

May 2010



VINELAND GROWERS CO-OPERATIVE LTD.

From the General Manager

BY GEORGE MITGES

YOUR TEAM HERE AT VINELAND GROWERS HAS BEEN BUSY THIS SPRING ON YOUR BEHALF!

We have just completed our Annual General Meeting, held in St. Catharines again this year at the Grantham Lions Club. We made some money, and paid down a significant portion of our long term debt in 2009, while we distributed a sizeable return to the grower community in fruit and supply discounts. Our guest speaker was Dr. Jim Brandle, CEO of the Vineland Research and Innovation Centre. Jim spoke of the renewed direction of VRIC, and they are here to help! We look forward to forging a strong bond with VRIC.

One of our major areas of focus this year will be on fruit quality. Vineland will be participating in a pilot project with a major Canadian retailer, the Value Chain Centre of the George Morris Centre, the Vineland Research and Innovation Centre, and the Tender Fruit Board. Collectively, we will be working to improve the quality of fruit we sell to our retail partners, and to determine how we can do this most effectively, and ensuring that the grower is able to make money. We will have plenty of information for you as the season

unfolds, and will keep you up to speed.

I am pleased to report that Vineland Growers Co-operative was recently awarded the Outstanding Business Achievement award by the Lincoln Chamber of Commerce for businesses over 10 employees. We had some pretty tough competition from two businesses in Beamsville- Propack Packaging, and Cla-Val Industries. We were evaluated on

many different criteria- employee safety, training, and community involvement to name a few. I am very proud of the efforts of the men and women at Vineland Growers, who operate with the same level of respect and integrity when dealing with our customers and each other as the original four founders.

Have a great season. I will see you out there.

Let's Get Prepared

BY PHIL TREGUNNO, CHAIR

From a late start last year to one of the earliest on record. What ever happened to that normal year? Hopefully, we will get past the frost season safely. Historically, early years are good sales years with extra time to market our crop.

This year we will be changing our containers from 3L baskets to plastic as a result of a request from our major buyer. We all know that displays at the store level look pretty rough after a couple of hours of squeezing and repacking. This is an attempt to improve the appearance as well as increase the returns to growers with fewer peaches in the new container. The real challenge will be pricing

the new container vs the existing containers and minimize any consumer confusion. As far as promotion, we can expect retailers to aggressively promote the new container which is always good for us.

The co-op has also secured cold storage space over the long term to insure our committed members have access to adequate storage with the expected crop increases. But even though we have more cold storage space than anyone else, it's up to growers to be prepared to pack to order to maximize returns which will be even more important with this year's different containers.

Operations

BY DAVE LEPP, MANAGER OF OPERATIONS

Officially we have entered the spring of 2010 and we can state, the winter past was not too bad. Less snow than normal, warmer than normal, not a whole lot of nights with wind machines running. I guess it was a good winter from a weather perspective. Does that mean our vines and trees have survived and we are on our way for a good year? Wait just a minute, there is always spring and it is probably more responsible for bud damage than any cold winter. We have already seen some very warm days for the start of spring and that has pushed our crops out of dormancy quicker than usual. Blossoms were out fast even with normal temperatures and "full bloom" for peaches was two or three days ahead of the earliest recorded in history. I believe it is safe to say, we are in for an early harvest. There have been a few nights that were cold and even a bit of frost noticed but nothing severe enough to hurt crops to any degree. Some strawberry blooms were nipped by frost but that's not unusual. If we get sufficient moisture with proper heat units, the crops will come up big and it's just what we need for 2010. Okay predictions are over. Let's look at what's happening.

The "Fresh Fruit Growers Advisory Committee" is in the process of reviewing the requirement of a "receiving temperature protocol", as it relates to product arriving at our loading docks. We all have different ideas of the meaning of "pre-cooled" but this new protocol will define what is meant by the term "pre-cooled". The



biggest area of concern is in the "fresh grape industry" as this crop has generally been harvested and packed in the field and sent to the shipper. The entire industry group of shippers was sent back with truck loads of grapes last year because they did not reach the desired requirement for cooling when they reached the distribution centers. In an effort to combat this requirement, the FFGAC (fresh fruit grower's advisory committee) will be working with staff to determine growers' responsibility for cooling and also the shipper's responsibility for cooling. A decision is expected in April and a meeting with all growers will be arranged.

In another matter, "Grower Audits" is a topic still under discussion. We have asked for audits to be conducted every three or four years and we believe this will materialize. Certain buyers require a "global gap" and that would materialize with any product being exported. At the moment, I would suggest

growers be prepared for an annual audit until otherwise notified. Get your material ready because it needs to be in the same state as if you were receiving an audit. Start your reports now when we open the barns and packing facilities. It's much easier to work on daily reports than try and catch up at a later date. The new manuals are available to download on line at www.canadagap.ca. or pick up a copy at our office at 4150 Jordan Road.

Growers will soon be receiving the annual "grower commitment letter", which is a letter of commitment to specific guidelines and regulations. These will be available at the grower meeting May 6th at Rittenhouse Hall. Growers who have not provided their crop estimates for 2010 are encouraged to get those in ASAP.

If you were unable to attend the "Grower Workshops" this past February and would like copies of the "Varieties to Plant" sheet, please contact our office and we would be happy to provide a copy.

As some of you already know, Vineland Growers has secured the cold storage facility known as the Delaine Storage on a rental basis. This facility has 10 cold storage rooms and we intend to use these rooms to the best of our current needs. That means, at times, some of this space will be utilized as dry storage space, something we are short of at the moment. This should be a big help for us during the busy summer months, and will supply adequate room for our coolers on a daily basis.

The year 2010 will be a tough year for growers who do not want to make changes to the new methods required for farming today. Things are moving much quicker today than that of a decade ago. We are here to help you move forward and anticipate your cooperation in this initiative.

Have a great spring and summer.

Human Resources

BY MIKE RYAN, HR/DIRECTOR OF FINANCE

For several years the Co-op sector has been lobbying for specific changes to the Co-operative Corporations Act. On December 17, 2009, Bill 218 put into law a number of requested alterations, however, the much debated requirement that a co-operative must conduct the majority of its business (i.e. 50% or more) with its members remains intact.

As a result, the Ontario Co-operative Association (On Co-op), as part of its government relations activities, devoted its March 5th newsletter to the 50% rule.

Arguments for the retention of the rule centre on the basic ideals of a co-operative (that is, meeting the "common economic, social and cultural needs and aspirations through a jointly-owned and democratically

controlled enterprise".) Without the rule, a co-op could easily become controlled by a small number of members to the "exclusion of a large number of non-members." On the other hand, arguments against keeping this rule focus on ensuring the continual healthy financial viability of the co-op. Co-ops unable to engage in potential business opportunities run the risk of altering the member business ratio, thus becoming stagnant and unable to grow. Even if new business opportunities could be found, the 50% rule limits the co-op's ability to raise capital to fund the new venture.

If the length of time that it took to enact Bill 218 is any indication of future changes, then the 50% rule will continue to be debated for some time.

A Spring Facelift!

BY ED POGODA, MANAGER RETAIL AND IT

In case you haven't made your first spring visit to one of our stores yet, stop by because we have been busy these last few months. Both our Jordan and Virgil stores received a new look with a fresh coat of paint and some new signs. The store walls are no longer that dull, drab beige; instead they are now a cleaner, brighter white. All the shelves and displays received a fresh coat of paint as well. They have been reorganized and filled with the products you told us you want. We also installed new signs that hang from the ceiling to point you to key areas of the store. Oil & Lubricants, Safety Supplies, Boots & Gloves to name a few. Come on by, you will like what you see!



On Farm Food Safety!

Vineland Growers announced in February a new On-Farm Food Safety Kit we put together to help growers and packers with upcoming Food Safety Audits. As most of you know the Canadian Horticulture Council conducts audits of facilities to ensure certain food safety standards are met. Things like building cleanliness, rodent control, and employee hygiene are at the top of the list. This starter kit will help you in all these areas. The kit includes; cleaning supplies such as disinfectants and protective gloves, various size rodent traps for both inside and outside your buildings, a wall mount hand sanitizer for your employees and food grade grease for your packing equipment. All products are CFIA (Canadian Food Inspection Agency) approved. Kits are on sale now at both our locations or on-line from our website for an introductory price of \$199. Visit www.vinelandgrowers.com for more details.

HEALTH AND SAFETY IN THE WORKPLACE

Manufacturing

BY DAVID PRUDHOMME, MANUFACTURING MANAGER

Forming and gluing of corrugated baskets has been underway since the first of the year, in anticipation of the upcoming harvest. The demand and volume of containers needed for the season requires VGC to form and glue baskets early in the year, so that we are ready to meet your container needs.

The full time manufacturing people have also been performing the minor retooling of the original Mub machine, utilizing it to form and glue a single layer panta tray. This panta tray will be used for premium tree ripened VGC Brand peaches this year.

Other activities in the manufacturing department through the winter months have been, the preventive maintenance of all of the machines, pre-scheduling the production of the various containers and exploring the potential of new containers. We have also been busy assembling waxed picking baskets, making Mubs and mushroom boxes.



Purchasing

BY SCOTT WRIGHT, PURCHASING MANAGER

After the major increases we saw in fertilizer pricing the past few years, I am happy to say that this spring growers will finally see some relief, as prices have come down to a manageable level. Knowing that growers cut back on fertilizer applications due to the high costs, this spring would be an ideal time to think about soil sampling as it is a very cost effective way of determining what your nutritional needs are, our counter staff will be happy to assist you with sample bags and recommendation will be provided by A&L Labs.

Apple Scab resistance to Strobilurin fungicides was confirmed in seven orchards in 2009. Based on the experience in nearby US states there are concerns that this could become a widespread issue in Ontario. With this in mind please take great care when using any group 11 Fungicide to delay the spread of resistance.

Last fall I spoke about the addition of agricultural fertilizer to the Municipal Hazardous Waste program through Stewardship Ontario. Over the past several months, The Ontario Agri Business Association has made considerable effort to work with Stewardship Ontario to address the shortcomings of the MHSW program scheduled to become effective on July 1, 2010. Under a directive of the M.O.E., the consolidated MHSW program will place a "disposal levy" on all agricultural fertilizers sold in packages of 30 kg. or less. The original fee published was \$0.41/kg; however the actual amount of the disposal levy is yet to be determined. The OABA has submitted correspondence to the Minister of the Environment, specifically to Minister Gerretsen clearly outlining the industry concerns. Fertilizers are NOT hazardous or special waste! And agriculture fertilizers should not be included in the municipal hazardous and special waste program—regardless of package size

The reply OABA has received from the Minister of Environment fails to address industry concerns. The Ministry of Environment position on this issue is misdirected and the proposed levies on agricultural fertilizer will undoubtedly add unnecessary costs to Ontario's agricultural production sector and will be a direct hit to smaller scale farmers and greenhouses that rely on packaged fertilizer.

I would strongly suggest that you take the time to contact your local MPP and voice your concerns.

Health and Safety in the Workplace

BY DIANNE GAIERO

CO-CHAIR, JOINT HEALTH AND SAFETY COMMITTEE

Bill 168, law as of June 2010, amends the Occupational Health and Safety Act to incorporate formal definitions of both workplace violence and harassment. Included will be additional duties and responsibilities for the employers, supervisors and workers in the prevention of workplace violence.

To ensure that we are in full compliance when the new law takes effect, the Joint Health and Safety Committee is revising our Health and Safety Systems Manual, which will include a workplace risk assessment. Revisions and additions to both full-time and seasonal employee packages will also be necessary. Everyone here at VGC must be aware of this new law and practice due diligence in ensuring that our work environment is free from violence and harassment and/or bullying of any kind.

The statistics surrounding workplace violence are unsettling. According to a 2004 Canadian survey, 17% of violent incidents occur at the workplace. This figure represents approximately 356,000 incidents in a 12-month period across Canada. Moreover, in the last five years, 66% of organizations have reported an increase in aggressive workplace acts. Last year MOL inspectors visited 198 workplaces and issued 185 orders related to workplace violence.

When the Committee sat down to study the risk factors specific to our company, including contact with the public and exchange of money, delivery of goods and working alone, our risk rating for these was minimum to moderate. Ongoing training and education, continued consideration and sensitivity to our workmates and customers, will ensure that Vineland Growers is a workplace that is and remains free from workplace violence and harassment of any kind.

Fresh Fruit Update

BY MIKE ECKER, VICE PRESIDENT, SALES AND MARKETING

In 2009 we saw a sharp increase in our peach sales, by \$1,000,000 (85,000 cases). Our tree plantings show that all things being equal our fresh peach production should increase by 10% each year over the next 3 years.

We tested experimental packaging that will be more consumer friendly, and address our retail partner's needs on high shrink and our grower's needs on price per lb. This will continue in 2010 and hope we will have consistent packaging for 2011.

In 2009 we continued to increase our nectarine tree plantings, in hope to obtain our 25% -75% ratio to peach tree plantings.

We saw a decline in fresh cherry sales and expect more of the same for 2010.

2009 may have brought to a conclusion our involvement in strawberry sales as the Ontario market is shifting to the ever bearing varieties and their production timing does not fit into our Grower/Member schedule.

2010 will see us continue our focus on increased production of Fresh Fruit as acres are replanted from the loss in almost all of our processing facilities in Ontario over the past few years.



Congratulations! Congratulations!



ON NOVEMBER 9, 2009, **tim emmons**, GROWER ADVISOR IN JORDAN (FORMERLY OF VGC Fonthill) became a **FATHER** to **BRYNNE GRACE**.

ON DECEMBER 29, 2009, **ROBERTA BEAULIEU**, SALES CO-ORDINATOR at VINELAND GROWERS', became a **GRANDMOTHER** to **CARSON JACOB LUKAS**.



Way to go!

Diane Gaiero, Accounts Payable Dept. at the VGC office in Jordan, completed the **"Around The Bay" 30 kilometer run** on Sunday, March 28, 2010.

CIBC Run for the Cure
CANADIAN BREAST CANCER FOUNDATION

This year on October 3, 2010, VGC will be participating in the CIBC Run for the Cure. We will have a booth at Grantham Lions Club and hope that staff will participate and help put this terrible disease out of existence. For information about the run (or walk, if you like), you can visit the website, www.runfortheCure.com.

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