

# NEWSLETTER

**Nº 4 - 2003**

**March 11, 2003**

**COMMAND EMERGENCY USE REQUEST GRANTED**

We have recently been informed that the Emergency Use request for Command on cucumbers has been approved by PMRA. Our thanks to Jim Chaput for co ordinating the application.

**SWEET CORN NEGOTIATIONS**

2003 sweet corn negotiations concluded February 24<sup>th</sup> with agreement on all issues except clause 1. (a) raw product price and clause 1. (c) export credit. The final offers of both parties are outlined as follows:

	2002	2003	
		Grower Final Offer	Processor Final Offer
Price Per Ton f.o.b. Field	\$71.25	\$75.50	\$73.50
Export Credit Per Ton	\$7.50	\$5.50	\$6.50

Clauses similar to those inserted into the green pea agreement regarding contract cancellation and dispute resolution also now form part of the sweet corn agreement.

**TOMATO NEGOTIATIONS**

Agreement was reached on March 1st with H.J. Heinz Company of Canada Ltd., Kraft Canada Inc. and Sun-Brite Canning Ltd. on 2003 prices for tomatoes for processing as follows:

Tomatoes for Paste:	- 2 ½%
Tomatoes for Whole Peel:	No Change
Tomatoes for Juice:	No Change

Other clause revisions are outlined below:

**TRANSPLANTS**

The Agreement has been revised to reflect the addition of a replant benefit under the Crop Insurance Plan for tomatoes. Processors will now be responsible for providing replants for the first 8% over the growers original plant order at no charge. Replants over 8% of the growers original plant order will be billed by the processor at the reduced rates specified in the Agreement but will be covered by crop insurance. It will be necessary for growers to open up a crop insurance claim in the event that replanting is necessary. The new provisions of the Agreement read as follows:

11. (a) The price for transplants shall include an 8% grower insurance surcharge to cover the cost of maintaining a pool of transplants for replant purposes.
- (b) The processor agrees to contract with seedling growers for a minimum of 8% additional transplants over and above total transplant requirements for the purposes of maintaining an insurance pool for replant purposes.
- (c) The processor shall provide tomato transplants to growers at the following prices (inclusive of the 8% insurance surcharge and the grower share of plant counting cost):

	<u>Open Pollinated</u>	<u>Hybrid</u>
200 Cell Trays	\$32.50	N/A
288 Cell Trays	\$27.25	\$31.75
512 Cell Trays (Southern)	\$27.25	\$31.75

- (d) It is expressly agreed that no service charges shall be applied to the provision of tomato transplants.
- (e) Any deliberate abuse of transplant handling, storing, sorting or disposal, is subject to termination of contract. The grower will be responsible for payment of plant charges incurred from the above abuses.
- (f) Replanting of acreage shall be mutually agreed between the grower and the processor.
- (g) Where the decision is made to replant, the grower shall pay for replants as per the following:
  - (1) replants representing 8% of the growers original plant order no charge.
  - (2) All replants over 8% of the growers original plant order as follows:

**Open Pollinated:** \$25.23  
**Hybrid:** \$29.40

**TRANSPLANTS** (continued)

(h) The processor shall provide to the grower, a transplant reconciliation in Form 5, attached, not later than July 15<sup>th</sup>, in every year.

**ACREAGE MEASUREMENT - MAPS**

In an effort to reduce the cost of acreage measurement, growers will now be "required" to provide maps of all tomato fields "at contracting time."

**EARLY/LATE SEASON PREMIUMS**

The 2003 Agreement addressed the need to establish processor commitments around the delivery of tonnage from late season contracts as follows:

2. (c) A premium of \$5.00 per contracted ton under all contract options shall be paid on November 15<sup>th</sup> on all tomatoes designated as early or late by the processor. Early or late contracts shall be defined as tomatoes not subject to regular weekly quota as specified in clause 9 (a). The processor shall be required to commence scheduling the delivery of tonnage contracted under a late contract no later than 56 days after the processor's opening date. Late contract tonnage shall be subject to a minimum daily quota of 25%.

**CLOSING DATE**

The specific date at which a processor may close has been removed from the Agreement. The new provision is as follows:

16. (a) The processor may close if growers representing 85% of the company's total contract tonnage commitments, have ceased delivery or delivered their individual contracted commitments.

All other clauses remain unchanged. The dispute resolution clause has also been added to the tomato agreement. A tomato grower meeting has been scheduled for 1:30 pm on Tuesday, April 8 at the Wheels Inn in Chatham to review changes to the Agreement, particularly the new crop insurance replant benefit.

**CARROT NEGOTIATIONS**

Agreement was reached on Thursday, March 6<sup>th</sup> with Omstead Foods Ltd., Strathroy Foods Ltd. and The Campbell Soup Company Ltd. on 2003 prices and terms and conditions of sale for carrots for processing as follows:

- Price - No Change.
- Storage Rates - +1.5% January 1 to July 31.
- Oversize Slicers - Where the processor requires oversize slicers to be delivered separately they will be paid for at the dicer price.
- Washing Charge - Where the processor requires carrots to be washed, a minimum additional charge of \$8.50 per ton shall apply.
- Undersize Dicers - The tolerance for undersize dicers was increased from 4% to 20% in the period July 1 to September 30.
- M.O.C. - The reject point for material other than carrots was reduced from 10% to 5%.
- Seeders - Agreement was reached on a tolerance of 1% for seeders in "slicer" carrots.
- A new dispute resolution clause was included in this year's Agreement.

**PEPPER NEGOTIATIONS**

Agreement was reached with Omstead Foods Ltd. on 2003 prices and terms and conditions of sale of peppers for processing as follows:

<b>Minimum Price For Each Ton:</b>	<b><u>2002</u></b>	<b><u>2003</u></b>
Green Bell Type Peppers:	\$284.00	\$289.50
Red Bell Type Peppers:	\$386.50	\$393.00
Multicoloured Bell Type:	\$253.00	\$253.00

In addition, the tolerance for defects was reduced from 15% to 10%.

**CABBAGE NEGOTIATIONS**

Agreement was reached with Strub Brothers Ltd. for a 2% increase in the price of late cabbage for 2003 from \$71.40 to \$72.83 per ton delivered in bulk.