

Request for a Red Raspberry
Research, Market Development Promotion
Agency

Presented by:
The B.C. Raspberry Industry Development Council

To the
Farm Products Council of Canada
Minister of Agriculture the Agri-food

September, 2012



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ABBREVIATIONS

| | |
|-----------------|---|
| AAFC | Agriculture and Agri-Food Canada |
| AFFF | Agri-Food Futures Fund |
| BCAC | B.C. Agriculture Council |
| BCBC | B.C. Blueberry Council |
| B.C.MAL | B.C. Ministry of Agriculture |
| NCOA & CBCRMDPA | Official title is Canadian Beef Cattle Research, Market Development and Promotion Council but it is referred to as the National Check-off Council |
| CBSA | Canada Border Services Council |
| CHC | Canadian Horticulture Council |
| CPMA | Canadian Produce Marketing Association |
| FPC | Farm Products Council of Canada (formerly NFPC National Farm Products Council) |
| HS | Harmonized System |
| OBGA | Ontario Berry Growers Association |
| OFPMC | Ontario Farm Products Marketing Commission |
| RIDC | B.C. Raspberry Industry Development Council |
| USDA | United States Department of Agriculture |
| USHBC | United States Highbush Blueberry Council |
| WRRC | Washington Red Raspberry Commission |
| WTO | World Trade Organization |

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For the purposes of our discussion the imperial system is used. The table below will assist with conversions.

Units of Measure

1 acre = .405ha

1 ha = 2.46 acres

1000kg = 1 tonne

2000lbs= 1 ton

1 kg = 2.21 lbs

2,210lbs= 1 tonne

THE CANADIAN RED RASPBERRY RESEARCH, MARKET DEVELOPMENT AND PROMOTION COUNCIL REQUEST

This is a request to establish a Canadian Red Raspberry Research, Market Development and Promotion Council (CRRC) according to Part III of the Farm Products Agencies Act (promotion-research agencies)¹. The council will carry out domestic promotion, export development and research to build a strong, sustainable industry for raspberries. This work will be funded with a non-refundable levy set at \$0.005 per pound on domestic and imported fresh and frozen raspberries as defined by the Harmonized Code System (HS)². The levy will not be applied to exported product because the USA will be collecting its own check-off. Although the rate is less than the expected USA check-off rate of \$0.01 per pound it is what the Canadian industry has deemed acceptable.

The request is made pursuant to Section 7(1) (a) of the Farm Products Agencies Act by raspberry producers of Canada through the British Columbia Raspberry Industry Development Council and raspberry producers across Canada.

¹ Department of Justice Canada. Farm Products Agencies Act (R.S., 1985, c. F-4). Online at: http://laws.justice.gc.ca/en/showdoc/cs/F-4/bo-ga:l_III/20090826/en#anchorbo-ga:l_III

² The Harmonized Commodity Description and Coding System (Harmonized System or HS) is an international commodity classification (10 digit) system used to classify products and their corresponding Customs tariffs and to provide statistics. Goods are classified by what they are and the system ensures a level playing field for all participants. As a Contracting Party to the Convention on the Harmonized Commodity Description and Coding System (Harmonized System or HS), Canada is obliged to conform to the Harmonized System.

OVERVIEW

Establishing a national raspberry organization will provide the foundation the industry urgently requires. A critical fact exists, domestic product makes up only 30% of the market in 2011 compared to 63% in 2006. As the global supply of raspberries increases, the Canadian industry will continue to face stronger competition. Although the USA has 40% of their industry come from offshore, Canada has seen a substantial decrease in its exports to the USA, our main trade partner. Raspberry producers, processors and importers can change this trend with the establishment of a National Promotion, Marketing and Research Agency.

A national program will place the Canadian raspberry industry in-line with trade competitors. It was announced in July 2011 by the U.S. Department of Agriculture that the American red raspberry industry approved a national research and promotion program which would assess a \$0.01 per pound on processed red raspberries. This will increase their capacity to complete research, to meet production challenges ensuring a reliable raspberry, and to pursue aggressive marketing strategies to secure sales in the future. Canada needs comparable opportunities.

The global demand for raspberries will continue to grow as the consumer demand increases for fruit and fruit-based products. Although raspberries have benefited from this trend they are in direct competition with other berries, such as blueberries because of their proven nutritional benefits and extensive marketing.³ Raspberries could “rise to the top” if given the resources.

The Canadian Red Raspberry Council (CRRC) will be structured as a not-for-profit organization with by-laws, staff, self-sufficient financial resources, etc. The Board will consist of 14 voting members: 9 - 10 producers, 1 processor, 1 foreign seat (most likely WRRRC), 1 seat for Canadian Exporters, and 1- 2 importer domestic/trader seats (based on imported quantity). It is proposed that the Canadian producer/processor seats be assigned according to a predetermined representation formula such as allocating one seat per 1,000,000 pounds of production to a maximum of 6 seats per province that has producers over 10,000 pounds as per collected revenue based on weight. It is assumed that each province would select appropriate representatives for their market, that is, a fair ratio of fresh and/or processed stakeholders. This implies that British Columbia will be allocated 6 seats, Quebec 2 seats, Ontario 1 seat, and 1 seat to represent remaining provinces with producers over 10,000. It is proposed that the National Council office be located in Abbotsford, British Columbia using an annual service agreement with the Raspberry Industry Development Council (RIDC) to benefit from efficiencies, as the RIDC has experienced staff, communication tools and a collection system.

It is recommended that producers and importers who produce or import less than 10,000 pounds per annum be exempt from the program. Producers of small operations, who do not make a living off raspberry production most likely do not calculate and report their production, making it impossible to contact. To forego a minimum threshold could invalidate our claim of a national program ultimately jeopardizing the import collection program. With this exemption in mind producers are defined as those who grow and harvest fresh or processing, 10,000 pounds or more of raspberries in Canada for sale in

³ BC Ministry of Agriculture (2011). A Global Export Market Overview for British Columbia's Raspberry Industry".

commerce. It is implied that producers are growing fresh or processed raspberries beyond their own family use and will have value at first point of sale.

Importers are any persons, importing 10,000 pounds or more of fresh or processed raspberries into Canada in a calendar year. They may be a principal, agent, broker or consignee of any person who produces or handles fresh or processed raspberries outside of Canada for sale in Canada and is listed in the import records as the importer for fresh or processed raspberries.

Processors are those operations who alter the original physical state of raspberries as it exists at harvest. This could include, but not limited to raspberries being developed into wine, straight pack, sieved, seedless or with seeds puree, jam, juice, individually quick frozen (IQF), filling and alcohol products or dehydrated products. They own or share the ownership and risk of loss of these raspberries.

It is proposed that the domestic levy will be collected at the first point of sale by processors, packers, shippers and importers at defined intervals. Should the producer be its own first handler, the producer will be required remit its levies. The regulation will define the information producers will be required to provide. RIDC will collect the levy from B.C. stakeholders and remit it to the National Council, and the Association des Producteurs de Fraises et Framboises du Quebec will collect from stakeholders in Quebec, while the National Council will collect directly from the other producers. *Ninety-two percent of the producers and processors are part of these two mandatory systems* so should an “in faith” payment system from the remaining seven percent become an issue an enforcement program will be created. It is anticipated that an agency to collect levies will have to be established in Ontario and Nova Scotia, the two provinces that could have eligible producers. Research and surveys will be used to update and maintain the database of contributors. A rebate program will be available to operators who grow berries in Canada, then ship to US to process and then import them back to Canada and to importers who bring in less than 10, 000 pounds annually.

The National Council would prefer to delegate authority to the Canadian Border Services Council (CBSA) to collect levies on imported product and remit them to the National Council. However, until the FPCC has arranged a system the National Council office will follow alternative procedures to collect the levies from importers. The Canadian Association of Importers and Exporters public information provides the importers of 80% of the imported product; should an “in faith” payment system from the remaining 20% become an issue an enforcement program will be employed. A database of importers has been developed and will be maintained.

All funds will be used for generic marketing, promotion and research to increase domestic sales, develop export markets, and research pest and production solutions. Each producing province, with a representative at the Council board, will be part of the decision making. The revenue from imported products will be allocated based on a “whole board” decision. Funds generated by the National Council will also be used to leverage and access government funds.

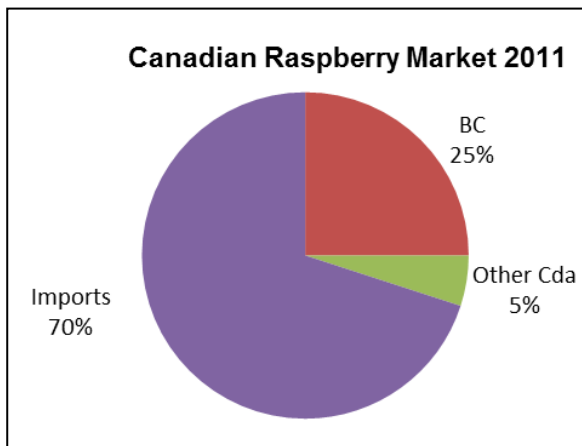
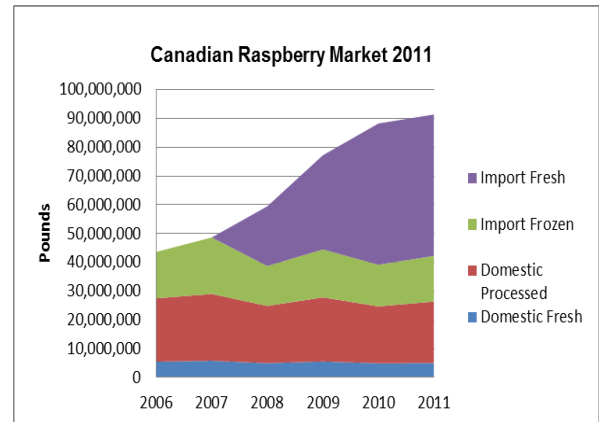
The B.C. Raspberry Industry Development Council members authorized their board to develop this proposal for the establishment of a research, market development and promotion agency which would

facilitate the growth of a sustainable industry. This proposal represents over 24 months of work focused on developing a viable program and ensuring support from producers and importers. This document provides details of this initiative.

WHY MOVE TOWARDS A NATIONAL AGENCY?

There are a variety of elements which impact the Canadian processed and fresh raspberry market and trends. These can be changed with enough resources.

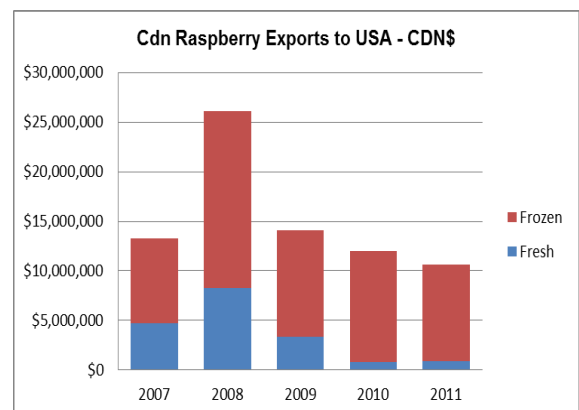
The global raspberry market is growing. As of December 2011 Canadian raspberry market includes approximately 91,417,000 pounds of fresh and processed raspberries compared to 44,000,000 in 2006 showing that the whole market has more than doubled. This trend provides potential for domestic sales. A critical fact remains that domestic product makes up only 30% of the market in 2011 compared to 63% in 2006. *Statistics Canada *There is no data available for fresh imports prior to 2008.*



An equitable contribution system is needed to support industry growth. Approximately 70% of the raspberries sold in Canada are imported. Think of what could be accomplished if levy revenue from imported product was available to do promotion, marketing and research. *Statistics Canada * HS codes 0811.200010, 0810.201910 and 0810.201920*

Canadian exports to the USA have decreased. As trade between countries increases with globalization,

international economies become more intertwined, raspberry industries become more competitive, leading to more aggressive marketing. As the global supply of raspberries increases, the local industry faces stronger competition. Although the USA has seen 40% of their industry come from offshore, Canada has seen a substantial decrease in its exports into that market. Raspberry producers can change this trend. As well, new markets could represent new opportunities, especially for processed products. B.C. product makes up 97% of Canadian total raspberry exports. *Statistics Canada * Available data includes raspberries, mulberries, etc, uncooked, steam or boil in water, sweetened or not, frozen*



Consumers are increasingly looking for products that are good for their health that are affordable. Before they can be informed of the positive nutritional value of raspberries scientific research is needed to substantiate health benefit claims. These trends are driving an increase in the

demand for raspberries. To remain competitive, this in turn increases the need for research and innovation for growers and processors. Therefore, funds are needed to do the health based research to validate raspberry health benefits and increase/improve production.

Buyers want new products which are delivered with low carbon foot prints and in recyclable packaging. Developing production methods that have low impacts on the environment and climate change are part of a more competitive industry. Value-added products can expand the market and gain value-chain efficiencies. Funds are needed for innovation.

Governments are nurturing self-supporting industry efforts. To access government funding, organizations must have; the capacity for sound governance, organized reporting systems to aid in accountability, the ability to measure performance, and to demonstrate transparency with practical communication strategies. Infusing policy and structures which can provide a sustainable industry requires collaboration among all stake holders.

Importers “want a say” in market development. As part of the National organization open communication among all stake holders will result in immediate access to research results to initiate marketing. Importers will have a seat on the proposed National Board to participate in decision making by providing input into the planning and implementation of agency projects. They will benefit from the research and promotion, with core money and leveraged funds, which will expand all markets.

THE ADVANTAGES OF A NATIONAL COUNCIL

PRODUCERS NEED:

- Expanded domestic and global marketsf
- An equitable contribution system to support marketing & research; including levies on imports
- A cooperative environment to build a sustainable industry
- Increased health based research projects
- Improved production research and new product development
- Increased food safety development
- Funds to match government support

IMPORTERS CAN:

- Benefit from the promotion activities which will expand the market
- Access immediately research results to initiate marketing
- Provide input into the planning and implementation of agency projects

CONSUMERS WILL:

- Increase awareness of the nutritional value of raspberry products
- Have increased access to products that meet their needs
- Find security with a credible source of reliable, accurate information

SUBSTANTIATING A NATIONAL PROGRAM

National Councils are “worth it” according to evaluations of the Canadian Beef Cattle National Check-off program, and the US Highbush Blueberry Council program.

Since 2002, the Canadian Beef Cattle Research, Market Development and Promotion Council, (referred to as the National Check-Off, NCO) has been the only PRA in Canada. This national check-off of \$1 per head on domestic cattle sales generates \$8.2 million annually and is used to fund marketing and research projects as well as to access matching dollars. The 2010 evaluation of the program, by John Cranfield states that: “On average from 2005 to 2008, **every check-off dollar invested in marketing and research activities earned \$9 for Canadian cattle producers.**”⁴ **Research delivered a return of \$46 and marketing delivered a return of \$7.55 in producer benefits for every check-off dollar invested.**⁵

The U.S. Highbush Blueberry Council (USHBC) has a federal check-off/levy program that began in October 2001 with a focus on promotion, research, and information projects to increase the demand (sales) for blueberries. Their program collects \$0.006 per pound (\$12.00 per ton) on all domestic and imported highbush blueberries including Canadian produce. **The total budget for the program has grown from a voluntary industry contribution of \$142,400 in 1976, to \$704,000 in 2004 with the implementation of the mandatory national program,**⁶ **while the 2010 budget is 3.5 million.** The 2005 program evaluation states: “The results indicated that generic blueberry promotion has had **a positive and statistically significant impact on per capita blueberry demand**”⁷ and “... it is clear that domestic promotion efforts of the USHB.C. have had **a positive impact on growers’ profits** since 2001.”⁸ He also notes that, “...the benefits of the promotion activities of the USHB.C. **exceed the costs by almost eight-fold**”.⁹ The evaluation goes into details about the positive impacts on price as well.

4 John Cranfield with the assistance of Michael von Massow. Evaluating the Economic Benefits From the Canadian Beef Check-Off, Canadian Beef Cattle Council, March 17, 2010, page 3.

5 Canadian Beef Cattle Council. Canadian Beef Cattle Fact Sheet 2010.

6 Dr. Harry M. Kaiser. US Highbush Blueberry Council Receives Strong Endorsement with Positive Program Evaluation. Cornell University, July 2005, page 1, 4.

7 Ibid page 21.

8 Ibid page 23.

9 Ibid page 23.

SUPPORT FOR THE PROPOSED COUNCIL

A majority of producers and importers must be in favor of the National Council before it can be established. British Columbia represents 85% of the production and a majority of the growers. This indicates that should B.C. growers be in favor the council, hypothetically it could be established. This is “not good business” or a healthy approach in a democratic country, therefore, all provincial government fruit/berry departments, all relevant producer associations, producers and importers have been informed. The consultation process is described in more detail in Appendix H: Project Methodology.

The support is as follows:

Producers or Growers

Producers are defined as those who grow and harvest fresh or processing, 10,000 pounds or more of raspberries in Canada for sale in commerce. It is implied that producers are growing fresh or processed raspberries beyond their own family use and will have value at first point of sale.

- BC raspberry production represents 85% of Canadian production. The B.C. Raspberry Industry Development Council led the development of the proposal. A vote to support a national council was held on September 21, 2011 and January 25, 2012. Eligible producers voted “yes” (73%) to establishing a national raspberry council.
- Quebec raspberry production represents 7% of the national market. At a producer association Annual General Meeting in February 2012 the raspberry growers voted to support the establishment of a National Raspberry Program (see Appendix J).
- The Ontario raspberry growers represent 5% of the national market. A mail-in vote taken spring of 2012 resulted in a 23% return rate with a majority ‘in favour’. Of the eligible votes returned the majority were ‘in favour’ of the program. The survey sent in spring 2011 had a return rate of 40% with a majority ‘in favour’. The actual return rate was poor for both tasks. There is no provincial organization that has a mandatory membership; however, the sense from large producers is to establish the National Council.
- The potential three operations over 10,000 lbs in **Nova Scotia** have stopped growing.
- The one operation above 10,000 lbs in **Alberta** indicates “no” support.
- There is one large processor but no producers over 10,000 lbs in **Saskatchewan**.
- The one operation above 10,000 lbs in **Manitoba** has not replied.
- The only eligible grower in **New Brunswick** returned a survey supporting the program.
- There is no operation over 10,000 pounds in production in **PEI**.
- **Newfoundland and Labrador** have no producers over 10,000 lbs.

Processors

Processors are persons who engage in the preparation of raspberries for processing for market who owns or who will share the ownership and risk of loss of these raspberries. They receive fresh raspberries and alter them into frozen, dried, puree, make them into juice or wine or delivered in any form altered by mechanical processes other than fresh.

- The majority of processors in Canada is located in BC and was included in all of the dialogue and discussions on establishing a national promotion agency.
- Of the 14 processors located in BC, the majority support the establishment of a national promotion agency.

Importers

Importers are any person or entity importing 10,000 pounds or more of fresh or processed raspberries into Canada in a calendar year. Importers may be a principal, agent, broker or consignee of any person who produces or handles fresh or processed raspberries outside of Canada for sale in Canada and is listed in the import records as the importer of record for these raspberries.

- The list of entities listed as importers of raspberries into Canada is incomplete.
- Surveys were mailed to a partial list of importers in November 2011. In spring of 2012 an e-vote was completed and phone calls made to gauge their support. Results from this survey are inconclusive.
- Currently, Statistics Canada will not reveal the names or contacts of the entities that exported raspberries into Canada. We are informed that the information can only be given to a registered legal National Council.
- The list of Importers, as of September 2012 is included in Appendix I.

Provinces

- Letters of Support from Provincial Agriculture Ministers (British Columbia and Quebec) are included in Appendix J.
- The current Ontario Minister responsible for Agriculture will only support the establishment of a National Raspberry Council, if the Ontario Farm Products Marketing Commission (OFPMC) confirms support. After examining the Farm Products Promotion and Research Agencies Document published in June 2010, the OFPMC has interpreted the by-laws as saying that the Ontario Berry Growers Association (OBGA) is a Level 1 organization, and is therefore unable to collect a mandatory levy from its members. This means that Ontario does not have the authority to collect a levy from its raspberry growers. The OBGA will attempt to upgrade the organization to Level 2 an organization that has the mandate to collect levies. Once this occurs, it is anticipated that the OFPMC and in turn the Minister responsible for agriculture will support the establishment of a national raspberry promotion agency.

CURRENT INDUSTRY

The following information was provided by provincial specialists, producer organization leaders and from producer organization websites and newsletters as well as Statistics Canada. All data is as of December 31, 2011¹⁰ (see Appendix A).

PROVINCIAL LEVEL

B.C. is the largest raspberry producer in Canada with approximately 10 different varieties of raspberries of which 98% are grown in the Fraser Valley and 2% on Vancouver Island and the Interior.¹¹ There are 175 commercial raspberry growers (131 produce over 10,000 lbs) in B.C., mainly on family farms with total raspberry production acreage of 3,600 acres which produced over 22,605,000 pounds in 2011. Processed raspberries make up 95% of the market while only 5% of raspberries are sold fresh. For the purpose of this project, processed raspberries are defined as raspberries that have been frozen, dried, pureed, made into juice or modified in any form from their original, natural state at harvest. In BC, there are processed operations who develop raspberries into individually quick frozen (IQF), purees (with or without seeds), jam, jelly, filling, juice, juice concentrate, drinks, wines, canned, and frozen retail and wholesale packs and bakery products.

The BC Raspberry Industry Development Council collects a mandatory \$0.005 levy per pound for BC sector development. There are 21 primary packers and processors of raspberries in B.C. A processor is defined as someone who engages in the preparation of raspberries for processing for market who owns or who shares the ownership and risk of loss of such raspberries. Imports into B.C. mainly come from the USA. In 2011, approximately \$10 million worth of B.C. raspberries were exported, 91% of those exports were frozen and only 9% were fresh. B.C.'s primary export market is the U.S., which received 95% of the province's raspberry exports in 2011. Secondary markets for B.C.'s frozen raspberries include Japan, Korea, and Germany. B.C. product makes up 95% of Canadian total raspberry exports.¹² **Quebec** is the home to many raspberry producers of which 37 produce over 10,000 pounds per year for a total of 1,720,417 lbs in 2011. The Association des Producteurs de Fraises et Framboises du Quebec collects a mandatory \$0.04 levy per plant to support raspberry industry development in Quebec. Fresh sales are made directly to consumers by roadside market, U-Pick or farmers' markets. There is no knowledge of processors in Quebec.

In **Ontario** there are approximately 100 growers using 655 acres to grow 1,228,760 pounds of raspberries of which most are fresh sales. There are 40-50 operators that would surpass the 10,000 lb fresh threshold. Currently, the Ontario Berry Growers Association (OBGA) collects a voluntary levy from its members.

The **Alberta** raspberry industry is focused entirely on the direct market of fresh raspberry sales. Estimated acreage is 90 acres between an unknown number of producers and production is just over 72,000 pounds with only one grower over 10,000 lbs. Any processing is for direct sale from on-farm processing or commercial kitchens. Importers would be large food chains.

¹⁰ Statistics Canada (February 2011). "Fruit and Vegetable Production". Retrieved May 2011. Online at: <http://www.statcan.gc.ca/pub/22-003-x/22-003-x2010002-eng.pdf>

¹¹ Raspberry Industry Development Council <http://www.B.C.raspberries.com/about/index.htm>

¹² BC Ministry of Agriculture (2011). A Global Export Market Overview for British Columbia's Raspberry Industry".

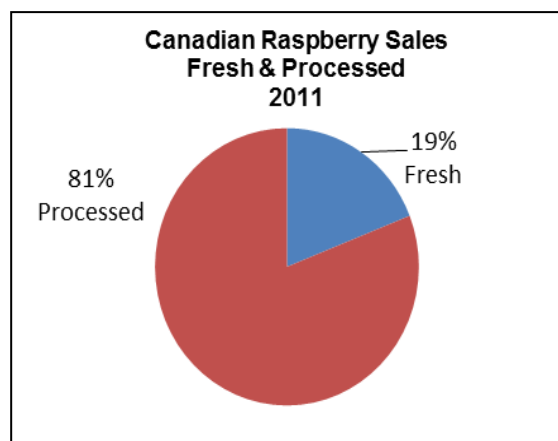
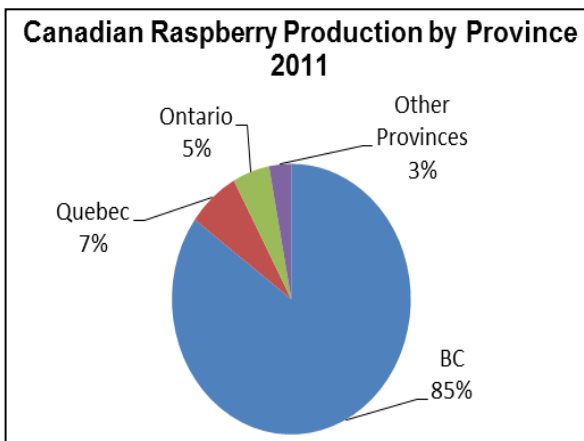
The **Saskatchewan** raspberry industry is for direct fresh sales market with 1 large processor who buys over 10,000 pounds of raspberries from B.C. Most of the 55 acres are mixed crops produced for u-pick sales.

Manitoba raspberry production statistics indicate direct farm fresh sales of 330,000 pounds from operations of less than 10,000 lbs each. There is one large producer/ processor who makes juice and organic raspberry wine using their own berries; other processing operations are small. Raspberries are imported from domestic locations as well as from Chile and the USA.

In **New Brunswick** there are an estimated 28 raspberry producers with 144 acres planted for 100% fresh, u-pick distribution. There is 1 producer over 10,000 in fresh production.

The **Nova Scotia** raspberry crop is unpredictable due to production challenges i.e. the weather; however, there were 3 producers over 10,000 lbs., however, due to poor results they have stopped growing raspberries. There is a large pie making industry which imports frozen raspberries from B.C. and elsewhere. On **Prince Edward Island** there are an estimated 10 raspberry producers with 19 acres planted; and production is not tracked. There are no producers over 10,000 in fresh production. There is no processing.

The **Newfoundland and Labrador** region is a good place for raspberry production with the capacity to do produce more to meet the demand which outstrips supply. Currently there are 7 growers with 20 total acres producing approximately 20,000 lbs. They are sold fresh through farm markets and to local bakeries if surplus exists. The idea of processing isn't realistic and there are no producers over 10,000 pounds.

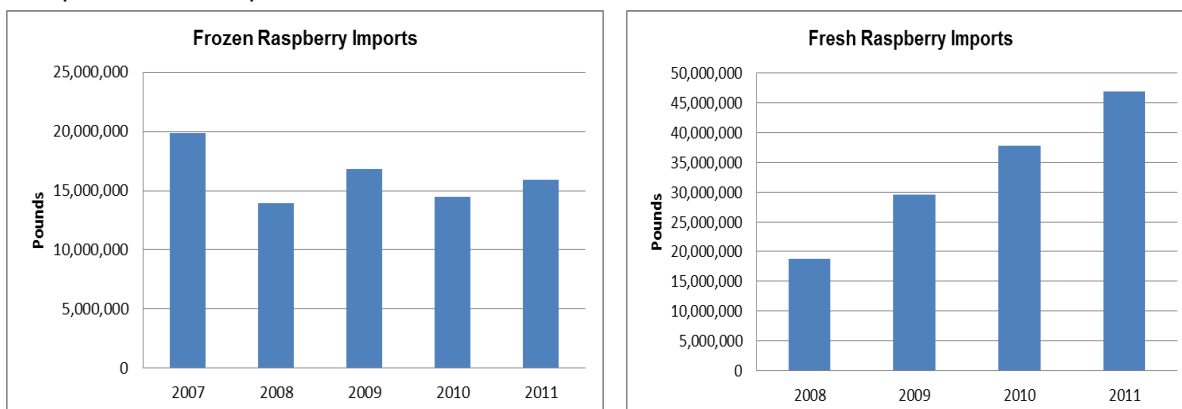


NATIONAL LEVEL

At the national level there is no collective group. Though there has been movement by the Canadian Horticulture Council (CHC) to research the option of one national council for all commodities. The RIDC has decided to move ahead separately at this time as the proposal is complete and grower and importer support across the country has been assessed.

BC produces 85% of the Canadian raspberry market while Quebec contributes 7% and Ontario produces 5%. The other provinces make up the remaining 3%. A significant portion of the market (81%) is produced for processing purposes rather than fresh sales, this is an historic reality. *Statistics Canada * HS codes 0811.200010, 0810.201910 and 0810.201920*

Currently a total of 65 million pounds of fresh and frozen raspberries are imported into Canada mostly from the USA, Mexico and Chile (see Appendix C). The most significant change has been the increase in imported fresh raspberries.



GLOBAL LEVEL

As of 2011 the global production of raspberries is estimated at 400,000–500,000 tonnes annually, with the majority being produced by Russia, the U.S., Serbia, Poland and Chile while Canada’s production is approximately 11,000 tonnes. Although data is inconclusive for Russia it is estimated that this production of more than 100,000 tonnes annually is mostly for domestic consumption. The U.S. produced almost 73,000 tonnes of raspberries in 2010, while Serbia produced about 70,000 tonnes of which most were exported. Poland produced approximately 65,000 tonnes in 2010 and Chile produced almost 60,000 tonnes of which almost all (95%) were exported. Other top raspberry producing countries include the United Kingdom, Mexico, Spain, Ukraine, France and Germany.¹³ More detailed analysis can be found within the BC Ministry of Agriculture 2011 report: “A Global Export Market Overview for British Columbia’s Raspberry Industry”.

Japan is the largest consumer of raspberries in Asia, followed by South Korea and Taiwan then emerging in China, Hong Kong, and India. The primary focus of the majority of growers in Australia is the fresh food market. All of these countries provide potential markets for frozen raspberries imports.

Global market competitors have several advantages over B.C. frozen raspberries when it comes to price as their costs are significantly less. However, B.C. product is known for its high quality and has some shipping advantages depending on destination country.¹⁴

¹³ BC Ministry of Agriculture (2011). A Global Export Market Overview for British Columbia’s Raspberry Industry”. pg 12.

¹⁴ IBID, pg 12.

BEING COMPETITIVE

In global economies it is reasonable to be prudent when introducing a new idea and way of doing things. The U.S.A., Canada's main trade partner, is home of the **Washington Red Raspberry Commission (WRRC) which will be implementing a new program which will collect a one cent per pound mandatory levy on both locally produced and imported processed raspberries.** The WRRC program will levy producers and importers of 20,000 pounds or more per annum. As an aside, the WRRC 2011 budget was set for \$446,300 while our BC budget was only \$120,000. A mechanism is required to facilitate valid competition with global competitors; the Canadian National Raspberry Council will be that mechanism. The new USA Red Raspberry National Program budget is (to be defined) and the estimated budget for the new Canadian National council is \$453,000 (See Appendix E).

The USA is also the home of the North American Raspberry and Blackberry Association (NARBA). Currently they are exploring a program for fresh blackberries. They support the WRRC processed raspberry program. The US Highbush Blueberry Council already collects a levy of \$0.006 per pound (\$12 per ton) on Canadian fresh and processed highbush blueberries.

IMPLEMENTATION STRATEGY

This section explains the steps required to implement the program followed by program details.

After a formal submission of this proposal has occurred the FPCC will conduct public hearings to ensure a majority of industry support the establishment of the program. It is recommended that FPCC collect signatures, addresses, acreage and production amounts from those who show up to the hearings. This will ensure that only those who the program will apply to, those producing over 10,000 pounds, are included in the hearing process. In addition this list could be used as the foundation for a National Database. .

When the FPCC is satisfied that the Canadian raspberry industry supports the Canadian National Raspberry Council they will provide recommendations to the federal Minister of Agriculture and Agri-Food. If the Minister is satisfied the National Council will be responsible to work out the details of implementation; this will include, drafting and finalizing the terms of provincial participation and drafting the Proclamation and Levies Order (legal services will required for this stage). The Proclamation will include program details, the specific information producers, packers, processors and importers will be required to provide, etc. This stage of documentation will be submitted to the FPCC to review. It will then proceed to the Cabinet for proclamation of the Canadian National Raspberry Council.

Once the Council has been established the board will convene to define by-laws, prepare a budget and an operational plan including an annual general meeting schedule and a project proposal intake timetable. An office service agreement will be completed between the National Council and the B.C. RIDC; including annual fees payable, reporting schedule, limitations of authority, and duties and responsibilities of the National Council administration. At the same time new HS codes for fresh raspberries will be applied for (see "The Product and Rate" below).

Provincial agreements to allow collections will be drafted with the assistance of the FPCC. Communication will be sent to all stakeholders regarding establishment and program expectations i.e. information required, and payment format and schedule. Invoices will be sent as per schedule and revenue collected on frozen and fresh raspberries which move through intra-provincial channels. The project intake process will commence to ensure that there is work to do as soon as the funds become available. The domestic collection system can be launched when the Levy Order is in place even if not all provincial systems have been arranged. However, the domestic system will not be launched until a mechanism to collect on imported product is active.

A national levy system for raspberries requires full provincial and federal-provincial co-operation. A key World Trade Organization (WTO) trade principle states that levies cannot be imposed on another country before a national collection system has been established for domestic product. Canada is a member of the WTO therefore we are required to follow this principle. "At the heart of the multilateral trading system are the WTO agreements, negotiated and signed by members and ratified by their elected representatives. The basic principles of the WTO are equal treatment for all WTO members (the

most-favored-nation clause), reciprocity in the exchange of concessions, and identical treatment of foreign and domestic products (national treatment).”¹⁵

¹⁵ Foreign Affairs and International Trade Canada at: http://www.international.gc.ca/trade-agreements-accords-commerciaux/cimar-rcami/2006/2006_4_06.aspx?lang=en

PROGRAM DETAILS

This section explains the program details which are the result of a national consultative process.

THE PRODUCT AND RATE

The \$0.005 per pound levy, check-off or assessment rate will be deducted from each sale inter-provincially, intra-provincially and on imported product. Juice concentrates will be levied based on the brix value. Most of the concentrate juice is produced at 65 brix, which is the equivalent of an approximate ratio of 6.8. That means that 6.8 times of raw material (fresh or frozen raspberries) is required to produce 1 unit of concentrate. Therefore, 6.8 pounds (or kilos) of raw material will produce 1 pound (or kilo) of concentrate with 65 brix. So 10,000 pounds of concentrate X 6.8 will require 68,000 pounds of fruit. A levy of \$0.005 on 10,000 pounds of juice concentrate will be \$748. The levy will be non-refundable, as a refundable system not only adds to the administration and enforcement costs but can destabilize an organization. This rate can be changed in the future should the majority of industry agree.

The proposal is for a mandatory levy to be applied to **domestic and imported processed raspberries** code 0811.200010 “raspberries, frozen, uncooked/steamed/boiled in water, sweet/not”. The proposal also expects to levy **fresh raspberries**; however, the current HS code includes other berries so new specific HS codes will be required for organic and non-organic fresh raspberries. After the Council has been established applications for new HS codes will go to the Minister of Finance (not Statistics Canada) who applies 7th and 8th position HS codes to accommodate the tariff aspect (Statistics Canada deals with non-tariff codes). The commodities must have \$5 million in sales to qualify and there are several fees to be submitted.

PROGRAM PARTICIPANTS

Who will be included in the program? If the primary program inclusion criterion is “raspberry production”, all provinces could be included. However, it is being recommended that only producers and importers who produce or import 10,000 pounds per annum or more will be required to pay the levy. This means that British Columbia (131 eligible), Quebec (37 eligible), Ontario (40-50 eligible), while the other producing , Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, PEI and Newfoundland, have only a one operation each over the producer exemption level of 10,000 pounds (see Appendix A). These last seven provinces have only one operation or no operations over 10,000 pounds, therefore they are not expected to participate at this point.

Small producers and importers, those with less than 10,000 pounds production, will be exempt. There are many small mixed crop producers who sell at the farm-gate who do not make a living off raspberry sales. These growers are content to sell locally and often do not record raspberry sales. To forego a minimum threshold would make collection cumbersome and invalidate the claim of a national program ultimately jeopardizing the import collection program. An exemption level is common practice.

Importers of raspberries into Canada will participate in this program. They are defined as any person or entity that imports 10,000 pounds or more of fresh or processed raspberries into Canada in a calendar year. The entity will be the principal or agent, broker or consignee of any person who produces or

handles fresh or processed raspberries outside of Canada for sale in Canada. They will be listed in the import records as the importer of record for such fresh or processed raspberries.

Does this program benefit only a few provinces? No. All producers, processors and importers will benefit from health-benefit and production research, all domestic promotions will focus on increasing national and international consumption levels and export trade opportunities will be available to all contributing operations.

What about the future? One seat on the Board will be available to represent the remaining provinces that have eligible producers but do not meet the 1,000,000 pounds of production criteria (see Governance). When the National Council reviews the program at the five year mark a review of provincial production will also be completed to address Board provincial representation.

Although there is work being done by the Department of International Affairs and FPCC lawyers to rule definitively regarding the option to exclude provinces that are producing a negligible amount (such as less than a half a percent) of total production, it is assumed at this time if a province is not producing over the minimum 1,000,000 pounds and they do not have producers over 10,000 pounds they will not contribute.

COUNCIL OPERATIONS & GOVERNANCE

The organization will be called the Canadian Red Raspberry Research, Market Development and Promotion Council or the Canadian Red Raspberry Council (CRRC). To prevent confusion and to categorize this program comparable to competitors the “Council” designation is preferred over “Agency”. The Council will have authority under the Farm Products Agency Act Section 42.1 to:

- 1) Implement a promotion and research plan;
- 2) Prepare and submit amendments to the promotion and research plan;
- 3) Collect, refund and enforce payment of levies;
- 4) Undertake promotion, marketing and research activities;
- 5) Organize themselves with by-laws and enlistment of appropriate resources.

Council operations will be structured as a not-for-profit organization with by-laws, staff, self-sufficient financial resources, a Board of directors, etc. Financial statements and annual reports will be submitted to the FPCC on an annual basis. The Council will remain accountable to its stakeholders via communication tools and activities such as regular newsletters, electronic news, open meetings, an Annual General Meeting and events as determined by the Board.

The Canadian Red Raspberry Council (CRRC) Board will consist of 14 voting members: 9 producers, 1 processor, 1 foreign seat (most likely WRRC), 2 importer domestic/trader seats (based on imported quantity) and 1 seat for Member at Large. It is recommended that the Member at Large be recruited from the export, retail, nutrition, health, etc. fields. The Canadian producer/processor seats will be assigned according to a predetermined representation formula such as allocating one seat per 1,000,000 pounds

of production to a maximum of 6 seats per province that has producers over 10,000 pounds as per collected revenue based on weight. It is proposed British Columbia will be allocated 6 seats, Quebec 2 seats, Ontario 1 seat, and 1 seat to represent all the remaining eligible producing provinces (see Appendix A). It is assumed that each province would select appropriate representatives for their market, that is, a fair ratio of fresh and/or processed stakeholders. The final representation formula will be determined by industry and described in the Council by-laws to be reviewed every 5 years. The Council directors and alternates will be elected by eligible producers and importers for a term of two years and the Chairperson will be elected by the Council. The selection of importer Board representatives will be done through nomination by an importer association or a group of importers.

It is proposed that the Council office be located in Abbotsford, British Columbia. An annual service agreement to share staff and office space with the B.C. RIDC could exist. This will create efficiencies as the RIDC already has experienced staff, communication tools and a collection system. The Farm Products Council of Canada will review annual and financial reports on an annual basis and the National Council will complete a review of the program at the five year mark by means of an objective third party.

LEVY COLLECTION

Although each province has authority over the marketing of raspberries within that province the federal Farm Products Agencies Act (FPAA) authorizes a federal promotion-research entity to collect levies on farm products marketed in intra-provincial and import trade. It is proposed that the levy will be collected at the first point of sale by processors, packers, shippers and importers. In the case of the producer acting as its own first handler, the producer will be required to collect and remit its levies. The regulation will define the information producers will be required to provide. Research and surveys will be done to update and maintain the database.

The rate will be applied to the weight of the product. Standard package sizes will be encouraged to equate with easier assessment at borders (see Appendix G).

A rebate program will be available to operators who grow berries in Canada, then ship to US to process and then import them back to Canada (see Appendix D). All importers who bring in less than 10,000 pounds per year can apply for the rebate as well. The National Council will have the authority under the Act to collect and therefore verify trade data.

DOMESTIC COLLECTION

The levy will be due on annual basis. For producing provinces it will be determined by provincial organizations if they will collect the levy on behalf of the National Council or if the National Council will collect directly. If direct collection is chosen an operating agreement will be arranged between the province and the National Council giving the Council the authority to collect. The National Raspberry Council and the Farm Products Council of Canada will finalize these details after the Council is in place.

The nature of the raspberry industry varies across the country. The provincial associations in B.C., the RIDC, and in Quebec, the Strawberry and Raspberry Grower Association, will collect the national levy and then remit it to the National Council. The Ontario Berry Growers Association, which has a voluntary

membership system, does not include all the growers; therefore Ontario stakeholders are reviewing a variety of options to implement a collection system. The Ontario Fruit and Vegetable Association collect a levy on each container sold and all growers buy containers; this is being explored as a levy collection method. Alberta, Saskatchewan and Manitoba have general farm or fruit producer associations but they currently do not have levy collection systems. In Nova Scotia, New Brunswick, PEI, and NFLD there are no producer organizations for raspberries (see Appendix B for Provincial Summaries). *The fact remains that owners of 92% of the production are part of the mandatory B.C. and Quebec collection systems so should an “in faith” payment system from the remaining 8% become an issue an enforcement program will be employed based on the Act which provides violation consequences of a fine of up \$5000.* Will this work? Unlike other commodities there are very few producers which fall outside the two current collection systems; therefore direct collection from producers is viable. A database of producers has been developed and will be maintained.

IMPORT COLLECTION

The National Council would prefer to delegate authority (see FPA Section 42.3) to the Canadian Border Services Council (CBSA) to collect levies on imported product and remit them to the National Council. This system would be based on a quarterly invoice of imported goods. However, to date the CBSA does not have this system in place but it and other options are being explored by the FPCC. Alternatively, the National Council office will collect the levies from importers directly. *Will this work?* The Canadian Association of Importers and Exporters provides the importers of 80% of the imported product so should an “in faith” payment system from the remaining 20% become an issue an enforcement program will be employed based on the Act which provides violation consequences of a fine of up \$5000. A database of importers has been developed and will be maintained.

POTENTIAL REVENUE (SEE APPENDIX A FOR DETAILS)

Estimates are based on production and revenue from the eligible stakeholders. An assumption has been made that growers with marginal production and/or who sell at farm gate most likely do not calculate and report raspberry production to Statistics Canada.

| Potential Revenue from Domestic National Levy (2011 data) | | | | |
|--|---------------------------|------------------------|------------------|-------------|
| | Total Production (tonnes) | Total Production (lbs) | Rate \$0.005/lb | % |
| B.C. | 10,236 | 22,621,560 | \$113,108 | 85% |
| Quebec | 778 | 1,719,380 | \$8,597 | 7% |
| Ontario | 556 | 1,228,760 | \$6,144 | 5% |
| Other Provinces | 372 | 822,120 | \$4,111 | 3% |
| Canada | 11,942 | 26,391,820 | \$131,959 | 100% |

The National Council domestic revenue will be significantly augmented when the system to collect levies on imported product is implemented. The main supply of imported produce comes from the U.S.A., Chile and Mexico (see Appendix C).

| Potential Revenue from National Levy (2011 data) | | | | |
|---|----------------------|------------------------|------------------|-------------|
| | Total Production (t) | Total Production (lbs) | Rate \$0.005/lb | % |
| BC | 10,236 | 22,621,560 | \$113,108 | 25% |
| QB & ONT | 1,334 | 2,948,140 | \$14,741 | 3% |
| Other Prov. | 372 | 822,120 | \$4,111 | 1% |
| Imports | 29,422,986 | 65,024,799 | \$325,124 | 71% |
| Total | 29,434,928 | 91,416,619 | \$457,083 | 100% |

USING THE FUNDS

All funds will be used for generic (not “local”) marketing, promotion and research. Annually, each representative at the Council Board will vote on the allocation ratio of funds to research, marketing and promotion. Based on a preliminary budget (see Appendix E) administration costs are expected to be approximately 23% of revenue in first years while 51% could be used for domestic and international marketing, and 25% for scientific research. It is recommended to retain all funds for national use since “the larger the pot the better the leverage”. Administration costs will be allocated before other monies are distributed. Proposals will be sent in to the National Council for review and acceptance at the Director level as per a schedule determined by the Board.

Funds generated by the proposed National Council will be used to leverage and access government funds at either Federal or Provincial levels (see Appendix F). Although programs change in name and funding ratios typically there are options available for research and for market access. Examples include the two 2010 berry research projects in British Columbia, one to help producers grow their businesses by researching new varieties, sustainable production and best practices for pest and disease management, and the other will support research to determine market opportunities for aseptic processing technology which gives processed berries a longer shelf life.

ACTUAL COSTS

MARKETING

(See Appendix E for a draft business plan.)

The goal of a generic marketing program will be to increase **domestic sales**. The National Council will invest in building a strong health message for raspberries. The advertising and promotion strategy will include, but not be limited to:

- attendance at domestic trade shows such as Food Service Expos, Dietician and Culinary Shows, Wellness Shows, etc. (\$5000 - \$7000 each);
- a domestic campaign using promotional print materials and supplies, radio and newspaper advertising (\$250,000+);
- a new booth (\$15,000);
- promotion partnerships with organizations like Breast Cancer, Heart & Stroke, etc. (estimate unavailable); and
- a national database providing easy access for buyers.

An **export strategy** to access global markets could include:

- in-depth, country-specific market research and strategy development project (\$10000);
- work with Export Development Canada in implementing an export program (\$50,000+);
- promotional print materials and supplies (\$3000 - 5000);
- attending global trade shows and meeting with new market representatives (\$26,000 - 36,000); and
- developing export trade networks with agents/liaisons (no estimates at this time).

SCIENTIFIC RESEARCH

To remain competitive, production, promotion and health benefit **research**, and innovation is imperative.

The cost of studies can range from \$3000 to \$15000 and there is always a lot of research to do.

- Researchers from across the country recognize the need to complete research in: new breeding and variety trials, weed control, IPM registrations, cultural practices and testing new varieties for winter hardiness and adaptability, methods to extend the shelf life, disease and pest management, tools to control pests, irrigation scheduling, alternative mulch effects, bacterial blight pathology, soil ecology and sustainable soil management for raspberries, etc. As old problems are resolved, new ones arise as new pests or diseases move into regions. Old problems can become problems that need new solutions because chemistry becomes outdated or resistance becomes a problem.
- Although other countries are engaged in health claim research developing Canadian information will provide timely information and control over “what” and “when”.
- Added-value experimentation such as drying, food-combining, etc. is also required to keep abreast of competing countries.

Appendix A: Canadian Industry and Provincial Details

Total Canadian Raspberry Production ¹⁶

The following statistics represent processed and fresh raspberry production in Canada.

Canadian Raspberry Production

| Province | Total Volume (t) | | | | | | LBS (x 2,210) | |
|-----------------|------------------|---------------|---------------|---------------|---------------|---------------|-------------------|-------------|
| | 2006 | 2007 | 2008 | 2009* | 2010** | 2011*** | 2011 | % |
| BC | 10,501 | 11,340 | 9,525 | 10,565 | 9,253 | 10,236 | 22,621,560 | 85% |
| Quebec | 1,034 | 1,034 | 948 | 1,197 | 1,103 | 778 | 1,719,380 | 7% |
| Ontario | 599 | 506 | 544 | 633 | 569 | 556 | 1,228,760 | 5% |
| Other Provinces | 322 | 261 | 228 | 213 | 263 | 372 | 822,120 | 3% |
| Canada | 12,456 | 13,141 | 11,245 | 12,608 | 11,188 | 11,942 | 26,391,820 | 100% |

*derived from Fruit and Vegetable Production 2010 Statistics Canada (22-003-X)

**derived from Fruit and Vegetable Production 2011 Statistics Canada (Catalogue no. 22-003-X)

***derived from Fruit and Vegetable Production 2012 Statistics Canada (Catalogue no. 22-003-X)

Canada's Raspberry Industry

The following chart represents the Canadian raspberry industry by province.¹⁷ Data may vary from the "Total Canadian Raspberry Production" chart above due different collection methodologies, etc. For individual provincial industry summaries see Appendix B.

| Canada's Raspberry Industry 2011 | | | | | | | | | |
|----------------------------------|------------------|--------------------------------|------------|---------------|-------------------|-------------|-------------------|--|-------------|
| 2011 Data | Prov. Assoc. | Prov. Levy | Growers | Acres Bearing | Lbs in Production | Fresh Sales | Proc'd Sales | Notes | Mkt Share |
| BC | Specific | mandatory \$0.005/lb levy | 175 | 3600 | 22,605,000 | 5% | 95% 21,474,750 | 12 processors 131 over 10,000 | 85.00% |
| Alberta | Farm Gene | none | unknown | 92 | 72,930 | 100% | 0% | all direct sales/ 1 prod over 10,000 lbs | 0.28% |
| Saskatchewan | Fruit Gener | considering \$0.002/lb levy | unknown | unreliable | 46,410 | 99% | 1% 464 | mostly u-pick/ 1 large processor | 0.18% |
| Manitoba** | Fruit Gener | none | <100 | 220 | 330,000 | 94% | 6% 20,000 | most direct sales/ 1 prod/proc over 10,000 lbs | 1.25% |
| Ontario | Berry General | voluntary mem. fees | 100 | 675 | 1,228,760 | 99% | 1% 12,288 | most direct sales 40-50 fresh 10,000 lbs+/ 37 over 10,000 lbs+ | 4.66% |
| Quebec | Specific | mandatory levy \$0.04/plant | 37 | 1178 | 1,720,417 | 100% | 0% | most direct sales & u 37 over 10,000 lbs+ | 6.52% |
| New Brunswick | none | none | 28 | 135 | 185,640 | 100% | 0% | most u-pick/ 1 fresh 10,000 lbs+ | 0.70% |
| Nova Scotia | Fruit Gener | none | 40 | 57 | 154,700 | 100% | 0% | most u-pick, farm ma none over 10,000lbs | 0.59% |
| PEI | no | none | 10 | 20 | 19,890 | 100% | 0% | most u-pick/ none over 10,000lbs | 0.08% |
| Newfoundland | Farm Gene | none | 7 | 21 | 13,260 | 100% | 0% | direct & local sales/ none over 10,000lbs | 0.05% |
| Total | | | 895 | | 26,377,007 | | 21,507,502 | | 100% |

¹⁶ Fruit and Vegetable Production 2011 Statistics Canada (Catalogue no. 22-003-X). Some data has been updated based on more recent information from differing data sources. Revisions have been made to some 2008 commercial production estimates. This is the most recent information available at the time of printing. All data are prepared in consultation with representatives of Federal and Provincial Departments of Agriculture and l'Institut de la statistique du Québec. Current year data are preliminary and will be revised in subsequent publications and on CANSIM. Current year area, production and value figures are preliminary while historical data are estimated based on more complete market information. Data are generally concerned with total production and take into account wastage, etc. With the availability of market and wastage information the estimates more closely reflect commercial production. The major source of information in this publication is the Fall Fruit and Vegetable Survey, conducted by Statistics Canada. This survey is a sample survey for which the data are collected by telephone. The survey estimates production and is a sum of the fresh market and processing. Alta & NFLA 2009 data should be used with caution.

¹⁷ Information was provided to StratPoint Solutions by provincial specialists and/or provincial associations."

Appendix B: Provincial Summaries

The following information was provided by provincial specialists, producer organization leaders and from producer organization websites and newsletters.

British Columbia has at least one Berry Industry Specialist with the B.C. Ministry of Agriculture, and the Raspberry Industry Development Council (RIDC) representing producers, packers and processors. The RIDC collects a \$0.005 cent per pound levy on all raspberries produced in B.C. to support research and promotion activities on behalf of its members. B.C. is the largest raspberry producer in Canada with approximately 10 different varieties of raspberries of which 98% are grown in the Fraser Valley and 2% on Vancouver Island and the Interior.¹⁸ Processed raspberries make up 95% of the market while only 5% of raspberries are sold fresh. They are processed into purees (with or without seeds), jams, jellies, juice, juice concentrate, drinks, canned, individually quick frozen and frozen retail and wholesale packs and bakery products. There are 21 primary packers and processors of raspberries in B.C. Imports into B.C. mainly come from the USA. Although most B.C. raspberries are shipped to Washington State they are also exported to markets all over North America and the Pacific Rim.

Alberta has a Commercial Horticulture Specialist, a Horticulture Industry, Business Development Officer, and a horticulture producer association: Alberta Farm Fresh Producers Association (AFFPA). AFFPA supports and facilitates direct marketing and promotion for a variety of crops including raspberries. No raspberry research has been done in Alberta for at approximately 10 years. There are a limited number of varieties which have been tested and/or are known to grow consistently in Alberta so producers are able to continue benefiting from the historic research. Alberta raspberry producers do their own marketing to develop local markets. It is not cost effective to try to compete with imported berries.

Saskatchewan has a provincial specialist in the Crops Branch and the Saskatchewan Fruit Growers Association representing the needs of raspberry growers. The SFGA is currently in the process of exploring the implementation of a Development Council which would collect a levy (.02 cent /lb). Research, promotion and marketing are done by private individuals.

In **Manitoba** there is a government specialist, and the Prairie Fruit Grower Association which represents strawberry, raspberry and saskatoons producers. Research is currently accomplished when the Prairie Fruit Grower Association partners with other agencies, operations or departments. All promotion and marketing is done privately.

In **Ontario**, there is at least one government berry specialist, and two voluntary organizations representing raspberry growers. The Ontario Berry Growers Association represents the majority (80%) of berry growers with 180 to 200 members including raspberry growers. They have an annual conference in February and sends out newsletters to members 4-5 times a year. The Ontario Farm Fresh Marketing Association deals with small fruit and vegetable growers selling from the farm. The Ontario Fruit and Vegetable Association collects a levy on each container sold and all growers buy containers.

¹⁸ Raspberry Industry Development Council <http://www.B.C.raspberries.com/about/index.htm>

In **Quebec**, there is at one government berry specialist, and the Association des Producteurs de Fraises et Framboises du Quebec (the Strawberry and Raspberry Grower Association) representing raspberry producers. The Association collects a mandatory \$0.04 per plant levy from raspberry growers. They fund a limited amount of raspberry research and marketing.

There are two government specialists in **New Brunswick**, but no raspberry producer organization. Collecting a levy is not done for raspberry producers. There is no research done for raspberries. Producers do all their own promotion and marketing to local channels.

In **Nova Scotia** there is one government specialist, a Horticulturist with AgraPoint International Inc. (a crown agency) and one producer association, the 'Horticulture Nova Scotia' which represents berry producers including raspberry. Collecting a levy is not done in NS therefore there is no pool of funds for research or marketing.

There is one government specialist in **Prince Edward Island** and no raspberry industry producer organization but there is a club which is not very active. There are very few commercial raspberry operations in the province. They are limited to market gardeners and "pick your own" operations with a variety of fruits and vegetables. In most cases the acreage of any single fruit or vegetable on such farms is small. Collecting a levy is not done for raspberries in PEI. Currently there is a scientific raspberry trial being conducted by AAFC (Dr. Andrew Jamieson and Kevin Sanderson).

There is one government specialist in **Newfoundland**, and one producer association, the Newfoundland and Labrador Federation of Agriculture which represent farmers and farm groups in the province and send out a newsletter. Collecting a levy is not done for the raspberry industry in NL but it could be approached. There is a scientific research project currently being done through AAFC.

Appendix C: Import Data Tables

Canada's Raspberries, **frozen**, uncooked/steamed/boiled in water, sweet/not

| Imports from All Countries HS Code:0811.200010 as at Dec 2011 | | | | | | |
|---|----------------|-----------|-----------|-----------|-----------|---------------|
| | QUANTITY (KGM) | | | | | (x 2.21=) LBS |
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2011 |
| Total | 8,999,365 | 6,312,108 | 7,615,287 | 6,542,475 | 7,195,552 | 15,902,170 |
| Chile | 4,735,562 | 3,622,620 | 4,684,034 | 4,112,422 | 5,221,988 | 11,540,593 |
| United States | 3,765,923 | 1,962,233 | 2,283,840 | 1,947,589 | 1,611,522 | 3,561,464 |
| China, P. Rep. | 137,810 | 393,310 | 360,474 | 307,361 | 260,834 | 576,443 |
| Serbia | 162,595 | 125,590 | 103,950 | 82,153 | 88,140 | 194,789 |
| Peru | 0 | 0 | 0 | 21,560 | 0 | 0 |
| Argentina | 0 | 1 | 0 | 6,816 | 0 | 0 |
| France | 22,863 | 11,871 | 8,466 | 4,508 | 4,169 | 9,213 |
| United Kingdom | 0 | 0 | 0 | 3,600 | 19 | 42 |
| Cyprus | 0 | 5,000 | 0 | 2,732 | 0 | 0 |
| Mexico | 0 | 19,028 | 31,624 | 748 | 7,027 | 15,530 |
| Lithuania | 0 | 252 | 0 | 0 | 0 | 0 |
| Italy | 52 | 0 | 0 | 0 | 0 | 0 |
| Netherlands | 0 | 18,000 | 0 | 0 | 0 | 0 |
| Spain | 0 | 0 | 6,048 | 0 | 0 | 0 |
| Bosnia/herzegovia | 50,087 | 19,400 | 0 | 0 | 0 | 0 |
| Croatia | 0 | 0 | 20,410 | 0 | 0 | 0 |
| Philippines | 0 | 21 | 0 | 0 | 0 | 0 |
| Poland | 11,376 | 108,183 | 65,646 | 0 | 0 | 0 |
| Suriname | | | | | 1,853 | 4,095 |
| Canada 1 | 113,097 | 26,599 | 50,795 | 52,986 | | 0 |

Canada's Raspberries & loganberries, **fresh**, in their natural state, **certified organic**

| Imports from All Countries HS Code: 0810.201910 as at Dec 2011 | | | | | | |
|---|----------------|---------|-----------|---------|-----------|---------------|
| | QUANTITY (KGM) | | | | | (x 2.21=) LBS |
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2011 |
| Total | | 877,022 | 1,443,276 | 902,791 | 1,043,968 | 2,307,169 |
| United States | | 830,089 | 1,109,603 | 681,792 | 741,423 | 1,638,545 |
| Mexico | | 46,616 | 295,650 | 219,412 | 302,407 | 668,319 |
| Chile | | 0 | 38,023 | 0 | 138 | 305 |
| Guatemala | | 0 | 0 | 1,587 | 0 | 0 |
| Netherlands | | 317 | 0 | 0 | 0 | 0 |

Canada's Raspberries & loganberries, **fresh**, in their natural state, **not certified organic**

| Imports from All Countries HS Code: 0810.201920 as at Dec 2011 | | | | | | |
|---|----------------|-----------|------------|------------|------------|---------------|
| | QUANTITY (KGM) | | | | | (x 2.21=) LBS |
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2011 |
| Total | | 8,517,041 | 13,395,197 | 17,067,895 | 21,183,466 | 46,815,460 |
| United States | | 7,239,409 | 10,074,952 | 12,086,082 | 15,017,298 | 33,188,229 |
| Mexico | | 1,250,124 | 3,216,156 | 4,887,522 | 6,052,751 | 13,376,580 |
| Chile | | 20,866 | 66,954 | 78,819 | 92,901 | 205,311 |
| Guatemala | | 4,961 | 1,006 | 2,579 | 11,879 | 26,253 |
| Costa Rica | | 454 | 9,840 | 3,269 | 4,775 | 10,553 |
| Honduras | | 118 | 105 | 774 | 303 | 670 |
| Peru | | 0 | 1,284 | 897 | 2,638 | 5,830 |
| Belize | | 0 | 0 | 818 | 0 | 0 |
| Argentina | | 0 | 0 | 732 | 171 | 378 |
| Italy | | 0 | 0 | 287 | 0 | 0 |
| China, P. Rep. | | 0 | 227 | 110 | 144 | 318 |
| Turkey | | 0 | 11 | 64 | 0 | 0 |
| Switzerland | | 0 | 67 | 171 | 0 | 0 |
| Ecuador | | 0 | 0 | 20 | 83 | 183 |
| India | | 0 | 0 | 150 | 0 | 0 |
| Colombia | | 1,109 | 45 | 10 | 197 | 435 |
| Belgium | | 0 | 0 | 63 | 198 | 438 |
| Brazil | | 0 | 435 | 0 | 22 | 49 |
| Austria | | | | | 53 | 117 |
| New Zealand | | | | | 53 | 117 |
| Canada 1 | | 0 | 24,115 | 5,528 | | 0 |

Appendix D: Rebate System Details

ASSESSMENT REBATE PROCEDURE

Product Shipped from Canada (or any other country) to U.S.A. and back to Canada:

- The Canadian shipper provides CRRC with a Bill of Lading and U.S. Customs Invoice for the shipment to U.S.A.
- The Canadian shipper provides CRRC with Canadian Customs Invoice showing product shipped back to Canada.
- CRRC staff confirms point of entry match, rebate given on amount indicated on Canadian Customs Invoice.
- Refunds will only be available on product for a one-year period (up to one year from the date the raspberries initially cross the border into the United States); and a foreign firm must apply for the rebate within 60 days from the date their product re-enters their country.

Product Shipped from U.S.A. to Canada (or any other country) and back to U.S.A.:

- A U.S. grower who exports raspberries automatically becomes a handler and is responsible for submitting domestic assessments to the CRRC.
- The U.S. grower pays CRRC the levy on all products he ships to Canada (or other country) and reports shipment on his CRRC assessment report form.
- The Canadian shipper requests a refund from CRRC for that part of product received from U.S.A. grower and now shipped from Canada back to U.S. for sale. Shipper provides name and address of U.S. grower, amount shipped back to U.S. for sale, and U.S. Customs Invoice showing amount of product shipped to U.S. and verifying import levy has been taken on this shipment.
- CRRC staff matches grower levy report with Canadian refund request and verifies that amount grower indicates as having sold to Canada is in keeping with the refund amount requested.

Appendix E: Draft Business Plan

National Raspberry Agency Budget, Processed & Fresh (w/loganberries)

| | | |
|--|-------------------|--|
| Revenue: National Levy | 0.005/lb | Last update August 2012 |
| BC (85%) | \$ 113,108 | |
| QB & Ontario | \$ 14,746 | remaining provinces don't have eligible operations |
| Imports | \$ 325,124 | |
| TOTAL REVENUE | \$ 452,978 | |
| Expenses¹ | | *75/25% cost share with RIDC |
| General & Administrative Expenses | | |
| Audit | 8,000 | separate |
| Bookkeeper | 3,360 | separate |
| CAF Rent (1 room office 6840) | 3,600 | *shared |
| Directors Liability Ins. | 1,200 | separate |
| Office Insurance | 375 | *shared |
| Bank Charges | 300 | a separate account |
| Office Supplies | 1,000 | separate |
| Telephone | 1,720 | *shared + \$300 long distance |
| Website | 2,000 | separate |
| Courier & Postage | 500 | separate |
| Dues and Fees - CHC, etc. | 4,000 | separate |
| Miscellaneous promotion | 1,000 | separate |
| Border Collection fees ² | - | not an option at start-up |
| Total Office Expense | 27,055 | |
| Payroll Expenses | | |
| Executive Director Salary | 48,000 | 20 hours/week/48 weeks per year for contractor |
| Casual Office Assistant Fees | 6,480 | 6 hrs/week |
| | | *I.E., CCP, and WCB not required |
| Total Payroll Expense | 54,480 | |
| Executive Director Expenses | | |
| Mileage, Travel, Accom, Food | 8,000 | domestic meetings, conferences, etc |
| Total Exec Director Expense | 8,000 | |
| Directors Expenses | | |
| Directors Teleconference meeting fees | 500 | Quarterly; no per diems |
| AGM meeting Cost | 13,000 | Dir. Mileage, flight, hotel, food |
| Total Board Director Expense | 13,500 | |
| TOTAL ADMINISTRATION EXPENSE | \$ 103,035 | |
| | 23% | % of Revenue; Admin cost range 15-30% |
| Domestic & Int'l PR | | |
| Domestic PR Campaign | 115,000 | Printing costs, PR supplies, media ads |
| National Trade Shows | 12,000 | CPMA, Cda Dietician's, etc. |
| Export Program Development | 50,000 | Seek matching funds |
| Export Market Research | 5,000 | Contract for this |
| Canada Export Centre | 5,000 | In future years \$5000 |
| Int'l Trade Show & new booth (\$12000) | 47,000 | Seek matching funds |
| TOTAL DOMESTIC & INT'L PR EXPENSE | \$ 234,000 | Seek matching funds |
| | 52% | % of Revenue |
| TOTAL RESEARCH | \$ 115,000 | Seek matching funds |
| | 25% | % of Revenue |
| SURPLUS/DEFICIT | 943 | |

¹RIDC budget used as the reference point.

²Border Collection fees @10% \$ 45,298 Future cost 6-10% import rev.;
explore start-up costs paid over 3 yrs

Appendix F: Government and Industry Partnership as of 2010

- The Developing Innovative Agri-products Initiative (DIAP) is a program administered by the AAFC that provides up to 75% of science and technology projects. Industry provides the remaining 25% of the required funds.
- The Agri-Marketing Program (AMP) is “designed to enhance marketing capacity and competitiveness of the Canadian agriculture, agri-food, fish and seafood sectors. The Program assists industry associations to identify market priorities and equip themselves for success in global markets. The program provides 50% funding with 50% from industry to develop and implement Long Term International Strategies (LTIS). It is the successor to the Canadian Agriculture and Food International (CAFI) program.” For more details see: <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1239048540113&lang=eng>
- The AgriFlexibility Fund supports projects “which reduce productions costs, improve sustainability, work on value-chain and sectoral adaptation, address emerging opportunities and challenges”. Projects need to have a measurable broad benefit for the sector. A funding cost-share ratio could require only 25% from industry. Program details are available at www.agr.gc.ca/agriflexibility.
- The Canadian Agricultural Adaptation Program (CAAP) supports projects which “seize opportunities, respond to new and emerging issues, and pathfind and pilot solutions to new and ongoing issues in order to help it adapt and remain competitive”. The maximum level of total government funding (federal, provincial, territorial, and municipal funding) for projects under CAAP will generally not exceed 85% requiring a 15% industry cash contribution.
- The Agri-Food Futures Fund (AFFF) supports a variety of projects with varying cost-share ratios. An AFFF applicant contribution may include up to 50% ‘in-kind’ (maximum of 25% of total project).
- The Agri-Processing Initiative (API) is an “initiative is designed to enhance the competitiveness of the agri-processing sector in Canada. It provides support to existing processing companies (reported employment expenses for at least one year and 51% of the company or co-operative revenues must come from the processing segment of the business. API may provide repayable contributions of up to \$2 million per project, or up to 50% of eligible costs, whichever is less, towards the cost of purchasing and installing new-to-company machinery and equipment in Canadian facilities in order to enable the adoption of innovative and new-to-company manufacturing technologies and processes, and/or the introduction of new products. The program may also contribute towards costs related to the contracting of external expertise for services related to equipment installation, and consultation, design, and advice regarding new-to-company manufacturing technologies, processes and products.” Initiative details are available at www.agr.gc.ca/api.
- We anticipate that there will be additional programs that we can participate in.

Appendix G: Standard Package Sizes

| Standard Fresh Raspberry Packaging and Weight | | |
|--|------------------------------------|---|
| Package size | Number of Packages per Flat | Total Weigh fruit per Flat (lbs) |
| 6.0 ounce (170g) Half flat | 6 | 2.25 pounds |
| 6.0 ounce (170g) Clamshell | 12 | 4.5 pounds |
| 12 ounce (340 g) Clamshell | 6 | 4.5 pounds |
| 1 dry pint (12oz) Clamshell | 6 | 4.5 pounds |
| 1 dry pint (12oz) Open top | 12 | 10 pounds |
| 1 dry pint (12oz) Open top | 6 | 5 pounds |

| Standard Processed Raspberry Packaging and Weight | | |
|--|--------------------------------|--|
| | Package size | Total Weight per Container/Flat (lbs) |
| Frozen Bulk Pack: | | |
| Pail | | 28 pounds |
| Drum | | 400 pounds |
| Individual Quick Frozen Raspberries (IQF): | | |
| Poly bags | 4 per corrugated fiber cartons | 22 |
| Poly-lined cartons | 1 per corrugated fiber cartons | 11 |
| Bulk Box | | 20 |
| Raspberry Juice | | |
| Single strength | | 9.2° Brix |
| Concentrate | | 45°, 65°, 68°Brix |
| Pail | 5 US gallon | |
| Drum | 50 US gallon | |

Appendix H: Project Methodology

A project of this nature required informing stakeholders on a continuous basis, researching information to define program elements, gathering input from stakeholders and finally gauging support. The project work, as summarized below, has occurred concurrently in these four streams since August 2009. Progress reports were submitted as per schedule to RIDC.

Informing Stakeholders

To be successful with a project of this nature, information needed to be circulated to a small group of sector leaders, then to a larger group of stakeholders (packers and processors), then to local (BC) growers then finally to growers across the country including importers. The information needed to be regular, similar in nature, and updated.

The first step was to create the project message “why and how” and a ‘Frequently Asked Questions’ sheet. The project was presented to the RIDC Board and BC government berry industry specialist, and then to the twenty-one BC raspberry packers and processors. Articles were circulated in nine RIDC newsletters to all 358 BC raspberry producers and stakeholders over the period of this project. The FAQ sheet was added to the RIDC website for public viewing and presentations were held at RIDC annual general meetings in 2010 and 2011.

In light of the national nature of the project it was imperative to inform all provinces of the project and keep them updated. A national contact list was developed including provincial fruit/berry specialists and provincial association leaders. An introduction regarding the National Council Initiative was emailed to, and interviews conducted with, provincial government representatives in Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, PEI and Newfoundland as well as the leaders at the Saskatchewan Fruit Growers Association, the Ontario Berry Growers Association, the Horticulture Nova Scotia, and the Newfoundland and Labrador Federation of Agriculture. Information and updates were sent to these contacts seven times throughout the project. It was requested that these channels print updates in their newsletters to reach growers, packers, and processors.

Importers will be stakeholders in the final council; therefore work to inform them has been ongoing. The Canadian Association of Importers and Exporters provided a list of the top importers (approximately twenty-seven) who are responsible for 80% of the importing raspberry business. The remaining contacts have been provided by project contacts or via the internet. They were mailed and/or emailed information in the spring and fall 2010, spring and summer 2011, and spring 2012.

All BC growers, packers and processors were invited to presentations at the Pacific Ag Show in Abbotsford, BC in January 2010 and 2011. All provincial berry representatives and association leaders were invited to a presentation in Quebec City in March 2010. Networking opportunities facilitated discussions with CHC members, and horticulture commodity leaders. A presentation was given to raspberry growers at the Ontario Berry Growers Association Conference in St Catharine’s in February 2011 and to growers at the Association des Producteurs de Fraises et Framboises du Quebec AGM (the PowerPoint was translated). The BC Berry Industry Specialist gave a presentation at the Ontario Berry

Growers Association Conference in St. Catharines on February 23, 2010, and at producer sessions in Quebec in December 2011. Information sessions were held at the Pacific Ag Show in Abbotsford, BC in January 2012, the Ontario Berry Growers Association Conference in February 2012 and the Executive Director of the Quebec association addressed the initiative at their 2012 AGM.

A flyer was created and distributed by associations and at presentations. It was delivered by RIDC staff to members over the summer in 2010 and mailed out with the newsletter. Flyers were sent to Ontario and Nova Scotia growers via Canadian contacts and continue to be distributed at every opportunity. The flyer was translated into Punjabi in spring 2011 and distributed to BC growers. It was translated into French for French speaking Canadians.

In July 2010 a twenty-four page project brief, describing benefits, project stages, issues and decisions requiring input and research, was developed for Mr. Gerold (AAFC) to use in his discussions with the CBSA and the Ministry of Finance. All Canadian contacts and marketing board representatives received a copy via email.

Articles have been distributed to relevant Canadian magazines. An article appeared in Country Life Magazine (March 2010), the National Grower (December 2010) and the BC Berry (Winter 2011-2012).

To ensure growers, packers, processors are informed databases have been developed. Due to the Freedom of Information Act organizations could not provide their producers lists therefore producers were researched via the internet and then direct contact occurred.

Program Research

This stream of work began with a literature review including a review of the Canadian Beef Cattlemen National Check-off program and their evaluation, and the USHBC program and their evaluation report. Contact was made and maintained with FPCC, AAFC and other Canadian contacts to glean program process, data, project needs, etc. The products to be included in the program were defined by the RIDC directors in accordance with HS codes and in relationship to the WRRRC program. Provincial summaries and the Canadian Industry Chart were completed with the information provided by Canadian contacts (these have been updated with current data). Charts of the current market and potential revenue were drafted.

At the start it was evident that import collection was going to be the greatest hurdle. There is no import levy collection system in place for this commodity so work to influence development began in 2009. Conversations were held with AAFC, the Canadian Beef Cattle Research, Market Development and Promotion Council, the CPMA, the CHC, Canadian Association of Importers and Exporters, the CBSA Border Commercial Consultative Committee, and the Canadian Federation of Agriculture (National Food Strategy). A teleconference was held with Ron Gerold, Director, Horticulture and Special Crops Division, AAFC Market Industry Services and Farid Makki, Senior Market Development Advisor, Horticulture and Special Crops Division, Agriculture and Agri-Food Canada to discuss the CBSA collecting the import levy in June 2010. Mr. Gerold met with the Minister of Finance and we were informed to wait until the Council was established. A FPCC analyst reviewed other collection systems i.e. USHBC in 2011 to

provide a basis for future recommendations. Contact continues with FPCC for updates regarding this issue.

The 10,000 pound minimum level for individual producer exemption was determined with a casual survey of provincial department representatives and producer organizations. A business plan was produced to discover the levy rate for organizational sustainability. Research was done to highlight potential government program partnership options.

In order to record fresh raspberry imports new HS codes need to be developed. The current codes have fresh raspberries combined with other berries. This area was explored but has been put on hold until the National Council is established. The Council will apply for the new codes from the Minister of Finance, not CBSA, because a levy will be required.

Gathering Program Input: Consultation

The Preliminary Decision Series was created to facilitate small group decision-making regarding program details such as the exemption level, levy rate, collection options, Board structure, allocation preferences, and timing. The RIDC Board of Directors completed this exercise. Copies were sent to the Québec Association and to Ontario's main growers. Though the process initiated discussion with national stakeholders no decisions were made. An attempt to gather a small group of representatives from across the country to make decisions failed. Therefore this document, the proposal, was written and approved by the RIDC Board in December 2011. It was circulated for comment to the Québec Association and to Ontario's main growers.

Researchers across the country offered input into "using the funds" for research. An on-line forum was set up for communication with BC stakeholders, however, the tool failed to be used.

Meetings to gather input and feedback were held before and/or after all presentations in Abbotsford, Quebec and Ontario in 2010, 2011 and 2012. One-on-one meetings were also held between StratPoint and BC raspberry packers and processors in November 2010.

Gauging Support

A survey was created to determine industry priorities and to gauge support for the National Council. A majority of the target participants either do not use internet therefore an on-line method of collection was not used. A hard-copy was mailed with self-addressed/stamped return envelopes to (358) RIDC members in March 2010 and 25 were returned. The survey data was not analyzed as the response rate was not significant or reliable.

Surveys and flyers were sent to raspberry producers in Ontario (65) in the spring of 2011 while the others were sent to Alberta (31), Saskatchewan (17), Manitoba (9), New Brunswick (8) including the French versions, Nova Scotia (17) and PEI (10) in the fall of 2011. This approach was taken because it is impossible to know who produces over 10,000 pounds without grower feedback. We will have to collect from all those who are eligible to claim a national program is in place before collecting on imports.

Not all producers have email so the hard copy process was used. Quebec has its own association which provides input so surveys were not sent. Due to the Freedom of Information Act organizations could not provide their producers lists therefore producers were researched via the internet and then direct contact occurred. Completed surveys were returned and analysis was completed. Newfoundland and Labrador industry is very small with no producers over 10,000 lbs so growers were not included in the survey or vote processes.

Importers across the country were sent flyers and emails throughout the project. In November 2011 surveys were distributed with little feedback. In spring of 2012 an e-vote was completed and phone calls made to gauge their support. At this point, 19% are “against” the National Council, 9% are “for”, 64% have not responded and 8% are “unsure”. Additional importers were added to the list in July, August and September of 2012. While many of these companies were contacted there was very little response or replies. Those that did reply (5) they responded that they were “for” a Canadian Red Raspberry Council. It is acknowledged that the list of importers of fresh or processed raspberries is incomplete. Statistics Canada has a list of companies on the import records as importer of fresh and processed raspberries that they are not able to share with the RIDC. However, once the national agency is proclaimed, this list should be available to the agency.

Letters of Support from Provincial Agriculture Ministers in BC and Quebec are included in Appendix J. These, in addition to Ontario are the producing provinces. The Minister responsible for Agriculture in Ontario required the support from the Ontario Farm Products Marketing Commission (OFPMC). After consideration, the OFPMC concluded that currently, the Ontario Berry Growers Association did not have the authority to collect a national levy, since it is a Level 1 organization. The OBGA and the OFPMC are considering alternative methods to collect a national levy on raspberries. One possibility is to vote the OBGA a Level 2 organization where provincial levies are mandatory. Further discussions regarding this issue are on-going at time of submission. Once these have been resolved, support from the OFPMC and in turn the Ontario Minister Responsible for Agriculture will be forth coming.

Requests were made of Provincial Marketing Boards to provide Letters of Support. However, these groups do not have authority over raspberries in their provinces so no further action occurred.

BC RIDC members agreed to move ahead with the project in 2009 and Quebec stakeholders agreed to support the project in February 2011. A vote of BC stakeholders was taken in September 2011 which resulted in 70% in favour of establishing the National Council, however, due to the poor turn out another vote was taken. The January 25, 2012 vote resulted in 76% “in favour” therefore 73% of voters overall are in favour. See the previous section “Support for the Proposed Council” for more details. At a Quebec producer association Annual General Meeting in February 2012 the raspberry growers voted to support the establishment of a National Raspberry Program (see Appendix J).

Appendix I: Importers (as of September 2012)

| Number | Company | Location | Province |
|---------------|---|---------------------------|-----------------|
| 1 | Agropehuenche | San Clemente | Chile |
| 2 | Agroindustria Pinochet/APFrut Ltd | Curico | Maule |
| 3 | Agroindustrial Niquen S.A. | Santiago | Chile |
| 4 | Agroindustrial Rio Teno Ltda. | Curico | Chile |
| 5 | All Gold Imports Inc. | Toronto | ON |
| 6 | Altamira Chile S.A. | Santiago | Chile |
| 7 | AliFrut | Santiago | Chile |
| | | | Santiago, |
| 8 | Alimentos y Frutos S.A. | Quilicura | Chile |
| 9 | Amira Inc. | Montréal | QB |
| 10 | Amerifresh, Inc | Yakima | WA |
| 11 | APFRut | Curico | Chile |
| | | | Santiago - |
| 12 | Arlavan S.A. | Vitacura | Chile |
| 13 | BC Frozen | Abbotsford | BC |
| 14 | B.F. Comercio y Exportaciones | Vitacura Santiago | Chile |
| | | | Santiago - |
| 15 | BMC Internationa Chile | Providencia | Chile |
| 16 | Beauvais Lt. | Ville Lemoyne | QB |
| 17 | Benny D'Angelos Produce | St-Rémi | QB |
| 18 | Berry Hill Foods | Abbotsford | BC |
| 19 | Berries Chile Uk S.A. | Linares, Maule | Chile |
| 20 | Bloxom, F.c. Co | Seattle | WA |
| 21 | Brecon Inc. | Pointe-Claire | QB |
| 22 | C.O.D. FRESH | Etobicoke | ON |
| 23 | Canada Wide Fruit Wholesalers | Montréal | QB |
| 24 | Charles Masson Inc. | Lachine | QB |
| 25 | Charlie's Produce (Triple B) | Seattle | WA |
| 26 | Chehenail Fruits and Legumes | Montréal | QB |
| 27 | Comercial South Farms Ltd. | Santiago | Chile |
| 28 | Comercial Bio Frut Ltda | San Alos Angeles, B Chile | Chile |
| 29 | Comfrut/Comercial Fruticola S.A. | Santiago Chile | Chile |
| 30 | Connexions Commerciales | Ile des Soeurs | QB |
| 31 | Continental Food Sales, Inc | Bainbridge Island | WA |
| 32 | Costco Wholesale Canada Ltd., | Ottawa | ON |
| 33 | Courchesne Larose Wholesale | Montréal | QB |
| 34 | Distribution Farinex | Boisbriand | QB |
| 35 | Dole Packaged Foods Co. | Markham | ON |
| 36 | Driscoll's | Watsonville/Santa Maria | CA |
| 37 | E.D. Smith Foods | Winona | WA |
| 38 | Enfield Farms, Inc | Lynden | WA |
| 39 | Exportadora Copramar Ltda./Copramar | Linares | Chile |
| 40 | Exportadora Frucol Ltda/Frucol | Santiago | Chile |
| 41 | Exportadora Austral Fruits Ltda/Fruta Austral | San Felipe | Chile |
| 42 | Fresh Advancements Inc. | Toronto | ON |
| 43 | Fresh Tast Produce Ltd. | Toronto | ON |

| | | | |
|----|--|----------------------|-------|
| 44 | Frigorifico Ditzler Ltda./Ditzler Chile Ltda | Santiago | Chile |
| 45 | Fruitrade International Inc. | Toronto | ON |
| 46 | Fruits and Legumes Gaetan Bono Inc. | Montréal | QB |
| 47 | Fruits International | Anjou | QB |
| 48 | Fruticola Olmue S A | Chillan | Chile |
| 49 | Glacier Sales, Inc | Yakima | WA |
| 50 | Groupe Tomapure Inc. | Laval | QB |
| 51 | Gold Harbor Commodities, Inc | Seattle | WA |
| 52 | Gourmet Trading Company | Los Angeles | CA |
| 53 | Hortifrut | Santiago | Chile |
| 54 | Hurst's Berry Farm - Mexico | Sheridan | OR |
| 55 | Imex Agro Inc. | Gatineau | QB |
| 56 | Interpack NW Frozen Foods, Inc | Bainbridge Island | WA |
| 57 | Italian Produce Co. Ltd. | Toronto | ON |
| 58 | Jay Waters Inc. | Everett | WA |
| 59 | Kraft Canada Don Mills | Toronto | ON |
| 60 | Kugar Export Ltda./Kugar | Los Angeles - Chile | Chile |
| 61 | Limapro Distributeurs Inc. | Montréal | QB |
| 62 | Lister & Co. Ltd. (F.G.) | Toronto | ON |
| 63 | Luc Charbonneau Fruits & Legumes Inc. | Ville St-Laurent | QB |
| 64 | Maria Teresa Ubilla Alarcon | Malloa | Chile |
| 65 | Metro Ontario Inc. | Montreal | QB |
| 66 | Mike and Jean's Berry Farm | Mt. Vernon | WA |
| 67 | Milne Rruit Products (Wyckoff Farms) | Prosser | WA |
| 68 | Molina Exp. Y Cia Ltda. | Linares | Chile |
| 69 | Natural Choice | Providencia | Chile |
| 70 | Nature Ripe | Salinas | CA |
| 71 | Nature's Touch Frozen Foods Inc | Laval | QB |
| 72 | Nevada Export S.A. | Santiago Chile | Chile |
| 73 | Norfruit Inc. | Métabetchouan | QB |
| 74 | Nordex S.A. | Las, Condes,Santiago | Chile |
| 75 | Northwest Ingredients | Lynnwood | WA |
| 76 | Ocean Spray Cranberries, Inc | Aberdeen | WA |
| 77 | Olme Fruits | Chillan | Chile |
| 78 | Omstead Foods Ltd. | Wheatley | ON |
| 79 | Oneonta Trading Corporation | Wenatchee | WA |
| 80 | Orleans Fresh Fruit o/a 927912 ONTARIO LTD. | | ON |
| 81 | Overlake Foods | Olympia | WA |
| 82 | Pacific Coast Fruit Products Ltd. | Abbotsford | BC |
| 83 | Pacific Valley Foods | Bellevue | WA |
| 84 | P J Impex Inc. | Montreal | QB |
| 85 | Premier Fruits & legumes B.B.L.Inc. | Montréal | QB |
| 86 | Producuits Asiatique et International Inc. | Laval | QB |
| 87 | Provincial Fruit Co. Ltd. | Toronto | ON |
| 88 | RA Rasmussen & Sons, Inc | Granger | WA |
| 89 | Rader Farms | Lynden | WA |
| 90 | RainSweet, Inc | Salem | OR |
| 91 | Rasmussen Marketing Inc | Yakima | WA |
| 92 | Richter's Berries | Fife | WA |
| 93 | Robinson Cold Storage | Ridgefield | WA |

| | | | |
|-----|--|----------------|-------|
| 94 | Rite-Pak Produce Co. Ltd. | Woodbridge | ON |
| 95 | S.a. Carlson, Inc | Yakima | WA |
| 96 | Sakuma Brothers Processing, Inc | Burlington | WA |
| 97 | Santiago Comercio Exterior Exp/Sanco S.A. | Providencia | Chile |
| 98 | Small Planet Foods (Cascadian Farm) | Sedro Woolley | WA |
| 99 | Smucker Foods of Canada Corp. | Markham | ON |
| 100 | Snovalley Fresh Fruit & Produce | Seattle | WA |
| 101 | Snowcrest Foods Ltd. | Abbotsford | BC |
| 102 | Sobey's National | Stellarton | NS |
| 103 | Soc. Agric. Frutas Maule Ltda/Frutas & Maule | Curico | Chile |
| 104 | SouthFruit Ltda | Huechuraba | Chile |
| 105 | Spokane Produce, Inc | Spokane | WA |
| 106 | Star Frozen Foods, Inc | Edmonds, | WA |
| 107 | Star Produce | Saskatoon | SK |
| 108 | Sunny Ridge | Winter Haven | FL |
| 109 | Sun Valley Chile | Providencia | Chile |
| 110 | Symons Frozen Foods, Inc | Centralia | WA |
| 111 | The Grocery People Ltd | Saskatoon | SK |
| 112 | Thoeny Farms, Inc | Woodland | WA |
| 113 | Thomas Fruits et Legumes | Montréal | QB |
| 114 | Thrify Foods | Saanichton | BC |
| 115 | Whole Foods Market Canada, Inc. | Bellevue | WA |
| 116 | Valles Andinos Sociedad Anonima | Providencia | Chile |
| 117 | Valles Andinos | Santiago Chile | Chile |
| 118 | Valley Pride Sales, Inc | Mount Vernon | WA |
| 119 | Valley Processing, Inc | Sunnyside | WA |
| 120 | Vital Berry Marketing S A | Santiago Chile | Chile |
| 121 | YAAX International, Inc | Yakima | WA |

Appendix J: Provincial Resolutions & Letters of Support

BC support: Letter from Honorable Minister McRae



File: 0280-30
Ref: 175563

David Mutz
Chair
Raspberry Industry Development Council
32160 South Fraser Way
Abbotsford BC V2T 1W5

Dear Mr. Mutz:

I understand that the Raspberry Industry Development Council (RIDC) has been working to establish a National Council in order to collect levies from imported and domestic berries which will fund research and marketing for the industry. I appreciate that the RIDC is exploring opportunities to ensure a strong, sustainable future and I encourage the creation of a viable program which will provide resources to improve the capacity of the sector through market promotion, production of products, and research activities.

It is clear that strong, grower-directed provincial and national organizations are essential to addressing the challenges in building sustainable, competitive industries. I believe that a National Red Raspberry Council in Canada would promote a strong, efficient and competitive industry and, because the ballots indicate that 73% of raspberry growers in B.C. are in favour of a National Red Raspberry Council, I also agree that it is in the best interest of raspberry sector stakeholders.

In conclusion, I support the formation of a National Red Raspberry Council and I look forward to following the continued growth of your industry.

Sincerely,

Don McRae
Minister

Ministry of Agriculture

Office of the Minister

Mailing Address:
PO Box 9043 Stn Prov Govt
Victoria BC V8W 9E2

Telephone: 250 387-1023
Facsimile: 250 387-1522

Web Address: <http://gov.bc.ca/sgrij>

Quebec Support 2012

RESOLUTION 7: NATIONAL RASPBERRY PROMOTION AND RESEARCH COUNCIL SUBJECT: APFFQ MANDATES REGARDING THE NATIONAL RASPBERRY PROMOTION AND RESEARCH COUNCIL

CONSIDERING the project presented by the British Columbia Raspberry Industry Development Council (BC RIDC) regarding the establishment of a National Raspberry Promotion and Research Council;

CONSIDERING that the Canadian consultations are practically completed (*the results are currently appended*) and that the BC RIDC now wishes to submit its proposal to the Farm Products Council of Canada by the end of February and that, for this purpose, our final decision whether or not to support the project is necessary;

CONSIDERING that the principal mandates of this National Council will be to engage in promotion and generic research to increase domestic raspberry sales and that the action plan will be determined by a board of directors representative of the collaborators;

CONSIDERING that the project currently on the table seeks to levy a contribution of \$0.005 per pound on all Canadian growers who market more than 10,000 pounds per year and exporters to Canada who transact more than 10,000 pounds, for a total annual budget estimated at more than \$350,000 (69% USA and 31% Canada);

CONSIDERING that according to Statistics Canada, Quebec represents 10% of raspberry production in Canada;

CONSIDERING that Quebec would have representation on the board of directors according to its production level;

CONSIDERING that several statistics still have to be collected in order to ensure that Quebec growers are targeted properly;

CONSIDERING that the vast majority of Quebec growers operate on very small acreage;

CONSIDERING that the APFFQ administers the compulsory contributions of strawberry and raspberry growers and that, for this purpose, it manages a large quantity of information allowing a reliable picture of production to be presented;

CONSIDERING that the APFFQ then would be mandated by the National Council to levy contributions on the growers concerned;

CONSIDERING that this project is very promising for raspberry development and production in Canada and in Quebec;

CONSIDERING that a similar project is being considered very seriously for strawberry production and that, for this purpose, the Province of Quebec would take the lead and will need the support of all the Canadian provinces concerned;

CONSIDERING that it is the APFFQ's responsibility to defend the interests of all Quebec strawberry and raspberry growers;

THE QUEBEC STRAWBERRY AND RASPBERRY GROWERS, AT A GENERAL MEETING, REQUEST THE APFFQ:

- to evaluate the Quebec raspberry production picture properly and properly target the growers affected by the levy of \$0.005 per litre, i.e. those marketing more than 10,000 pounds per year;
- to provide the National Council with all the necessary statistics and data so that Quebec's participation is accurately assessed;
- to respect the financial capacity of the strawberry and raspberry growers and of the APFFQ and to ensure that the final proposal for participation in the National Council takes all these factors into account;
- to ensure that the procedure for collection from exporters to Canada is realistic and applicable;
- to participate actively in the preparation of the action plan and to supply the National Council with the Quebec growers' priorities and development projects, whether in promotion or in research;
- to give its support within the deadlines prescribed in the project of the *British Columbia Raspberry Industry Development Council (BC RIDC)* regarding the establishment of a National Raspberry Promotion and Research Council, if and only if the Board of Directors considers that all the winning conditions are combined and that the impacts are favourable for Quebec raspberry growers;

- in the event of positive support for the project, to authorize the APFFQ to pay this contribution from the amount levied on the raspberry growers under its *Règlement sur les contributions des producteurs de fraises et framboises du Québec à l'APFFQ* (By-law on the contributions of Quebec strawberry and raspberry growers to the APFFQ).

Letter of Support from Quebec



Literature and Website Review and Information Sources

Documents

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BC Ministry of Agriculture (2011). "A Global Export Market Overview for British Columbia's Raspberry Industry"

Statistics Canada (June 2009). "Fruit and Vegetable Production Guide". Online at: <http://www.statcan.gc.ca/pub/22-003-x/22-003-x2009001-eng.htm>. Retrieved August 2009.

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Statistics Canada (February 2011). "Fruit and Vegetable Production". Retrieved May 2011. Online at: <http://www.statcan.gc.ca/pub/22-003-x/22-003-x2010002-eng.pdf>

United States Department of Agriculture. Part 1218 – Blueberry Promotion, Research, and Information Order. Online at: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRD3479033>. Retrieved September 2009.

World Customs Organization (2007). Framework of Standards. Online at: http://www.wcoomd.org/files/1.%20Public%20files/PDFandDocuments/SAFE%20Framework_EN_2007_for_publication.pdf. Retrieved September 2009.

Websites

- Agriculture and Agri-Food Canada http://www.agr.gc.ca/index_e.php
- Canadian Border Services Council <http://www.cbsa-asfc.gc.ca/menu-eng.html>
- Canadian Horticulture Council <http://www.hortcouncil.ca/resgrowers.htm>
- Farm Products Council of Canada <http://FPCC-cnpa.gc.ca/index.php>
- Statistics Canada. Canadian International Merchandise Trade Database (HS codes) http://www.statcan.gc.ca/trade/scripts/trade_search.cgi
- Fruit and Vegetable Production 2010 Statistics Canada (22-003-X) <http://www.statcan.gc.ca/pub/22-003-x/22-003-x2009002-eng.pdf>
- United States Highbush Blueberry Council <http://www.blueberry.org/ushB.C..htm>
- USDA American Marketing Service Research and Promotion Programs <http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateA&page=FVOrdersandPromotion>
- World Customs Organization WCO http://www.wcoomd.org/home_wco_topics_hsoverviewboxes_tools_and_instruments_backgrouddocumenths2012.htm
- World Trade Organization (WTO) <http://www.wto.org/>

Canadian Producer Organizations

- B.C. Raspberry Industry Development Council
- Alberta Farm Fresh Producers Association <http://www.albertafarmfresh.com/>
- Saskatchewan Fruit Growers Association <http://www.saskfruit.com/>
- Manitoba <http://www.pfga.com/>
- The Ontario Berry Growers Association <http://www.ontarioberries.com/>
- The Ontario Farm Fresh Marketing Association <http://ontariofarmfresh.com/>
- The Association des Producteurs de Fraises et Framboises du Quebec http://fraisesetframboisesduquebec.com/apffq_fr/accueil.php
- Horticulture Nova Scotia <http://www.hortns.com/>
- Newfoundland/ Labrador <http://www.nlfa.ca/>

Provincial Marketing Boards

- British Columbia Farm Industry Review Board
- Alberta Agricultural Products Marketing Council
- Saskatchewan Agri-Food Council
- Manitoba Farm Products Marketing Council
- Ontario Farm Products Marketing Commission
- Régie des marchés agricoles et alimentaires du Québec
- New Brunswick Farm Products Commission
- Prince Edward Island Marketing Council
- Nova Scotia Natural Products Marketing Council
- Farm Industry Review Board, Government of Newfoundland and Labrador

Contacts that provided information and/or assistance in reaching target groups include:

- Agriculture and Agri-Food Canada
- B.C. Raspberry Industry Development Council
- Canadian Association of Importers and Exporters
- Canadian Beef Cattle Research, Market Development and Promotion Council
- Canada Border Services Council
- Canadian Federation of Agriculture, National Food Strategy
- Canadian Horticulture Council
- Canadian Produce Marketing Association
- Farm Products Council of Canada
- Provincial Marketing Boards
 - Farm Industry Review Board, Government of Newfoundland and Labrador
 - New Brunswick Farm Products Commission
 - Nova Scotia Natural Products Marketing Council
 - Ontario Farm Products Marketing Commission
 - Prince Edward Island Marketing Council
 - Régie des marchés agricoles et alimentaires du Québec
- Provincial Ministries of Agriculture
 - British Columbia <http://infobasket.gov.B.C..ca/>
 - Alberta <http://www.agric.gov.ab.ca/app21/rtw/index.jsp>
 - Saskatchewan <http://www.agriculture.gov.sk.ca/>
 - Manitoba <http://www.gov.mb.ca/agriculture/>
 - Ontario <http://www.omafra.gov.on.ca/>
 - Quebec <http://www.mapaq.gouv.qc.ca/fr/accueil>
 - New Brunswick <http://www.gnb.ca/0027/index-e.asp>
 - Nova Scotia http://www.gov.ns.ca/agri/department/minister_agri.shtml
 - Prince Edward Island <http://www.gov.pe.ca/agriculture/index.php3>
 - Newfoundland/ Labrador <http://www.nr.gov.nl.ca/agric/>
- United States Highbush Blueberry Council
- Washington Red Raspberry Commission