

Ontario Processing Vegetable Growers

435 Consortium Court, London, Ontario N6E 2S8 Tel.: (519) 681-1875 Fax: (519) 685-5719
Web Site: www.opvg.org E-mail: opvg@opvg.org

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GREEN PEAS

Agreement has now been reached for green peas. 2006 prices are down 1% from 2005 across each tenderometer category. Please note that applicable mini pea premiums are unchanged from last year.

PUMPKIN

Agreement was reached on pumpkin at a price of \$91.58 per ton bulk an increase of 1% over last years price of \$90.67.

CROP INSURANCE - BANANA PEPPERS - SEPARATE PLAN

Agricorp has indicated that they will offer a separate plan for banana peppers starting this year. The establishment of a separate banana pepper plan is a culmination of work started several years ago at the request of growers. Full plan details are being sent to all pepper growers. Agricorp representatives will be visiting previously enrolled growers and/or any new growers to ensure growers are underwritten appropriately.

SEPARATE HARVEST COVERAGE

As growers of green peas, sweet corn and green and wax beans are aware, the board has attempted, over the past several years, to obtain changes to the Separate Harvest Coverage component of the grower crop insurance plans for these crops.

We have recently been advised by Agricorp that growers will now be able to buy up coverage to the extent of the additional deductible that exists for those growers enrolled in the SHC option.

Unfortunately, the federal and provincial government, despite our representations, have assessed this coverage as high risk and, as such, it is cost shared in a manner that results in it being extremely expensive. (i.e. - cost to buy up the difference in deductible is approximately equal to cost of initial coverage)

The solution from a grower perspective is relatively simple; request that different plantings be placed in different names, thus avoiding the issue of SHC altogether.

AGRICORP - ONTARIO EDIBLE HORTICULTURAL CROP PAYMENT PROGRAM

Agricorp is delivering a new program on behalf of the Ontario government that will put \$35 million in immediate financial assistance into the hands of edible horticulture crop producers. The new Ontario Edible Horticulture Crop Payment (OEHCP) will provide benefits to eligible producers to offset losses for the 2005 crop year.

The OEHCP will calculate payments based on 2.6 percent of a producer's eligible net sales for 2004 crops; for new farmers, payments will be based on 2005 net crop sales. For example, if eligible net sales are \$100,000, the benefit is calculated as follows: Benefit: \$100,000 x 0.026 = \$2,600. "Beginning mid-April, eligible producers will receive their cheques by mail and a summary statement of their benefits will follow soon after," said Chris Horbasz, Acting Director of Operations, Agricorp. If there are funds remaining after all applicants have been paid, a small final payment will be made to all eligible producers.

There is a \$500,000 cap on payments under the OEHCP that applies to both individuals and corporations.

All edible horticulture crops that were eligible under Agricorp's previous edible horticulture top-up program qualify for assistance. A complete list of crops eligible for OEHCP can be found at www.agricorp.com.

APPLICATION DEADLINES

To receive payment, producers that farmed in 2005 and are *not already enrolled* in the Canadian Agricultural Income Stabilization (CAIS) program, are required to complete an OEHCP application. Information on the application process and the program can be obtained by calling Agricorp at 1-877-838-5144 or by visiting www.agricorp.com to download the application form.

When submitting their applications to Agricorp, producers need to enclose a copy of their 2004 T2024 or T1163 (as submitted to the Canada Revenue Agency) to Agricorp by June 30, 2006.