years and firmly positioned the company as the leading greenhouse company in the foodservice sector.

In 2012 Mr. Taylor was a fellow in the United Fresh Produce Industry Leadership Program, Class 18 and is deeply connected to the produce industry having served on several committees at both Produce Marketing Association and United Fresh Produce Association.

Mr. Taylor was promoted to Director of Sales and Commodity Planning in 2012. In this role he led the fresh pepper category in addition to his sales activities. He was responsible for the performance of the category including all purchasing.

In 2019 Mr. Taylor was promoted to his current role of Vice President of Business Development an executive level role recognizing his broad skillset. Mr. Taylor is a well-rounded leader with a proven track record of developing strategies and leading teams to execute transformational changes that enable EBITDA growth. Mr. Taylor has been successful in forging strong relationships and cross-functional partnerships that have delivered growth through innovation, product enhancements and new ventures such as; Mastronardi Fresh Foodservice (2010) and BerryWorld America (2018).

Mr. Taylor also works with the CEO in research & development and manages the company's world-wide trial program overseeing hundreds of varietal trials each year to maintain Sunset®'s industry leading portfolio of high flavor and innovative items.

Mr. Taylor has started and led multiple new capabilities/ projects including the development of many exciting new items. His activities and achievements are outlined below;

Business Development

- Responsible for the identification and pursuit of growth opportunities.
- Lead GDSN Project to lead e-commerce in this new way of retail due to pandemic.
- Continued leadership and oversight of Foodservice division and BerryWorld America.
- Develop comprehensive business plans to enter new markets.

Research & Development

- Develop and deployed a cloud-based app to provide real-time and global access to agronomic details of each variety in trial in order to increase collaboration between Producers, breeders and marketers to optimally grow each variety and make decisions for advancement.
- Developed seed forecasting, procurement and distribution plan resulting in substantial margin improvement.
- Implemented "seeds-as-parts" program in Navision.

Marketing Leadership

- Develop the long-term strategy across the portfolio of brands at Mastronardi Produce.
- Develop, maintain and consistently communicate compelling brand positions leveraging both traditional and new media.
- Drive the evolution of the Sunset® marketing department, including creation of "Channel Teams", refreshing certain brands and product positionings, and optimizing go-to-market model (new products) and by focusing on digital customer (and consumer) engagement strategies as this is especially important during this pandemic.
- Oversee the brand planning process including definition of consumer target and development of marketing mix and tactics that will determine how/when/where the brand interacts with the consumer while encouraging trial and repeat.
- Deliver comprehensive suite of sales materials and consumer communication vehicles to drive retailer and consumer affinity for the various brands.
- Operate in focused manner across several brands, while maintaining broader marketing oversight at corporate level.
- Development of departmental KPI's and implementation of dashboards for both the marketing team as well as senior leadership to see what's in flight at a glance.

- Created an unprecedented innovation pipeline and advanced product development program that pulls together for the first time, seed discovery, product development, packaging, finance.

Mr. Taylor studied at the University of Windsor and was a Year 3 Journeyman in Tool & Mold at St Clair College.

Keri Butler – Director of Logistics

Ms. Butler has served as the Director of Logistics for Mastronardi Produce since 2011. Ms. Butler is a seasoned senior logistics professional with over twenty (20) years of domestic and international operational and managerial experience. Her extensive knowledge of Distribution, Planning, Supply Chain, Cold Chain, and Project Management specialized in fresh and refrigerated food transportation domestically and internationally serves the Mastronardi Produce organization's global transportation needs.

Ms. Butler personally oversees the management of large freight tenders, through to the alignment of constantly changing forecasts across several distribution centers and growing regions. She also oversees all import, export and logistics support and functions globally for the organization. As the global head of logistics for Mastronardi Produce, she is responsible for all land, ocean and air freight and associated logistics services with an annual spend of \$200+ million.

Ms. Butler is a proven leader who consistently identifies strategic supply chain solutions to deliver value to the organization. Ms. Butler is an expert in utilizing technological solutions to improve logistics processes and is highly respected by her peers.

Prior to joining Mastronardi Produce Ms. Butler's responsibilities ascended during her career holding the following positions: Operations Manager - TVM Logistics, Cottam, ON (2008–2011); Operations Manager and Key Account Manager - Eldorado Logistics, Belle River, ON (2006-2008); Operations Manager - Howl Transportation Ltd., Puce, ON (2001-2006); Operations Manager - Mike Duffy Trucking, Belle River, ON (1998-2001) and Dispatch Manager - Lloyd Clickner Construction, Emeryville, ON (1995 – 1998).

Nick DiNiro, Manager Domestic Procurement

Mr. DiNiro joined Mastronardi Produce in 2017 as a Producer liaison. In that time, Mr. DiNiro worked diligently to build and maintain strong relationships between our company and Producer base. Recently Mr. DiNiro was appointed Manager Domestic Procurement and now leads our Canadian Procurement team. Nick previously worked as a Producer and general manager at a local greenhouse operation where he spent fifteen (15) years learning the business thoroughly. Mr DiNiro's primary responsibilities include,

- Assist with purchase order, logistics, and estimate entries, Producer calls, projection of products.



← INSPIRED BY FLAVOR

- Communicate with Producers about crop management, timelines, quality and projections.
- Ensure Producer estimates and purchase orders are accurately entered in a timely fashion.
- Set up Producer Quality Reports in order to track grading percent, projection and spec accuracy.
- Communicate Producer product quantities to Buying/Sales team to ensure product Min/Max levels are maintained.
- Daily/Weekly reports communicating all pertinent information concerning production.
- Travel to Producers to communicate company standards.
- Work closely with Operations/Logistics to ensure on time delivery of packaging materials to ensure timely distribution to Producers.
- Support Procurement team with general tasks and duties.
- Inspect direct loads weekly.
- Liaison farm information back to commodity planning, sales, and procurement management.
- Attend weekly/monthly meetings for the procurement department.
- During Winter Season assist with processing the PO's for Latin America.

Figure 7.1: Initial Employee Plan – 2 Year Projection

JOB TITLE	# OF POSITIONS	RESPONSIBILITIES
MPL BC Agency Director	1	Oversee all BC activities and integration with Mastronardi Produce
Account Manager	1-2	Manage accounts, daily sales, identify new opportunities
Logistics Management	1-2	Manage all inbound and outbound shipping
Procurement and Producer Liaisons	1-2	Visit and support Producers, crop variety and planning
Warehouse Personnel	6-10	Manage shipping, receiving, warehouse activities
Food Safety & Quality	1	Manage FSQ program
Office/Clerical	2-4	Manage day to day administrative work

Quality Control Personnel	2	Monitor grading and product consistency
Finance and Accounting	1-2	Preparation of financial reports, bookkeeping, billing and bill payment

8. Surrey Operations

8.1. Facility

We have secured the Surrey distribution center that can handle all MPL BC's grading, warehousing, packaging and distribution requirements for at least the next five (5) years. A description of the facility requirement and startup costs are presented in the Schedule 6.4 projected financial statements, which includes an equity contribution from Mastronardi Produce of One Million Five Hundred Thousand (\$1,500,000) dollars.

8.2. Quality Assurance

Food Safety Plan

The Company documents how it controls food safety in the Food Safety Plan and quality in the Food Quality Plan.

Pre-requisite Programs are used as basic procedures and controls to meet minimum standards for maintaining personal hygiene, sanitation, food safety and quality. Pre-requisite Programs are developed, implemented, validated, verified, and signed by a Corporate SQF Practitioner. This occurs at least annually or more often as programs change.

The Food Safety Plan (also known as HACCP/PCHF Plan) is prepared for the purpose of outlining how the company will control and assure food safety.

A Food Safety Plan is developed using a Food Safety (HACCP/PCHF) Team using the HACCP/PCHF risk-based methodology. A hazard analyses of all processes and raw materials is used to identify any potential microbiological, chemical (including allergen and radiological) or physical hazards. The current HACCP/PCHF Plans have identified no Critical Control Points. The HACCP Plans are validated, verified, and approved by a Corporate SQF Practitioner. This occurs at least annually or more often as the Plans change. PCHF Plans are reviewed at minimum every three years.

Traceability and Recall

The traceability information of each product is maintained electronically through the online inventory system. Traceability may be conducted from the Producer to the direct account or customer. Repackaged produce is also traceable by use of manufacturing run codes. Packaging materials are traceable to the vendor source using purchase order numbers.

Mock recalls are conducted twice per year to test the effectiveness of the traceability program. Product and/or packaging materials shall be traced using a “one forward” and “one back” approach during mock recalls where applicable. Should a situation occur where product should be withdrawn or recalled from the marketplace, the Crisis Management Team (a.k.a. Recall Team) will be convened and put into action to execute the established Recall Program.

Grade Compliance

When product arrives at the facility, it is inspected against grade standards or internal product specifications if a grade standard does not exist for that commodity. This inspection ensures that product is compliant to the grade standard or Mastronardi Produce specifications. A random, representative sample is pulled for inspection; the standard is 1% of the incoming lot. The inspector will assess product samples against standards/specification using the accepted tolerances of 10% of total defects, 5% serious defects and 1% decay. There are no tolerances for underweight, incorrect label mandatory information or food safety issues. Non-conforming product is placed on hold and authorized individuals advise disposition.

Handling and Distribution

STAFF ENGAGED IN FOOD HANDLING AND PROCESSING OPERATIONS

Company will ensure that personnel involved in product handling shall comply with the following:

- Enter product handling areas through designated access doors only
- All doors are to be kept closed. Exit for waste removal is allowed provided doors are immediately closed.
- All personnel shall wash and disinfect hands prior to entry to the product-handling area
- The wearing of uncovered false fingernails or fingernail polish is not allowed when handling product
- Packaging materials and product shall be kept in appropriate containers and off the floor
- Waste shall be placed in designated containers and removed regularly
- Staff shall not eat or taste product, unless expressly authorized:
 - By the Department of Food Safety as a product taster
 - Must be done in an approved location
 - Food Safety must not be compromised
- All wash down hoses must be stored on hose racks and not on the floor.

- Cloths, towels, or other cleaning materials that pose a risk of cross contamination shall not be used to wipe produce.

TRANSPORT AND DELIVERY

Containers and trailers for transporting of products shall be inspected prior to loading to ensure they are clean, in good repair, suitable for transport and free from odors and other conditions that may impact food safety and product quality. In the event of an unclean or non-conforming trailer, corrective actions must be taken (i.e. rejected, swept out, washed out, etc.). The trailer must re-inspected, and no longer pose a risk prior to loading any Mastronardi product. Refrigerated units shall maintain product at the desired temperature range. The unit's temperature settings shall be set, checked, and recorded before loading. Prior to loading, refrigeration units should be pre-chilled. During transport, the refrigeration unit should always be operational and regular checks should be completed of the unit's operation, storage temperature and door seals.

Record Keeping, Product Identification System

Once the product has been inspected and the decision has been made to receive it, the lot information (product description, quantity, origin, harvest date, GTIN codes, etc.) is captured into our MS NAV ERP system. The product is tagged with bar coded identification labels that contain all the lot information. The bar-coded tags enable a scanned entry of every transaction in that product's life cycle into the ERP system to provide full traceability throughout the supply chain. This would include all inventory transactions, production, and shipping activities. The system can generate detailed reporting of the product at each stage from source to customer.

8.3. Facility Capabilities

Current depictions of the exterior and interior of the Surrey distribution center are set forth in Figures 8.2-A through G, below.

Figure 8.2-A: Surrey Distribution Center Exterior



Figure 8.2-B: Surrey Distribution Center Interior





9. Short-Term and Long-Range Plans

9.1. Overview

As our 5-year plan is implemented, the agency may require additional management, marketing skills and facility space. Our primary business goals are to capture a substantial share of the Western United States greenhouse tomato, cucumber and bell pepper markets by having BC Producers produce their sought-after proprietary varieties through expansion of existing operations, displacing imports, and most substantively serving new export markets in the United States and elsewhere for customers that are not currently being afforded BC grown product. In so doing, the MPL BC and its BC network Producers will become industry leaders in greenhouse vegetable products, quality, packaging and service.

9.2. Short Term Objectives

- Establish agency and expand current staff at our Surrey distribution center as needed to meet growth objectives. Present staffing levels are sufficient to meet the expected demand and needs of the agency within the next 12 months. The manner in which staff resources were obtained include a combination of internal affiliate transfers and new local hires.
- Establish a distribution center near BC Producers to consolidate and deliver efficiently to Western based customer distribution centers.
- Engage with community in philanthropic and charitable way.
- Engage with BC industry by obtaining membership on regional industry related boards and committees.

9.3. Long Term Objectives

The business goals & objectives for our long-term plan:

- To be a productive contributory corporate citizen in BC with respect for people and the planet.
- Contribute in a meaningful way to the BC Industry as a whole
- Plant Sunset® proprietary varieties at BC Producers to supply Western demand.
- Increase acreage [REDACTED]

10. Closing

In sum, approval of this application is warranted for the following reasons:

- The market demand for greenhouse grown products continues to grow as population expands, “urban sprawl” continues and land values rise leading to the redevelopment of farmland.
- While Mastronardi Produce and its Ontario Producers have capitalized on the export opportunities, BC has not kept pace and as such, BC Producers will benefit from access to Mastronardi Produce’s global customer portfolio and marketing expertise.
- BC Producers will be able to grow proprietary, benchmark varieties that are exclusive to the Sunset® brand.
- An opportunity to supplant imports exists with greenhouse expansions utilizing lit technology to supply the Canadian and United States markets in the winter. MPL BC can help BC Producers take advantage of the opportunity to develop year-round production.
- The BC Greenhouse sector has become stagnant and in need of fresh thinking, evolved strategy, specialty products, innovation and industry leading product development that has generated such rapid category expansion from Ontario.
- The agency will add valuable investment and jobs to the Province of BC.
- **MPL BC WILL CREATE AN OPPORTUNITY FOR BC PRODUCERS TO THRIVE AND EXPAND.**

Respectfully submitted,

MPL British Columbia Distributors Inc.

By: _____

Name: Paul Mastronardi

Title: Chief Executive Officer

Dated: 27 May 2021

Attachments:

Schedule 1.1.....Ontario Greenhouse Vegetable Growers Letter of Support

Schedule 3.5.....Ontario Producer Letters of Support

Schedule 3.6.....BC Producer Letters of Support

[REDACTED]

Schedule 3.8.....Bank of Montreal Letter of Support

Schedule 4.1 City of Surrey Business Licenses

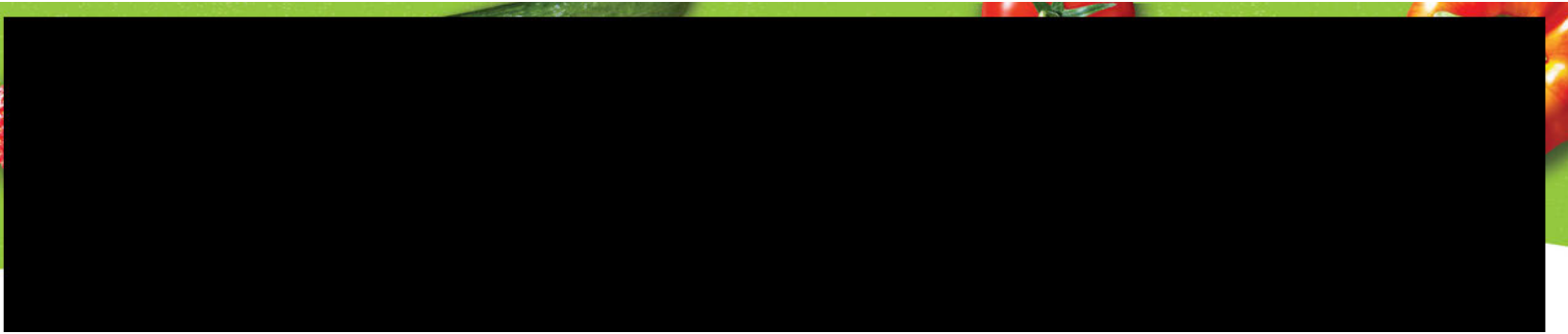
Schedule 4.1.2. Certificate of Insurance

Schedule 5.12.1. Agency Cooperation Correspondence

Schedule 5.12.2. CFP Letter of Support

[REDACTED]

[REDACTED]



Schedule 1.1

Ontario Greenhouse Vegetable Growers Letter of Support

May 25th, 2021.

To whom it may concern, (BC Vegetable Marketing Commission)

We write this letter in support of Mastronardi Produce in their efforts to seek approval for full authority to market fresh fruit and vegetables grown in British Columbia for customers in British Columbia and throughout North America.

Mastronardi Produce is a family-owned company with a 70-year history that has played a significant role in the foundation and continued growth of the greenhouse sector in Ontario. The Ontario Greenhouse Vegetable Growers (OGVG) are the responsible party for licensing growers, packers and marketers in Ontario and Mastronardi Produce has been one of the leaders in our sector in all segments of the greenhouse vegetable category. Mastronardi' have been an innovator throughout the produce value chain, building brands around new categories and varieties.

Mastronardi Produce has not only been a successful grower/marketer, but several of their representatives have served on our OGVG board contributing to the overall welfare of the Ontario sector. In addition, they have also been participating in the success of the OPMA, CPMA and the CHC. They have been strong partners in the communities in which they serve; providing jobs, community benefit and leadership, and have been continuously recognized as a top managed company in Canada.

Mastronardi Produce has scaled their operations throughout North America providing their customers continuous supply from many sources with a strong Canadian brand spanning across multiple jurisdictions. They have established sustainable relationships with top retailers in Canada and the US while not only providing fresh quality produce, they also are providing technical knowledge of both traditional greenhouse produce and newer entries including berries.

Mastronardi Produce has also played a leadership role and steadfast commitment to sustainability and environmental stewardship. In addition, consistent with OGVG's regulatory obligations, MPL has been fully committed to food safety and they have also gained recognition as they developed the trace-back system adopted not only by our sector, but the entire produce industry as well.

I trust this letter will be of assistance in your proceedings,

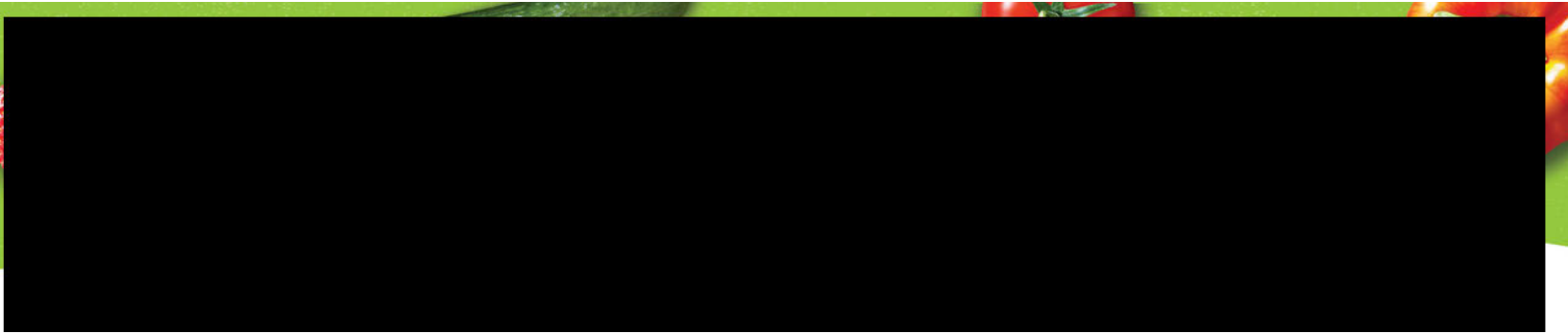
Warm regards,



George J. Gilvesy

Chair,

The Ontario Greenhouse Vegetable Growers



Schedule 3.5

Ontario Producer Letters of Support



Golden Acre Farms Inc.
2011 Graham Side Road, Kingsville, ON, N9Y 2E4
Tel: 519-733-0883 Fax : 519-733-0286

Luis Chibante
Golden Acres Farms
2011 Graham Side Rd,
Kingsville, ON N9Y 2E4

To Whom it may concern

Golden Acres has been working with Mastronardi Produce as our Marketer since 2018.

Having Mastronardi Produce as our marketer has allowed Golden Acres to focus on our farming operations without having to worrying about poor returns, flooded markets, etc. they are always able to take 100% of our production and achieve a fair market price for us. The secure relationship and favorable returns we experience working with Mastronardi Produce as our marketer has afforded us the confidence, and financial stability to expand our operation from 20 acres to 44 acres. We are excited to begin production in our new 24 acres in Jan. 2021, and we are fortunate to have the strength, experience and proven results of our marketer Mastronardi Produce in our corner. This relationship gives us the confidence, and opportunity to continue our growth and prosperity.

If you have any questions about our business with Mastronardi Produce, or would like to discuss the benefits of our relationship with Mastronardi Produce feel free to contact me by telephone at (519) 796 2969.

Sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Luis Chibante
CEO/Owner

Andrew Koop
President, Pinnacle Acres
399 County Rd 18
Leamington, Ontario
N8H 3V5

August 19, 2020

To Whom it May Concern,

Pinnacle Acres (1287755 Ontario Inc) was first incorporated in 1999 and was at that time a 3.5 acre farm with less than 10 employees. From the beginning Mastronardi Produce has been our exclusive Marketer and Distributor. Under the Sunset umbrella and with Mastronardi Produce's guidance Pinnacle Acres has been able to flourish and grow. Today, over 2 decades later, Pinnacle acres is now a large scale, over 40acre Greenhouse Cucumber operation with close to 100 employees. Our growth here at Pinnacle Acres was and is a direct result of the growth and expansion of Mastronardi Produce. Through the years we have watched Mastronardi Produce expand from a small Canadian owned produce marketing company to the Global Leader in Produce that they are today. They are a proven forerunner in the industry, not simply an order taker. They are a pioneer in the fresh produce industry, a true marketer. Not just focused on selling local Leamington Ontario produce from farms like mine, they are visionary in their approach creating substantial growth in the industry worldwide. In addition to being a Leader in Business, they are also Leaders in Community Outreach and Philanthropy, supporting many charitable endeavours such as Hospice. It has been an honour and we take great pride in being in partnership with Mastronardi Produce, and the Sunset brand, for many years to come.

Andrew Koop
Pinnacle Acres
519-796-0101





923 Talbot Rd. E. RR 3
Wheatley, ON N0P 2P0

E nsfarms@live.com
P 519.825.4206

N Sawatzky
= F A R M S =

To Whom it May Concern,

N Sawatzky Farms was started in 2013 as a 10 acre pepper greenhouse. In 2015 we added an additional 10 acres and were looking to partner with someone who could help us continue to grow and sell our product. After meeting with the Mastronardi Produce team, we decided that they were going to be able to give us the best opportunity to continue to grow as they continue to grow. Through the wide variety of specialty packing options and support from the Mastronardi Produce team, we were able to add an additional 20 acres of greenhouse in 2018. They have received our entire harvests for the past 4 years and had no issues selling all of it. They continue to help us plan for the future and give us ideas on how to make more packs and maximize our revenue. None of this would be possible without our partnership with Mastronardi Produce.

Kevin Sawatzky

Manager

Jake Harms
Albuna Express Inc.
306 County Rd 18
Leamington, Ont, N8H 3V5

To whom it may concern,

Albuna Express Ltd. has been working with Mastronardi Produce as our marketing company since 2016.

Having Mastronardi Produce as our marketer has allowed Albuna Express Inc. to flourish and expand. We have a fixed, year-round pricing program that both allows us to be profitable and grow. We are currently producing from our new expansion of 16 Acres that has over doubled the size of our farming operation. The returns provided by the program pricing we have with our marketer Mastronardi Produce for 100% of our production is what has enabled us to expand our operations from 15 acres to 31. In our relationship with Mastronardi Produce as our marketer, we are positive we have a stable home for 100% our product and can concentrate on our farming operations and growing our company without the uncertainty of market conditions. This gives us both the desire, and financial means to expand our operations further. We are currently in the beginning stages of a new 20 acre expansion due to the performance of and our confidence in Mastronardi Produce as our marketer.

If you have any questions further questions about our experience with Mastronardi Produce please contact me at the number below.

Sincerely,



Jake Harms
CEO/Owner
(519) 329-0233

ALBUNA EXPRESS LTD.

To whom it may concern:

Albuna Express Ltd. has been working with Mastronardi Produce as our marketing company since 2016.

Having Mastronardi Produce as our marketer has allowed Albuna Express Ltd. to flourish and expand. We have a fixed, year-round pricing program that both allows us to be profitable and grow. We are currently producing from our new expansion of 16 Acres that has over doubled the size of our farming operation. The returns provided by the program pricing we have with our marketer Mastronardi Produce for 100% of our production is what has enabled us to expand our operations from 15 acres to 31. In our relationship with Mastronardi Produce as our marketer, we are positive we have a stable home for 100% our product and can concentrate on our farming operations and growing our company without the uncertainty of market conditions. This gives us both the desire, and financial means to expand our operations further. We are currently in the beginning stages of a new 20 acre expansion due to the performance of and our confidence in Mastronardi Produce as our marketer.

If you have any further questions about our experience with Mastronardi Produce please contact me at the number below.

Sincerely,



Jacob Harms
Albuna Express Ltd.
519-329-0233

306 County RD 18
Leamington
ON, N8H3V5
Canada

PHONE 519-326-7594
FAX 519-326-9042
EMAIL albunaexpress@hotmail.com



Charles Stockwell
President, Hazel Farms, Cecelia Acres,
Heritage Farms
210 County Road 31
Leamington, ON
N8H 3V5

August 24, 2020

To Whom It May Concern,

Hazel Farms has been working with Mastronardi Produce as our marketer since 2000. In 2012 Cecelia Acres was acquired. Both locations are now Certified Organic totalling 25 acres of grape tomatoes. In 2018 Heritage Farms was built and growing 45 acres of conventional grape tomatoes.

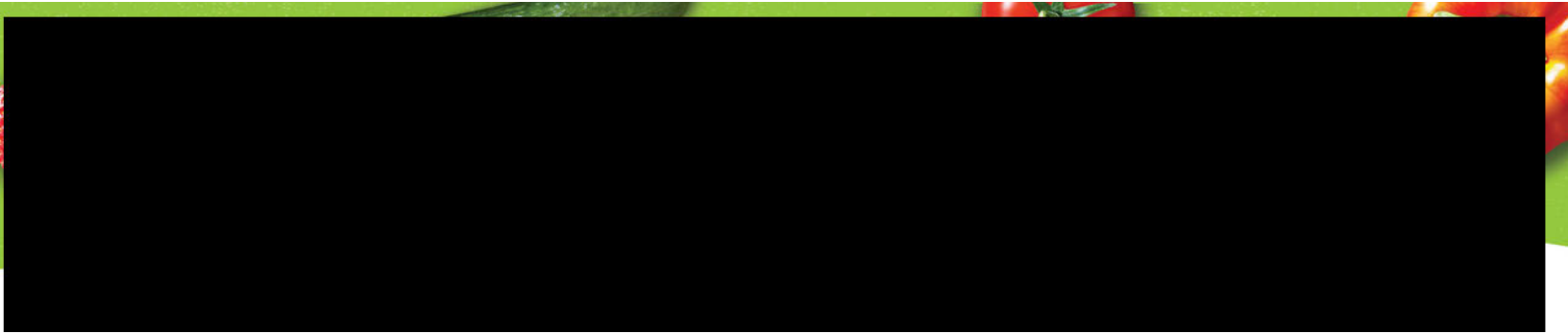
Our success at the Hazel Group is a direct result of the secure relationship that has been developed with Mastronardi Produce. This relationship affords us the security to expand both Organic and conventionally grown produce in the coming years. We are proud to have such a strong community leader to partner with.

If you have any questions about our partnership with Mastronardi Produce feel free to contact me by telephone at 407-620-5425.

Sincerely

A large, fluid handwritten signature in black ink, appearing to be "C. Stockwell", is written over the word "Sincerely".

Charles Stockwell
President
Hazel Farms~Cecelia Acres~Heritage Farms



Schedule 3.6

British Columbia Producers Letters of Support

Creekside Hothouse Ltd
17830 16th Ave Surrey B.C.
V3Z-9V2

September 9, 2020

British Columbia Vegetable Marketing Commission
15252 32nd Avenue
Surrey, BC
V3S 0R7
Attention: Andre Solymosi, BCVMC General Manager

RE: LETTER OF SUPPORT - MPL BRITISH COLUMBIA DISTRIBUTORS INC.

Dear Mr. Solymosi:

It is our understanding that an application will be filed by MPL British Columbia Distributors Inc. (MPL BC) for a Class I Agency license with the Commission. This letter shall serve as our written support of the MPL BC application and to confirm our company's commitment to join the MPL BC Grower Network upon issuance of the Agency license to them.

It is our intent to sell both regulated and unregulated produce through MPL BC, including varieties that have not previously been available to our company. We also look forward to being able to take advantage of the array of benefits and resources that will be available to our company as a MPL BC grower, including relationships with national retailers.

We strongly urge the Commission to timely consider and approve the MPL BC application as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to be the name 'Andre Solymosi', written in a cursive style.

Fresh4U Farms Ltd.
28581 Huntington Road, Abbotsford B.C.
V4X 1A8

September 9, 2020

British Columbia Vegetable Marketing Commission
15252 32nd Avenue
Surrey, BC
V3S 0R7
Attention: Andre Solymosi, BCVMC General Manager

Re: Letter of Support

Dear Mr. Solymosi:

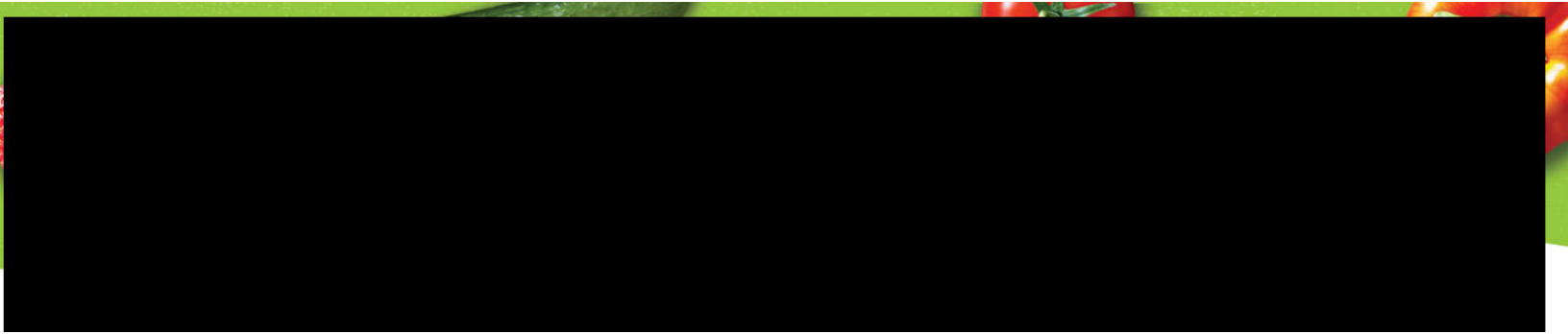
We are aware that MPL British Columbia Distributors Inc. is filing an application for a Class I Agency license with the Commission. This letter is to serve as our letter of support of the application.

Mastronardi Produce and the Sunset® label is a known and respected company in the fruit and vegetable industry. They have exclusivity agreements for some of the best varieties in the greenhouse industry. We would like the opportunity to grow these in demand products in BC and as such we intend to join the MPL BC Grower Network upon issuance of the agency license to them. It is our intent to sell both regulated and unregulated produce through MPL BC.

Having a fixed price on certain products that we are interested in growing will allow us to concentrate on farming operations without having to worry about poor returns, flooded markets, etc. A secure relationship and favorable returns will afford us the confidence, and financial stability to expand our operations which we have hoped to do for some time.

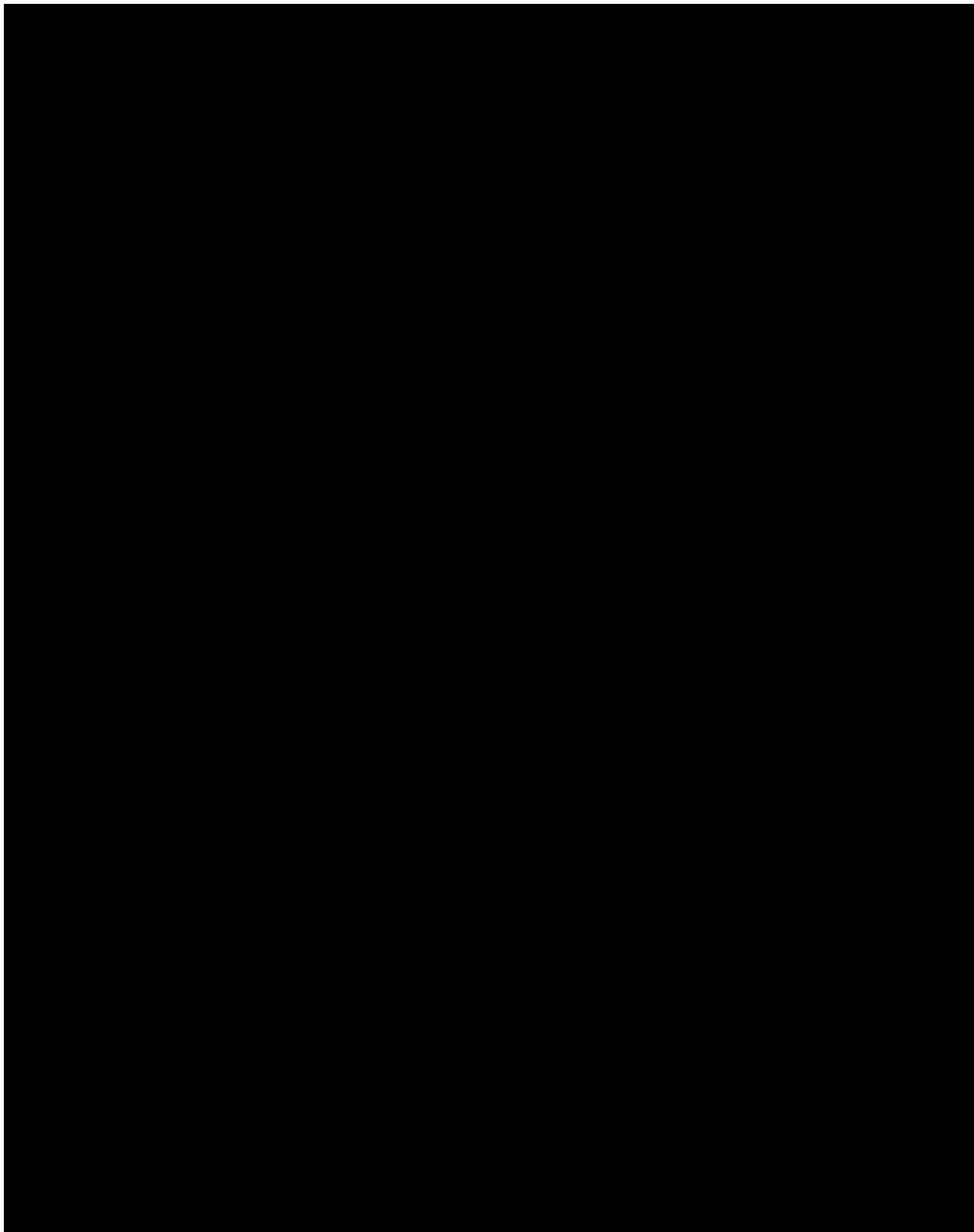
Very Truly Yours,

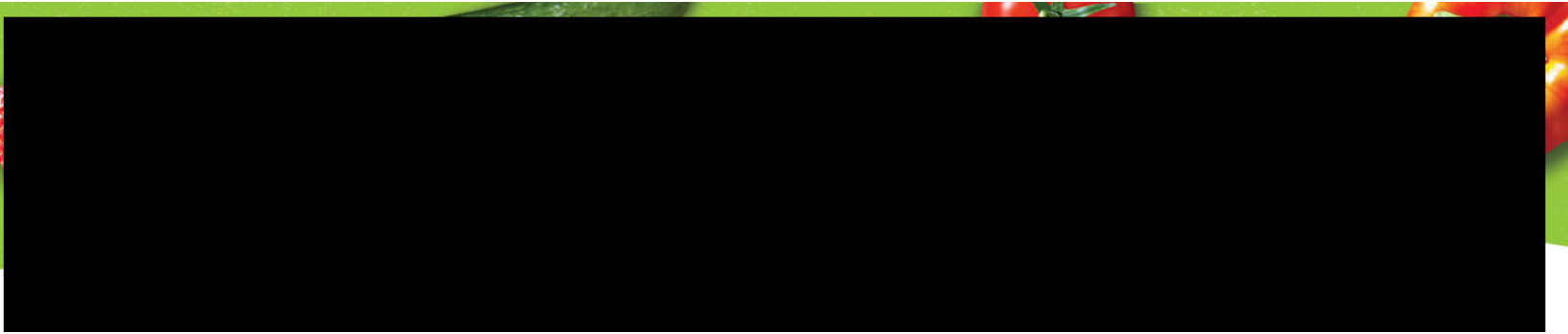
A handwritten signature in black ink, appearing to be 'D. C.', written in a cursive style.



[Redacted]

[Redacted]





Schedule 3.8

Bank of Montreal Letter of Support

Subject: Mastronardi Produce Limited (“MPL”)

To Whom it May Concern,

I am writing with regards to our customer, Mastronardi Produce Limited (“MPL”). MPL has been a customer in good standing with Bank of Montreal since **May 12, 2011**. We are familiar with the Company and their financial performance, and we are pleased to confirm that MPL is a profitable, well-managed company.

We understand that MPL, through its subsidiary MPL BC, is applying to establish a new vegetable marketing agency in British Columbia. Bank of Montreal supports MPL, and its subsidiary MPL BC, in its application.

Regards,

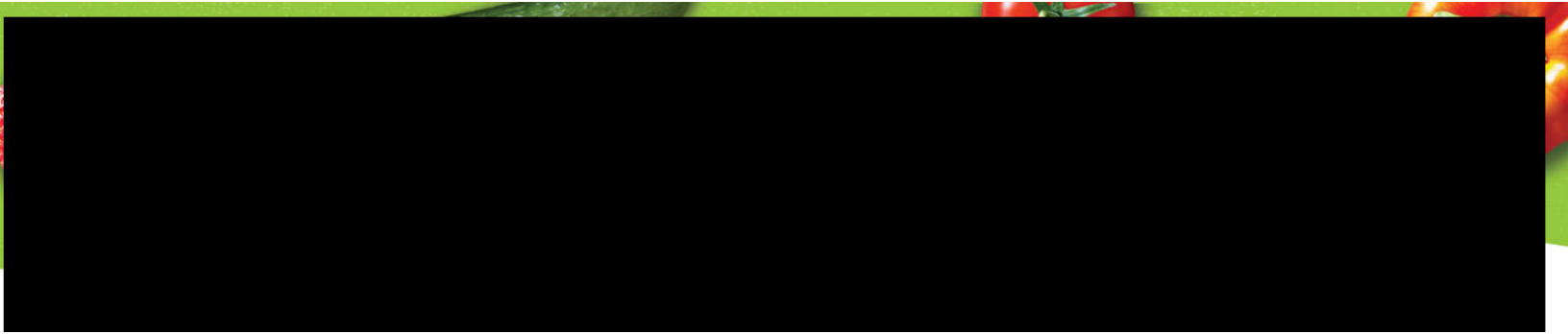
Karen Patey



Managing Director - Asset Based Lending
North American Commercial Banking

BMO Bank of Montreal
100 King St. West, 18th Floor
Toronto, ON M5X 1A1
karen.patey@bmo.com

T: 416-867-9186
M: 416-580-8833



Schedule 4.1

City of Surrey Business Licenses

Legal Services Division, Business License Section | 13450 104 Ave, Surrey, BC, Canada V3T 1V8 | (604) 591-4370

MPL British Columbia Distributors Inc
28700 Plymouth Road
Livonia, MI United States, **48150**

Business License Number: 177558
For Business: MPL British Columbia Distributors Inc
License Period ** : Sep 10, 2020 TO Sep 09, 2021
Business Address: Unit 103, 5355 152 ST
Surrey, BC

THE PERSON NAMED ABOVE IS LICENSED TO CARRY
ON THE BUSINESS DESCRIBED BELOW IN
ACCORDANCE WITH ALL APPLICABLE CITY BY-LAWS:

WITHIN THE CITY OF SURREY AT THE LOCATION
SPECIFIED, SUBJECT TO THE FOLLOWING
ADDITIONAL TERMS AND CONDITIONS:

Business Category: 905 - Wholesale

For 15 Employees

**** ISSUED AT SURREY ON** January 06, 2021

THIS LICENSE MUST BE DISPLAYED ON THE PREMISES

Legal Services Division, Business License Section | 13450 104 Ave, Surrey, BC, Canada V3T 1V8 | (604) 591-4370

Mastronardi Produce British Columbia Inc
28700 Plymouth road
Livonia, MI , United States **48150**

Business License Number: 176862

For Business: Mastronardi Produce British Columbia Inc

License Period ** : Jul 30, 2020 TO Jul 29, 2021

Business Address: Unit 103, 5355 152 ST
Surrey, BC

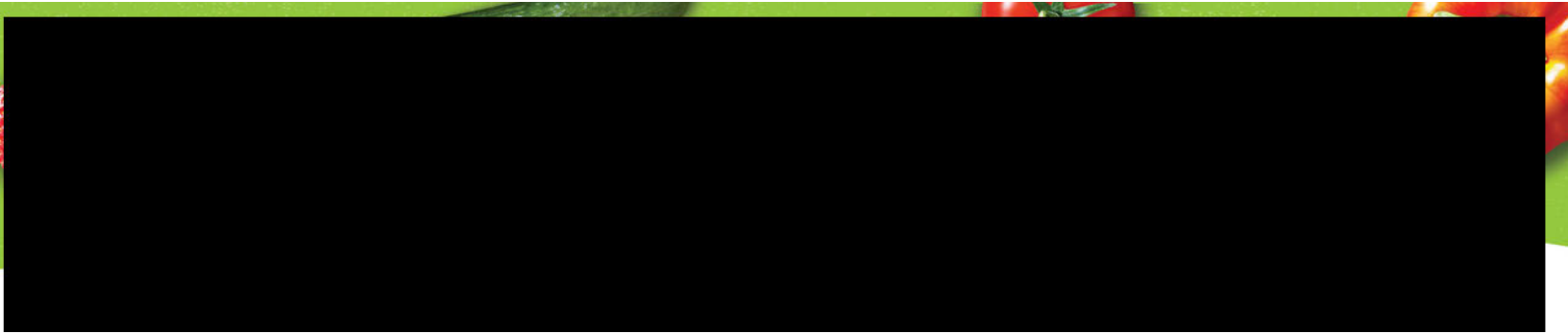
THE PERSON NAMED ABOVE IS LICENSED TO CARRY
ON THE BUSINESS DESCRIBED BELOW IN
ACCORDANCE WITH ALL APPLICABLE CITY BY-LAWS:

WITHIN THE CITY OF SURREY AT THE LOCATION
SPECIFIED, SUBJECT TO THE FOLLOWING
ADDITIONAL TERMS AND CONDITIONS:

Business Category: 895 - Warehouse

**** ISSUED AT SURREY ON** January 06, 2021

THIS LICENSE MUST BE DISPLAYED ON THE PREMISES



Schedule 4.1.2
Certificates of Insurance

No.: 2020-452

Dated: May 07, 2021

This document supersedes any certificate previously issued under this number

This is to certify that the Policy(ies) of insurance listed below ("Policy" or "Policies") have been issued to the Named Insured identified below for the policy period(s) indicated. This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder named below other than those provided by the Policy(ies).

Notwithstanding any requirement, term, or condition of any contract or any other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the Policy(ies) is subject to all the terms, conditions, and exclusions of such Policy(ies). This certificate does not amend, extend, or alter the coverage afforded by the Policy(ies). Limits shown are intended to address contractual obligations of the Named Insured.

Limits may have been reduced since Policy effective date(s) as a result of a claim or claims.

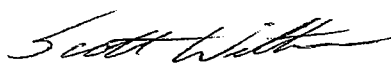
Certificate Holder: To Whom It May Concern	Named Insured and Address: MPL British Columbia Distributors Inc. and Mastronardi Produce British Columbia Inc. 5355 152 Street Surrey, BC V3S 5A5
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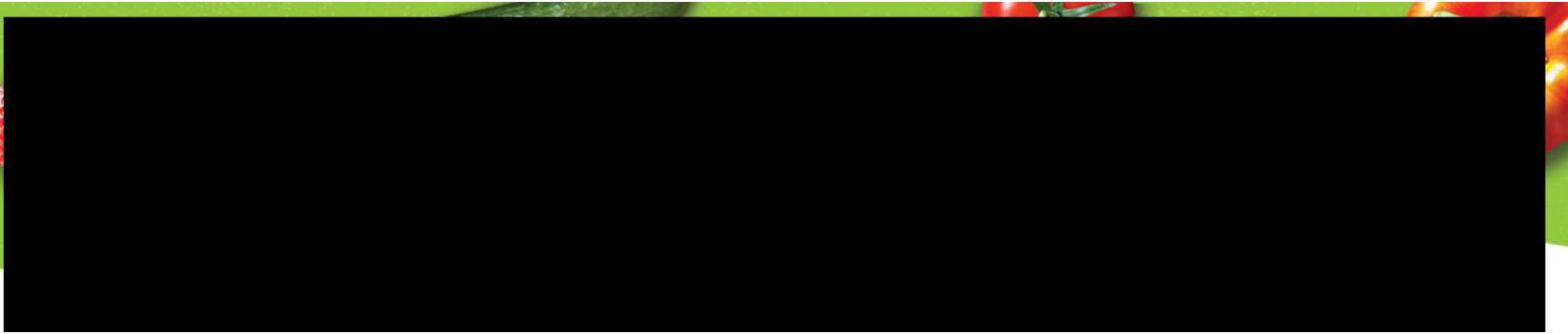
Evidence of Insurance

Type(s) of Insurance	Insurer(s)	Policy Number(s)	Effective/ Expiry Dates	Sums Insured Or Limits of Liability	
COMMERCIAL GENERAL LIABILITY • Products & Completed Operations • Employer's Liability • Non-Owned Automobile • Personal Injury	Liberty Mutual Insurance Company	1000327462-03	Dec 01, 2020 to Dec 01, 2021	Each Occurrence	CDN 2,000,000
				Products & Completed Operations Aggregate	CDN 2,000,000
				Tenants Legal Liability "All Risks" (any one claim)	CDN 2,000,000
				SEF94 - Legal Liability for Damage to Hired Automobiles	CDN 100,000
				General Aggregate	CDN 2,000,000
DIRECTORS & OFFICERS	AIG Insurance Company of Canada	02-146-72-67	Nov 01, 2020 to Nov 01, 2021	Limit of Liability	USD 2,000,000
				Retention	USD 25,000

Notice of cancellation:

The insurer(s) affording coverage under the policies described herein will not notify the certificate holder named herein of the cancellation of such coverage.

Marsh Canada Limited 120 Bremner Boulevard Suite 800 Toronto, ON M5J 0A8 Telephone: 1-844-990-2378 Fax: - CertificateRequestsCanada@marsh.com	Marsh Canada Limited  By: _____ Scott Withers
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Schedule 5.12.1

Agency Cooperation Correspondence



← INSPIRED BY FLAVOR

May 5, 2021

DELIVERY VIA FAX: 604-881-5552 AND COURIER

BC Hothouse Foods Inc.
19068 36th Avenue
Surrey, BC V3Z 0P6

DELIVERY VIA FAX: 604-946-9158 AND COURIER

Country Fresh Produce Inc.
2776 64th Street
Delta, BC V4L 2N7

**DELIVERY VIA FAX: 604-856-3503 / 604-607-7656
AND EMAIL: info@sunselect.ca AND COURIER**

Global Greenhouse Produce Inc.
c/o SunSelect Produce Inc.
349-264th Street
Aldergrove, BC V4W 2K1

DELIVERY VIA FAX: 250-544-1237 AND COURIER

Island Vegetable Co-op Association
6680 A Mirah Rd.
Saanichton, BC V8M 1Z4

**DELIVERY VIA FAX: 250-871-1719
AND EMAIL: info@vifarmproducts.ca
AND COURIER**

Vancouver Island Farm Products Inc.
19th Street
Courtenay BC, V9N 9G2

DELIVERY VIA FAX: 604-946-2924 AND COURIER

BC Fresh Vegetables Inc.
7330 Churchill Street
Delta, BC V4K 0B4

**DELIVERY VIA FAX: 604-946-2603
AND EMAIL : sandy@fraserlandfarms.com
AND COURIER**

Fraserland Organics Inc.
6625 60th Avenue
Delta, BC V4K 4E2

**DELIVERY VIA FAX: 604-940-7711
AND EMAIL: info@windsetfarms.com
AND COURIER**

Greenhouse Grown Foods Inc.
c/o Windset Farms
3660 41^b Street
Delta, BC V4K 3N2

**DELIVERY VIA FAX: 250-545-6363
AND EMAIL: gm@okanagangrown.com
AND COURIER**

Okanagan Grown Produce Ltd.
3302 28th Street
Vernon, BC V1T 4Z8

DELIVERY VIA FAX: 604-940-6312 AND COURIER

Village Farms Operations Canada Inc.
c/o Village Farms International
4700-80th Street
Delta, BC V4K 3N3

Re: Agency Cooperation - MPL British Columbia Distributors Inc. (“MPL”)

Dear Sirs/Mesdames:

As you may be aware, MPL is in the process of seeking a Class 1 Agency License so that it may operate as a designated marketing agency within BC. Section 1(4)(f) of the BC Vegetable Marketing Commission’s recently passed Amending Order #54 requires that applicants for an agency designation demonstrate to the satisfaction of the Commission that they have undertaken “*all reasonable steps to meet with, and seek the cooperation of, existing Agencies, and provide particulars of the results of such initiatives*”. To that end, I am writing regarding the undertakings relating to cooperation required by section 1(4)(f) of the Commission’s amending order and to engage with your agency in this process, as well as to ascertain the details and information with respect to existing and historical collaboration among the BC agencies in order to garner an understanding on the subject matter.

Since taking steps to seek the cooperation among agencies is a stated specific requirement of obtaining and maintaining a BC agency designation, we presume that the current agencies are already engaged in and have a history of a process of fruitful cooperation. In this regard, and in furtherance of the amending order, please provide for our receipt on or before **May 14, 2021** in reasonable detail to the extent reasonably available, information as to the substance and process for cooperation among existing agencies presently, as well as what has occurred over the past three years, and include, without limitation, the following:

1. A general description of the overall cooperation process among agencies;
2. An overview of the five most relevant subject matters and undertakings that form the basis of such cooperation;
3. Describe any formal or informal process and the logistics of cooperation among the agencies;
4. Are there currently scheduled, or have there been any meetings in furtherance of agency cooperation; and if so, provide the approximate dates, locations, attendees and frequency of such meetings or undertakings, together with copies of all reasonably available agendas, minutes, reports, records or meeting notes relating to agency cooperation, and identify the creator and recordkeeper of such items and similar items;
5. Describe, in your opinion, the three most significant benefits to the BC fruit and vegetable industry as a whole that has occurred as a result of agency cooperation during the past three years;
6. Describe, in your opinion, the three most significant detriments to the BC fruit and vegetable industry as a whole that has occurred as a result of agency cooperation during the past three years;
7. Identify the person(s) that currently represent or are affiliated with your agency with the most knowledge and experience in agency cooperation matters; and
8. Identify the person(s) on behalf of your agency that you would expect to participate in agency cooperation on a going forward basis.

MPL looks forward to joining this pre-existing process of cooperation among designated marketing agencies, and to supplementing it with our broader organization’s unique expertise and knowledge developed over many years of engagement in the industry.

As we are mindful of the current state of affairs pertinent to COVID-19, MPL is seeking to schedule a telephonic and/or videoconference with each BC marketing agency to discuss potential options for agency cooperation and to garner an understanding of the historical and future process in BC. We are also willing to seek to arrange global and/or group telephonic and/or videoconference meetings among agencies in furtherance of seeking and understanding cooperation. We would like to include the following topics at the meetings, which we feel will help to determine a cooperation framework to promote our organizations’ mutual interests:

1. current market conditions and forecasts for future opportunities;
2. existing methods of agency cooperation;
3. potential initiatives for inter-agency cooperation to take advantage of marketing opportunities;
4. reporting requirements;
5. efforts to improve producer returns;
6. historic frequency of meetings and proposed framework for future meetings and collaboration;
7. impact of proposed MPL's proposed agency on existing agencies;
8. efforts to promote BC producer expansions, increase BC producer exports and displaced imports;
9. issues and efforts related to detect and mitigate Tomato Brown Rugose Fruit Virus; and
10. accountability to the Commission.

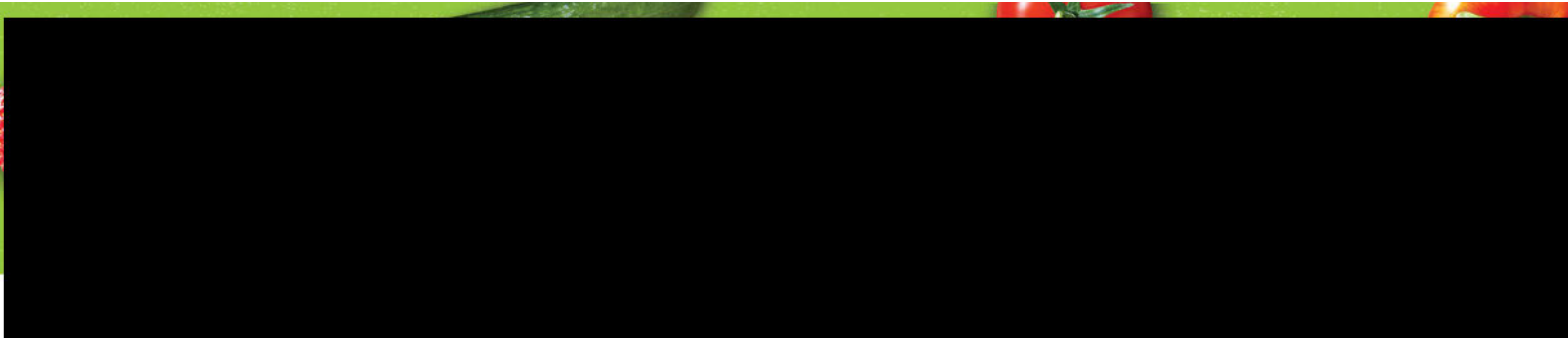
Given the upcoming June 1st deadline for submission of our agency application, we ask that you **respond via email* on or before Monday, May 10th** with a date, time (approximately 1 hours) and your attendee(s) name, telephone number and email address, in which we could meet with you telephonic and/or via videoconference prior to May 17th. If we have overlapping availability, we will seek to combine the meetings with more than one agency. We look forward to hearing from you promptly, and to meeting with your organization to discuss ongoing cooperation efforts.

Yours truly,

MPL British Columbia Distributors Inc.

for: By: 
Name: Paul Mastronardi
Title: Director, President, and Chief Executive Officer

***Please send your email reply to: paul.mastronardi@sunsetgrown.com and dean.taylor@sunsetgrown.com**



Schedule 5.12.2
CFP Letter of Support

Casey Houweling
President
Casey.houwelings.com

Country Fresh Produce Inc.
Unit 170 – Simpson Road
Richmond, BC, Canada V6X 2P9

March 1, 2021

BC Vegetable Marketing Commission
207 – 15252 32nd Avenue
Surrey, BC V3S 0R7

Attention: Andre Solymosi

Dear Sirs/Mesdames:

Re: MPL British Columbia Distributors Inc. – Marketing Agency Application

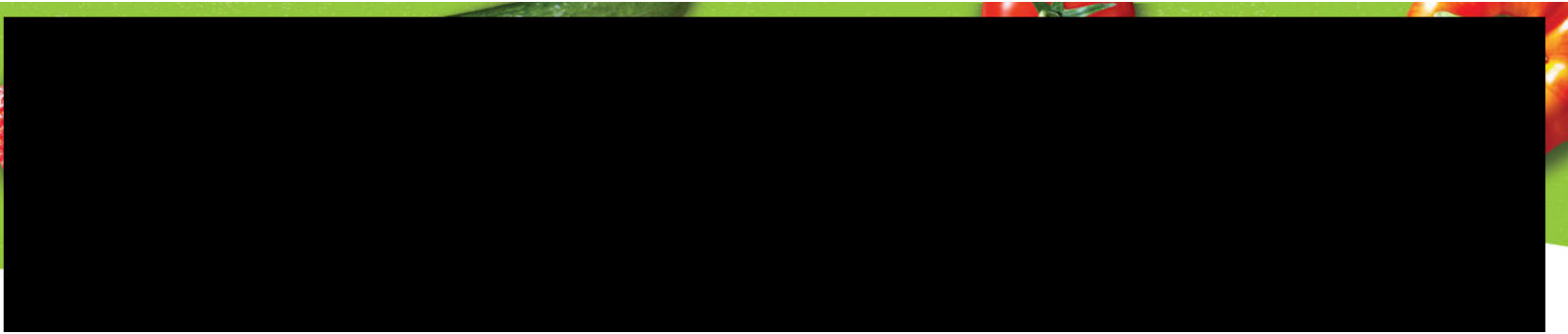
I am the President of Country Fresh Produce Inc., a designated greenhouse vegetable marketing agency within British Columbia. It is our understanding that MPL British Columbia Distributors Inc. is applying to the BC Vegetable Marketing Commission for a vegetable marketing Agency Class 1 Licence. Our organization fully supports this application and wishes to express that support to the BC Vegetable Marketing Commission. We look at Mastronardi and its long-standing operations as a reliable and potential contributory member to BC as a whole with many valuable contacts and an extensive distribution network throughout North America that will assist in growing the market for regulated BC vegetables, which will benefit BC growers, other agencies, consumers and other stakeholders through the distribution chain. We look forward to having MPL British Columbia Distributors Inc. as a licensed Agency and are confident that the issuance of a licence to MPL British Columbia Distributors Inc. would represent an incredible benefit for the growth prospects of the regulated vegetable industry in this Province.

Thank you for your support in this matter. Should you have any questions, please do not hesitate to contact me.

Yours truly,

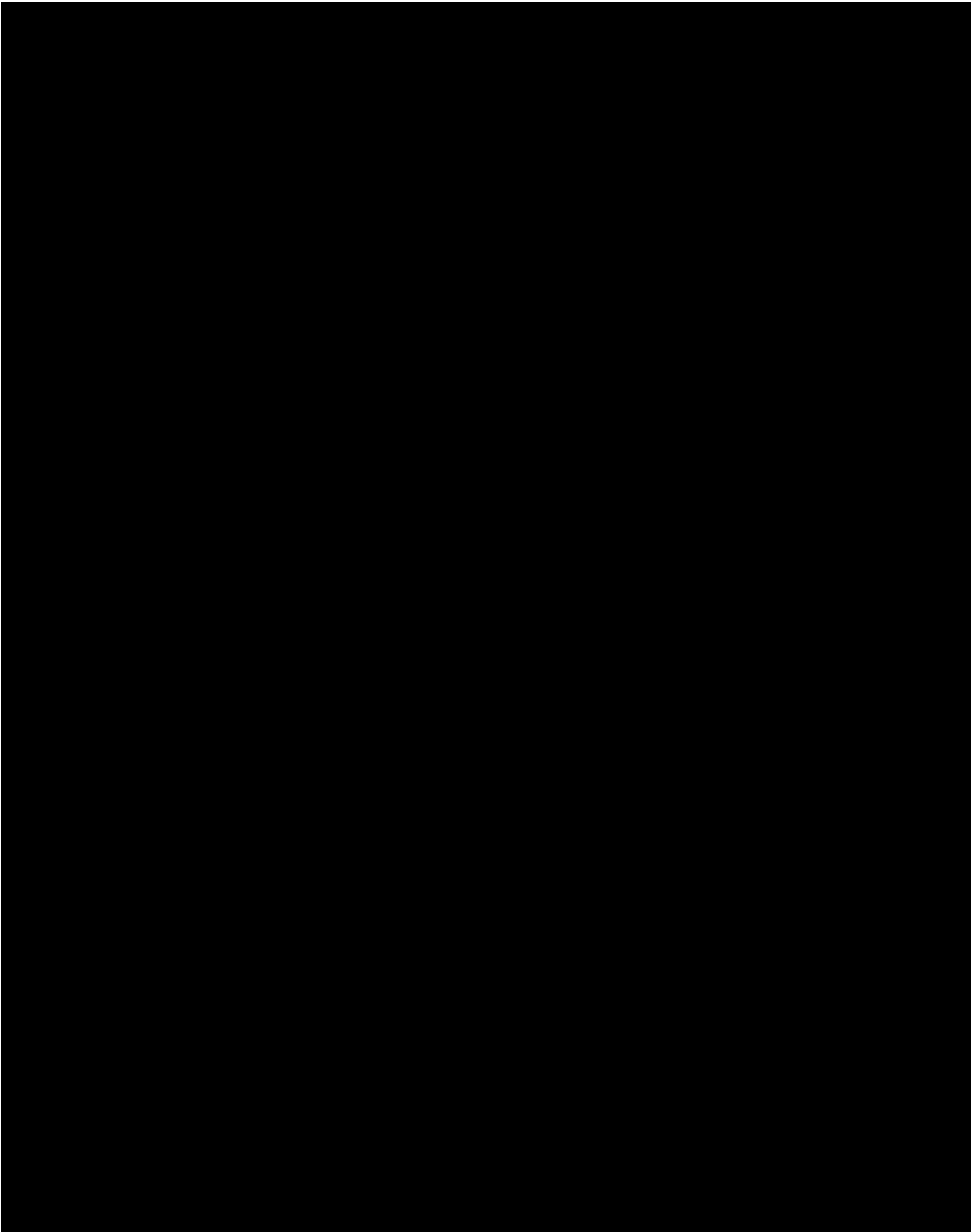
Country Fresh Produce Inc

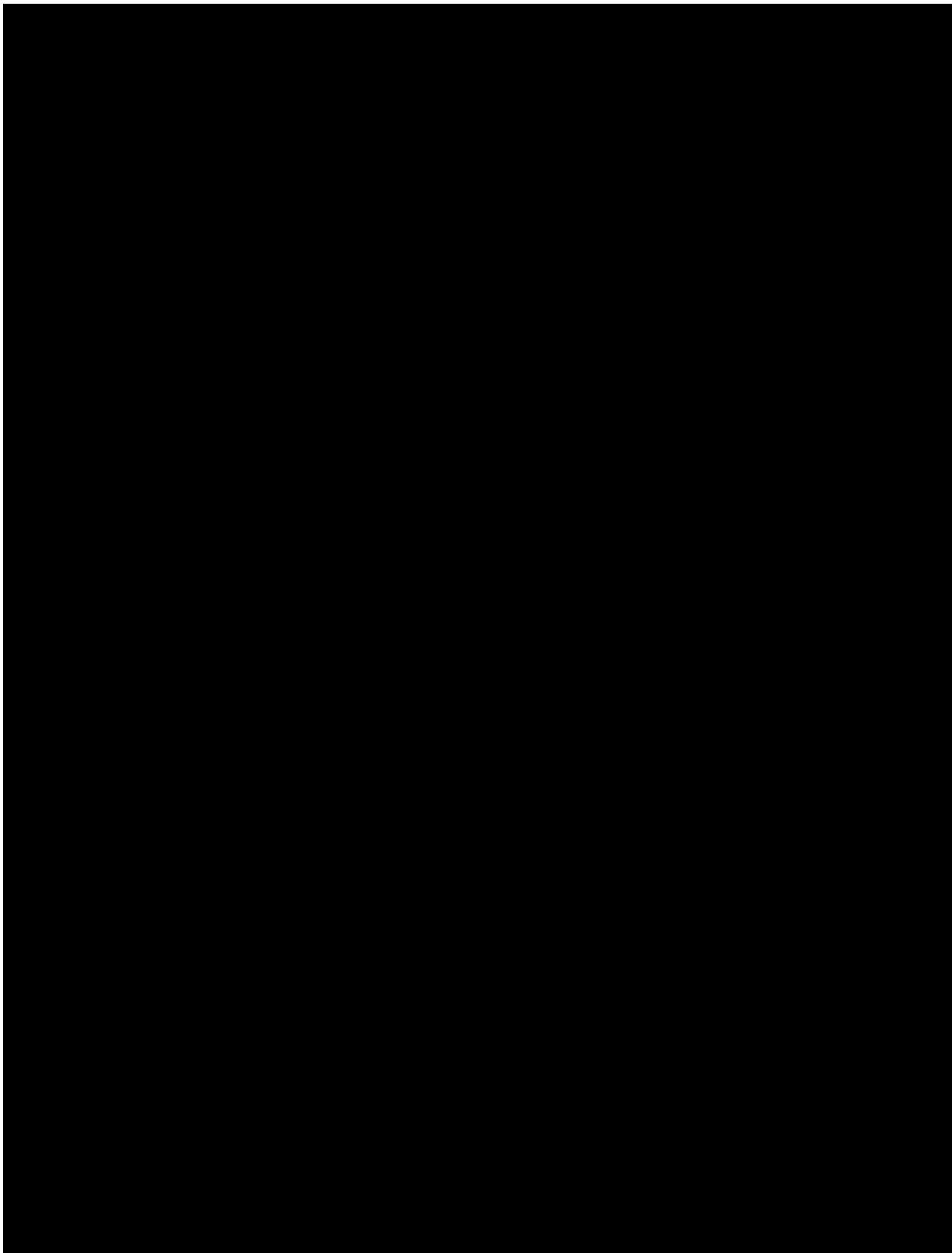

Casey Houweling
President

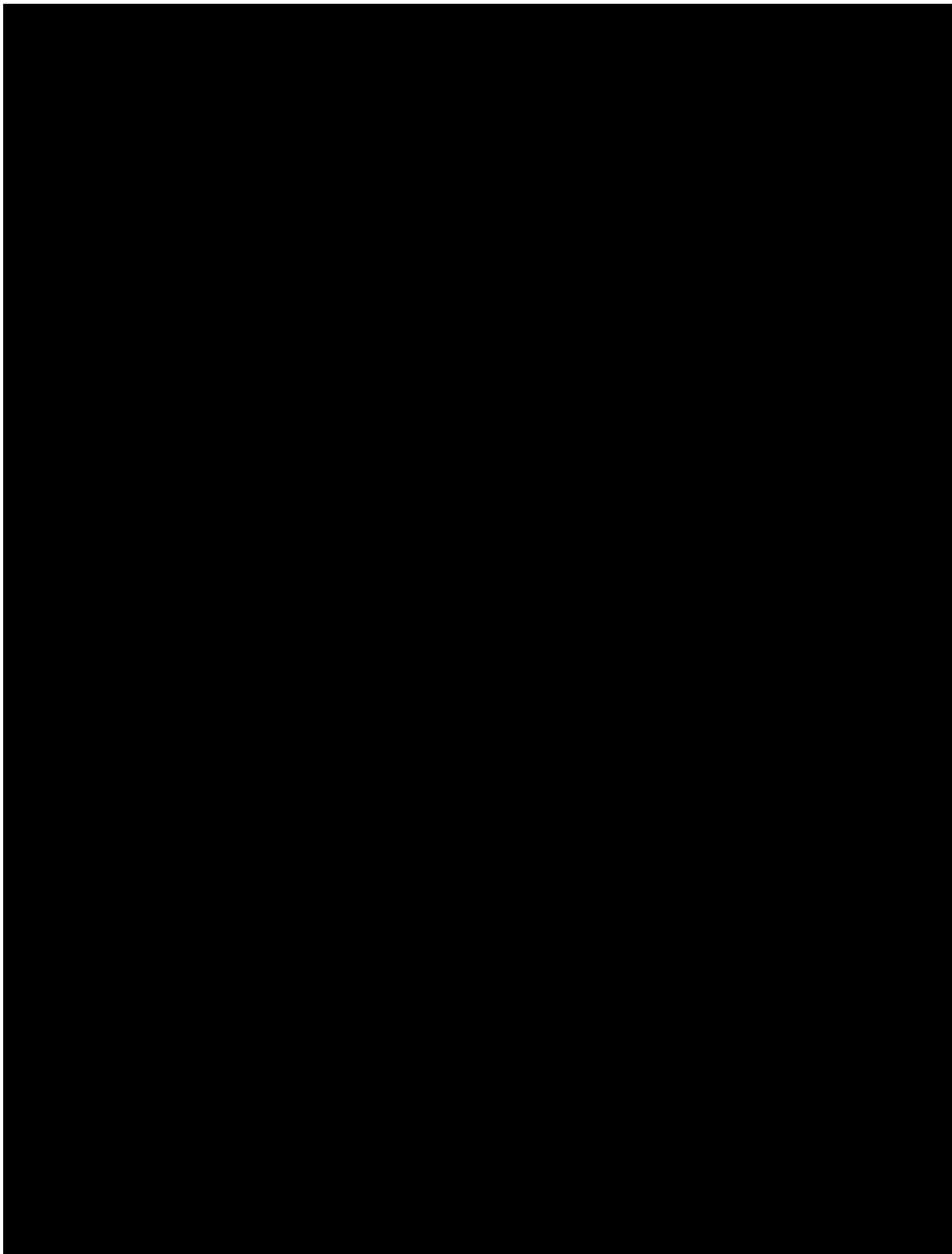


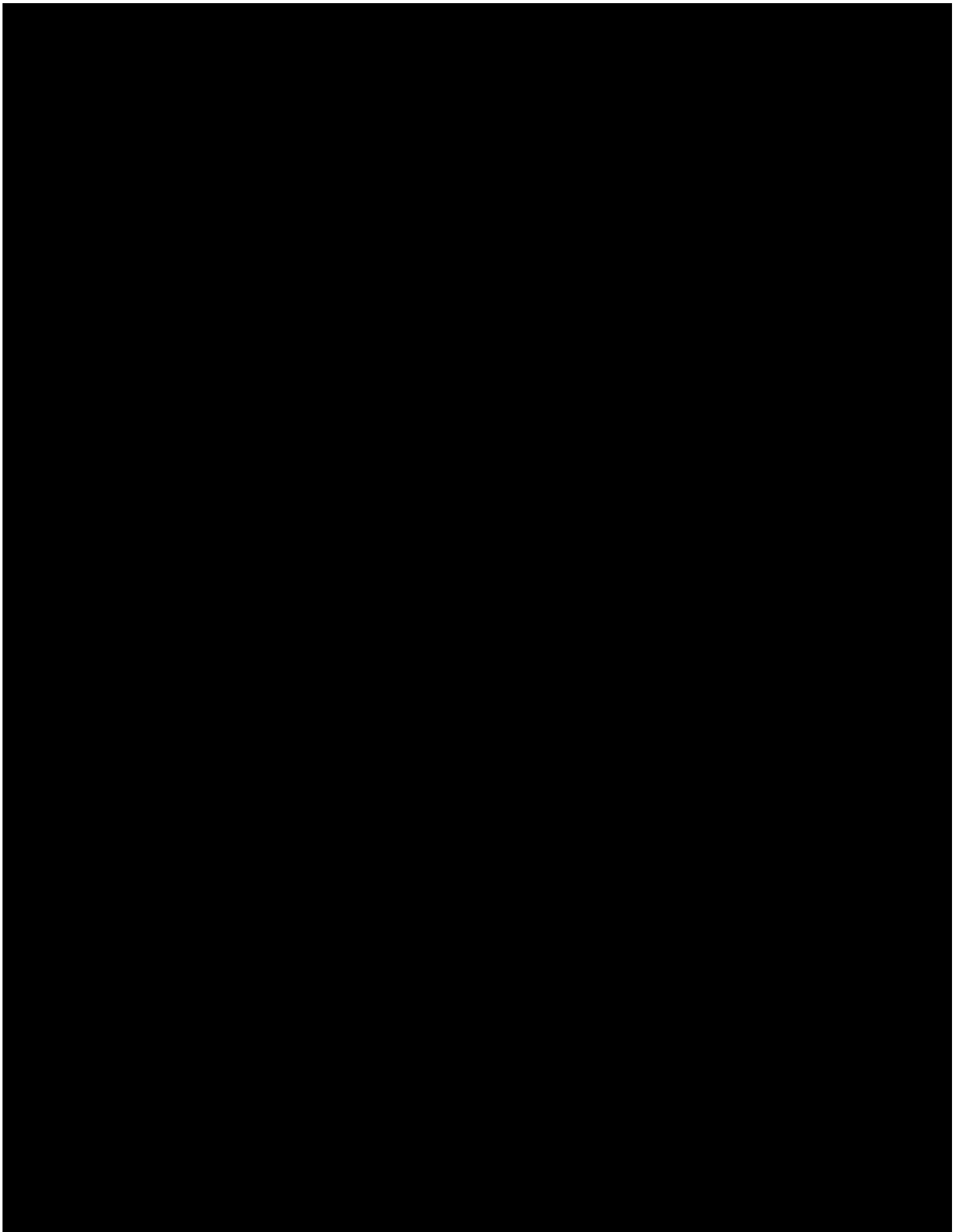
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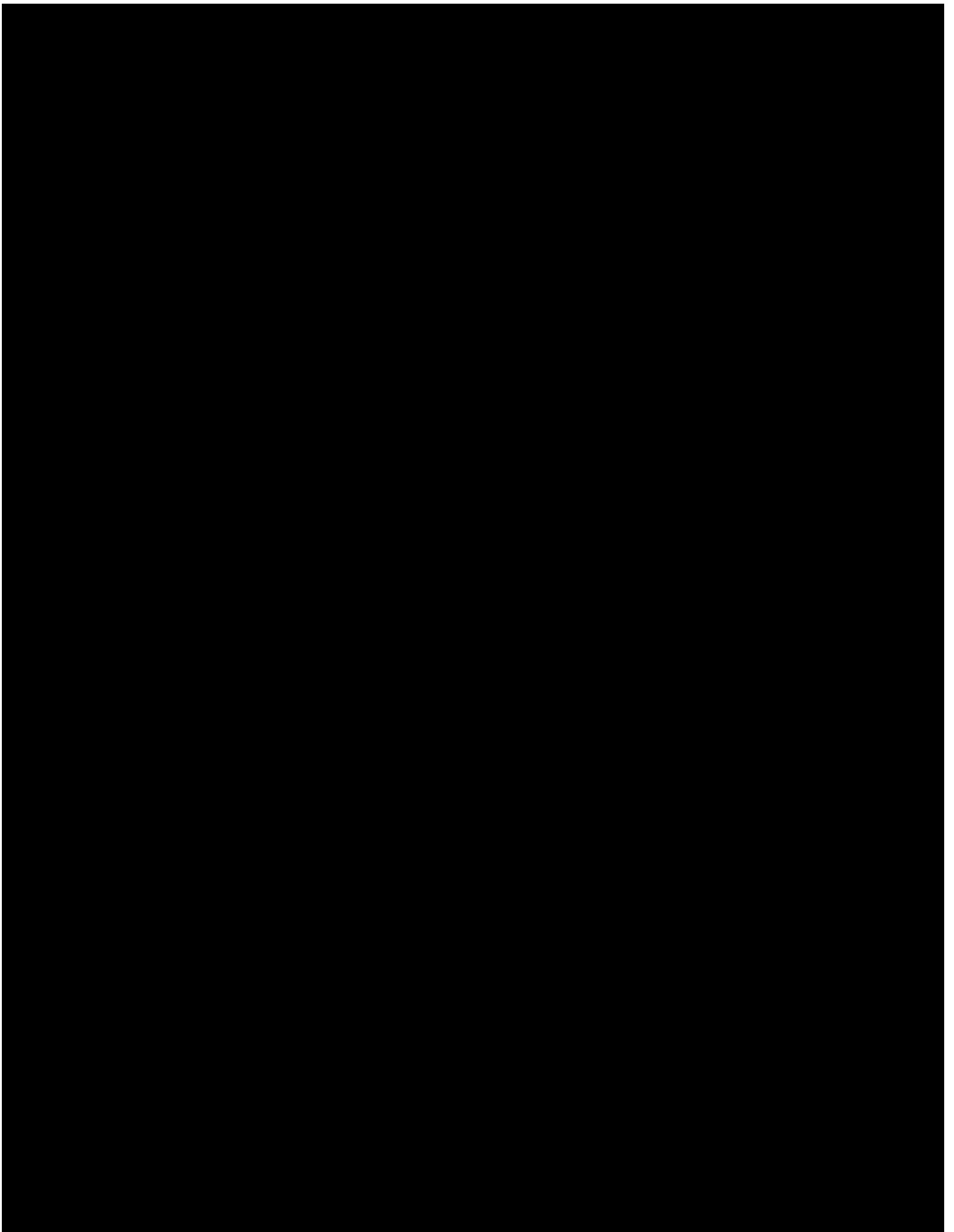
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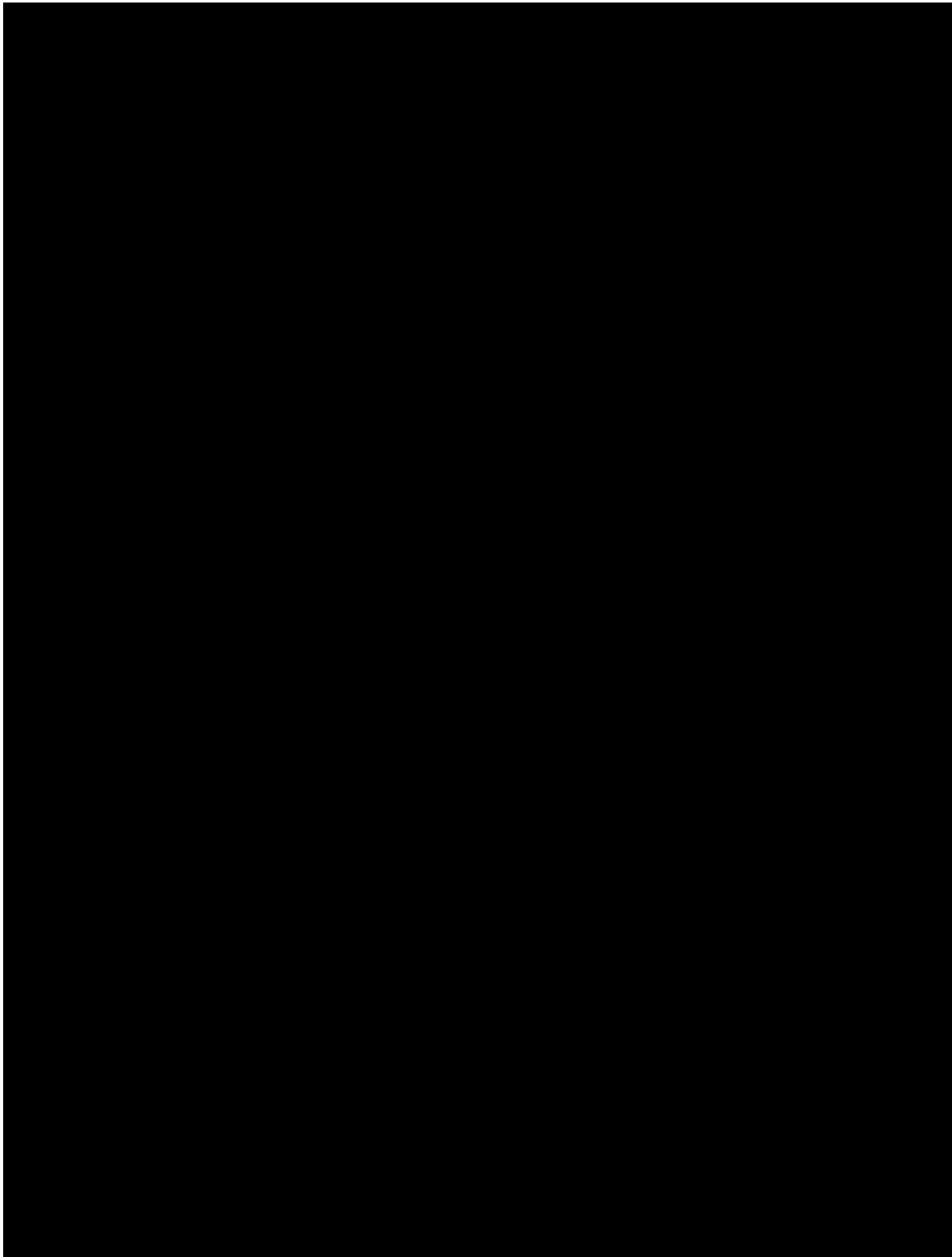


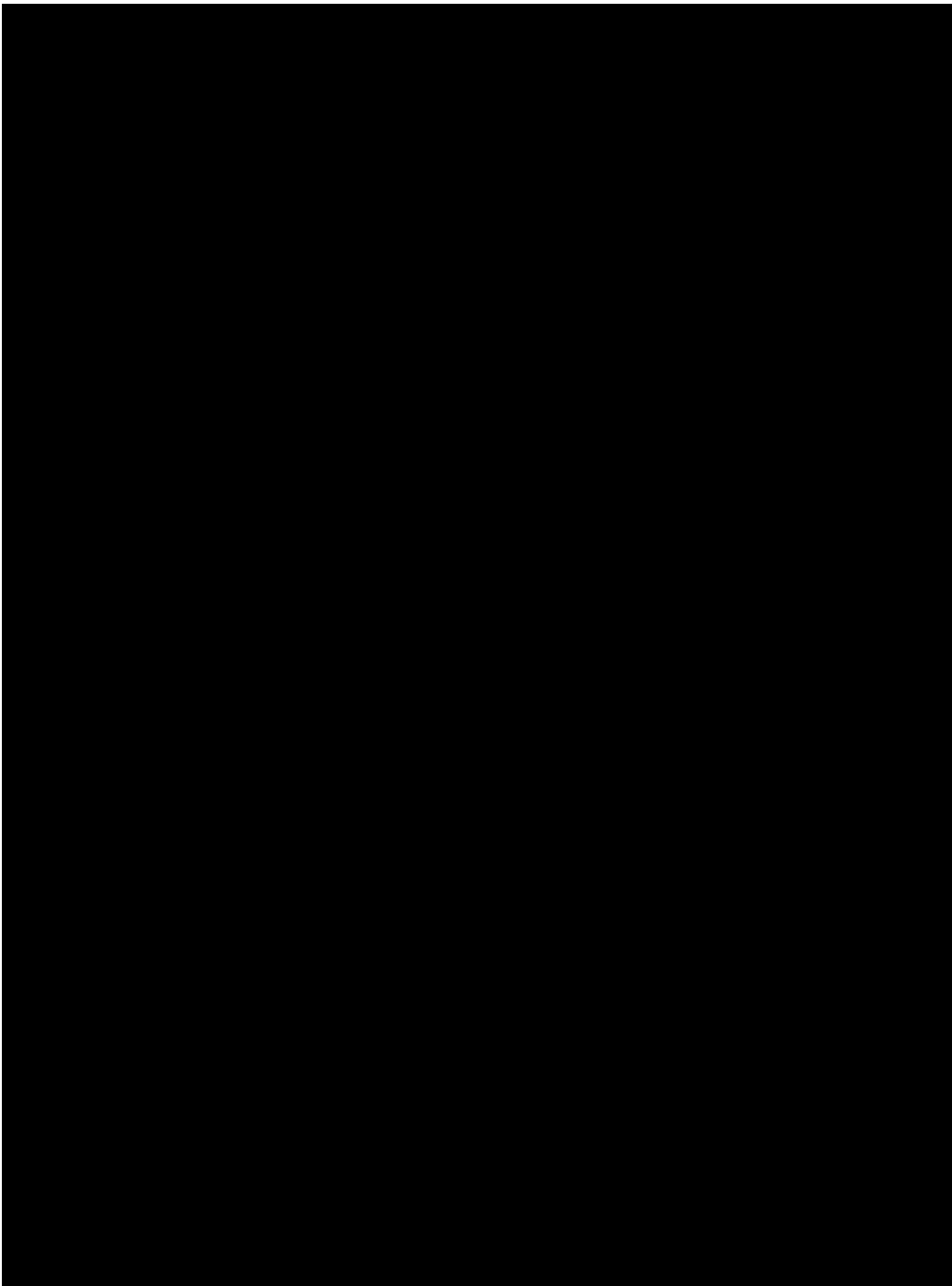


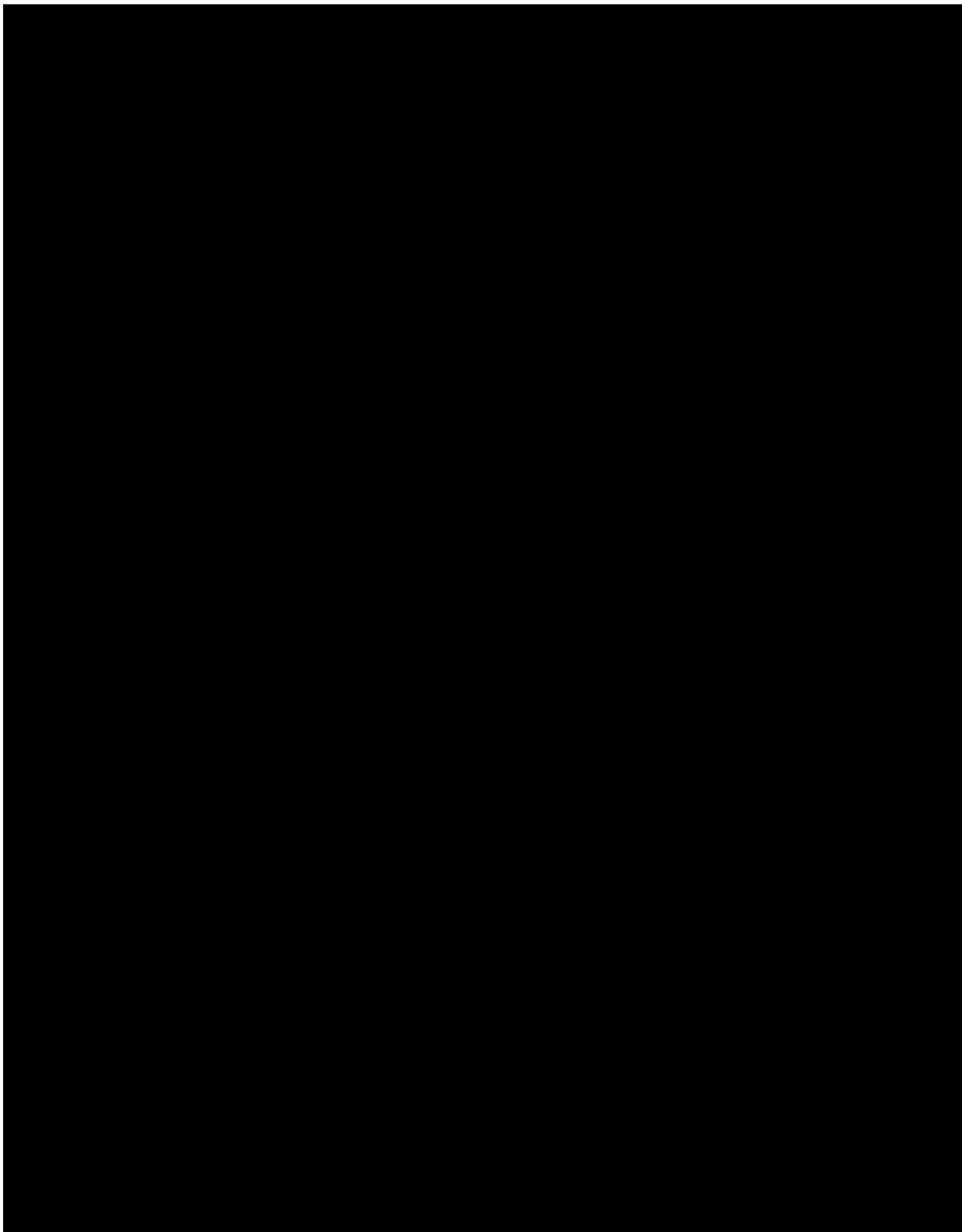


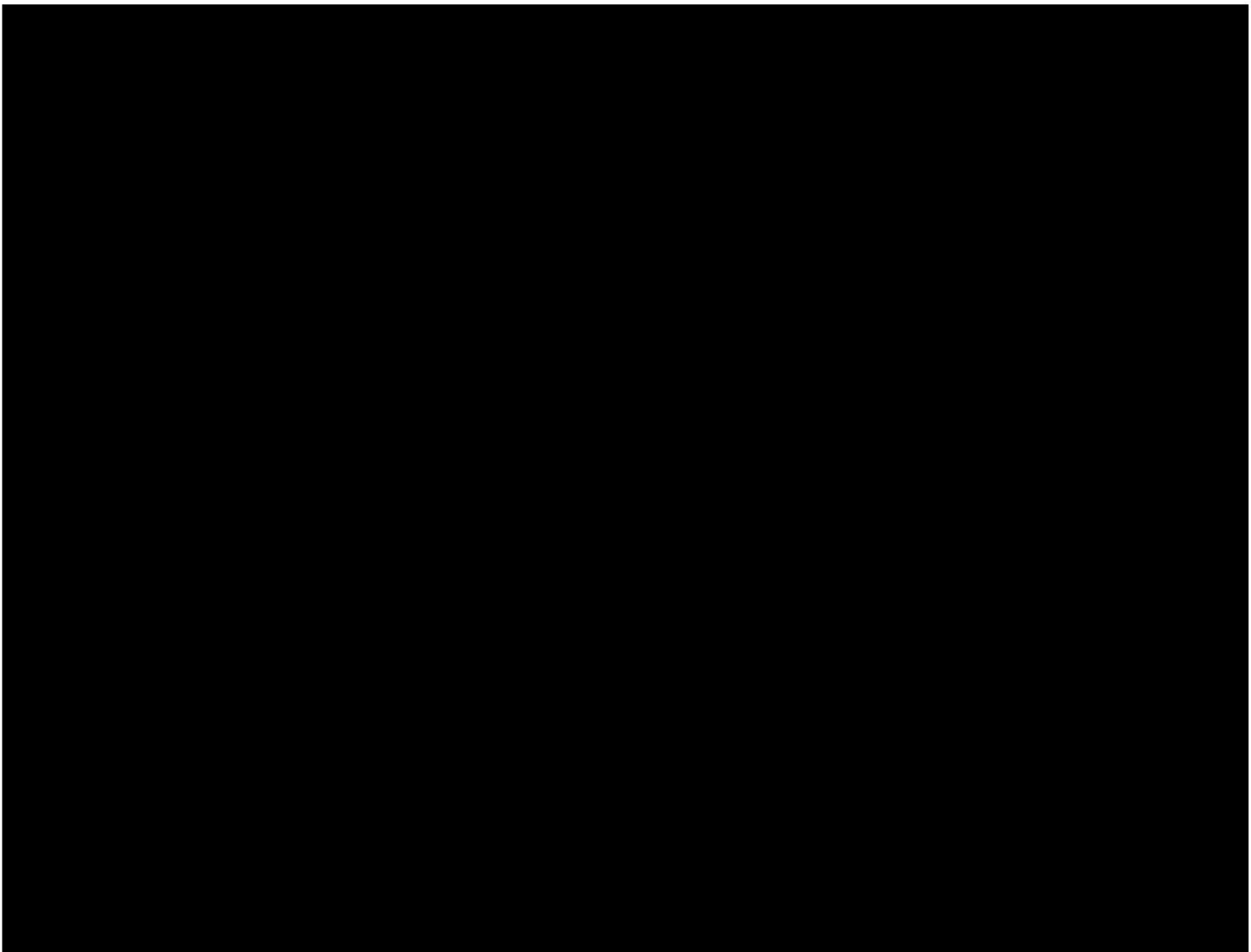


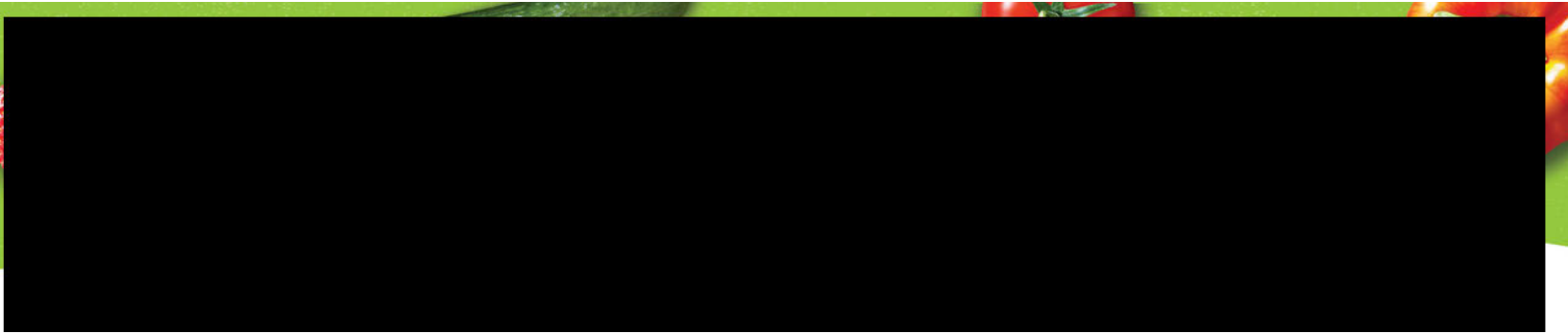








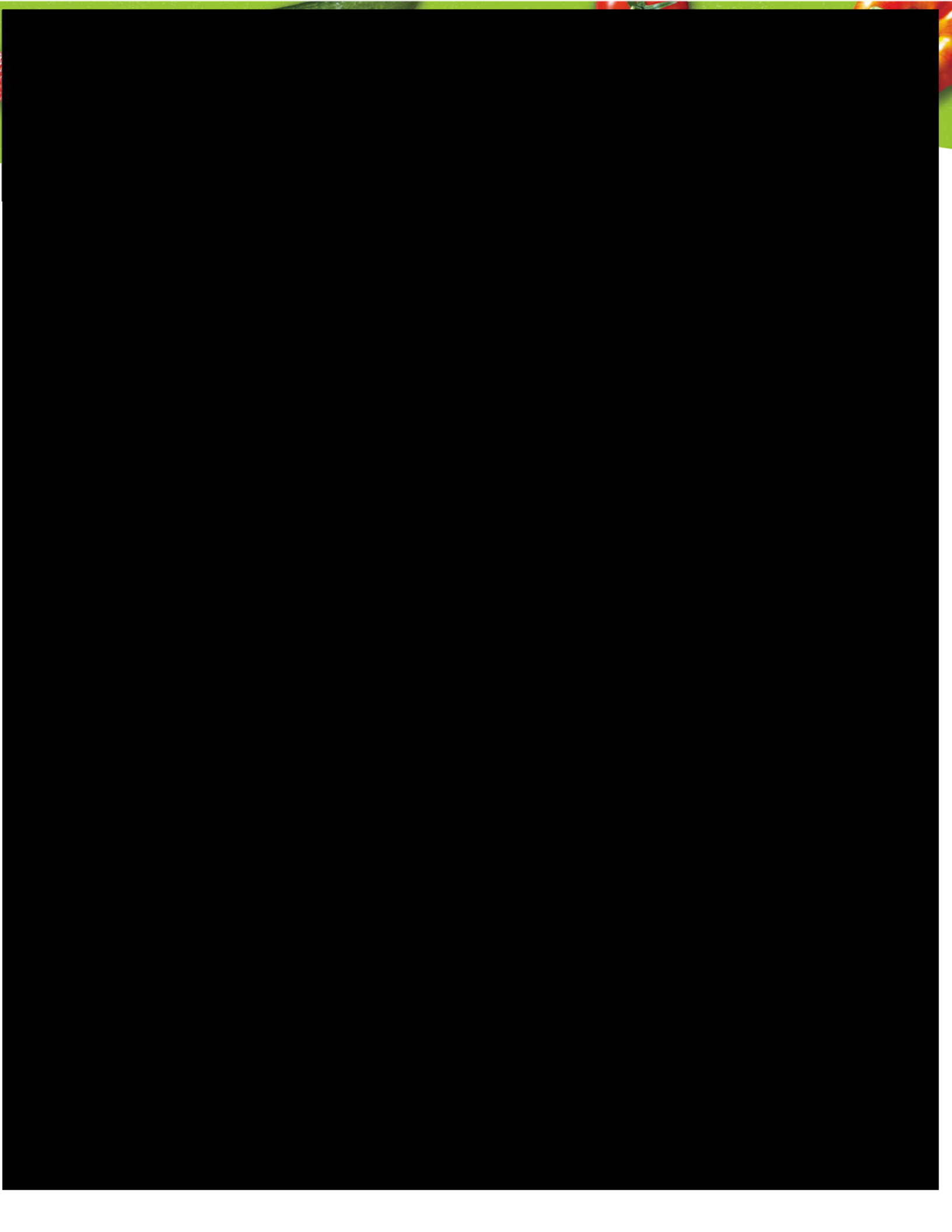


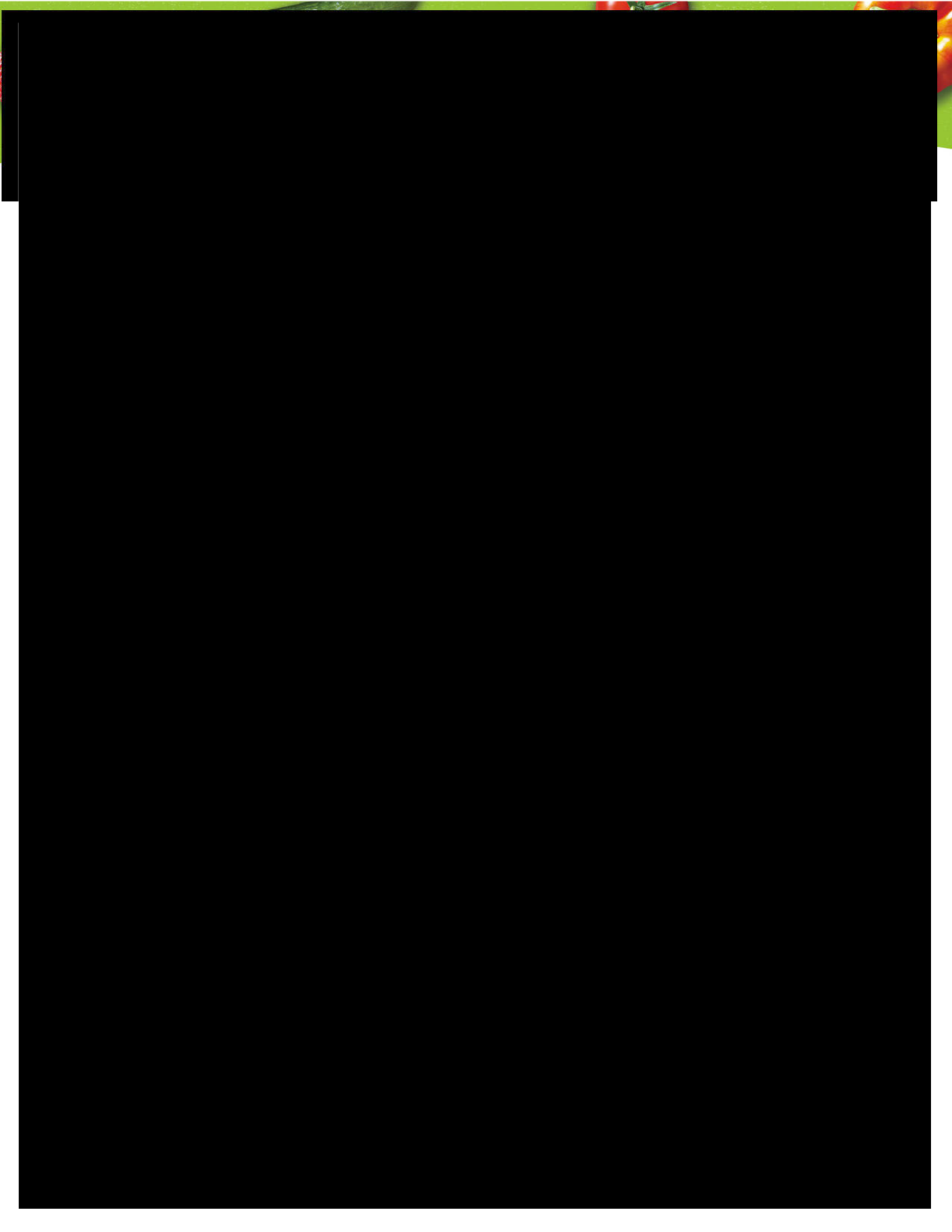


[REDACTED]

[REDACTED]

[REDACTED]







Casey Houweling
President
Casey.houwelings.com

Country Fresh Produce Inc.
Unit 170 – Simpson Road
Richmond, BC, Canada V6X 2P9

March 1, 2021

BC Vegetable Marketing Commission
207 – 15252 32nd Avenue
Surrey, BC V3S 0R7

Attention: Andre Solymosi

Dear Sirs/Mesdames:

Re: MPL British Columbia Distributors Inc. – Marketing Agency Application

I am the President of Country Fresh Produce Inc., a designated greenhouse vegetable marketing agency within British Columbia. It is our understanding that MPL British Columbia Distributors Inc. is applying to the BC Vegetable Marketing Commission for a vegetable marketing Agency Class 1 Licence. Our organization fully supports this application and wishes to express that support to the BC Vegetable Marketing Commission. We look at Mastronardi and its long-standing operations as a reliable and potential contributory member to BC as a whole with many valuable contacts and an extensive distribution network throughout North America that will assist in growing the market for regulated BC vegetables, which will benefit BC growers, other agencies, consumers and other stakeholders through the distribution chain. We look forward to having MPL British Columbia Distributors Inc. as a licensed Agency and are confident that the issuance of a licence to MPL British Columbia Distributors Inc. would represent an incredible benefit for the growth prospects of the regulated vegetable industry in this Province.

Thank you for your support in this matter. Should you have any questions, please do not hesitate to contact me.

Yours truly,

Country Fresh Produce Inc



Casey Houweling
President

May 25th, 2021.

To whom it may concern, (BC Vegetable Marketing Commission)

We write this letter in support of Mastronardi Produce in their efforts to seek approval for full authority to market fresh fruit and vegetables grown in British Columbia for customers in British Columbia and throughout North America.

Mastronardi Produce is a family-owned company with a 70-year history that has played a significant role in the foundation and continued growth of the greenhouse sector in Ontario. The Ontario Greenhouse Vegetable Growers (OGVG) are the responsible party for licensing growers, packers and marketers in Ontario and Mastronardi Produce has been one of the leaders in our sector in all segments of the greenhouse vegetable category. Mastronardi' have been an innovator throughout the produce value chain, building brands around new categories and varieties.

Mastronardi Produce has not only been a successful grower/marketer, but several of their representatives have served on our OGVG board contributing to the overall welfare of the Ontario sector. In addition, they have also been participating in the success of the OPMA, CPMA and the CHC. They have been strong partners in the communities in which they serve; providing jobs, community benefit and leadership, and have been continuously recognized as a top managed company in Canada.

Mastronardi Produce has scaled their operations throughout North America providing their customers continuous supply from many sources with a strong Canadian brand spanning across multiple jurisdictions. They have established sustainable relationships with top retailers in Canada and the US while not only providing fresh quality produce, they also are providing technical knowledge of both traditional greenhouse produce and newer entries including berries.

Mastronardi Produce has also played a leadership role and steadfast commitment to sustainability and environmental stewardship. In addition, consistent with OGVG's regulatory obligations, MPL has been fully committed to food safety and they have also gained recognition as they developed the trace-back system adopted not only by our sector, but the entire produce industry as well.

I trust this letter will be of assistance in your proceedings,

Warm regards,



George J. Gilvesy

Chair,

The Ontario Greenhouse Vegetable Growers