

Ontario Processing Vegetable Growers

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NEWSLETTER

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BOARD RECEIVES \$2 MILLION GRANT FOR DRIP IRRIGATION

Minister of Agriculture, Food and Rural Affairs Brian Coburn announced a \$2 million grant to encourage processing vegetable growers to improve Ontario's competitiveness through the adoption of drip irrigation technology.

"With this investment, growers will make more efficient use of water, improve the delivery of nutrients to plants, and produce more and better-quality tomatoes, cucumbers and peppers for the processing industry," Coburn said. "Best of all, they'll be better able to compete and win markets here and abroad."

Individual grower applicants will finance the balance of the \$4 million project, which has a goal of installing drip irrigation technology on 4,000 acres of prime agricultural land by the end of 2003. The project could also reduce demand for municipal water during peak periods in the summer; offset the poorer yields that come with dry weather conditions; increase the number and quality of the vegetables; and make more efficient use of fertilizers.

The \$90-million Healthy Futures for Ontario Agriculture program is focused on enhancing the safety and quality of Ontario food products, capitalizing on marketing and export opportunities, improving rural water quality and making efficient use of water resources.


Program details and applications can be obtained by contacting the board office.

H.J. HEINZ EXPANDS LEAMINGTON PLANT

Heinz Canada recently announced plans to relocate production of 1.2 million cases of canned tomato pasta sauce from a Borden Montreal facility to the Heinz Leamington plant. The Company will make a \$3 million capital investment to move equipment from Montreal and re-install it in Leamington. Heinz will also spend an additional \$1.3 million to install a new tomato paste filler which will extend the plant's production capabilities for seasonal tomato products.

"This announcement is a strong vote of confidence in Heinz Canada and the Leamington facility. It also confirms our ability to meet the demands of increased production," said James Krushelniski, Heinz Canada President and CEO. "This is a significant investment not only for Heinz and its employees, but also for Ontario tomato growers and the local community."

The announcement expenditure builds on the successful launch this fall of the production line for a new plastic ketchup jug for the food service market in Canada and the U.S. Sales of the new plastic ketchup jug, dubbed "Big Red," are exceeding initial projections and plans are under way to market the jug to additional new channels beyond food service.

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H.J. HEINZ EXPANDS LEAMINGTON PLANT (continued)

The growth in demand for additional tomato solids to be used in production of a range of processed tomato products from ketchup to chili sauce resulted in the decision to invest \$1.3 million for the tomato paste filler. The filler will add an additional 35,000 tons of storage space to the Leamington facility.

Heinz Canada's Leamington plant - one of the largest production facilities in the world for Heinz products - provides a wide range of products including ketchup, chili sauce, tomato juice, jarred baby foods, infant cereal, canned beans and pasta, and vinegar. With the addition of the Catelli, Bravo and Gattuso pasta sauces, total canned production at Leamington will increase by 5.4% to more than 23 million cases. Heinz purchased the Borden Foods business in 2001 and acquired the Catelli, Classico, Gattuso and Bravo brands of pasta sauces as a result.

Based in Toronto, Heinz Canada has 2,000 employees and more than 500 seasonal staff at its manufacturing facilities, head office and sales offices across Canada. For more information on Heinz, visit www.heinz.com or www.lycopene.org.

CROP INSURANCE - 2002 PREMIUM RATES FOR PROCESSING CROPS

Crop	Claim Price	Coverage Options	Customer Premium (\$/acre)	
			2001	2002
Green Peas	Dollar value crop (seed in)	80% 73.5% (SHC) ²	\$17.70	\$17.50 ¹
Peppers	\$210/ton	80%	\$131.75	\$138.40
		75%	\$114.35	\$120.15
		70%	\$98.95	\$103.65
	\$260/ton	80%	\$163.10	\$171.35
		75%	\$141.60	\$148.75
		70%	\$122.15	\$128.35
	\$300/ton	80%	\$188.20	\$197.70
		75%	\$163.40	\$171.60
		70%	\$140.95	\$148.05
Sweet Corn	Industry negotiated	90%	\$15.42	\$15.00 ¹
		84% (SHC)		
		85%	\$12.71	\$12.30 ¹
		79% (SHC)		
		80%	\$10.50	\$ 10.05 ¹
		74% (SHC)		
Tomatoes	\$88.50/ton	90%	\$41.80	\$56.90

¹ This premium does not include the seed cost benefit. Premium for the Seed Cost benefit is \$2.05/acre for green peas, and \$0.25/acre for processing sweet corn.
SHC separate harvest coverage option.

Questions?: If you have any questions or concerns, or if you need to report damage, please call AGRICORP's Customer Action Centre, toll-free, 1-888-AGRI-999 (1-888-247-4999). You can call between 7:00 a.m. and 5:00 p.m., Monday to Friday.

NISA GROSS-UP VALUES - 2001 STABILIZATION YEAR

As in previous years, gross-ups of certain costs are permitted as follows:

	SEED	SPRAY	HARVESTING	'01 LICENCE FEES	TOTAL
SWEET CORN	\$ 5.78	\$ 3.40	\$ 9.42	\$ 0.78	\$ 19.38
GREEN & WAX BEANS	\$ 36.30	\$ 3.35	\$ 39.14	\$ 1.99	\$ 80.78
GREEN PEAS - POD STRIPPER	\$ 71.50	--	\$ 91.67	\$ 3.19	\$ 166.36
LIMA BEANS	\$ 46.20	--	\$ 92.70	\$ 5.10	\$ 144.00
TOMATOES	--	--	--	\$ 1.37	\$ 1.37
CUCUMBERS	--	--	--	\$ 2.45	\$ 2.45
CARROTS	--	--	--	\$ 0.84	\$ 0.84
PEPPERS	--	--	--	\$ 2.44	\$ 2.44
BEETS	--	--	--	\$ 2.12	\$ 2.12
SQUASH	--	--	--	\$ 0.75	\$ 0.75
CABBAGE	--	--	--	\$ 0.60	\$ 0.60
CAULIFLOWER	--	--	--	\$ 3.69	\$ 3.69
PUMPKIN	--	--	--	\$ 0.73	\$ 0.73

ALL VALUES ARE PER TON, NET OF G.S.T.

If you require further information, you can contact NISA directly at 1-800-665-6472. The deadline for NISA deposits and withdrawals is December 31st.

The non-penalty application deadline for the 2001 stabilization year is June 15th, 2002, for individuals and June 30th, 2002 for corporations and co-operatives. The final application deadline for both individuals and corporations and co-operatives, subject to a reduction in deposit entitlements is December 31st, 2002.

NEGOTIATION UPDATE

BEETS:

Agreement was reached with Kraft Canada Inc. Prices per ton are outlined below.

<u>Grade Sizes</u>		<u>2001</u>	<u>2002</u>
1" to 1 1/4"	Nº 1	\$216.00	\$219.00
1" 1/4" to 1 3/4"	Nº 2	\$145.00	\$148.00
1 3/4" to 2 1/2"	Nº 3	\$100.50	\$102.00
2 1/2" to 3 3/4"	Nº 4	\$43.00	\$44.00
Over 3 3/4"	Over Size	\$43.00	\$44.00

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NEGOTIATION UPDATE (continued)

CUCUMBERS:

Agreement was reached with Bick's and Strub's on the 2002 crop prices of cucumbers for processing resulting in a 1.5% increase on price. The seed price remains unchanged from 2001 at \$1.66 per thousand. Prices for 2002 are outlined below:

Minimum Prices for Each Ton (f.o.b. factory receiving station)

Grade Sizes	2001		2002	
	Bick's	Strub	Bick's	Strub
Up to 1 1/16" N° 1	\$747.43	\$611.77	\$758.64	\$620.95
1 1/16" to 1 1/2" N° 2	\$267.90	\$323.87	\$271.92	\$328.73
1 1/2" to 2" N° 3	\$184.31	\$173.93	\$187.07	\$176.54
2" to 2 1/8" N° 4	\$53.58	\$53.52	\$54.38	\$54.32

PEPPERS:

Agreement was reached with Bick's on peppers. Prices for 2002 are outlined below:

Minimum Price For Each Ton:		2001	2002
Banana Type Peppers:	Hot:	\$344.50	\$351.50
	Sweet:	\$344.50	\$351.50

CABBAGE:

Agreement was reached with Strub's on cabbage at a 2% increase over last year's price. The price for 2002 is \$71.40 compared with \$70.00 in 2001. There were no other contract changes.

TIED CAULIFLOWER:

Tied cauliflower negotiations concluded March 18th with the parties unable to reach agreement on price. The final offer of the growers would result in a 2.5% increase while the final offer of the processors would result in a 1% price increase.

	2001	2002	
		Grower Final Offer	Processor Final Offer
Grade No. 1	\$408.50	\$418.71	\$412.60
Grade No. 2	\$194.70	\$199.57	\$196.65