



cranberries

2014 Annual Report
BC Cranberry Marketing Commission

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Agenda

Welcome

2014 AGM Minutes

Reports

**BCCMC
Financial Statements**

**BCCRS
Financial Statements**

Election

Other Business

Guest Speaker - John Les

2014 AGM Minutes

Item No.	Item	Discussion	Decisions
1	Welcome	Commission Chair, Jack Brown, welcomed growers, agency representatives and special guests.	
2	Minutes of the Feb. 20, 2013 AGM		Motion - That the Minutes be adopted as circulated. CARRIED
3	Reports		
	Report from the Chair	Chair, Jack Brown presented his report on the 2013 year.	
	Report from the Board	Board member Jack DeWit presented the report on behalf of the Board.	
	North American Cranberry Industry Report	Todd May presented a report on the North American Cranberry Industry. T. May and J. Hamilton attended the recent US Cranberry Marketing Committee meeting. At that meeting, members voted in favour for a Producer allotment percentage of 85% for the 2014 cranberry crop. The Commission will be reviewing all information and will be scheduling meetings with growers and agencies as the process moves forward.	
	Research Report	Board member Todd May presented the Research report, including a summary of 2013 projects and research priorities for 2014.	

Chair: Jack Brown

Commission Members: Todd May, Jack DeWit

Manager: Dianne Driessen

Growers & Guests: 25 growers and guests attended

Time and Place: 10:10 AM, February 25, 2014 Richmond BC

Item No.	Item	Discussion	Decisions
	Consumer Education Report	Commission contractor Geraldine Auston was unable to attend today's meeting. D. Driessen presented a report on behalf of G. Auston detailing activities undertaken in the Commission's 2013 consumer education program.	
			Motion - That all Reports be received. CARRIED
4	Financial Report	Agatha Cluff, CA, presented the 2013 audited Financial Statements for the BC Cranberry Marketing Commission and the BC Cranberry Research Society.	Motions - That the 2013 Financial Statements for the Commission and Society be received. CARRIED
5	Elections	Jack Brown read a letter forwarded by Independent Elections Officer, Andre Solymosi, advising the meeting that as only one nomination was received Todd May was re-elected to the Commission for a further three year term.	Todd May was elected by acclamation for a further three year term.
6	Other Business	Richard Bullock, Chair of the BC Agricultural Land Commission addressed the meeting.	
7	Adjournment		The Chair adjourned the meeting at 11:30 AM.

From the Chair

Good morning and Thank You for attending our Annual Meeting. The highlight of the past year had to be the opening of the BC Cranberry Research Farm on September 5th 2014. It was a beautiful day, we had a great turnout and the farm looked great. Todd and Grant deserve a huge thank you for their devotion to this project. I cannot over emphasize how valuable this Research Farm will be in sustaining the future of BC's Cranberry industry.

The issue that took up a good portion of our time was the proposed Volume Regulation for the 2014 crop. However, after many weeks of deliberation the USDA decided not to use the Volume Regulation for the 2014 crop. During this process this Commission spent considerable time preparing to use our legislative authority to have a volume regulation of our own to mirror the actions of the USDA.

This past year the Scholarship Review Committee recommended that we present 2 scholarships. The reason being was that these two individuals were so close in qualifications they couldn't choose one and not the other. The scholarships went to Natalie May and Lauren Kelly. There were five applications in total, which I think is great and I would encourage all the young growers to continue to apply for this Scholarship.

While we are on the topic of young growers, this past year the Commission held two planning meetings and sponsored a Forum for the Young Growers with 40 plus growers in attendance. There will be another planning meeting in the near future to help with the organizational structure.

I attended the CHC AGM last year. It was held in Kelowna, three very busy days dealing with a variety of horticultural issues ranging from pesticide registration to off shore labor. Dianne and

I attended two Chair and Manager meetings for those of us that are involved in regulated marketing.

The Commission participated again last year in the Fraser Valley Food Show, Dianne and Geraldine were in the bog for the duration of the show and gave away a lot of Craisins. We also supported Health projects through the Cranberry Institute. We are in our second year of participating with the CFIA's Fruit and Tree Nut Biosecurity Advisory Committee, Neal Hamilton represents us at that level.

Throughout the year the Commission met 7 times. I must say that the Commissioners bring a variety of talents and opinions to the table. We have on occasion had some lively discussions, which is very healthy. At the end of the day we were always able to reach consensus which included a unified position. To my fellow Commissioners, Thank You for your patience, knowledge, and wisdom. Your participation and co-operation has made the job of the Chair a pleasure. A special Thank You to Dianne, firstly for putting up with me and secondly for always being there and ready to get the job done.

My term as Chairman will finish in early March, It is my intention to apply for another term of three years. I have enjoyed being your Chair immensely, the rewards far outweigh the challenges. I have the full support of the Commission going forward and if successful, I look forward to the challenges the future may bring.

Respectfully submitted:

Jack Brown, Chair
BC Cranberry Marketing Commission

From the Board

Good morning everyone and thank you for attending this Annual General Meeting of the BC Cranberry Marketing Commission. On behalf of the directors, I would like to welcome you here today.

Directors regularly review the Commission's strategic priorities - the work completed, underway and work yet to be done. The Commission remains committed through SAFETI (Strategic, Accountable, Fair, Effective, Transparent, Inclusive) principles to demonstrate accountability and transparency to the industry as a whole as well as to the general public. Annual reports are, and will continue to be, posted to the Commission's website.

Early in 2014 the US Cranberry Marketing Committee voted to support a recommendation to the USDA Secretary for the establishment of a volume control to reduce the volume of cranberries going into the market from the 2014 crop. Had the USDA supported the recommendation, the control was intended to stabilize marketing conditions and improve grower returns. As our industry is very North American it is important that we work closely as an integrated industry with common objectives and programs. Commission directors, with input from legal counsel, reviewed legislation and orders and considered ways to determine a fair allotment process for BC growers.

As it turned out, in the summer, the USDA terminated their consideration of a volume regulation for the 2014 crop.

In 2014 we issued 72 grower licenses, 6 producer vendor licences and 4 agency licenses. Registered BC acreage was 6,541 acres and the crop delivery for 2014 was 837,538 barrels.

The Commission along with representatives from the Growers Association, agencies and other industry stakeholders make up industry Committees. The results of the partnerships within the cranberry industry allow for the planning and delivering of programs and events for growers and others. We are always mindful of our fellow growers and other stakeholders for their continued support and advice. A strong feature is the

co-operative nature of the cranberry industry and its willingness to work together. This has greatly assisted in the ability to deliver valuable programs and services.

The Commission's strategic priorities guide our purpose and activities to:

- Maintain a regulated marketing system
- Support ongoing research and development within the industry
- Advance grower production knowledge through appropriate training and education
- Provide increased industry promotion and review diversification opportunities
- Enhance communications and cooperation
- Maintain industry initiatives and strategic focus by strengthening the Commission

The 2014 strategic priorities and the programs and services provided to our growers are outlined in further detail over the next few pages of this Report.

On behalf of my fellow directors, we would like to thank the many people and organizations who have supported and helped us throughout the year including Agriculture and Agri-Food Canada, BC Ministry of Agriculture, Investment Agriculture Foundation of BC, BC Farm Industry Review Board, BC Council of Marketing Boards, BC Cranberry Growers Association and the BC Cranberry Research Society. A special thanks to our agencies, producer vendors and growers.

Respectfully submitted:

Jack DeWit, on behalf of the
BC Cranberry Marketing Commission

Governance

Board Structure

The Commission is currently comprised of Jack Brown, Chair appointed by the Lieutenant Governor in Council, Jeff Hamilton, Todd May and Jack DeWit, elected members who are registered growers and Bob Mitchell, non-grower, appointed by the Commission.

Commission Member Terms
As of February 25, 2015

Board Member	Position	Term Start	Term End
Jack Brown	Chair (Cabinet Appointed)	March 8, 2012	March 8, 2015
Jeff Hamilton	Elected Member	February 2012	February 2015
Rob Mitchell	Appointed Member	January 2013	January 2016
Jack DeWit	Elected Member	February 2013	February 2016
Todd May	Elected Member	February 2014	February 2017

The term for office is three years and the three elected members' terms are staggered. The BC Council of Marketing Boards acts as the Commission's Independent Elections Officer.

The BC Election and Appointment Rules and Procedures will be reviewed this year.

Chair Evaluation

The Commission completed a Chair evaluation through the services of the BC Council of Marketing Boards.

Training

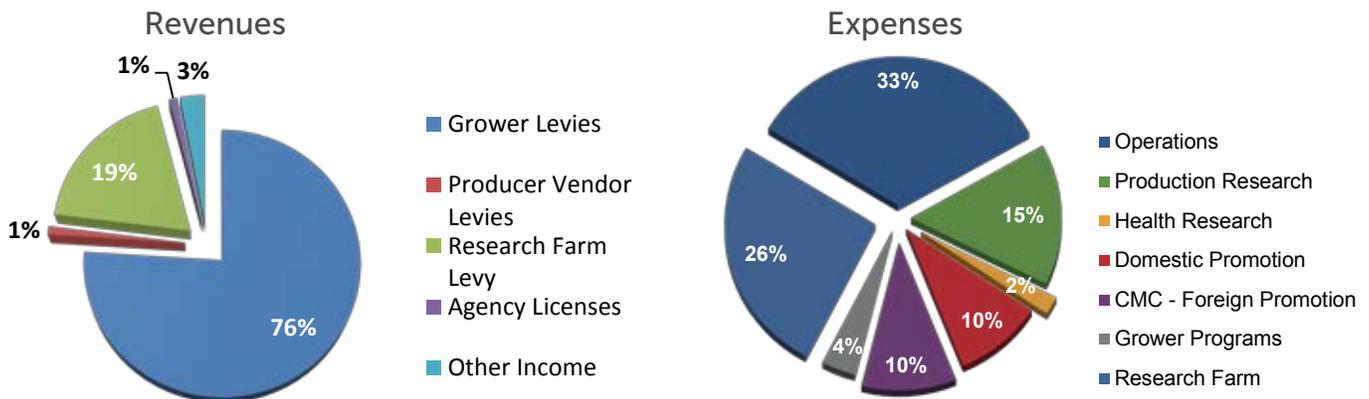
Directors and staff participated in ongoing educational programs sponsored by the Centre for Organizational Governance in Agriculture (COGA) and attended meetings with the BC Council of Marketing Boards and the BC Farm Industry Review Board.

Financial Accountability

1. Levy collection:

Levy collection is done as per the General Orders of the Commission. These Orders are included on the website. Licensed agencies submit these levies on behalf of growers. Producer vendors remit levies directly to the Commission. Regular levies are used to fund Commission activities and general operations. Current levy rate is \$0.0048 per pound. Levy rates are reviewed annually and are determined by historical costs and revenues along with projected costs and revenues.

The Financial Statements, included in this Report, will include the details of levy income and distribution. The chart below illustrates the percentage of levies used on various budget items.



2. Agreement between the BC Cranberry Research Society and the Commission:

The Commission and the BC Cranberry Research Society continues the requirement of the Society providing to the Commission:

- (i) Annual budget for funding required for the operations of the BC Cranberry Research Farm.
- (ii) Acknowledgement that funding forwarded to the Society from the Commission will be used only for the purpose(s) of the Society which includes:
 - To research the growing and farming of cranberries;
 - To operate as a cranberry research farm;
 - To perform such other lawful things as are incidental, necessary or conducive to the above purposes
- (iii) Minutes of Society meetings
- (iv) Quarterly and annual financial statements

Activities

Committees

Events

Key Advisory Committee Activities

Research Committee

This Committee is tasked with the responsibility of setting practical research priorities and reviewing and prioritizing research projects submitted.

In March, the Research Committee received, reviewed and approved projects for full or partial funding to the Commission. The research projects included:

- Decision Making for Management of Cranberry Tipworm - S. Fitzpatrick
- Integrated Research for Sustainable Insect Pest Management in Cranberries (Year 2) - C. Rodriguez-Saona
- Insecticide Chemistries Compatible with Chemigation - K. Patten
- Emerging Pests - Cranberry Fruitworm - T. Hueppelsheuser
- Surveillance of Plant Pathogens on Cranberry Fields in the FV - S. Sabaratnam
- Exploring Control of Foliar Cranberry Pests with New Biological Pests - D. Henderson
- Demonstration of Bumble Bee and Indicator Plant Gardens - R. Prasad
- Evaluation of Fungal Populations in BC Cranberries as it Relates to Fruit Rot - F. Caruso
- Publication of a Translated Weed Identification Guide - H. Sandler
- Pesticide Evaluations for Controlling Tipworm and Dearness Scale - B. Mauza

The Committee met again in December to review and accept the research project reports. As well, the Committee reviewed research priorities and the application format and procedures for 2015.

Research Committee

BC Cranberry Congress Planning Committee

Scholarship Review Committee

BC Cranberry Congress Planning Committee

On February 4, 2014 this Committee hosted the BC Cranberry Congress. This was the 8th Congress and was well attended by growers and others.

Speakers and Topics included:

- Drainage Uniformity and Effects on Cranberry Yields and Main Research Topics with First Results
~ Dr. Jean Caron, Université Laval
- Changes to the Water Sustainability Act and Agriculture Waste Control Regulations - What Cranberry Growers Need to Know
~Ted van der Gulik, BC Ministry of Agriculture
- Reduced-risk Management and New Herbicides for Cranberries in BC
~Dr. Kim Patten, Washington State University
- Decision Making for Management of Cranberry Tipworm
~Dr. Sheila Fitzpatrick, Agriculture and Agri-Food Canada
- Cranberry Fruitworm
~Tracy Hueppelsheuser, BC Ministry of Agriculture
- How Healthy are our Bees and What are the Implications for Cranberry Growers?
~Dr. Paul van Westendorp, BC Ministry of Agriculture

Scholarship Review Committee

This Committee met to review all applications received for the 2014 Scholarship grant. Directors agreed to this Committee's recommendation that two full scholarships be awarded in 2014, one to Natalie May and one to Lauren Kelly.

Activities

Committees

Events

Young Growers Committee

The cranberry industry in BC is fortunate that it is multi-generational with a strong contingent of keen young growers. To help maintain a healthy industry in the years to come this Committee was tasked to plan a Forum for our young growers. The Forum held on December 3rd was an opportunity to encourage the coming generation of growers to be strong leaders and advocates for the industry and provided an opportunity for networking among like-minded young growers. Speakers and topics included:

- Regulated Markets in BC - Clayton Botkin, BC Ministry of Agriculture
- Role of the BC Cranberry Marketing Commission - Jack Brown, Chair
- Role of the BC Cranberry Growers Association - Mike Wallis, Executive Director
- Leadership and 'Ag-vocacy' - Kerry Froese, Canadian Young Farmers and BC Chicken Marketing Board
- BC Cranberry Industry: Challenges and Opportunities - Rebecca Harbut, Kwantlen Polytechnic University

Communications Committee

This Committee has begun the task of preparing a Communications and Crisis Management Plan. The Cranberry Institute has provided their permission to use any, or all parts, of their Crisis Communications Management Plan. The Committee is currently reviewing the Plan and developing Industry Fact Sheets and Question & Answers.

Economic Impact of the North American Cranberry Industry

This Report commissioned by the US Cranberry Marketing Committee and prepared by Julian M. Alston, Josué Medellín-Azuara and Tina L. Saitone was received and is posted to the Commission's website.

Newsletter

The Commission communicates with industry partners via the quarterly Newsletter. The Newsletter contains reports, industry events and updates and information about programs that growers may be interested in learning more about. The Newsletter is emailed or mailed to growers, agencies and other stakeholders. Past Newsletters can be accessed on the Commission's website.

Industry Partners

The Commission's directors participate and attend meetings with:

Canadian Horticultural Council: The CHC represents producers across Canada primarily involved in the production and packing of over 100 fruit and vegetable crops. As the voice of horticulture in Ottawa, the CHC represents members on key issues such as crop protection, access to a consistent supply of farm labour, food safety and traceability, fair access to markets, research and innovation and government programs to ensure for a more innovative, profitable and sustainable horticultural industry for future generations.

US Cranberry Institute: The Cranberry Institute is dedicated to supporting research and increasing awareness about the health benefits of the cranberry.

US Cranberry Marketing Committee: The Cranberry Marketing Committee (CMC) was established as a Federal Marketing Order in 1962 to ensure a stable, orderly supply of good quality product. The Marketing Order has been amended several times since its inception to expand the CMC's ability to expand market development projects in domestic and international markets.

BC Ag in the Classroom Foundation is an organization that works with educators through various programs to bring BC's agriculture to students. Students learn about where their food comes from, how to grow their own food, and why farms and agriculture play such an important role in our society.

Consumer Education Report

Wellness Show

As sponsors of the Celebrity Cooking Stage at the 22nd Annual Wellness Show in Vancouver, the BCCMC is guaranteed one cooking stage at this popular event. In 2014, we were fortunate to have three chefs select cranberries for their cooking stage:

- Black + Blue Restaurant: Grilled Mushroom Stuffed Pork Loin with Cranberry Apple Glaze
- Graze Restaurant : Watercress and Cranberry Coulis on Roasted Chestnut Sage Bread and Lemony Cashew Cheese
- The Acorn Restaurant : BC Cranberry, Beet and Strawberry Smoothie

We were fortunate to secure three chefs for this event! Author and Chef, Aaron Ash; Executive Chef Wayne Harris of Shangri-La Vancouver; Executive Chef Jason Harris of Fraiche all made creations with BC cranberries. About 28,000 people attend the Vancouver Wellness Show over the 2 ½ days of this event.

Dietitians of Canada Annual Conference Attendance

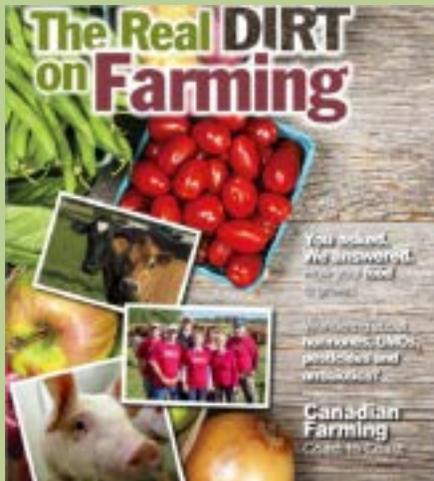
Over 700 Registered Dietitians from across Canada attended the 2014 National Conference in Ottawa. As always, this is a unique opportunity to get one-on-one time with Dietitians to answer their questions about cranberries and cranberry products.

As questions and concerns around added sugar is in the spotlight these days, information on sugar (from the Canadian Sugar Institute) was provided as well as information on Craisins. Ocean Spray also very generously donated snack pack Craisins for this event, and they were very well received with excellent feedback on the product and packaging.

The Real Dirt on Farming

The 2014 edition of the Real Dirt on Farming featured "Canadian Farming-Coast to Coast". A production created in Ontario by the Farm & Food Care Foundation addresses questions consumers have about how their food is grown in Canada.

The BC cranberry industry was also featured, by way of our very own Grant Keefer's farmer profile (page 16 of the Real Dirt).



Twitter Parties

Truly a phenomenon of modern times, a twitter party is a fast virtual party, using the twitter platform. Usually held in the evening, twitter parties typically last 1-2 hours and are an excellent way for people to connect and discuss a topic of choice. Most twitter parties have an expert panelist and party host to keep the party on topic.

BC Cranberries participated in two Twitter Parties in 2014, one with the Cranberry Marketing Committee, which was intended to promote the consumption of US Cranberries and the other to launch the Real Dirt on Farming and promote awareness of Canadian Agriculture.

The Real Dirt Twitter party required participants to answer questions based on the content in the new Real Dirt. The BC Cranberry Marketing Commission offered a prize for a family of four to visit a cranberry farm during the 2015 harvest.

Consumer Education Report

Fraser Valley Food Show

The 2014 Fraser Valley Food Show was held the weekend before Thanksgiving, the perfect time to talk about harvest!

The appearance of our cranberry “bog” was well received, again, with many visitors interested and surprised to learn of the significant size of our BC industry. New for us and a run-away hit (literally) were new BC Cranberries shopping bags. Ocean Spray donated the new Reduced-Sugar Craisins to sample to consumers and I found it interesting to learn that many consumers were not aware that Craisins had added sugar. The discussion on sugar is an interesting one, and many people are confused by sugar and all of the reduced-sugar products – more to be done here in the future! Also featured at our booth, the new fresh cranberries packaging from Ocean Spray sporting the “Fresh from British Columbia” identification.

Many thanks to Brian Mauza at Ocean Spray for ensuring that we had cranberries to float in our bog!

Harvest Media Release

Every year, media looks for something new to report on our harvest, a “hook”, a reason to cover the harvest for yet another year. As proof, here is a blurb from the October 2014 Globe & Mail:

Every year, photographer John Lehmann promises himself it will be the last he captures the annual cranberry harvest at the Maybog Cranberry farm in Richmond, BC. But he can't resist the vibrant colours of the bog. This is his fourth year and sixth trip to the farm, and not once has the shade of red or the drama of the fall sky been the same. Maybe this will be his last year, but we are guessing probably not. Well, we all know there are no two harvests the same in cranberry production and 2014 was no exception.

Our “hook” this year was the warm weather and our release titled “Wanted: Cooler Weather for Crimson Cranberries”. It did the trick and media came to our farms. After all, who can resist our dramatic harvest? Not John Lehmann (and many others).

Take a Bite of BC

Appreciation

The success of the Take a Bite of BC program continues to grow from the time I delivered 100 pounds of fresh cranberries to 5 chef instructors in the back of my Mini. Fifty-seven high school teaching kitchens in the province are now recipients of BC grown products.

Ocean Spray continues to generously support this program to ensure that these teaching kitchens receive fresh cranberries.

This autumn, it will be 9 years since I began this wonderful adventure of working with the cranberry industry in BC. I would like to thank all of you for your support in our work to educate consumers on the BC cranberry industry and cranberry products.

It has been an absolute privilege to work with all of you.

With gratitude,

Geraldine Auston

BCCranberry Marketing Commission

“ The Take a Bite of BC Program inspired us to take a field trip to see the cranberry harvest. These donations have allowed us to introduce BC product to new international students. We served a Christmas dinner with all of the trimmings!

– Chef Green, David Thompson Secondary



Participating Schools 2014/15

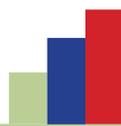
David Thompson (Government)
David Thompson Secondary (West)
Delta Secondary (University)
Dwyer Bay Secondary
Edward Milne Secondary
Evelyn Clark Secondary
Esquimalt Secondary

Frank Hart Secondary
Grainland Secondary
Grainland Park Secondary
L.A. McIlwain Secondary
Ludymouth Secondary
Lord Tweedsmuir Secondary
Maple Ridge Secondary

Matthew McNair Secondary
Queen Elizabeth Secondary
Samuel Robitsek Technical
Snoqualm Secondary
Squamish Secondary
St Charles Teacher
South Delta Secondary

Spectem Secondary
Stoll's Secondary
Tasmanian Secondary
Tasmanian Secondary
Theresa Hanley Secondary
Vancouver Technical
Vancouver Secondary
Wabul Grove Secondary

Statistics



BC

Year	Growers	Producer Vendors	Agencies
2014	72	6	4
2013	72	7	4
2012	73	8	4
2011	72	7	4
2010	75	7	4

BC

Year	Production (barrels)	Acreage
2014	837,538	6,541
2013	941,277	6,566
2012	944,051	6,539
2011	607,520	6,505
2010	643,851	6,508

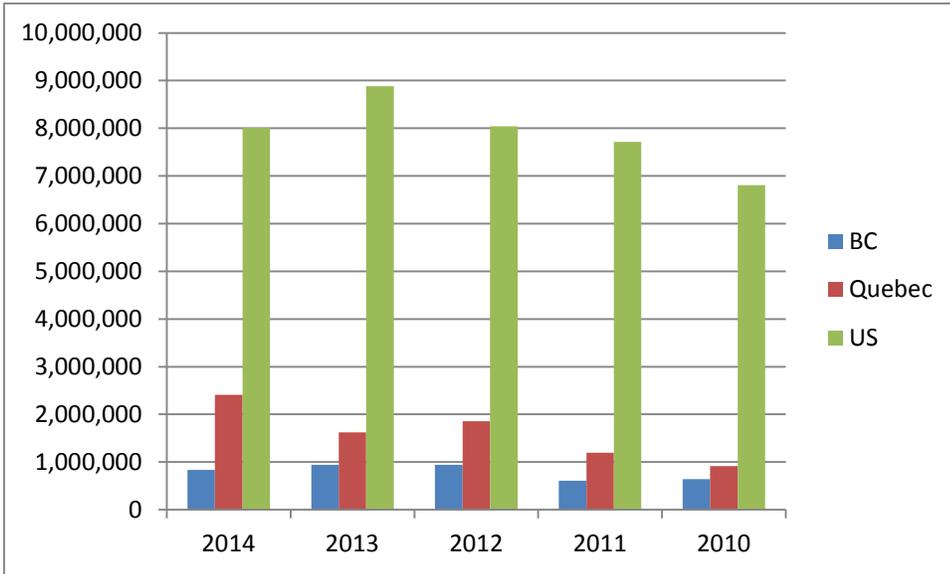
US

Year	Production (barrels)	Acreage
2014	8,008,547	40,500
2013	8,880,700	42,000
2012	8,045,000	40,300
2011	7,713,700	38,500
2010	6,808,200	38,500

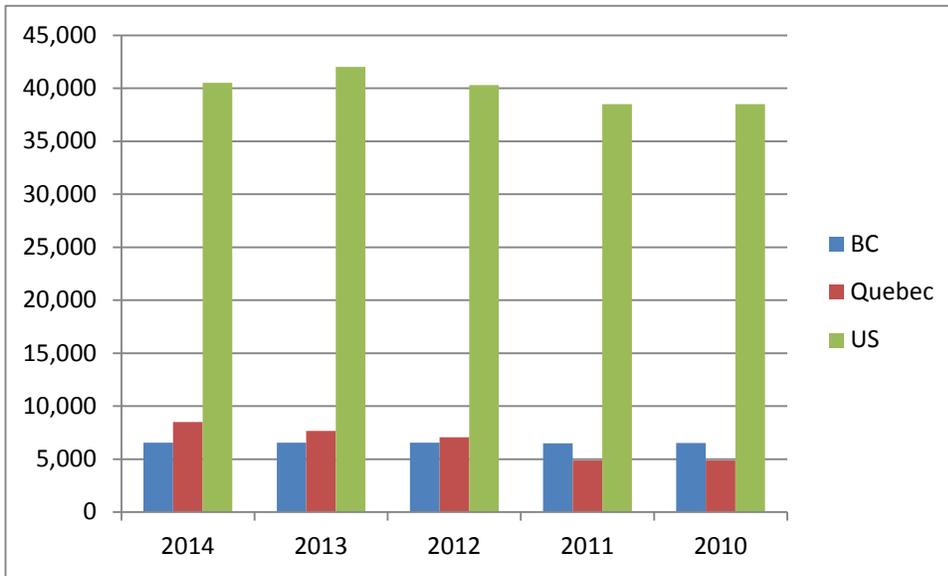
QUEBEC

Year	Production (barrels)	Acreage	Growers
2014	2,410,472	8,516	84
2013	1,621,764	7,657	81
2012	1,854,680	7,070	80
2011	1,193,306	5,880	76
2010	918,896	4,878	74

Barrels



Acreage

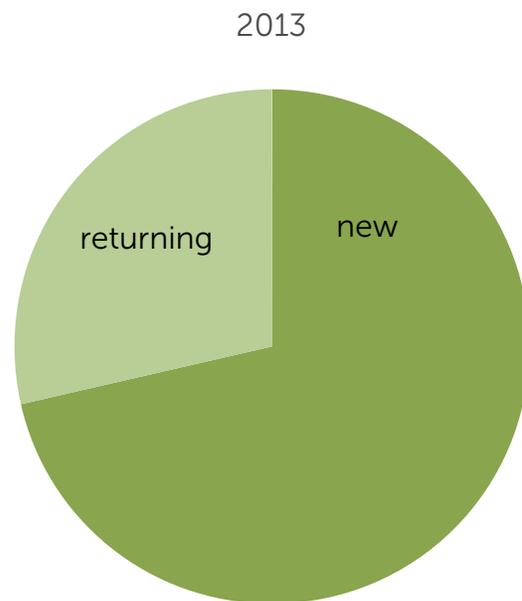
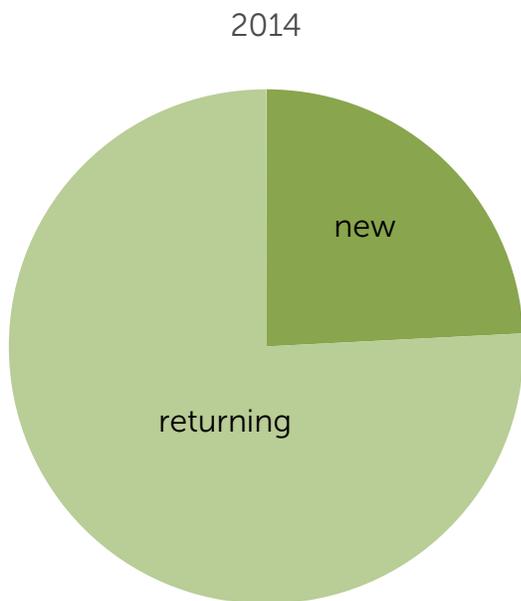




bccranberries.com

As well as keeping the look of the website as fresh as our fields of cranberries, bccranberries.com grew over 2014 with the addition of a section dedicated to the BC Cranberry Research Farm, a Cranberry Field Decline page, and a Videos page. This was in addition to our regular news updates, postings of research papers, etc., as events unfolded over the year.

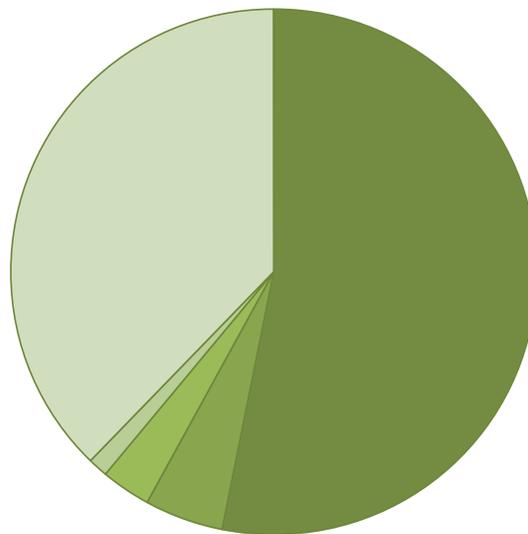
Following are some statistics that give an overview of who is visiting our site and their areas of interest.



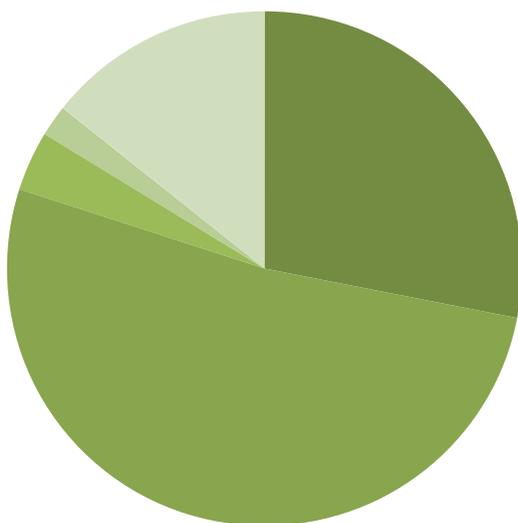


Website stats

2014
Origination of Visitors
by Country



- Canada (3053)
- USA (278)
- Brazil (175)
- Italy (70)
- Other (< 50 each)



- Home Page
- Grower Section
- Educational & Kids
- Research Farm
- Consumer

2014
Unique Page Visits

Home Page	2,215
Grower Section	4,094
Educational & Kids	297
Research Farm	156
Consumer	1,127

BCCMC Financials

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Financial Statements

Year Ended December 31, 2014

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Index to Financial Statements

Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of British Columbia Cranberry Marketing Commission

I have audited the accompanying financial statements of British Columbia Cranberry Marketing Commission, which comprise the statements of financial position as at December 31, 2014 and December 31, 2013 and the statements of revenues and expenditures, changes in net assets and cash flow for the years ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of British Columbia Cranberry Marketing Commission as at December 31, 2014 and December 31, 2013 and the results of its operations and its cash flow for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Surrey, British Columbia

February 12, 2015

Agatha Cluff Inc.

CHARTERED ACCOUNTANT

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Statement of Financial Position

December 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 6,424	\$ 6,887
Term deposits (Note 3)	274,166	173,203
Accounts receivable	3,771	12,878
Prepaid expenses	5,851	-
	<u>\$ 290,212</u>	<u>\$ 192,968</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accruals	\$ 3,500	\$ 35,200
Goods and services tax payable	1,342	1,905
	<u>4,842</u>	<u>37,105</u>
NET ASSETS		
General fund	<u>285,370</u>	<u>155,863</u>
	<u>\$ 290,212</u>	<u>\$ 192,968</u>

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Statement of Revenues and Expenditures

Year Ended December 31, 2014

	2014	2013
REVENUE		
Levies and licences	\$ 389,183	\$ 347,929
Temporary Levy - Research Society	271,755	254,504
Base Levy - Research Society	97,055	90,896
Kwantlen IAF grant	-	78,503
Grants	10,521	29,819
Interest and other income	6,257	3,673
Administration income	-	1,000
Event sponsorship	663	-
	775,434	806,324
EXPENSES		
Administration fees	60,396	58,418
Advertising and promotion	7,000	6,000
Association dues	11,701	10,418
Kwantlen IAF grant	-	78,503
Governance	36,447	47,257
Interest, bank charges and foreign exchange	(844)	(621)
Legal fees	1,605	-
Meetings	3,249	2,353
Office	1,497	1,778
Professional fees	3,500	3,500
	124,551	207,606
OTHER EXPENSES		
IAF grant for BC Cranberry Research Centre	(16,650)	(75,000)
IAF grant for BC Cranberry Research Centre	16,650	75,000
Grant to BC Cranberry Research Centre	368,810	345,407
Development and production expenses (Note 6)	152,566	196,324
	(521,376)	(541,731)
EXCESS OF REVENUE OVER EXPENSES	\$ 129,507	\$ 56,987

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Statement of Changes in Net Assets

Year Ended December 31, 2014

	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 155,863	\$ 98,876
Excess of revenue over expenses	<u>129,507</u>	<u>56,987</u>
NET ASSETS - END OF YEAR	<u>\$ 285,370</u>	<u>\$ 155,863</u>

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION**Statement of Cash Flow****Year Ended December 31, 2014**

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 129,507	\$ 56,987
Changes in non-cash working capital:		
Accounts receivable	9,107	(3,215)
Accounts payable and accruals	(31,700)	21,449
Deferred revenue	-	(6,858)
Prepaid expenses	(5,851)	4,390
Goods and services tax payable	(563)	5,024
	(29,007)	20,790
Cash flow from operating activities	100,500	77,777
INVESTING ACTIVITY		
Term deposits	(100,963)	(102,566)
DECREASE IN CASH FLOW	(463)	(24,789)
Cash - beginning of year	6,887	31,676
CASH - END OF YEAR	\$ 6,424	\$ 6,887

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements Year Ended December 31, 2014

1. DESCRIPTION OF OPERATIONS

The Commission is established under the Natural Products Marketing (BC) Act for the purpose of regulation, marketing and promotion of the BC cranberry industry.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash and cashable term deposits. Because of the liquidity of these investments, their carrying amount approximates fair value.

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which related expenses are incurred. Unrestricted contributions such as dues and grants are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants

Government grants are recorded when there is a reasonable assurance that the Commission had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. TERM DEPOSITS

	<u>2014</u>	<u>2013</u>
Term deposits held	<u>\$ 274,166</u>	<u>\$ 173,203</u>

The term deposits are held by Envision Credit Union. The term accrues interest at 1.15% to 2.65% annually, with a maturity date of August 5, 2015.

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2014

4. RELATED PARTY TRANSACTIONS

During the year the Commission gave a grant of \$368,810 (2013 - \$345,407) and advanced operating funds of \$nil (2013 - nil) to BCCRC. These are measured at the exchange amount which approximates fair value.

5. ECONOMIC DEPENDENCE

The Commission receives approximately 95% of its growers' dues from one customer. Should this customer substantially change its dealings with the Commission, management is of the opinion that this change would affect operations and programs provided.

6. DEVELOPMENT AND PRODUCTION EXPENSES

	<u>2014</u>	<u>2013</u>
Production research	\$ 57,561	\$ 62,993
Foreign market development	38,095	40,000
Domestic promotion	35,663	61,214
Congress	11,535	11,908
Health Research	7,500	-
Grower programs	2,212	-
Field Day	-	20,209
	<u>\$ 152,566</u>	<u>196,324</u>

The Investment Agriculture Foundation of British Columbia (IAF) is providing additional financial support for the BC Cranberry Research Society. Effective January 1 2014 and extending March 31 2016, the IAF will fund up to 50%, to a maximum total of \$166,500 (\$83,250 each) of the costs of developing and operating the research farm.

The Commission was committed to funding for production research and domestic promotion projects in 2013 for a total projected cost of \$110,003. The Commission applied for, and was granted, \$22,459 towards the projects by the IAF (Investment Agriculture Foundation). The Commission spent \$69,445 as at December 31, 2013.

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2014

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Commission is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Commission's accounts receivable historically consists of government funding for specific programs and accrued interest on cashable term deposits, and poses minimal collections risk.

Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument might be adversely affected by a change in interest rates. The Commission is exposed to interest rate risk primarily through term deposits held.

Currency Risk

Currency risk is the risk to the Commission's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Commission holds \$9,089 US (\$10,543 Canadian) Funds at December 31, 2014.

Fair Value

The Commission's carrying value of cash, term deposits, accounts receivable, and accounts payable and accruals approximates its fair value due to the immediate or short term maturity of these instruments.

BCCRS Financials

B.C. CRANBERRY RESEARCH SOCIETY

Financial Statements

Year Ended December 31, 2014

B.C. CRANBERRY RESEARCH SOCIETY
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Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Members of B.C. Cranberry Research Society

I have audited the accompanying financial statements of B.C. Cranberry Research Society, which comprise the statements of financial position as at December 31, 2014 and December 31, 2013 and the statements of revenues and expenditures, changes in net assets and cash flows for the years ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained in my audits is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of B.C. Cranberry Research Society as at December 31, 2014 and December 31, 2013 and the results of its operations and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

B.C. CRANBERRY RESEARCH SOCIETY
Statement of Financial Position
December 31, 2014

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 6,108	\$ 19,085
Term deposits	130,000	-
Accounts receivable	-	1,469
Interest receivable	1,961	-
Goods and services tax recoverable	-	716
	138,069	21,270
CAPITAL ASSETS <i>(Note 3)</i>	767,769	767,310
	\$ 905,838	\$ 788,580
 LIABILITIES AND NET ASSETS		
CURRENT		
Operating line <i>(Note 5)</i>	\$ -	\$ 50,000
Accounts payable	3,500	153,945
Goods and services tax payable	3,928	-
	7,428	203,945
NET ASSETS		
General fund	898,410	584,635
	\$ 905,838	\$ 788,580

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

B.C. CRANBERRY RESEARCH SOCIETY
Statement of Revenues and Expenditures
Year Ended December 31, 2014

	2014	2013
REVENUE		
Grant - BCCMC	\$ 368,810	\$ 345,407
IAF funds	16,650	-
Interest income	1,992	61
Service Income	-	2,930
Gateway Project revenue	-	58,595
	<u>387,452</u>	<u>406,993</u>
EXPENSES		
Administration and services	12,536	7,690
Amortization	12,381	5,953
Audit fees	3,500	3,500
Consulting - Industry Experts	1,913	-
Gateway project expenses	-	58,595
Insurance	929	902
Interest and bank charges	703	1,987
Interest on long term debt	-	7,066
Legal fees	60	60
Property taxes	1,559	1,459
	<u>33,581</u>	<u>87,212</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>353,871</u>	<u>319,781</u>
FARM OPERATIONS		
Fertilizer	575	(3,447)
Plants	492	-
Demonstration	(1,606)	-
Pest Control	(1,902)	(24,908)
Field planting	(5,650)	(48,901)
Freight	(5,674)	-
Monitoring	(7,200)	-
Weed control	(7,230)	-
Irrigation	(11,901)	-
	<u>40,096</u>	<u>(77,256)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 313,775</u>	<u>\$ 242,525</u>

See notes to financial statements

B.C. CRANBERRY RESEARCH SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2014

	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 584,635	\$ 342,110
Excess of revenue over expenses	<u>313,775</u>	<u>242,525</u>
NET ASSETS - END OF YEAR	<u>\$ 898,410</u>	<u>\$ 584,635</u>

See notes to financial statements

B.C. CRANBERRY RESEARCH SOCIETY**Statement of Cash Flows****Year Ended December 31, 2014**

	2014	2013
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 313,775	\$ 242,525
Item not affecting cash:		
Amortization of capital assets	<u>12,381</u>	5,953
	<u>326,156</u>	<u>248,478</u>
Changes in non-cash working capital:		
Accounts receivable	1,469	95,747
Interest receivable	(1,961)	-
Accounts payable	(150,445)	141,471
GST/HST payable (receivable)	4,644	(716)
Unspent revenue	<u>-</u>	<u>(48,624)</u>
	<u>(146,293)</u>	<u>187,878</u>
Cash flow from operating activities	<u>179,863</u>	<u>436,356</u>
INVESTING ACTIVITIES		
Land improvements	47,589	(203,149)
Buildings	-	(31,014)
Irrigation System	(4,700)	(55,729)
Term deposits	<u>(130,000)</u>	<u>-</u>
Cash flow used by investing activities	<u>(87,111)</u>	<u>(289,892)</u>
FINANCING ACTIVITIES		
Operating line	(50,000)	(25,000)
Grants received for property improvements	(55,729)	179,353
Repayment of long term debt	<u>-</u>	<u>(295,906)</u>
Cash flow used by financing activities	<u>(105,729)</u>	<u>(141,553)</u>
INCREASE (DECREASE) IN CASH FLOW	<u>(12,977)</u>	<u>4,911</u>
Cash - beginning of year	<u>19,085</u>	<u>14,174</u>
CASH - END OF YEAR	<u>\$ 6,108</u>	<u>\$ 19,085</u>

B.C. CRANBERRY RESEARCH SOCIETY

Notes to Financial Statements

Year Ended December 31, 2014

1. DESCRIPTION OF BUSINESS

The Society was incorporated under the Society Act of British Columbia September 10, 2010 for the purpose of owning and operating a cranberry research farm.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which related expenses are incurred. Unrestricted contributions such as dues and grants are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants

Grants are recorded when there is a reasonable assurance that the Society had complied with and will continue to comply with, all the necessary conditions to obtain the grants. Grants received for the purchase and development of property will be deferred and amortized to income on the same basis as the related assets are depreciated.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	straight-line method
Irrigation system	10%	straight-line method

The Society regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

B.C. CRANBERRY RESEARCH SOCIETY
Notes to Financial Statements
Year Ended December 31, 2014

3. CAPITAL ASSETS

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Land	\$ 411,218	\$ -	\$ 411,218	\$ 411,218
Land improvements	150,127	-	150,127	141,987
Buildings	164,329	12,526	151,803	158,376
Irrigation system	60,429	5,808	54,621	55,729
	<u>\$ 786,103</u>	<u>\$ 18,334</u>	<u>\$ 767,769</u>	<u>\$ 767,310</u>

The Society received a Western Economic Diversification Canada (WD) Grant of \$203,000 and an Investment Agriculture Foundation (IAF) Grant of \$150,000 for the development of the property. \$351,274 was allocated to land improvements. \$1,726 was used for consulting costs in 2012. The grants were extended on a 50:50 matching of expenses. All WD funds were matched/expensed to December 31, 2013. Note 4 highlights the details.

4. FUNDING GRANTS FOR PROPERTY DEVELOPMENT

The following schedule represents grants received from Western Economic Diversification Canada (WD) Grant and Investment Agriculture Foundation (IAF) Grant specifically for land improvements and property development, and the related expenditures:

	2014	2013
IAF grant received	\$ -	\$ 75,000
IAF funds - recognition of prior year unspent revenue	-	48,624
Subtotal	-	123,624
IAF funds - land improvements	-	(116,453)
IAF funds - repayable at year end	-	(7,171)
	<u>\$ -</u>	<u>\$ -</u>

5. OPERATING LINE

The Farm Credit Corporation has extended an operating line to the Society to a maximum of \$200,000 with an interest rate of 3.75% per annum. This was repaid in 2014.

6. RELATED PARTY TRANSACTIONS

During the year the Society received a grant of \$368,810 (2013 - \$345,407) from the BC Cranberry Marketing Commission (BCCMC). The organizations have members in common. These amounts are measured at the exchange amount which approximates fair value.

B.C. CRANBERRY RESEARCH SOCIETY

Notes to Financial Statements

Year Ended December 31, 2014

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument might be adversely affected by a change in interest rates. The Commission is exposed to interest rate risk primarily through term deposits held.

Fair Value

The Commission's carrying value of cash, term deposits, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

BC Cranberry Research Farm

Spring 2014 saw Fields 3 and 4 prepared for planting. Selection for Field 3 was a split bed of Demoranville on the west side and Mullica Queen on the east side. The split field of Demoranville and Mullica Queen were selected based on the majority of new plantings which have occurred in the past few years throughout BC cranberry growing regions. Consultations with growers and ag scientists determined that a good representation of the prime BC cultivar, Stevens, would be the choice for Field 4. Both fields will be examples of solid fruit production - they will also be available for fruit quality trials and pesticide screening.

One of the most interesting observations which have arisen from the planting of Field 3 and 4 is the contrasting growth rates between the two varieties. These two fields were planted within two days of each other. They were treated the same with regards to irrigation and fertilizer. After three months of growth, Field 3 with the Demoranville and Mullica Queen cultivars looked to be a year ahead of the Stevens in Field 4.





With direction from our Principle Scientific Director, Kim Patten, Renee Prasad with E.S. Crop Consult Ltd., diligently monitored the Rutgers and Gryleski Varietal Selections in Field 2. As these plots were planted in June 2013, observations around the growth patterns of the vine were the main focus.

Observations and compilations ranging from vine and upright density; timing of flowers and fruit set; fruit size; weight and color; bud set and vegetative growth patterns have been some of the items which gave a starting data set for replicated plots in Field 2 and the larger plots in Field 1. Additionally, Renee monitored the fields for disease and insect pressure and collected plant and soil nutrition data throughout the farm.

Kyle Botkin, the boots on the ground, oversaw the planting in Fields 3 and 4, took care of weed control, fertilizing and irrigation.



BC Cranberry Research Farm

On September 5th, the official opening of the Farm took place.

The weather was perfect and we had a great crowd out for the afternoon. We were joined by our funding partners, local and provincial politicians, Ministry of Agriculture representatives, cranberry researchers and most importantly by many BC growers.

Growers and others were able to tour the Farm and view the new varietal releases as well as the standard varieties being grown by BC growers. On hand to explain the progress of the Farm were Dr. Kim Patten and Dr. Nick Vorsa.

Pictures and videos of the Research Farm Opening are posted on the Commission's website. As well, our thanks to Dr. Sheila Fitzpatrick, Pacific Agri-Food Research Centre and Heidi van Dokkumburg and Renee Prasad, E.S. Cropconsult Ltd., for their work in preparing the Field Guide for the commemorative gift at the opening of the Farm.





The hard work and dedication from everyone involved has provided the BC cranberry growers with a fantastic Research and Demonstration Cranberry Farm. It is one of only four in North America and the first and only in Canada. The Farm will help keep the BC cranberry industry growing strongly into the future

As always, special thanks to our funding partner, Investment Agriculture Foundation of BC for their ongoing financial support.



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