

# Ontario Processing Vegetable Growers

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## NEWSLETTER

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### NEGOTIATION UPDATE:

#### GREEN PEA AGREEMENT

Originally headed to arbitration, an Agreement has now been reached with respect to the 2005 crop of green peas. Prices are down 3.5% across all tenderometer categories. Other changes, as set out in Newsletter No. 3-2005 include changes to the mini pea premium which for 2005 calls for a 15% premium for the variety '383' and a 5% premium for all other mini varieties.

#### CUCUMBER AGREEMENT

Also originally going to arbitration, an Agreement has now been reached with respect to the 2005 crop of cucumbers. There is now a differentiation between hand and machine harvest prices. Hand harvest cucumbers, subject to government mandated labour rate increases, are down 1.5% from 2004 levels. Machine harvest prices are 5.5% less than 2004 prices.

Seed costs are the lesser of \$1.98 per thousand or processors actual cost, down from \$2.09 per thousand a year ago.

Lastly, there is a 5% premium paid on all deliveries where the grower is required by the processor to split plant.

#### OTHER ITEMS-CUCUMBERS

- A point of clarification, the early premium for deliveries up to and including July 20<sup>th</sup> is only for deliveries contracted under an early contract and grown under plastic, unless the processor indicates otherwise.
- Command has been approved as an Emergency Use Registration for use on cucumbers for 2005. Our thanks to Jim Chaput at OMAF for his work in obtaining this registration.

#### LIMA BEANS

Agreement was reached on lima beans with Strathroy Foods Ltd. at \$452.00 per ton, a 2% decrease from 2004.

#### TOMATOES

Second round negotiations with all other Ontario tomato processors have resulted in agreements being reached.

Prices agreed upon reflect the same agreements reached with Kraft Canada Inc. and Sun-Brite Canning Limited for whole peel at -1% and paste at -3% with no change in the price of tomatoes for juice. The Arbitration with Heinz is scheduled for April 13<sup>th</sup>.

## CAULIFLOWER

Negotiations concluded with Strathroy Foods on tied cauliflower at -3% on grade No. 1 at \$416/ton and -4% on grade No. 2 at \$194/ton. There were no other contract changes

Negotiations have also resulted in an Agreement with P.O.G. for untied cauliflower. Prices are down 3% for No. 1 grade to \$345.97 /ton and down 4% for grade No. 2 to \$148.41/ton. There were no other contract changes.

## PUMPKIN

Agreement was reached with Harvest-Pac at \$90.67 per ton bulk. This reflects no change in price for 2005.

## BEETS:

Agreement was reached with Kraft Canada Inc. and Smucker Foods as follows:

<b>Option A</b>		
	<u>Grade Sizes</u>	<u>Minimum Price/Ton</u>
No. 1	1" to 1 5/8"	\$133.19
No. 2	1 5/8" to 2 1/2"	\$110.30
No. 3	2 1/2" to 3"	\$80.81
No. 4	3" to 3 3/4"	\$47.07
Oversize	over 3 3/4"	\$47.07

<b>Option B</b>			
	<u>Grade Sizes</u>		<u>Minimum Price/Ton</u>
No. 1	1 1/4" to 1 5/8"		\$133.19
No. 2	1 5/8" to 2 1/2"		\$133.19
No. 3	2 1/2" to 3"		\$80.81
No. 4	3" to 3 3/4"		\$47.07
Oversize	over 3 3/4"		\$47.07

The processor may contract all of their requirements under either Option A or Option B. Where the processor, during the season elects not to receive grade sizes less than 1 1/4", the processor shall pay according to the Option B price schedule.

Processors may switch to Option B price schedule at any time upon giving 7 days advance notice. The switch to Option B, when it occurs, shall apply to all growers. Option B price schedule shall remain in effect for the remainder of the season.

Kraft has indicated they will be contracting under Option B, Smuckers under Option A, with the possibility that they may switch to Option B later in the season.

## GREEN AND WAX BEANS

Negotiations with Strathroy Foods Limited and Family Tradition Foods have resulted in an Agreement as follows:

		<u>Price/Ton</u>
Small wholes:	0 - 2 tons/acre	\$183
	2 - 3 tons/acre	\$151
	3+ tons/acre	\$100

Dual Use:	<u>Whole</u>	<u>Cut</u>
	<u>Price/Ton</u>	
The first <u>2.0</u> tons/acre	\$165	\$147
All tons between 2-4 tons/acre	\$121	\$106
Each ton over 4 tons/acre	\$98	\$82

The quota clause has been revised to 125% of the grower crop insurance average or the processors crop insurance average, whichever is greater.

## CARROT MEDIATION

The OPVG and Ontario carrot processors conducted a carrot mediation on Thursday March 31<sup>st</sup>. After seven hours of discussions, encompassing all of the issues in dispute, it was agreed that the matter would go on to Arbitration. The Arbitration will take place on April 22<sup>nd</sup>. A decision will be available later the following week.

## ASIAN RUST

The OPVG has set out its concerns with respect to Asian rust traveling into Ontario in loads of fresh produce in a letter sent to CFIA. The board believes that it is in everyone's interests that produce imported into Ontario be shown to be free from the disease and that all reasonable steps be taken to prevent its inadvertent introduction into Southwestern Ontario.