

## **Changes to the Processing Vegetable System**

### **STATEMENT**

December 11, 2019

Ontario's processing vegetable industry is an important part of our agri-food sector. It is a major contributor to the province's economy and supports good jobs in our rural communities.

I have heard concerns that the price negotiation and marketing system for processing vegetables – primarily for tomatoes – was not working for a number of processors and growers. Despite growing demand for Ontario tomato products, production growth has largely remained flat, and exports have declined to a third of what they were a decade ago. This decreased demand occurred at the same time imports have increased dramatically and key processors have left the province. It was clear to me that something needed to be done to address the competitive realities in the province and encourage growth and investment.

In April, I asked the Ontario Farm Products Marketing Commission to develop a new marketing approach for the processing vegetable sector by amending Regulation 440: Vegetables for Processing - Marketing.

Over the summer, I consulted extensively with stakeholders to better understand the industry's perspective. I appreciate everyone, including growers, processors and the Ontario Processing Vegetable Growers' board, who took the time over the last few months to share their input.

The majority of responses we received from tomato growers through the regulatory posting supported a change for direct marketing. Tomato processors have also asked for change.

I met with carrot growers and heard that their biggest concern was the length of their contracts but given the small number of people involved in negotiations, the current regulations didn't reflect the reality of how closely they worked together.

I understand there is no single solution that will satisfy everyone. That's why we have created a system for carrots and tomatoes with flexibility to let growers and processors work together, and to let the growers of each processor decide how they want to proceed.

Amendments to Regulation 440 will now allow carrot and tomato growers to vote through secret ballot on whether to negotiate directly with their processors, either individually, as a group of growers, or through a negotiating agency. The amendments also extend the

guaranteed contract term for these commodities to three years, which will provide growers greater security and stability.

During my consultations, I was pleased to hear the marketing system continues to work well for those who grow and process processing vegetables other than tomatoes and carrots. As such, only minor, targeted amendments have been made to improve the current negotiation framework for these commodities.

I feel these changes will lead to a balanced process that provides flexibility for producers and processors to work together while providing the stability and protection everyone needs to grow the sector.

These amendments have been developed based on what we heard from producers and processors. I strongly believe they will enable this important sector to be more competitive and sustainable and provide a structure so the industry can work together to ensure its success.

I have written to tomato growers, carrot growers and the other processing vegetable growers to thank them for their input, outline the impact of these changes, and respond to some of the concerns raised during consultations. I have asked the Ontario Processing Vegetable Growers to distribute these letters. They are also available through the links below.

[Minister Hardeman Letter to Growers of Ontario Processing Tomatoes Re: Regulation 440 Amendments](#)

[Minister Hardeman Letter to Growers of Ontario Processing Carrots Re: Regulation 440 Amendments](#)

[Producers of Non-Tomato and Non-Carrot Vegetables Re: Regulation 440 Amendments](#)

For more information, please contact the Ontario Farm Products Marketing Commission: Kyle Kubatbekov – [kyle.kubatbekov@ontario.ca](mailto:kyle.kubatbekov@ontario.ca) (226) 962-2547

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