

**Report of the
Vegetable Committee
To the 94th Annual Meeting of the
CANADIAN HORTICULTURAL COUNCIL
Westin Ottawa, Ottawa, Ontario
March 10, 2016**

**To the President and Members of the
Canadian Horticultural Council**

Prices and Yields

Yields were relatively strong for Canadian vegetable production in 2015. In Ontario, the growing season started late due to a dry early spring followed by a very rainy June, which resulted in diseased crops. However, farmers were able to make up for much of the losses with a strong yield at the season's end. As in Ontario, the Maritime Provinces experienced an extremely difficult, rainy spring, in addition to a very hot and humid summer following on its heels. This led to a record level of crop disease in Nova Scotia, the likes of which had not been seen in 25 years.

Nevertheless, prices remained stable. Meanwhile, British Columbia had a great year with a hot, dry summer resulting in strong crop yields, especially for storage vegetables, which increased in volume by 20% over 2014 levels. Quebec enjoyed its strongest season in 10 years in terms of yield, volume and prices. Due to the exchange rate and the ongoing drought in California, it was a good year for exporting our products to the American East Coast, which also served to drive up prices. These factors also led to higher vegetable prices across Canada.

Market Access

This past year, I had the opportunity to meet with directors of Loblaws, Métro and Sobeys. The purpose of these meetings was to raise awareness among distributors about the importance of prioritizing local produce suppliers. I encouraged them to consider local products as added-value products and to adapt their promotional pricing strategies, which have not changed in years.

They all mentioned efforts to promote local products, but explained that fierce competition between distributors has pushed them to negotiate for the best possible prices. They also expressed concerns over the weak Canadian dollar and hinted that we might favour exporting our products to the detriment of the local market. I shared my point of view and pointed out that in most provinces, local fruit and vegetable production exceeds local demand. Our producers will definitely have the upper hand in negotiations with distributors in 2015-2016. Nevertheless, distributors should not worry about availability or producer loyalty.

All three grocery chains would like to see Canadian farmers focus more energy on growing organic and ethnic vegetables, for example, okra, daikon and grey zucchini, as demand is growing for these types of vegetables. I promised I would pass on the message to you but also explained to them that we farm in a northern climate and that developing new products comes with huge risks for us. In addition, unlike in other countries, we receive very little support from the government to protect us from such risks.

Challenges and Trends

Due to climate change, our industry faces significant challenges. In most areas, environmental regulations are becoming increasingly strict regarding land development and the use of water and pesticides, to name a few. Our industry must constantly adapt to these stricter requirements. Producers will not be able to face these new requirements alone. That is why it is important to make the government aware of the challenges we face by proposing specific assistance programs. Current income security programs must be adapted and enhanced proportionately to the scale of risks related to climate change. Similarly, research and innovation programs must be adapted and made more accessible so that we can take advantage of the opportunities that climate change provides while safeguarding ourselves against threats.

Favourable economic times are on the horizon. Analysts are predicting that our dollar will remain at around U.S. \$0.70 for at least a year or two. Our weak dollar gives us a competitive edge over our American counterparts and should positively affect exports, in addition to keeping prices at a reasonable level compared to more expensive imported products. It is absolutely essential that we have all the necessary tools to take full advantage of this window of opportunity.

In conclusion, I must thank CHC's dedicated national office team for defending the interests of the horticulture industry in Ottawa.

Respectfully submitted,

André Plante

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Chair
Vegetable Committee
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