

Ontario Processing Vegetable Growers

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NEWSLETTER

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BICK'S/STRUB'S ONTARIO CUCUMBER SETTLEMENT

Agreement was reached with Bick's and Strub's on the scheduled deadline date of February 16th, 2001. The 2001 price of cucumbers sold for processing will increase 2% as follows:

Minimum Prices for Each Ton (f.o.b. factory receiving station)			
Grade Sizes		STRUB'S	BICK'S
Up to 1 1/16"	Nº 1	\$611.77	\$747.43
1 1/16" to 1 1/2"	Nº 2	\$323.87	\$267.90
1 1/2" to 2"	Nº 3	\$173.93	\$184.31
2" to 2 1/8"	Nº 4	\$53.52	\$53.58

The price of seed remains the same at \$1.66 per thousand.

The following clauses were also added to this year's agreement.

9. (h) Quality standards and penalty factors to be applied to all deliveries shall be as follows:

<u>CATEGORY</u>	<u>TOLERANCE</u>	<u>REJECTION POINT</u>	<u>TARE PENALTY</u>
MOC - Vegetative Matter	1%	over 1%	0-1 x 0 over 1 x 1
MOC - Non Vegetative Matter	5%	over 5%	0-5 x 0 6+ x 1
Decay, Rot & Disease	3%	over 3%	0-3 x 0 4+ x 1
Physical Damage, Spongy, Sun Burned, Over Ripe, Seedy or Frozen	5%	over 5%	0-5 x 0 6+ x 1
Nubs & Crooks	20%	over 20%	0-10 x 0 11+ x 1

Note: Tare penalties determined by sample grade to be applied against total weight of all acceptable cucumbers after they are graded.

.....Over

- (i) Every grower will be required to take back his deliveries of all cucumbers over 2 1/8" in diameter.

Sample Grading

- (j) Sample grading is acceptable at any grading location provided that:
- the procedures to be employed have first been approved by the Cucumber Standing Grading Committee and set out in the Cucumber Grading Manual; and,
 - all growers and the board have been advised of the change to sample grading prior to contracting.

Pesticides

10. (a) Only government approved pesticides may be used and only in accordance with published guidelines.
- (b) Every grower shall be required to:
- (i) submit a completed and up to date record of all pesticide applications prior to the commencement of harvesting; and,
- (ii) submit a second complete and up to date record of all pesticide applications within two weeks of final delivery.
- (iii) submit a complete and up to date record of all pesticide applications at any time during the season within 24 hours of a processors request.
- Failure to submit the appropriate records in a timely manner may result in the crop not being accepted and/or contract termination.
11. (b) Closing dates shall be September 1 or earlier if 90 percent of the contracted growers at a receiving station have ceased delivery. Any grower that has not filled his contracts will be provided an opportunity to deliver the balance of his contracted tonnage to another open receiving station.

Where a processor and a grower contract for later delivery, a later closing date will be specified in the contract and the processor may not close before this date unless the grower has delivered 100% of this contract volume.

GREEN PEA NEGOTIATIONS

2001 green pea negotiations ended February 15th with agreement on all issues except price. The processor final offer is for price to decline by 4%. The grower final offer is no change in price from 2000.

With respect to the seed issue, it was agreed that processors would be able to continue to be reimbursed for seed where an insured peril prevented processors from obtaining any production. However, any impact of this seed benefit component (ie. excess claims over premiums or vice versa) will be transferred to the processor seed benefit plan at the time of its establishment. Should such a plan not be established or the processors desire termination of the program, they have committed to reimbursing the grower green pea plan for any excess of claims over premiums paid as a result of the seed benefit clause.

Still with seed, the cost of seed used, where usage is in excess of 102.5% of processor recommended rate, increased from 62 to 64 cents per pound.

The mini pea premium was maintained at 10% for 2001. However, processors have agreed to the establishment of a protocol to determine the premium in future years.

Lastly, processors agree that they will file with the board, documentation confirming that any weight measurement equipment used to determine payment is accurate, operating properly and complies with standards as set out by the Ministry of Consumer and Corporate affairs (Canada) Weights and Measures.

SWEET CORN NEGOTIATIONS

2001 sweet corn negotiations concluded February 22nd without an agreement. Issues referred to arbitration are:

- 1) price, and
- 2) the handling of situations where the crop insurance deadline has passed and the processor still has crop they wish growers to plant.

With respect to price, the processor final offer is for the price to drop by \$1.00 per ton from \$71.00 to \$70.00. The grower final offer is for price to increase by \$1.50 per ton to \$72.50. It was agreed that the export credit should remain at \$9.50 per ton.

The issue of how situations occurring after the crop insurance planting date deadline are handled, caused much discussion. The grower position is that, if both processor and grower still want to plant, the minimum compensation to the grower should be the difference between 80% of the grower average farm yield, as calculated by Crop Insurance, and the growers unseeded acreage benefit, or the value of the harvested production, whichever is greater. The processor position on this issue is that the clause should stay the same as last year.

When this situation occurred in 2000, processors attempted to argue that the marketing agreement in effect no longer applied and they were free to arrange whatever "risk sharing" scenario they could get individual growers to agree to. Obviously, this is not the board's view as the crop continues to be subject to the prices, terms and conditions of the marketing agreement regardless of when it is planted. The intent of the existing 2000 clause was to have the processor step into the shoes of Crop Insurance after the crop insurance deadline. With changes to the unseeded acreage benefit occurring, the board's offer is actually worded to lessen the responsibility of the processor by reducing their obligation to the grower by the extent of the unseeded acreage benefit received.

With respect to the seed issue, a memorandum was signed, similar to that agreed to in green peas. The memorandum states that processors will be able to continue to be reimbursed for seed where an insured peril prevented processors from obtaining any production. Any impact of this seed benefit component on the grower crop insurance plan (ie. excess claim over premium or vice versa), will be transferred to the processor seed benefit plant at the time of its establishment. Should such a plan not be established or the processors desire termination of the program, processors have committed to reimbursing the grower sweet corn plan for any excess of claims over premiums paid as a result of the seed benefit clause.

Other issues discussed included trucking, silage and processor liability in instances of bypass. Agreement to make changes with respect to any of these issues was not forthcoming.