

ANNUAL
REPORT
2019

BC Cranberry
Marketing
Commission

cranberries



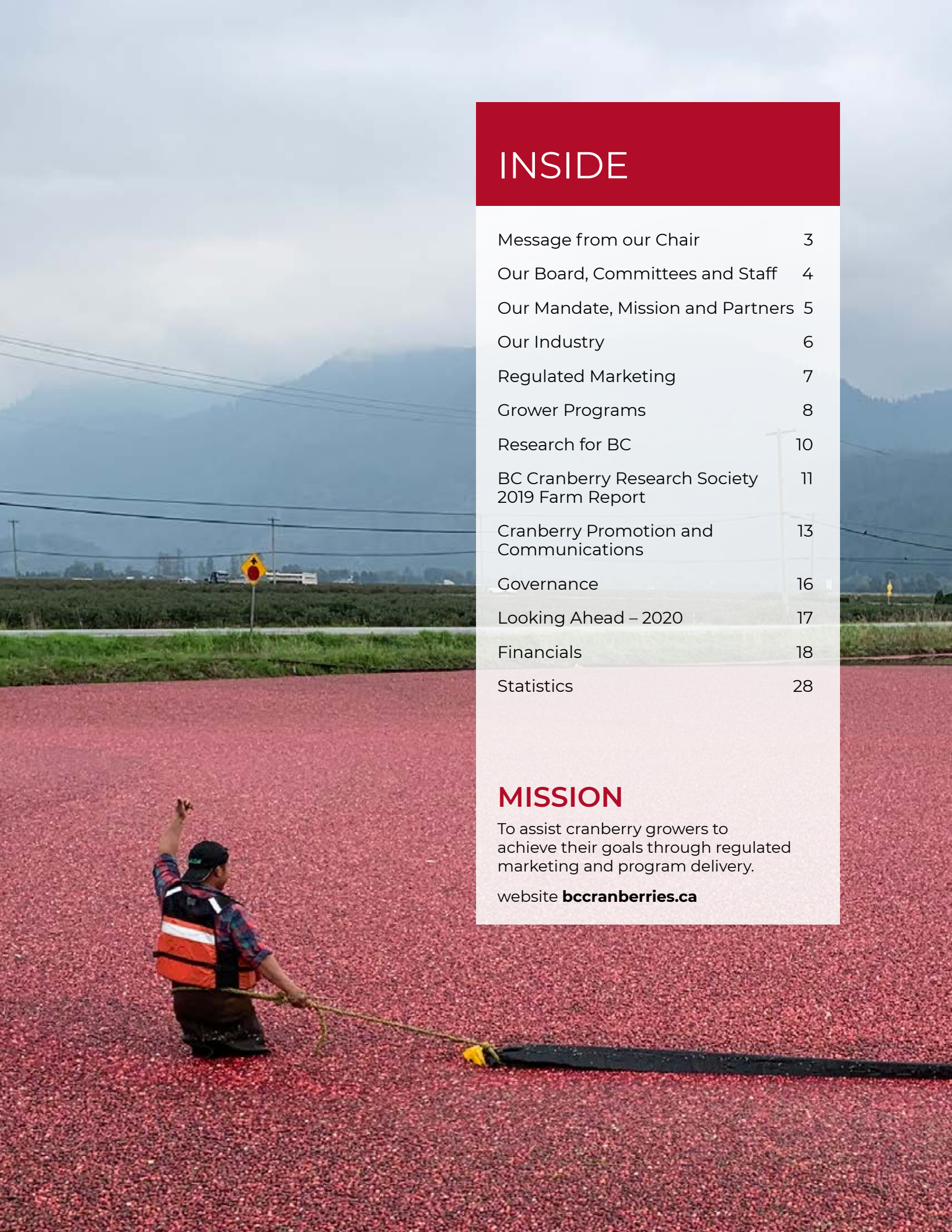
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MISSION

To assist cranberry growers to achieve their goals through regulated marketing and program delivery.

website bccranberries.ca



Message from our Chair



What a difference a year makes!

2018 saw the largest crop ever and 2019 was probably one of the smallest crops ever at 631,045 barrels. There were several issues that created this result, of which I'm sure that none of you need to be reminded. Indications are that the 2020 crop will be in a more normal range of production.

Last year was no exception for changes. Our manager, Heather Carriere and family moved back to Manitoba and the Commission welcomed Coreen Rodger Berrisford as our new manager. Jack Dewit was re-elected and with the expansion of the commission board we welcomed Clinton May as a new director and Andy Dolberg replaced Bob Mitchell as our non-producer director.

There was an application for an agency license last year. The Commission went through the prescribed process and held a hearing and met with the applicants only to find out that they would withdraw their application and intend to reapply sometime in the future.

Field Day 2019 was held at the Research Farm. We had special guests from the North American Cranberry Research and Extension Workers (NACREW), who were interested in the research farm and represented people from

several countries. A big thank you to Grant Keefer for being tour guide for our guests.

The Commission has attended all the Centre for Organizational Governance in Agriculture (COGA) sessions this past year as well as Council of Marketing Board (COMB) meetings. There have been several meetings with the Farm Industry Review Board (FIRB) and all the commodity boards. A lot of time with FIRB has to do with how the Boards and Commissions are expected to perform using the guidelines of accountability and transparency.

We continue to support Agriculture in the Classroom and 4-H. It was pointed out to us by FIRB that funding a scholarship does not fall within our mandate, so we have asked the Research Society to take over this responsibility. Last year's scholarship went to Michael Hamilton. We also continue to participate in the Dietitians of Canada Conference. This is a great opportunity to promote the health benefits of the cranberry. Jeff Hamilton and Todd May continue to attend Cranberry Marketing Committee and Cranberry Institute meetings on our behalf. Thank you to Jeff and his committee for another successful Cranberry Congress.

We have asked the BC Cranberry Growers Association to assume our membership in the Canadian Horticulture Council (CHC). The reason is that the CHC does a lot of lobbying, and by regulation, the Commission is not allowed to lobby government. The CHC does a lot of work in the area of minor use agricultural compounds which are essential to crop production.

Once again, a big THANK YOU to our Commissioners and staff, your support and knowledge are much appreciated.

Jack Brown, Chair
BC Cranberry Marketing Commission

Our Board, Committees and Staff

BOARD MEMBERS

Jack Brown, Chair

Cabinet Appointment

Todd May, Vice Chair

Licensed Grower, Elected Member

Jack DeWit, Secretary

Licensed Grower, Elected Member

Jeff Hamilton

Licensed Grower, Elected Member

Clinton May

Licensed Grower, Elected Member

Andreas Dolberg

Appointed Non Grower Member

STAFF

Coreen Rodger Berrisford, M.Sc. P.Ag.

General Manager (Part Time)

Jack Wessel

Finance Manager (Part Time)

Pavlo Tkhoryk

Communications Assistant (Short term contract)

COMMITTEES

Congress Committee

Jeff Hamilton, Chair

Members include Licensed Grower representatives, the BC Cranberry Growers Association, Ocean Spray, a retired AAFC Researcher, the BC Ministry of Agriculture and the Commission Chair.

Crisis Response and Communications Committee

Jack DeWit, Chair

Members include the BC Cranberry Growers Association, a Licensed Agency Representative, the BC Ministry of Agriculture and the Commission Chair.

Scholarship Committee

Andreas Dolberg, Chair

Member, Jack Wessel, Director, BC Cranberry Research Society

Field Day Committee

Jack DeWit and Clinton May, Co-Chairs

Members include the BC Cranberry Research Farm Society, the BC Cranberry Growers Association, a Licensed Agency Representative and the Commission Chair.

Research Committee

Todd May, Chair

Members include Licensed Grower representatives, the BC Cranberry Research Farm Society, the BC Cranberry Growers Association, an Agriculture Scientist, Cranberry Researchers the BC Ministry of Agriculture, a Commission Director and the Commission Chair.

Our Mandate, Mission and Partners

The BC Cranberry Marketing Commission is legislated to ensure orderly marketing of cranberries in B.C. The Commission is accountable to the Government of BC through the Farm Industry Review Board.

Our Mission is to assist cranberry growers to achieve their goals through regulated marketing and program delivery.

In 2019, the Commission carried out its mandate and mission through licensing, quality assurance, research, education, communication and promotion. Our key collaborators are our licensed growers, producer vendors and agencies, however we work with many organizations to achieve results as seen below.



•BC Cranberry Growers Association

•BC Cranberry Research Society



•BC Ministry of Agriculture

•Farm Industry Review Board



Council of Marketing Boards/Centre for Organizational Governance in Agriculture



RUTGERS
THE STATE UNIVERSITY OF NEW JERSEY



WASHINGTON STATE UNIVERSITY



Agriculture and Agri-Food Canada

Agriculture et Agroalimentaire Canada



Our Industry

The BC cranberry industry farms about 6300 acres. It is the second largest producer of cranberries in Canada after Quebec. Cranberry marketing is regulated in BC so any growers with more than 2 acres of cranberries are required to get a license. Licensed growers sell their cranberries to licensed agencies. There are 75 growers that sell to three agencies and 6 producer-vendors that both grow and sell their own cranberries. Over 95% of growers sell their cranberries to Ocean Spray, a grower owned cooperative. Most of those cranberries are shipped to the United States to be processed into Craisins. Nature's Touch Frozen Foods and Pacific Canadian Fruit Packers also buy and process local cranberries.

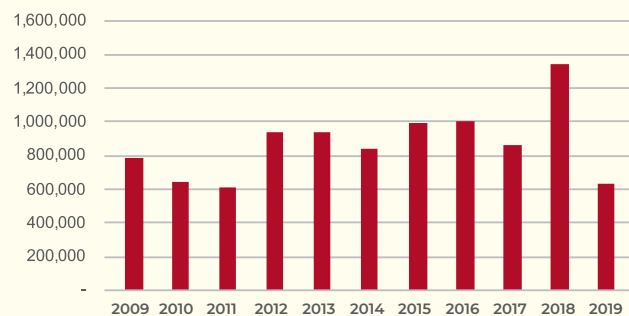
Cranberries are a perennial crop and yield is highly variable depending on variety, weather and growth cycles in addition to management practices. Plant rebuilding from the bumper crop of 2018, winter damage from 2018/2019 and harvest time frost combined to lower the quantity and quality of the 2019 harvest. Total delivered cranberries were 631,045 barrels, which was less than 50% of the 1.3 million barrels delivered in 2018. Yields were down to an average of 100 barrels per acre. Notably Washington State fared even worse at 83 barrels an acre last year according to the Cranberry Marketing Committee.

The top graph shows the variability of BC production over the past 10 years. The pie graphs show the increasing share of Canadian production that Quebec has achieved over the past 10 years.

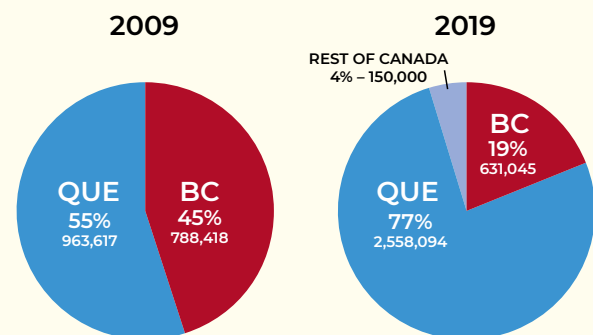
Bottom right, the line graph of yields for BC, Quebec and the US, show that while all yields are variable, Quebec has higher yields on average. This is due to Quebec having

newer varieties and favourable growing conditions. BC Growers are seeking ways to enhance their yields through management and in some cases, renovating their fields to more current varieties.

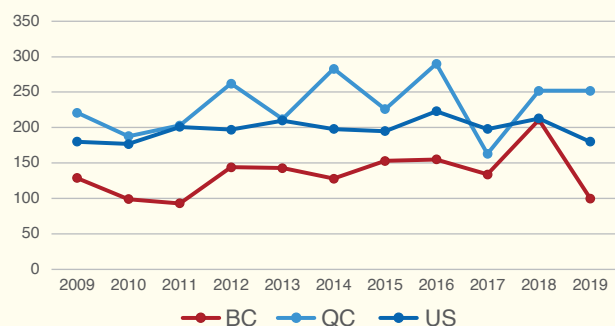
BC Cranberry Production (Barrels)



BC Share of Canadian Production (Barrels)



Average Yield per Acre in Barrels



Regulated Marketing

Licensing

The BC Cranberry Marketing Commission licensed 75 Growers, 6 Producer Vendors and 3 Agencies in 2019. Due to delivery issues, exemptions were provided to one producer vendor to accept grower deliveries and 6 growers to re-direct agency rejected cranberries to a producer vendor.

Agency Application

Maple Bay Naturals Inc. submitted an Agency Application package and the Commission processed the request, including a public hearing. The company is relatively new and withdrew their application with the intent to resubmit in the future. This was the first agency application in the past 10 years and was a good opportunity to review the process.

Regulatory Compliance

Another function of regulated marketing is to provide public assurance of food safety and 100% of our cranberry growers were fully compliant with Canadian Pesticide Regulations. Exporters verified their understanding and compliance with importer regulations as well.



Grower Programs



Cranberry Congress 2019

The Congress was held in Richmond on February 19, 2019. 65 growers, presenters, government researchers and other cranberry stakeholders registered for the event. On a scale of 1 to 5 with 1 being the lowest satisfaction and 5 the highest, 89% of the attendees ranked the event 4 or higher.

"New variety part was great!"

"Most useful topics: flower bud development, fall nitrogen, characterization of Cranberry Field Decline, Research Farm update"

"Great variety of topics, very intelligent speakers."



Open House at the Farm

Growers were invited to an Open House at the Research Farm on June 5th. We had a good turn out and the day was both informative and fun.





Field Day 2019

The 2019 Field Day was a great learning and networking opportunity for our growers, suppliers and researchers, with approximately 120 attendees. It was also a great day for governing dignitaries to get to know about the BC cranberry industry. The (Hon) MP Carla Qualtrough gave a short welcome as well as local Councilor's Dylan Kruger and Alicia Guichon. MLA Jas Johal also attended. Peter Donkers, Chair of FIRB, gave a brief message recognizing the cohesion of the cranberry industry and how that contributes to its success. We had special guests from the North American Cranberry Research and Extension Workers (NACREW) with representatives from all the major regions of cranberry production. Growers heard presentations on varieties, soil moisture sensors, pollination and weed control and had the opportunity to connect with local suppliers.



Integrated Pest Management Bulletins

The BC Cranberry Marketing Commission also co-funded the Integrated Pest Management Bulletins for Cranberry Growers.



Research for BC

Final project results - 2019

- Assessment of new pest management tools that address priority needs of the BC cranberry industry

The project was completed early in 2019. This study tested five different treatments to control annual and perennial grasses, moss control and the potential effect of bloom-applied fungicides to pollinators. The results provided specific recommendations that growers can use to manage perennial weeds. Full results can be found on the website.



New projects approved - 2019

The Commission approved 4 new research projects in 2019.

- Critically Assessing Available Soil Moisture Sensors for use in BC Cranberry Production
- Cultivar Variation in Pollination Deficit in BC Cranberries
- Non-chemical Vole Control in Berry Fields
- An Economic Study to Determine the Return on Investment for Renovation of Cranberry beds in BC

The BC Cranberry Marketing Commission was able to leverage funding from the Investment Agriculture Foundation for the Soil Moisture Sensors and Pollination Deficit projects.

Research Priorities were set for the 2020 Request for Proposals.



BC Cranberry Research Society 2019 Farm Report

Growing cranberries in BC has always presented unique challenges and opportunities. In the past decade, the BC cranberry industry has encountered reduced crop yields, uncharacteristic poor plant health, winter kill, field decline, genetically impure varieties (primarily off-type 'Stevens'), fruit quality challenges, and pest pressure, to name a few challenges. Are these hurdles the result of climate change, field/crop management, genetic evolution (both plant and pest), changing fruit quality metrics, or a combination of several complex factors? Perhaps these circumstances and challenges can be used to the BC cranberry grower's advantage.

The BC Cranberry Research Farm (BCCRF) has given a platform for growers and researchers to investigate, learn, and potentially change farms and the way cranberries can and should be grown in BC. Breaking down how we grow cranberries, looking at the basics of crop production while at the same time investigating emerging technologies, the BCCRF will continue to help the industry grow forward.

Since the first varietal evaluations were planted in 2013 at the farm, teams of

researchers, field technicians, growers, and industry representatives have worked to help answer many questions and move the BC cranberry industry forward.

With the guidance of the BCCRF's Scientific Director, Dr. Kim Patten (WSU Emeritus) and Field Technician, Dr. Renee Prasad (UFV), and support from E.S. CropConsult, university students, and the Farm Manager, Kyle Botkin, five years of crop data and seven years of phenology data on the Rutgers and Valley Corp cultivars have been collected. This data has been a key factor helping BC growers determine how best to proceed with their field renovations and varietal selections. Replanting with these high-yielding, high-quality-fruit varieties has been integral to BC growers making dynamic improvements on their farms, and in the BC cranberry industry as a whole remaining competitive in the market.

While varietal evaluation is the most prominent research project one encounters at the BCCRF, it is just the foundation on which many projects have since been built. Some ongoing research projects at BCCRF are listed next page.





Dr. Renee Prasad, UFV

- Fruit Quality / Varietal Evaluation
- Pesticide Screening
- Long-Term Nematode / Girdler Project
- Long-Term Multi-Rate Casoron Project
- Pollinator Habitat and Observation
- Beneficial Insect Predators

Dr. Kim Patten, WSU Emeritus

- Oversight on all aspects of the BCCRF
- Return on Investment (ROI), Financial Renovation Tool

Dr. Sandra Gillespie

- Cultivar Variation in Pollinator Deficit in BC Cranberries

Dr. Charitha Jayasinghege

Plant Physiologist, Agriculture and Agri-Food Canada

- Cranberry Phenotype Evaluation in Relation to Plant Growth Regulators

Miranda Elsby, Agricultural Scientist

Ocean Spray Cranberries

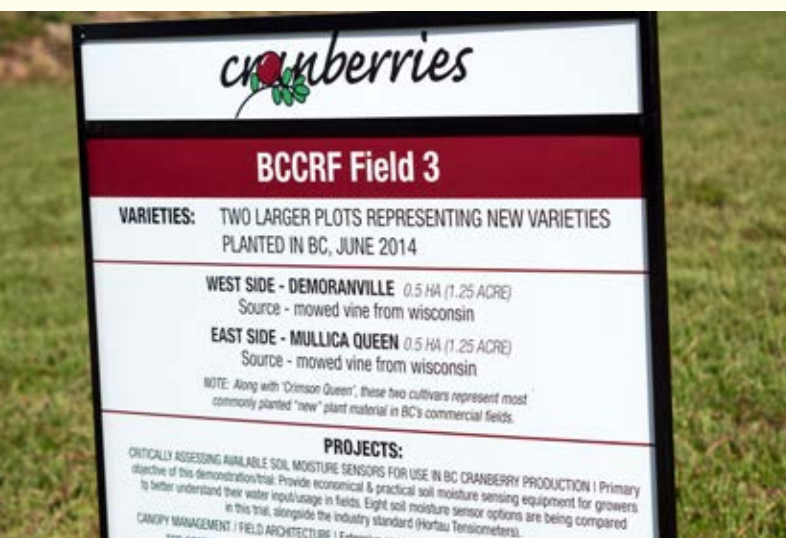
- Canopy / Field Health (Evaluating Varietal Response to Field Rejuvenation Practices (Mowing, Sanding, Pruning in Field 1))
- Soil Moisture Sensor Project (Critically Evaluating Available Soil Moisture Sensor Technologies for BC Cranberry Production)
- NACREW 2019 (Field Tour at BCCRF)
- Pesticide Screening / Evaluation / Residue Analysis, PMRA Coordination

Dr. Nick Vorsa, Rutgers University

- Varietal Evaluation
- Canadian Plant Breeders Rights / CFIA Coordination

The BCCRF has also been used as a platform for engaging with potential new researchers and industry representatives. The facility hosted the 2019 Grower Field Day, several drop-in open houses, and opportunities for growers and researchers to collaborate on ideas and projects. It is an ideal site for meeting and extension, and improving the knowledge transfer to all BC cranberry growers and their future generations.

The BC cranberry industry has made great strides in recent years, and continues to adapt to and overcome any challenges presented. To the researchers, technicians, extension workers, and field staff who have been a part of the BCCRF's continued success, we thank you and look forward to future collaboration.



Cranberry Promotion and Communications

PROMOTION

Part of the mandate of the Commission is to promote cranberry consumption. Activities take place within BC, Canada and the U.S. As our budget is limited, we focus on specific markets and work in partnerships. BC activities focus on youth and general consumers, but our Canada wide and International promotions are directed to Dieticians who are key influencers in the purchase of cranberry products for

consumers as well as institutions like hospitals, elder care facilities, etc. Our general promotion is channelled through social media including the website, Pinterest, Instagram, Twitter and Facebook as well as co-marketing this year with the Honey Producers at Apimondia. In 2019, we had a special project to boost our social media presence which resulted in higher reach and engagement.

Agriculture in the Classroom/Take a Bite of BC

This year we participated in Grow BC: A Guide to BC's Agriculture Resources project as well as continuing to support Take a Bite of BC. Grow BC has a section on BC's Cranberry Story and gives background and information on where and how they are grown and the challenges cranberry growers face.

Take a Bite of BC is a program that has over 60 secondary schools with kitchens learning to use local products. Chef Gessica Mah from Vancouver Technical Secondary said "Many students had never seen cranberries

fresh before. They were very familiar with dried and canned....We used these to make cranberry sauce, cranberry pecan bars and cranberry orange muffins."

See the Wild Rice and Cranberry Soup recipe developed by Chef Randle at:

<https://www.bcaitc.ca/index.php/recipes>

We continue to provide educational resources for teachers and children on the website. Materials are also made available to agencies and producer vendors or growers for hosting tours.





Dieticians Conference of Canada

Over 500 Registered Dietitians from across Canada attended the 2019 National Conference in Ottawa, ON in June. BC Cranberries were enjoyed during lunch in three different ways – soup, salad and brownies! Lots of good conversations took place regarding the well-loved product and the nutritional benefits they provide. Many dietitians discussed how they promote cranberries with their clients and traded ideas with each other on how to incorporate them more.

Apimondia 2019, Montreal

The BCCMC assisted with the BC Honey Producer's participation in Apimondia 2019. This show has 6,000 participants from 80 countries. Three recipe cards highlighting cranberries and honey were showcased at their booth. One of the key messages at the conference was the mutually beneficial relationship that beekeepers and pollination-dependent crop industries like cranberries have with each other.

Canadian Farm Writers Federation Tour

The Farm Writers tour included cranberry farms this year. The Commission provided some fast facts and resource materials and participated in the tour. This tour gave farm writers a good overview of BC Cranberry production and some of the challenges of operating in urban setting.

Social Media

In the fall, we issued a part time contract to a recent graduate of Douglas College's Marketing program with the intent of increasing our follower base, post engagement and page reach. Pavlo Tkhoruk created significant content including health news, recipes and quizzes. The campaign resulted in **26,959** people engaged with BC Cranberries between mid September to mid December.



SOCIAL MEDIA STATISTICS

f 36% increase in reach 23% increase in follower base

t 344% increase in reach 65% increase in follow up engagement

p Recipes targeted to families generated:
840 new engagements 200 new followers





"I work in a hospice facility and many of my patients have UTIs. I started including cranberry juice in my diet order and saw a reduction in UTIs, happier patients and lower costs in my facility." RD

2019 Food & Nutrition Conference & Expo, October 2019

Our international promotion is focussed on dietitians working in collaboration with the Cranberry Institute and implemented by Pollock Communications. This year we assisted with booth costs and sent three new cranberry recipe cards with an Asian flavour as well as signage for the Expo. The Booth was busy throughout the Expo with over 1,120 educational handouts, 2,000 recipe cards and 2,700 dried cranberry samples distributed. Booth staff provided context around the level of added sugar and its role in palatability. Through these conversations, they were able to educate and change opinions.

This year we also supported a presentation by Dr Amy Howell on recent cranberry health research at the annual symposium of the Dietitians in Integrative and Functional Medicine dietetic practice group. Over 100 Registered Dietitians attended the symposium.

COMMUNICATIONS

The Commission's primary communication vehicles are e-blasts, the website and a quarterly newsletter in partnership with the BC Cranberry Growers Association. E-blasts are a timely way to share information with our licensees and other stakeholders. The website is focussed on growers, sellers, teachers and kids. The Newsletter, the Cranberry Web, is distributed to over 130 individuals each quarter.

Crisis Communications Coordination

The General Manager, Coreen Rodger Berrisford, is the key contact for any media contact related to a crisis such as a significant injury or death in a bog, accident with workers, food borne illness situation, a boycott or any issue that can negatively impact the reputation, legal liability or economics of the industry. Trevor Hargreaves provided cover off while the general manager was out of the country. Thankfully no crisis occurred in 2019 which required media management.

BC Cranberries Website Performance

Overall while other social media channels increased their reach in 2019, website traffic decreased by 14.42%. US visitors typically stayed under a minute. Other measurements were not significantly different than 2018. 31 visitors completed a contact information form.

WEBSITE STATISTICS

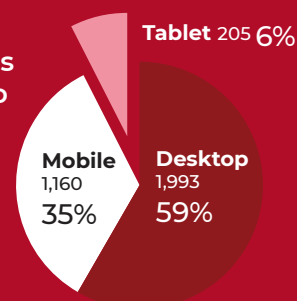
Visitors by Country

Year	2018	2019
Canada	2,763	2,249
USA	600	581

Average visit duration

Year	2018	2019
Canada	2 min. 31 sec.	2 min. 25 sec.
USA	1 min. 29 sec.	52 sec.

2019 Access Platform to Website



Governance

The Commission operates according to the SAFETI values of **Strategic, Accountable, Fair, Effective, Transparent and Inclusive**.

Our strategic plan is reviewed annually with work plans and progress reported at each Commission meeting.

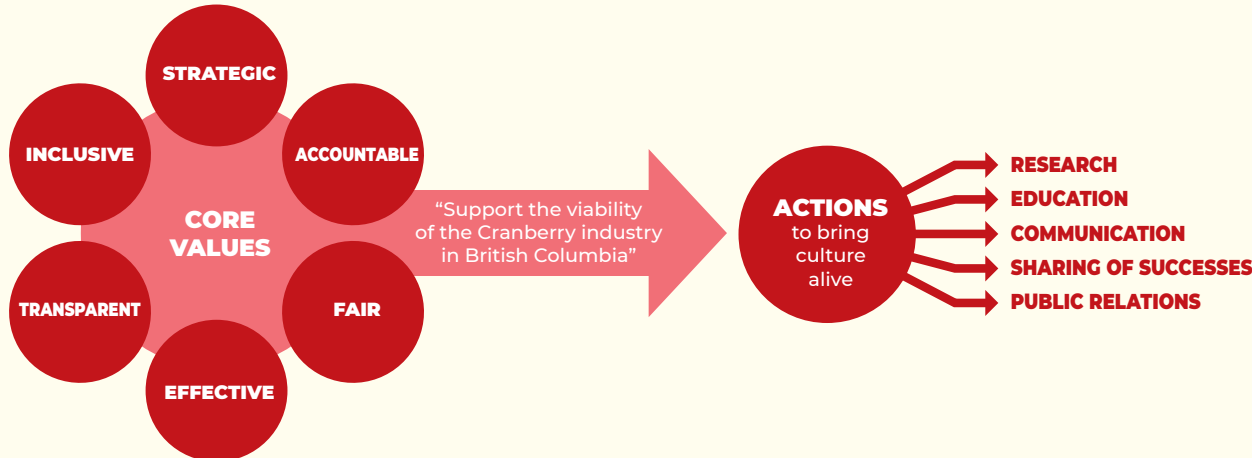
The Commission is **accountable** to the public, to the Farm Industry Review Board and to the industry it serves.

As part of this accountability, the Commission submitted its inaugural Public Accountability and Reporting Project report to the Farm Industry Review Board. The report identified industry performance targets and outlined Board Governance tools, training, decision making processes and policies as well as the financial responsibility and accounting framework.

The Council of Marketing Boards provided a **Chair evaluation** survey which rated our Chair 9 out of a maximum 10.

Directors and staff participate in ongoing professional development through the Centre for Organizational Governance in Agriculture (COGA). Sessions in 2019 included: Freedom of Information and Protection of Privacy Act, Strategic Planning & Achieving Goals, SAFETI and Regulated Marketing, Effective Meetings and Spiking the Board (Succession). Internal training includes orientation and a governance manual with all pertinent regulations, **code of conduct** and **conflict of interest** policies.

From the 2019 Strategic Plan



Looking Ahead – 2020

First, I would like to thank the Directors for their support as I took over the role of General Manager. Second, thanks to Heather Carriere for her invaluable assistance and resources to make it a smooth transition.

One of the highlights for me in 2019 was the Field Day, a great opportunity to meet growers and researchers, and learn more about this industry. On the other side of the coin, it was daunting to see such a big drop in cranberry deliveries in 2019 compared to 2018.

In 2020 the Commission will be reaching out to our growers to get feedback on

communications, educational opportunities and research. We will also do a regulatory review to ensure that the Scheme and Orders are clear and of appropriate scope for this changing industry. Finally, we will be trying some new tactics for marketing locally and with registered dietitians. With the continued collaboration with our partners and the work ahead, 2020 promises to be a busy and productive year for the Commission.

Coreen Rodger Berrisford, MSc, P.Ag
General Manager
BC Cranberry Marketing Commission



BC Cranberry Marketing Commission Financial Statements

Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of British Columbia Cranberry Marketing Commission

Report on the Financial Statements

Opinion

I have audited the financial statements of British Columbia Cranberry Marketing Commission (the Commission), which comprise the statement of financial position as at December 31, 2019, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Commission in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)

Independent Auditor's Report to the Members of British Columbia Cranberry Marketing Commission
(continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Surrey, British Columbia
February 14, 2020

Agatha Cluff Inc.
CHARTERED PROFESSIONAL ACCOUNTANT

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 76,452	\$ 32,408
Term deposits (Note 3)	941,459	776,430
Accounts receivable	11,843	10,942
Prepaid expenses	2,500	-
	<u>1,032,254</u>	819,780
LONG TERM INVESTMENTS (Note 4.)	<u>200,000</u>	178,689
	<u>\$ 1,232,254</u>	<u>\$ 998,469</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,100	\$ 9,325
NACREW Funds	-	4,053
Goods and services tax payable	3,542	3,429
	<u>7,642</u>	16,807
NET ASSETS	<u>1,224,612</u>	981,662
	<u>\$ 1,232,254</u>	<u>\$ 998,469</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, 2019

	2019	2018
REVENUES		
Levies and licenses	\$ 477,081	\$ 419,998
Base Levy - Research Society	-	104,593
Production Research Grant - IAF	17,256	18,651
Interest income	23,589	19,187
Grower programs income	8,719	-
	<u>526,645</u>	<u>562,429</u>
EXPENSES		
Administration	96,811	89,767
Communications	7,094	11,021
Governance	44,865	57,347
Grants	6,500	6,500
Interest and bank charges	2,251	14,737
Memberships	11,930	3,377
Professional fees	4,100	4,000
Supplies and services	4,627	562
	<u>178,178</u>	<u>187,311</u>
Excess of revenues over expenses from operations	<u>348,467</u>	<u>375,118</u>
OTHER EXPENSES		
Grants to BC Cranberry Research Society	-	104,593
Development and production expenses (Note 5)	105,517	180,606
	<u>105,517</u>	<u>285,199</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 242,950</u>	<u>\$ 89,919</u>

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Changes in Net Assets
Year Ended December 31, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 981,662	\$ 891,743
EXCESS OF REVENUES OVER EXPENSES	<u>242,950</u>	<u>89,919</u>
NET ASSETS - END OF YEAR	<u>\$ 1,224,612</u>	<u>\$ 981,662</u>

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Cash Flows
Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	<u>\$ 242,950</u>	<u>\$ 89,919</u>
Changes in non-cash working capital:		
Accounts receivable	(901)	770
Accounts payable	(5,225)	(5,791)
Prepaid expenses	(2,500)	-
Goods and services tax payable	113	(486)
NACREW Funds	<u>(4,053)</u>	<u>4,053</u>
	<u>(12,566)</u>	<u>(1,454)</u>
Cash flow from operating activities	<u>230,384</u>	<u>88,465</u>
INVESTING ACTIVITIES		
Term deposits	(165,029)	14,734
Long term Investments	<u>(21,311)</u>	<u>(178,689)</u>
Cash flow used by investing activities	<u>(186,340)</u>	<u>(163,955)</u>
INCREASE (DECREASE) IN CASH FLOW	44,044	(75,490)
Cash - beginning of year	<u>32,408</u>	<u>107,898</u>
CASH - END OF YEAR	<u>\$ 76,452</u>	<u>\$ 32,408</u>

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2019

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.

Investments

Short term investments consist of cashable and non-redeemable term deposits with a maturity date of less than twelve months, are carried at amortized cost.

Long term investments are non-redeemable term deposits with maturity dates over one year. They are carried at amortized cost.

Deferred revenue

Unearned income represents growers levies received in advance.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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.

(continues)

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

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>2019</u>	<u>2018</u>
Term deposits held	<u>\$ 941,459</u>	<u>\$ 776,430</u>

Short term and cashable term deposits are held by Envision Credit Union. The terms earn interest at 0.70% to 2.65% per annum, maturing from Jan 1, 2020 to May 3, 2021.

4. LONG TERM INVESTMENTS

Long term investments are non-redeemable term deposits held by Envision Credit Union. The term earns interest at 2.70% per annum, maturing February 11, 2021.

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2019

5. DEVELOPMENT AND PRODUCTION EXPENSES

Development and production expenses

	<u>2019</u>	<u>2018</u>
Production research	\$ 37,706	\$ 92,618
Domestic market development	11,148	13,780
Congress	5,113	11,203
Health research	-	11,725
Field Day	19,385	-
Foreign market development	32,165	51,280
	<u>\$ 105,517</u>	<u>180,606</u>

6. RELATED PARTY TRANSACTIONS

During the year the Commission gave a grant of \$nil (2018 - \$104,593) to the BC Cranberry Research Society (BCCRC). The organizations serve members in common. These are measured at the exchange amount which approximates fair value.

7. 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.

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2019

8. 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.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its receipt of funds from its customers and accounts payable.

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 \$53,953 US (\$70,140 Canadian) Funds at December 31, 2019.

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.

Statistics

BC Cranberry Statistics

Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Growers	75	74	70	76	72	72	72	73	72	75	70
Acreage	6,297	6,382	6,411	6,483	6,483	6,541	6,566	6,539	6,505	6,508	6,129
Production (barrels)	631,045	1,347,753	858,941	1,007,684	988,803	837,538	941,277	944,051	607,520	643,851	788,418
Yield (barrels per acre)	100	211	134	155	153	128	143	144	93	99	129
Producer Vendors	6	5	5	6	6	6	7	8	7	7	8
Agencies	3	3	3	4	4	4	4	4	4	4	4

Quebec Cranberry Statistics

Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Growers	78	78	80	82	82	84	81	80	76	74	66
Acreage	10,145	9,965	9,828	9,504	9,247	8,516	7,657	7,070	5,880	4,878	4,354
Production (barrels)	2,558,094	2,513,928	1,602,672	2,758,937	2,085,387	2,410,472	1,621,764	1,854,680	1,193,306	918,896	963,617
Yield (barrels per acre)	252	252	163	290	226	283	212	262	203	188	221

US Cranberry Statistics

Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Acreage	42,200	40,800	40,950	41,500	41,400	40,600	42,000	40,300	38,500	38,500	38,500
Production (barrels)	7,588,208	8,681,622	8,121,986	9,250,745	8,052,970	8,058,550	8,818,612	7,937,249	7,754,592	6,797,560	6,934,641
Yield (barrels per acre)	180	213	198	223	195	198	210	197	201	177	180



2019 was the first time since 2005 that British Columbia hosted the North American Cranberry Researcher and Extension Workers (NACREW) biennial conference – bringing together the sharpest minds in North America’s cranberry research industry to tackle our industry’s most challenging problems.

Attendees joined local researchers for a 3-day conference showcasing the BC cranberry and attended BC Cranberry Field Day at BCCRF, a great opportunity to interact with growers in the field and display this unique and wonderful research facility to scientists and extension specialists outside of BC.