



Ontario Processing Vegetable Growers

STRATEGIC PLAN

2022 - 2025





Ontario Processing Vegetable Growers

OPVG VISION

Catalyst for sustained growth and innovation in processing vegetables.

OPVG STRATEGIC INTENTS

1. Improve effectiveness of OPVG's governance structure.
2. Improve effectiveness and efficiency of the negotiating process.
3. Improve communication with growers and processors.
4. Build long-term confidence in the processing vegetable industry.





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INTRODUCTION

Since 2017, OPVG has faced turbulence after losing some of its regulatory functions and experiencing significant turnover of management and Board of Directors. Several events occurred in the last few years that signaled the time to develop a new strategic plan for the organization. This document outlines the new plan, developed through a process that started in August of 2021, and contains the following elements:

- The approach to planning and OPVG's measures of success.
- OPVG's external environment, value proposition and vision.
- OPVG's internal environment and strategic intents for the next three years.
- Actions, accountabilities, timelines and measures required for OPVG to achieve its strategic intents.

APPROACH TO PLANNING

The facilitator of OPVG's planning followed a process based on Harvard University's Michael Porter, as explained in Joan Magretta's book *Understanding Michael Porter*. A significant aspect of the approach is that it does not start with a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. In fact, it turns that around and starts with opportunities – how can OPVG, as an organization, add value for its customers or improve the environment for our industry?

The logic of this approach is that examining strengths and weakness before deciding what the organization wants to accomplish can be counterproductive. An example from an individual farm can be illustrative. A farm that has traditionally followed a strategy of being a low-cost commodity producer would likely have strengths and weaknesses in production skills. But, if after examining opportunities the farm decided to start selling directly to consumers or branding its products through established retailers, it would not find its production skills to be sufficient – necessary probably – but would have missed a whole series of weaknesses around marketing, communication and people management.

So, OPVG began by deciding where it wants to go and then determined whether it has the wherewithal to get there, not the other way around.

At a very high level, the process consists of these five steps.

1. Assess the external environment to determine the opportunities available.
2. Decide which opportunities to pursue – i.e. define a value proposition – what customer needs will be fulfilled, for what set of customers, at what price?
3. Assess the internal environment and what can be controlled. What are the current strengths and weaknesses of the organization for consistently delivering on the value proposition?
4. Determine what three or four strategic factors need to change in order to deliver consistently.
5. Decide what actions OPVG need to take, by whom and by when to accomplish those strategic outcomes.

In a for-profit world, the success of a plan that emerges from these five steps is judged in large part by the relative profitability of the organization. OPVG is a not-for-profit. A similar process is used, but measuring performance needs an alternative measure.



Measuring performance was discussed with the participants in the planning session. They suggested several ways to gauge success. Overall, they believe success would be to gain respect from government and the processing industry, while regaining it from growers. Specific aspects of achieving this desired situation would be:

- Creating an environment of profitability/sustainability for the processing vegetable industry.
- Creating an environment that maintains and expands the number of processors accessing raw products from Ontario growers.
- Achieving good to excellent ratings from growers for the services OPVG provides.
- Helping growers become more efficient, for example by accessing capital from government programs.
- Be the go-to organization for growers when they need help dealing with processors, and vice versa – when they ask for help, OPVG can provide it.
- Providing better information to consumers about the benefits of our products that increases demand for Ontario products.

All these concepts are measurable.





THE EXTERNAL ENVIRONMENT AND OPVG'S VALUE PROPOSITION

In examining the external environment, a substantial discussion took place about who OPVG's customers are for the organization's services. Initially, the candidates were identified as growers, the provincial government, processors and consumers. After considerable discussion, the focus came down to processing vegetable growers. The other three were eliminated for various reasons, including the fact that none of them pay directly for services. Beyond this, here's the logic.

Government has responsibility for regulating. In the case of marketing boards, it passed legislation that creates the boards, then it delegated government's regulatory function to the boards. In so doing, government provides the mandate for the board which, therefore, is a quasi-governmental organization. But government is no more a customer of government than an employer is of an employee. In the same manner as an employee, a board must carry out its mandate in an acceptable manner and be aware of what is expected of it.

While some of the functions of the Board benefit processors (e.g. processors ask OPVG to administer third-party grading for quality management and dispute settlement, research to enhance competitiveness, lobbying to obtain good public policy decisions), those benefits are an offshoot of the benefits to growers – the intended beneficiaries.

Similarly for consumers, while they benefit by learning about and enjoying the positive traits of Ontario vegetable products, they do so because growers want them to buy more to improve the industry's outlook. Consumers are the ultimate customers of growers and processors.

This means OPVG's customers are processing vegetable growers who pay for OPVG's services through the fees OPVG charges them.

As indicated in the Approach to Planning section, one aspect of measuring success of OPVG is to gain the respect of government and processors. The fact that government are not customers, does not mean they should be ignored – this is covered later in the section.

What Do Processing Vegetable Growers Need from OPVG?

This planning process was done at an interesting time in the history of Ontario's processing vegetable industry. Understanding the external forces affecting the industry provides context to better understand what growers want from OPVG.

On the political front, the provincial government withdrew some of OPVG's regulatory powers for tomatoes and carrots. In those two industries, OPVG no longer appoints or participates in pricing negotiations. Evidence suggests the result for tomatoes is significantly lower prices in Ontario relative to California, and relative to other products that compete for farmers' land allocations. This makes the tomato industry less attractive.

The industry also faces a number of headwinds.

- As a labour-intensive industry, producers face rapidly rising wage rates and other associated labour costs, while access to off-shore labour is hampered by Covid-19 and other issues. For many horticultural producers who have limited mechanization options, the two factors put labour costs as a percentage of revenue at unsustainable levels.
- Currently, fertilizer costs, especially nitrogen, are rising alarmingly because of international supply chain problems which, along with energy shortages, appear to limit any relief for the near future.
- Soybeans, corn and wheat prices are attractive. Soybeans require very little nitrogen. All three crops have advanced mechanization and require relatively little labour. The result for many in the vegetable industry is the monetary and psychic cost of vegetable production is a limiting factor in their business and family lives.



Many growers are currently reassessing whether processing vegetables contribute positively to their businesses. What happens in the next two years will have profound implications on the future of the industry in Ontario, making this plan and its execution quite important.

Most of the people involved in this planning process are growers and, as representatives, they are in frequent contact with others and in a position to address the question about what growers need. Below are their answers and, for some of the factors listed, an assessment of how well growers view what they are currently getting.

Growers want a fair price for the work they do and the products they produce. They also want a transparent pricing system so they can judge whether prices are fair. The measure of “fairness” is their local price compared to competing jurisdictions, and relative to alternatives that growers can produce.

The general perception is that growers are satisfied with what OPVG does except in the case of tomatoes and carrots. For these two crops, OPVG was denied the ability to negotiate prices, terms and conditions. The interpretation by some people is that OPVG also does not have the right to inform negotiators for these two crops about what is known about prices in competing jurisdictions. Clarification is needed on what OPVG’s role is in supporting negotiators for tomatoes and carrots, including information from Ontario Farm Products Marketing Commission (OFPMC), as well as understanding what growers need and want.

Perhaps as important, OPVG does not have access to terms and conditions of contracts for these two crops. Terms and conditions can be as important as the nominal price in calculating what growers are actually paid. Growers are unable to analyze whether prices are “fair” as a result of this lack of transparency. Especially in very high priced markets for corn, soybeans and wheat – which are more easily grown – it is leading some to question the viability of vegetable products, especially by those who need to make decisions about capital investments in specialized machinery and equipment or labour.

This situation indicates a significant market failure. Government has regulatory authority for markets and has delegated that authority to boards in general and to OPVG for the other processing vegetable products. This authority does not extend to carrots and tomatoes, but OFPMC has failed to provide an alternative regulatory mechanism, with implications for food security at a time when 95% of California’s agriculture is facing serious drought.

Growers want OPVG to take and lead initiatives that will improve the industry’s competitiveness. Two successful initiatives are:

1. OPVG has supported growers in obtaining funding for transplanting and weeding technology.
2. OPVG’s more recent initiative with processors on Spray Hub – an IT-based pesticide record keeping system. The Board partnered with all the tomato processors to work with a service provider to create the system and pay for two years of testing. Each processor requires pesticide use records to be submitted from each grower – often just a handwritten record. After the two-year trial period, processors elected not to pay for the system but OPVG agreed to cover the cost if all processors required this system for pesticide records.

Benefits of the Spray Hub system.

- Easy to get accurate records up to date. Can be entered from a smart phone from the field when operation is conducted.
- System calculates when field can be reentered safely by workers as it records when each field is sprayed and the rate. Workers are provided with access to the system, and can get up to date worker safety information for each field.



- PMRA, when reevaluating products, assumes each producer uses the maximum allowed spray rates unless they have other data. Spray Hub allows tracking of actual industry usage, which could positively impact a renewal decision. If all producers use the system, the information is very complete and useful.
- The system could allow for information transfer from a processor to downstream purchasers of products such as Loblaws or a pizza company that requires pesticide use information. This allows processors to satisfy traceability requirements for retailers and further processors.
- The system is unlikely to have been created without OPVG initiative and would not have industrywide participation without the ongoing support of OPVG.

Growers want representation in disputes with processors, such as grading issues. This requires knowledge of contract terms and ways to measure whether the terms are met, and often requires third-party objectivity to avoid personal issues and ensure equity of treatment. Part of OPVG's function is to insulate individual producers from processors when there are conflicts. OPVG deals with the conflict instead of individuals facing the pressure.

Growers want OPVG to represent them in government actions and lobbying efforts. There are many potential issues such as labour, international trade, environmental regulations, crop insurance, safety nets, etc., where growers have an interest. OPVG can also work with government and others to develop programs beneficial to the industry, as illustrated by the transplanting and Spray Hub examples. The interests of processing vegetable growers are often different than other growers, so the needs are unique.

Growers need information on markets in other areas, crop data – i.e. yields, crop conditions, blends in tomatoes, contract details. They need information to assess market opportunities and to judge their own performance against other benchmarks.

Growers would also benefit from receiving objective information on their individual production performance compared to the entire group, so they can benchmark themselves and use the information for continuous improvement.

Growers would benefit from more competition in their market. They would like actions that would bring processors to Ontario and/or that would induce processors in other jurisdictions to buy Ontario products.

Growers want good communication. They want OPVG to listen to them to find out their needs. They want OPVG to be clear about the kinds of information the Board has and how it can be useful. They want clear and effective communication on the value of the Board's services.

Growers want to pool their funds to support research on issues that will help them increase revenue or reduce costs.

What Is the Provincial Government's Expectation?

As indicated in the previous section (*What Do Processing Vegetable Growers Need from OPVG?*), the provincial government is not a customer but does provide OPVG's mandate and delegates regulatory authority and has expectations of the Board.

The government wants relative peace and harmony in the industry, facilitated by developing and applying a regulatory framework. When there is discord, government wants it resolved quickly and equitably. Government also wants the industry to prosper and grow, providing new employment opportunities.

In both cases, good communication is critical for reporting what the Board is doing and the impact of its efforts. The Board must also communicate about the impacts where OPVG is not able to act, such as a situation with no regulation.



What Do Processors Expect?

While processors are not customers of OPVG, they benefit from OPVG's activities provided to producers. In part, services such as grading or knowledge of contract terms and conditions can provide quality assurance, reduce costs of searching for information, and costs of disputes and resulting delays. Members of the planning team identified the following services that benefit processors:

- Grading services and other terms and conditions in contracts that facilitate communication, maintain quality, resolve disputes and promote transactional efficiency for the industry.
- Support in their lobbying and research efforts for the industry, when there is agreement at both the grower and processor levels.
- Contract innovations that encourage growth and efficiency in the industry.
- Ensure there will be a loyal and skilled set of growers.
- A single point contact with growers for information.
- Support in promoting products of the industry.

OPVG's Value Proposition

The value proposition has a very specific meaning in this planning process, and does three things for an organization.

1. Defines who in a supply chain will be its customers.
2. Defines product or service needs it will provide to those customers.
3. Defines at what relative price it will sell those services.

At this point in the process, the elements of OPVG's value proposition are relatively clear and are defined below. It is possible that the service needs may be organized into a few bundles, but as a starting point the detail is provided.

Which customers does OPVG serve?

- Processing vegetable growers in Ontario.

Which service needs will OPVG meet?

- Encouraging industry growth through contract negotiations with processors, conflict resolution on contract performance, regulatory administration, market analysis and crop information for growers, representation to government, promotion of products, research and grading services.
- The information component for growers is particularly important. OPVG should be a one-stop shop for information growers need on subjects ranging from markets to worker safety requirements to understanding grade standards.

How will OPVG finance operations?

- Producer fees and investment income. Fees will be set at rates that provide value for growers and provide steady growth of investment income.

OPVG's Vision

The discussion on what growers want from OPVG led to this long-term vision for the organization.

OPVG: Catalyst for sustained growth and innovation in processing vegetables.



INTERNAL ANALYSIS

How effectively does OPVG deliver on the value proposition defined in an earlier section (OPVG's Value Proposition), and what needs to change to improve its delivery? Those are the questions that drive the internal analysis.

OPVG is a service organization. The important aspects of its operations are the processes used to deliver services, human resources, physical and organizational resources, and finances. These processes often centre around finding, analyzing and delivering information and/or the results of analysis.

This section examines the processes and assets the organization uses to deliver on its value proposition.

Processes

By necessity, OPVG engages in a wide array of processes. The planning group identified the following, which are discussed later in this section. In each case, the discussion centres on what is done now, how well it is working and what needs to change.

- Prepping for negotiations
- Choosing negotiators
- Training negotiators
- Negotiations
- Obtaining information on contract application
- Communication with growers/processors
- Resolution of contract conflicts
- Election of Board
- Role of districts in governance
- Promotion of the industry
- Identifying research priorities

Prepping for Negotiations

Since the 2020 negotiation period, these procedures were followed for crops OPVG is responsible for.

1. The previous year's negotiators were surveyed to solicit suggestions for how to improve the process.
2. Emails were sent by staff to growers of each crop to get feedback on what they need for a contract price to stay in or expand production.
3. Staff also surveyed contacts in other jurisdictions to determine their perceptions about actual or expected contract prices for the year and factors affecting them – including supply and demand, and cost and availability of freight.
4. The information from the first three steps was summarized and a likely range of outcomes was prepared for the negotiators.
5. The analysis was presented to negotiators based on what the emails said, what is happening in competing jurisdictions and additional costs for sustainability.
6. Preparation was mainly done by Zoom because of the pandemic.



Surveys of previous negotiators, surveys of growers' needs and frequent virtual conversations among the negotiators (due of Covid) were new factors in the process. These surveys had several positive effects. Virtual meetings improved interaction among negotiators causing them to feel more informed. Having clarity on growers' expectations resulted in more confidence during the process because negotiators had a better idea of what constituted success. Asking last year's negotiators for feedback led to some of the other improvements.

Based on the 2020 experience, the perception is that OPVG needs to continuously improve the process. Areas for improvement include:

- Building US and other Canadian relationships to get more and better information on crop conditions and prices.
- Continuing to use the information from previous year's negotiators and growers to make improvements.
- Since OPVG no longer has responsibility for negotiating tomato and carrot contracts, are there improvements that can be made for them? The answer to this question is that, while OPVG is not directly involved in the negotiations, there is no reason OPVG can't work with the working groups to provide them with the same kinds of information – i.e. on other jurisdictions and survey growers on behalf of the working groups to learn their expectations.

Choosing Negotiators

For the crops OPVG has responsibility for, the process is:

- For each processor, growers meet to elect negotiators.
- Board appoints additional people from the Board or growers to be on negotiation committees.
- Negotiators must be a grower. Board can't hire a professional to represent growers, but nothing prevents that from happening with processors.
- If growers don't elect enough negotiators, the Board can appoint. If the Board does not appoint, OFPMC can.
- Board works with processors to set dates.

This process is prescribed by OFPMC and has severe limitations. Many people won't serve as negotiators, often because they have been and/or fear being intimidated by processors. Some won't serve, but are quite vocal critics of negotiations and their outcomes. As a result, there is a tendency to choose the same people every year, which can be either a strength or weakness.

There are two suggestions to improve this selection process. In a later section of this report, a suggestion is made to alter the governance structure of OPVG by having ongoing representation with "commodity groups" for each crop as well as by region. This would have several aspects, as explained in that section, including commodity groups could provide candidates for a negotiator.

There is no obvious reason why OPVG is prevented from hiring one or more professional negotiators to advise during negotiations. It is hard to imagine a convincing argument about how the existing rule contributes to either good governance or efficient outcomes of the negotiation process. The suggestion is made to also consider relaxing this rule. For tomatoes and carrots, negotiators are chosen without OPVG involvement.



Training Negotiators

Currently, there is very little training for members of the negotiation committees. There was improvement in 2020 because of the process described under prepping for negotiations, but more needs to be done.

For the 2021 and 2022 negotiation year, further change will occur because staff has documented each step in each negotiation, received feedback on what worked and didn't work, and growers have been surveyed about their needs and expectations. This information will be integrated by an independent third party using a framework of accepted negotiation technique to help negotiation teams prepare a strategy for the current negotiations.

Negotiations

Negotiations are relatively successful, but never fun. Improvement in the process discussed in previous sections will hopefully occur because of training and preparing for negotiations. One of the most significant difficulties arises when the two sides come in with wildly different positions, neither of which often represent realistic expectations given market conditions. Not only does this situation cause a long negotiation, but also contributes to hard feelings among the negotiators.

It is strongly suggested that steps be taken to ensure there is a good idea going into negotiations about the relative price range and not veering far from it in initial offers.

Obtaining Information on Contract Application

OPVG is responsible for maintaining a record of growers for each crop, and ensuring both processors and growers meet contract conditions. Currently, all of the information collected by OPVG comes from processors. There is also considerable information that exists – but that OPVG does not collect – that could be analyzed and used by growers to improve their performance. For example, performance by variety could be analyzed to compare varieties or to benchmark grower performance on a variety, giving growers information to improve performance. This information could provide better and/or more consistent product to processors, and potentially add opportunities for breakthroughs that would improve the industry as a whole.

There is considerable opportunity for industry improvement by obtaining and analyzing more and better individual production data. Several things need to change for this to occur.

- A clear demonstration for growers and processors about the payoff to having better information.
- An IT system to collect and analyze the information that would include:
 - Templates for easy collection and transfer from growers to OPVG.
 - Proposals for how OPVG would analyze and use the data.

Communications with Growers and Processors

There are at least three aspects to the communication issue. One is improving communication with existing growers, which is addressed in a subsequent section.

The second is communication with carrot and, especially, tomato growers in preparation for and during negotiations. While OPVG does not currently have responsibility for contract negotiations, it continues to have responsibility for supervising contract performance. There is also a need for OPVG to assist these two crops, as reflected by what was done to resolve issues with carrots in 2021.

OPVG needs to clarify its role for carrots and tomatoes, and all crops. OPVG can provide input to grower negotiating committees on market data, historic pricing, agreement wording and crop volumes in all crops.



The third aspect is communication with processors. In the past, there were formal devices and forums that gave the Board of OPVG opportunities to meet with and try to understand the competitive environment of processors. None of those venues exist now. Most interaction is in negotiations. Most interaction is with processors' operating staff, who often have little exposure to strategic issues.

Assuming effective negotiation depends on understanding the needs of the person you are negotiating with, OPVG is fully aware that it has very few opportunities to learn about the competitive environment of its customers. OPVG would like to correct this situation.

A problem with the venues that once existed was they tended to include all processors. This is not conducive to effective conversations about strategy and competition. OPVG suggests changing this process to have annual informal dinner meetings between senior decision makers at each processing company and the Board of OPVG. These meetings would be informal, but structured, and take place after negotiations are completed when outcomes would be reviewed. OPVG would discuss its view on competitive pressures in the industry, and companies would be asked to discuss theirs.

Resolution of Contract Conflicts

The current process starts with a grower or processor identifying an issue to OPVG. OPVG staff then investigate and identify a course of action that's presented to the Board of OPVG for approval and then implementation.

When the issue is brought by a grower, the grower is not identified.

In the resolution process, OPVG indicates its interpretation of the contract and explains what it observes about the behaviours. OPVG has the power to perform investigations that include audit, acre measures, etc., but tries not to use them and haven't had to in several years. Most issues are resolved by simply pointing out the contract details.

This system seems to work well. The only issue is the need to clarify responsibility between OFPMC and OPVG on carrots and tomatoes. OFPMC has given no instruction or taken initiative on any issues for these two products.

Election of Board

Elections for the Board are a process prescribed by OFPMC on the grounds it would "improve governance". To the best of OPVG's knowledge, there are almost no other organizations using this process and there is no evidence of improvement from it. The fundamental components are that voting takes place online with an independent election officer. Directors are elected by district for two-year terms, and can be re-elected up to five times – i.e. a total of 12 years.

The total cost of this system to OPVG is roughly \$10,000 per year.

The Board election system has not increased voter turnout, is extremely time consuming and expensive. Since many growers have little experience with governance, OPVG finds growers are just beginning to understand what is expected when their two-year term is up. No one understands how two-year terms contribute to better governance than the more common three-year terms do. This system has contributed to a larger turnover rate because of the two-year terms and because OPVG's hands are tied on tomatoes and carrots. A concern going forward is that with the relatively small number of vegetable growers, the well will dry up quickly.



Several changes are suggested to Board elections.

- Increase the term length to at least three years.
- Return to elections at district meetings but allow online voting ahead of time for those who cannot attend in person, as Canada does in federal elections. This requires candidates to be selected before elections.
- Develop a formalized process to identify and recruit potential leaders and provide them with leadership and management training. Over time, this will raise the skill level in the pool of people who can contribute to governance.
- Identify potential leaders in conjunction with the suggestion in the next section to add a commodity component to the governance structure.

Role of Districts in Governance

OPVG has three geographic districts. Each district has a committee that gets funding from OPVG to run the district. However, there is no defined role for districts and no direction on how they spend their money.

District committees run district meetings. Each operates differently because there are no guidelines on processes, and because different crops tend to dominate different districts. Some have regular breakfast meetings, some have once or twice per year district meetings. Clarity needs to be brought to these deliberations.

The most fundamental need is to define the role of the districts. There are at least four roles.

1. Be the conduit for informing growers about major decisions and events by the Board and government that affect them, as provided by the Board and OPVG staff.
2. Be the conduit for informing the Board and OPVG staff about issues and events that affect growers that OPVG has a role in resolving.
3. Identify and develop local growers for potential leadership roles.
4. Improve the overall engagement with growers in their district.

OPVG is unique among marketing boards in Ontario because it represents a range of crops. These crops tend to have different markets and processes to get to a final product. The only other board that begins to rival OPVG for number of products is Ontario Tender Fruit Growers, and even there, most tender fruit is grown, harvested and marketed the same way.

Processing vegetables are far more complex. Products are not evenly distributed among the districts. Production practices and processing are different. A cucumber grower in District 1 has more in common with a cucumber grower in District 3 than with a pea grower in District 1.

Creating a governance structure in this environment based solely on geography is inadequate. Many in the industry believe there should be a district structure overlaid with a commodity structure. This might consist of a small executive in each district to facilitate activities unique to the district, and provincial committees that focus on each crop or set of similar crops (e.g. peas and beans). At the same time, no one wants to be bogged down with too many meetings.

The focus should be on developing a clear commodity structure that is lean and efficient. Moving in this direction would help resolve some of the issues covered earlier in this plan.



- District meetings would be held regularly (semi-annually, annually, quarterly).
- Meetings would have a district component where reporting and discussion would be about topics relevant to everyone (e.g. negotiation policy, progress on strategic plan, issues arising) then break out into commodity group discussions (e.g. progress on negotiations, relevant research results, specific commodity issues).
- Resolutions for consideration by OPVG could arise from either the district or crop components. Provincial crop committees could bring forward resolutions, as well as districts.
- This type of structure would facilitate more guidance on how to use funds. Three potential guidelines from the discussion in this report are:
 1. Defray district meeting expenses.
 2. Pay for any local district initiatives that contribute to achieving OPVG's strategic plan.
 3. Contribute to training of local directors or potential directors on leadership and management, based on crop.
- The Covid pandemic experience has allowed OPVG, like many other organizations, to experience the strengths and weaknesses of virtual meeting platforms. In designing the appropriate governance structure, online forums must be incorporated to facilitate engagement and communication.

The role and mandate of commodity committees includes:

- Aim for six members, initially three-year terms, staggered.
- Provide input for each of the three district committees, during the crop-specific parts of the meeting.
- Be responsible for:
 - Identifying and understanding grower issues for the Board.
 - Feedback and suggestions for improvement in negotiations.
 - Research priorities.
 - Identifying potential future candidates for training, negotiations and the Board.

Promotion of the Industry

OPVG's promotion activities are a small part of the budget that consist of promoting production processes and promoting the industry to consumers. These activities are mainly done indirectly through membership in and financial support of the efforts of Ag in the Classroom, Farm and Food Care, and Fields to Fork.

There is a perception among Board members that what OPVG does in promotion is not enough. There are several possible actions that OPVG could take to increase its impact, including:

- Continue working with Foodland Ontario.
- Partner with individual retailers to promote individual brands.
- Work with processors to promote product, brand and production processes.

If OPVG's objective is to promote Ontario process products, how does the organization address the fact that most processors buy some raw product offshore because of seasonality or to manage the risk of local crop shortage? And if the organization's objective is to promote Ontario as a place to invest in the industry, there is the question of managing image problems with processors that only see OPVG as a regulatory body.

OPVG needs to be clear about what it wants to accomplish in an expanded promotional program. This is an activity that is larger than can be accomplished in the current planning process. There are alternatives for what could be done and barriers that need to be dealt with. OPVG must start small – perhaps with Foodland and/or work with processors to promote their brands.



OPVG needs to develop a promotional strategy that defines the messages it wants to deliver, target audiences, the channels used to deliver messages and the budget.

Identifying Research Priorities

Identifying Research Priorities

Growers know research can be a powerful driver to improve the industry's competitiveness against other jurisdictions and other products. Historically, growers played a relatively minor role in the provincial research committee because of a perceived lack of expertise. As a result, researchers and processors took a more major role.

OPVG has increased grower participation in the research committee in the past few years, and plans to continue expanding it. This is being done in part by surveying research institutions in Canada and the US to understand what is being done, and the findings. Grower input on research priorities will also be accomplished by asking questions on producer surveys about what growers see as their major constraints to improving output and/or reducing costs, as a way to identify research priorities.

A final way to enhance the identification of research priorities is to make it part of the mandate of the crop committees. The committees should cast a wide net of potential topic areas from a focus on agronomy and horticulture to contract terms, improved labour management and mechanization. OPVG must also encourage more on-farm research to improve its practical application.

People

The assessment of OPVG people is divided into two components – staff and the appointed Chair.

Regarding staff, OPVG's standard process is to appoint a senior staff person and rely on the incumbent to assess the skills and personnel required to accomplish what is desired, and whether the work will be done by permanent employees or contractors. This has worked very well, and the Board sees no reason to alter the course.

Regarding the appointed Chair, the Board sees value in an appointed Chair as long as they have the right skills and take the organization in the direction desired by the growers. Grower-members seriously doubt they have the time to do as good a job as an appointed Chair.

It is strongly suggested that OPVG be contacted before the next Chair is appointed or reappointed to provide its assessment of the skills needed, and names of potential candidates. As well, OPVG should be given an opportunity to meet with final candidates to provide input.

Capital and Organizational Assets

As with human resources, assessment of capital and organizational assets was relatively straight forward because OPVG has relatively minor needs and staff has been upgrading where needed.

There are no requirements for capital assets – major needs of the organization are computer hardware and software. There are currently no shortages, and a process is in place to assess and request any needs that arise in the future.

The organization does have more office space than needed in the foreseeable future, but a plan is in place to manage this issue.

Organizational assets have been strengthened as OPVG has rejoined umbrella organizations for horticulture and labour. While OPVG has reasonably good relations with a number of US producer groups, these have slipped somewhat because of the pandemic and need to be rebuilt and strengthened.



Finances

Overall, OPVG's finances are comfortably sufficient to carry out current operations. OPVG has legal requirements about reserves and is well within those requirements. There are no issues with OPVG's accounts and accounting processes.

OPVG has an effective budgeting process, a strong audit process and strong policies on investment. The only relatively weak policy is on the use of funds by districts.

Fee structures for growers have not been examined for a number of years, while services have changed among the crops. There may be a need to conduct a value for money analysis to determine whether there should be any relative changes in fees across the several crops.

Processor Feedback on Draft Plan

Three processor representatives were asked to comment on a summary of an initial draft of this strategic plan. Their comments were quite supportive in many areas. They also provided positive and constructive information about their desire and optimism to expand the industry. They offered specific areas of research that could improve Ontario's competitiveness. They also demonstrated understanding of the effects of labour and alternative markets on both the growing and processing segments of the industry.

All of these comments underline the discussion in this plan about the value of improved communication between processors and OPVG.

In particular, these processors are very supportive of OPVG's desire to improve the research process and to assist in promoting the industry, pointing out ideas for working together. Individual processors had very specific suggestions about how they could work together more effectively with OPVG and with growers, both in the negotiation process and in resolving industry problems.

One area of disagreement is the criticism of hiring a professional negotiator to advise OPVG. The objection is likely a weakness in the explanation for the idea and focused on advisors who don't have processing vegetable industry experience and would be expensive because they would need to be trained to understand the industry. Hopefully, this plan clarifies the issue as the intent is not to engage several people and ideally have the same individual return so there would be less need for "training". Given that most growers have no training or experience in negotiation, if an advisor can help improve efficiency and effectiveness of the process, costs would be reduced directly by reducing the amount of time paid to negotiators, and indirectly by reducing the amount of conflict in the industry.

Strategic Intent

Strategic intents define what the organization wants to accomplish over the next three years, and what members hold the Board accountable for. These intents are the expectations given to staff from the Board. They define staff accountability and should be measurable. The intents outline to staff what the organization wants them to accomplish over the next three years.

Based on what was learned in the internal analysis, what actions are staff going to take to accomplish the intents? Who will be responsible for taking the actions? What timelines and resources will be used? How will the success of achieving the intents be measured?



Looking at the internal analysis, here is a summary of the things OPVG needs to change:

- Improve preparation of negotiators.
- Improve negotiator selection process, including potential addition of professional negotiators.
- Improve training of negotiators.
- Obtain more information from growers for analysis to assist them in production of better quality and quantity of products.
- Enhance communication with growers and processors.
- Clarify roles of OPVG and OFPMC on contract conflict resolution for tomatoes and carrots.
- Streamline Board election process.
- Add formalized commodity groups to the structure of OPVG, and give clear mandates to districts and commodity groups.
- Develop a focused strategy for promotion of the industry.
- Give clear mandate to commodity committees to develop recommendations for research.
- Define a process in conjunction with OFPMC for appointing a Chair.

Based on these factors, there are four strategic intents OPVG expects to accomplish over the next three years, along with potential ways to measure success.

STRATEGIC INTENT 1: IMPROVE EFFECTIVENESS OF OPVG'S GOVERNANCE STRUCTURE.

Measures

- Did we do what we said we would do – e.g. improve the district process, add crop committees, define meeting and budget guidelines?
- Has grower engagement improved as a result? Probably needs to be ongoing and regular engagement surveys to see if approvals improve.
- Do people want to be on the Board?

STRATEGIC INTENT 2: IMPROVE EFFECTIVENESS AND EFFICIENCY OF THE NEGOTIATING PROCESS.

Measures

- Reduced time spent in negotiations.
- In post-negotiation surveys, negotiators perceive less conflict and have a higher level of satisfaction with the process.
- More growers want to step up for negotiations.

STRATEGIC INTENT 3: IMPROVE COMMUNICATION WITH GROWERS AND PROCESSORS.

Measures

- Did we do what we said and is there improvement in attitudes?

STRATEGIC INTENT 4: BUILD LONG-TERM CONFIDENCE IN THE PROCESSING VEGETABLE INDUSTRY.

Measures

- More growers wanting contracts or larger contracts.
- Improved research process to enhance our industry.
- New processors entering or existing ones expanding.



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