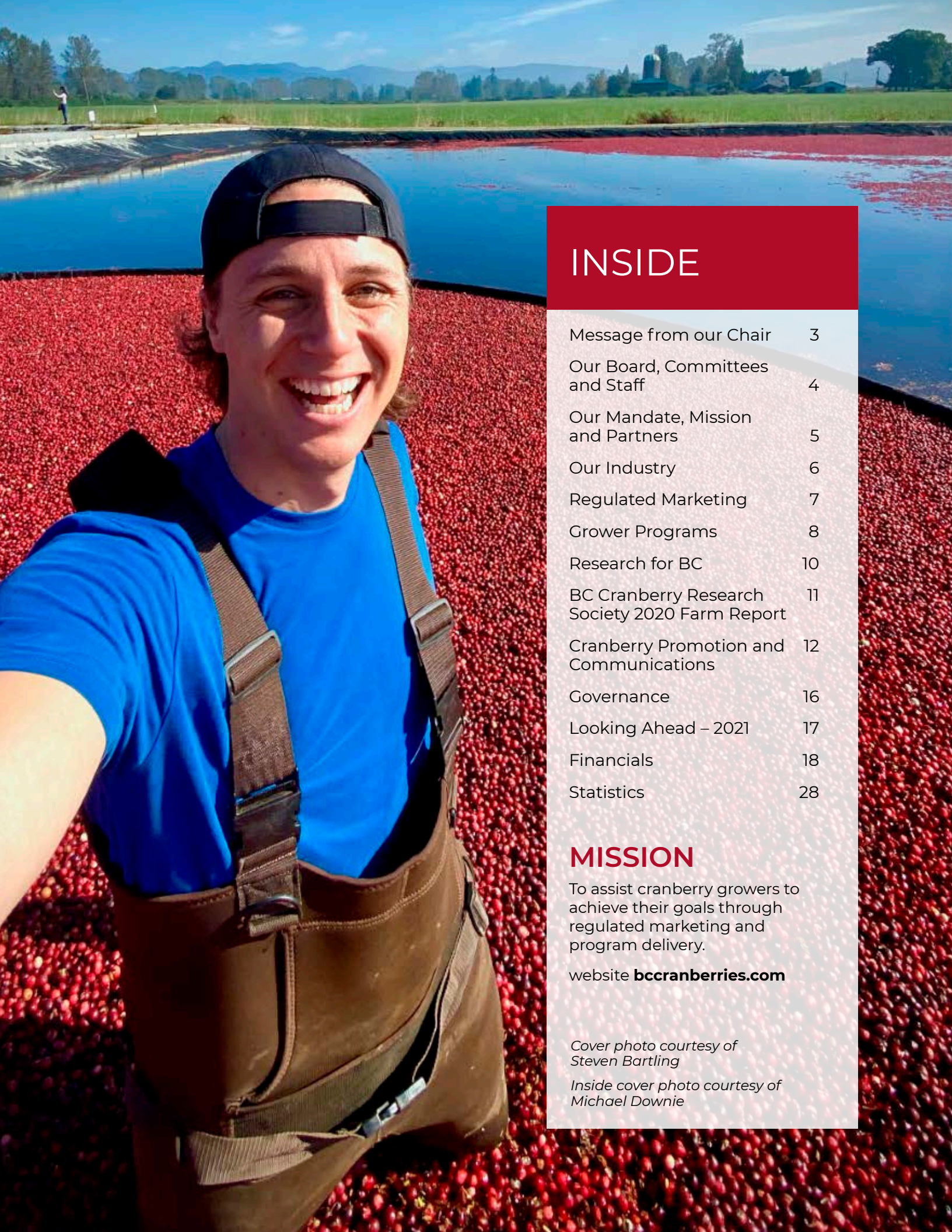


cranberries 2020 ANNUAL REPORT





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MISSION

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

website bccranberries.com

Cover photo courtesy of Steven Bartling

Inside cover photo courtesy of Michael Downie

Message from our Chair



The year 2020 had, what appeared to be, a normal start. We were able to have the annual Cranberry Congress and AGM. Then our world changed dramatically. Since mid-March, the commission has met once in person, that was in September at the Research Farm where we had plenty of room to social distance. We have adapted well to the new normal and our meetings have been virtual.

Most other events that we participated in have also been virtual, that is COGA's three meetings and COMB had two which I attended on your behalf. The interesting thing about the first virtual COMB meeting was that it was the first time that everyone was in attendance.

There was considerable time spent in preparation for a hearing to approve a new Agency. We held a virtual Hearing and the Commission, at our next meeting approved the application and forwarded it to FIRB

for approval. The application was approved, and I am pleased to inform you that Coast Cranberries Ltd. is our newest Agency. There was one other agency application which was withdrawn.

The Research Farm continues to be a great asset to cranberry growers in BC. Our research on varieties is showing promise for greater yields. We hope that in 2021 we will be able to resume open house days at the farm as well as a Field day at a grower's operation.

During my time as your Chair I have had the privilege of working with some excellent people. To be part of the Commission when John Savage was the Chair was special. I have worked with four different managers who all have been excellent people to work with. Two of them retired and one moved away, our current manager Coreen, stepped in and filled a very big pair of shoes left by Heather Carriere. As for the commission members themselves, they have been great to work with. I would like to thank them for their wisdom, loyalty and guidance over the past nine years. They have always put the best interest of the growers first.

In closing I would like to thank all the growers for their support and understanding. We have seen good times and some not so good times, but the grower community has stood the test very well and you should all be very proud to be part of this unique organization.

It has been my pleasure to have served as Chairman of the BC Cranberry Commission. We are an organization second to none. Good luck in the future.

Respectfully yours:

Jack Brown, Chair

BC Cranberry Marketing Commission

Our Board, Committees and Staff

BOARD MEMBERS

Jack Brown, Chair

Cabinet Appointment

Andreas Dolberg, Vice Chair

Appointed Member

Jack DeWit, Secretary

Licensed Grower, Elected Member

Todd May

Licensed Grower, Elected Member

Jeff Hamilton

Licensed Grower, Elected Member

Clinton May

Licensed Grower, Elected 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 Jack Brown.

Crisis Response and Communications Committee

Jack DeWit, Chair

Members include the BC Cranberry Growers Association, Ocean Spray, the BC Ministry of Agriculture and Jack Brown

Industry Advisory Committee

Linda Delli Santi, Chair, BC Greenhouse Growers Association Executive Director

Members include a BC Cranberry Growers Association representative, an Ocean Spray representative, and a Pacific Canadian Fruit Packers representative

Field Day Committee

Jack DeWit and Clinton May, Co-Chairs

Members include the BC Cranberry Research Farm Society, the BC Cranberry Growers Association, Ocean Spray and Jack Brown.

Research Committee

Todd May, Chair

Members include Licensed Grower representatives, the BC Cranberry Research Farm Society, the BC Cranberry Growers Association, Ocean Spray, Cranberry Researchers, the BC Ministry of Agriculture, Jeff Hamilton and Jack Brown.

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 2020, 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



CRANBERRY
MARKETING
COMMITTEE
UNITED STATES OF AMERICA



RUTGERS
THE STATE UNIVERSITY
OF NEW JERSEY



COMB - COGA

Council of
Marketing
Boards/Centre for
Organizational
Governance
in Agriculture



WASHINGTON STATE
UNIVERSITY



•BC Ministry of
Agriculture

•Farm Industry
Review Board



Agriculture and
Agri-Food Canada

Agriculture et
Agroalimentaire Canada



Investment
Agriculture
Foundation
of British Columbia



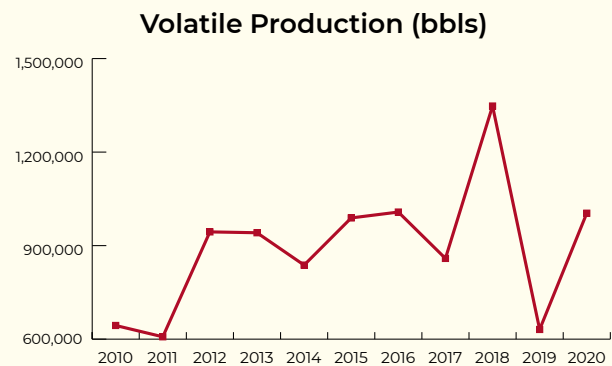
Our Industry

The BC cranberry industry farms about 6500 acres. It is the second largest producer of cranberries in Canada after Quebec. Most cranberry farms are family owned and operated with an average size of 88 acres. 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 cranberry farms that sell to three agencies and 7 producer-vendors that both grow and sell their own cranberries. Over 97% of growers are members of the Ocean Spray Cooperative resulting in nearly 95% of all BC grown cranberries being received by Ocean Spray stations in Richmond and Langley, BC. Most of those cranberries are shipped to the United States to be processed into Craisins due to their high quality in firmness and colour. Coast Cranberries and Pacific Canadian Fruit Packers also buy and process local cranberries.

In 2020, BC cranberry production was 1,003,998.12 barrels. A barrel is equivalent

to 100 pounds. The average yield was 170 barrels per acre. Of the 6500 acres that are used for cranberries, approximately 750 acres are being replanted to newer, higher yielding varieties. New cranberry fields take 3 to 5 years to become fully mature and reach their full yield potential. The BC Cranberry Research Farm has been instrumental in demonstrating which varieties perform best in BC conditions.

The graph below shows the variability of production over the past 10 years expressed as the number of barrels produced per year from 2010 to 2020.



Regulated Marketing



Licensing

The BCCMC licensed 75 Growers, 7 Producer Vendors and 3 Agencies in 2020. Glen Valley Cranberries was licensed as a new Producer Vendor. Nature’s Touch dropped their agency license and Coast Cranberries Ltd became a licensed agency in 2020.

Agency Applications

Coast Cranberries Ltd and RJT Blueberry Park Inc. submitted applications for agency licenses and attended an online public hearing on September 30, 2020. Coast Cranberries Ltd approval was recommended by the BC Cranberry Marketing Commission and officially approved by the Farm Industry

Review Board for the 2020 crop year. It was determined that since RJT Blueberry Park Inc. was only purchasing from a single producer vendor, they did not need an agency license and so withdrew their application.

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 2020

The BC Cranberry Marketing Commission and BC Cranberry Growers Association and all cranberry Congress attendees were fortunate to have the Congress before the COVID-19 really took off and shut-downs were in place. Even more importantly no attendees were diagnosed with COVID-19. The event was held in Richmond on February 18, 2020. 51 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, 84% of the attendees indicated they will use the



information within the next 2 years and over 85% are interested in attending in 2021 based on scoring 4 or 5.

“All good, very practical this year”

“Most useful topics: soil moisture sensors; genetic and trait research, cultivar variation in pollination deficit and cranberry IPM”

“Most useful topics: pollination deficit, water sensors and return on investment”

Open Houses Not Scheduled

Due to COVID-19 there were no open houses at the farm, however an update was submitted with a video of the research progress at the farm and circulated to growers in mid season. Video link is here:

https://www.youtube.com/watch?v=kK_8JOM0k3o&feature=youtu.be

IPM Bulletins

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



Research for BC

The Research Committee met three times in 2020. In February they adjudicated new project proposals, in April they reviewed project reports and in December they reviewed reports and finalized research priorities and requests for proposals for 2021.

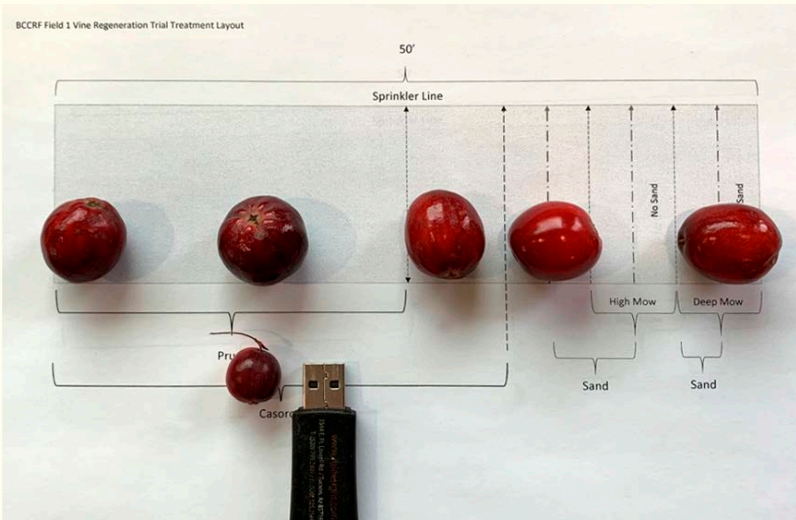
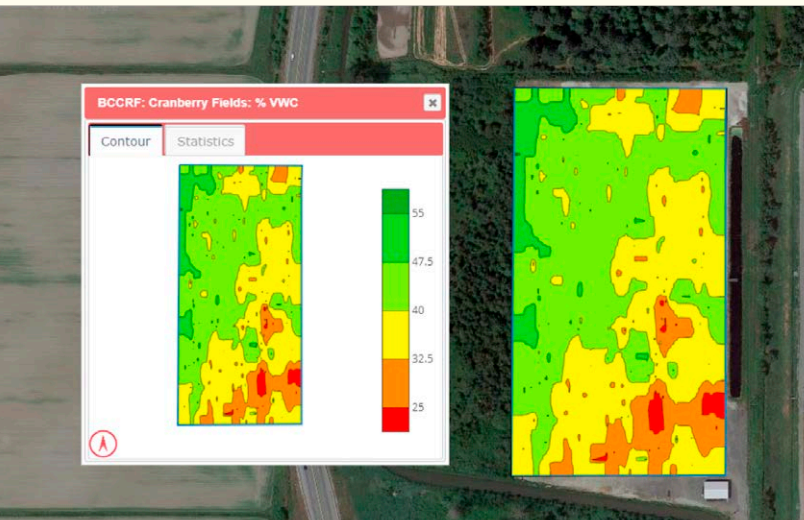
The Commission approved 6 research projects in 2020. Four of the projects built on the previous year's work in:

- variety trials
- pollination deficit

- testing the telemetry of moisture sensors and
- vole control

Two approved projects were delayed due to COVID-19:

- Prohexadione calcium for canopy management in cranberries submitted by Dr. Charitha Jayasinghege at Agriculture and Agri-Food Canada and
- Assessing a herbicide layering strategy in newly renovated and established cranberry fields submitted by Dr. Jichul Bae



BC Cranberry Research Farm 2020 AGM Report



The BC Cranberry Research Farm (BCCRF) has been tasked with investigating and demonstrating how to grow cranberries effectively and efficiently in our ever-changing unique West Coast environment. In the 10 short years since the inception of the BCCRF, the farm property was purchased, land prepared into five fields, complete with updated modern irrigation and drainage systems and fields planted with the newest available varieties from leading Cranberry Breeders across North America.

These new cranberry cultivar evaluations are key for the BC Cranberry industry as we move forward into the next decade. Observing the unique characteristic of these new cranberry cultivars, incorporating innovative cultural practices, IPM, crop protection, and water and nutrient management into the Research Farm's operating system; BC Cranberry Growers are encouraged and enabled to make educated on farm decisions ensuring their families' and farms' viability for the next generation of Growers.

While 2020 posed many challenges due to the Global Pandemic, the BCCRF continued to support the BC Cranberry Industry, Researchers and Growers. Some of the ongoing research projects taking place at the Research Farm in 2020 were as follows:

- Varietal evaluation, bud / blossom phenology and fruit characteristics, cranberry data retrieval tool and plant

phenology / phytotoxicity relative to crop protection product application. (Renee Prasad, UFV and ES Crop Consultants).

- Efficacy between native pollinators (bumble bee species) and honeybees - pollination deficits (reduced fruit production due to lack of pollination) may vary between cranberry cultivars and be affected by the abundance of honeybees verses wild bumble bees on a farm. (Sandra Gillespie, UFV)
- Crop protection product screening – efficacy and residue trials; tensiometer evaluation and field moisture mapping; and evaluating the Cranberry Canopy response due to cultural modifications - mowing and sanding. (Miranda Elsby, Ocean Spray Cranberries)

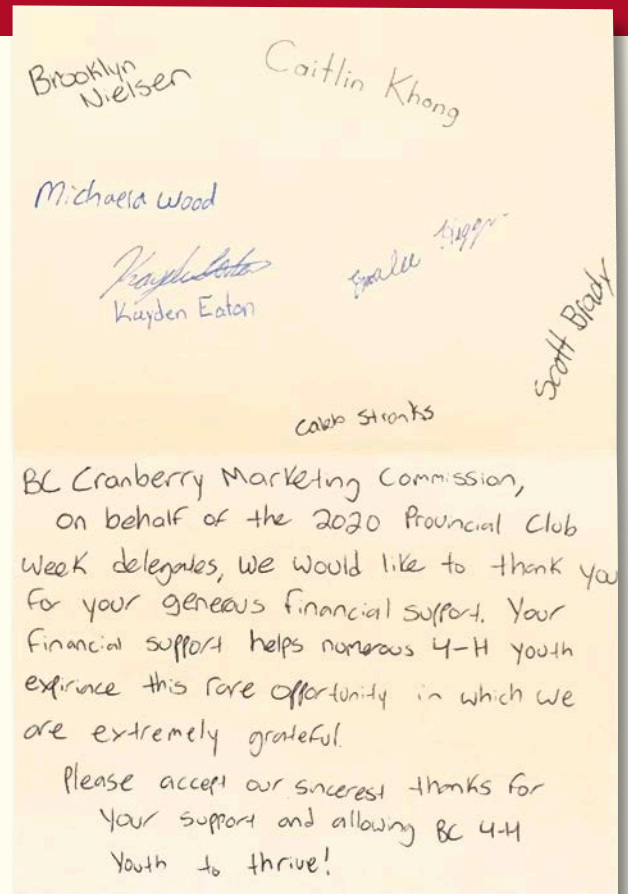
Two AAFC projects slated for 2020 were put on hold due to COVID 19 restriction through the Federal Government, at this time we are hopeful these projects will commence in spring 2021.

As we move into 2021, research and demonstration will continue at the BCCRF. When COVID restrictions are lifted we will once again host field days and drop in events for Growers and the BC Cranberry Industry. In the meantime, we will look to provide online resources and virtual field days to continue the education and growth of growers now and for future generations of Cranberry Farming in BC.

Cranberry Promotion and Communications

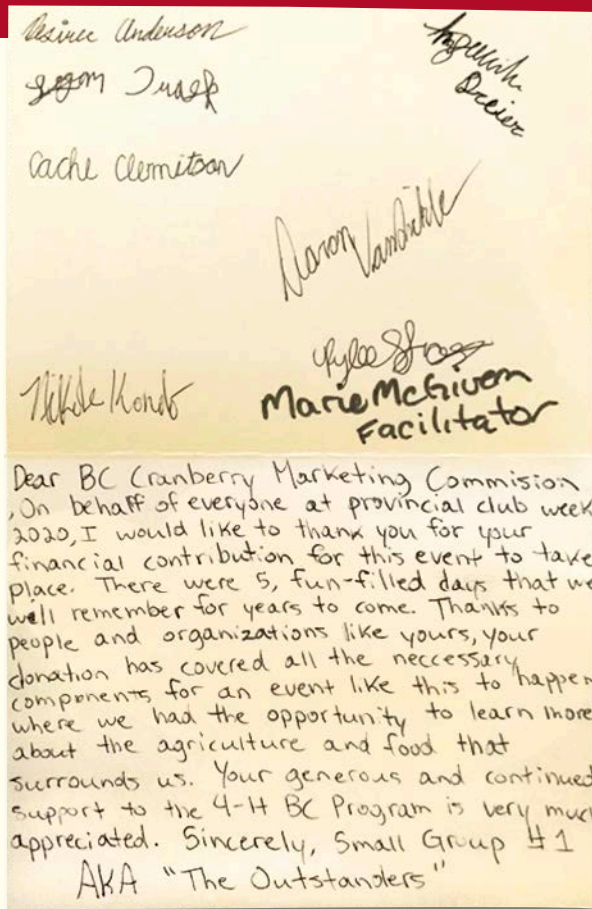
PROMOTION

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. Our Canada-wide promotion is directed to registered dietitians who are key influencers in the purchase of cranberry products for consumers as well as institutions like hospitals, elder care facilities, schools, etc. Our general promotion is channelled through social media including the website, Pinterest, Instagram, Twitter and Facebook. In 2020, we had two new promotions, one in BC and the other nationally. Due to COVID-19, we did not participate in any US or international activities, as they were cancelled.



"...with the second wave of Covid upon us, our school cafeteria program is definitely not business as usual – at times it feels like standing in quicksand – the ground is sinking beneath our feet. The one constant is the **Take a Bite of BC** program, supplying my students with the world's best produce and proteins from our province. In these challenging times, my students and I truly appreciate the generous support and kindness. Let's hope the New Year will bring a return to normality."

Chef Mike Doyle, Enver Creek Secondary, Surrey



Agriculture in the Classroom/ Take a Bite of BC

This year we participated in the BCAITC Spotlight Series on Cranberries, a Virtual Farm Visit as well as continuing to support Take a Bite of BC.

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

We also contributed to BC 4-H's provincial club week where small cohorts were able to get together and we supported the BC Food For Thought online program.

BC 4-H and BC Agriculture in the Classroom partnered to create the Field to Fork Challenge where youth aged 9 to 19 could submit recipes and a video of themselves cooking with BC ingredients, the top 10 winners attended a virtual conference and had a three course cooking lesson from Chef Randle. The Commission is pleased to have supported this collaborative effort.



cranberries

Cranberries are packed with proanthocyanidins

HEALTHFUL & VERSATILE

www.bccranberries.com



Dietitians of Canada

Although the annual Dietitians of Canada Conference was cancelled due to COVID-19; we were able to reach over 6,000 dietitians weekly from July through December with ads in their e-newsletter. Ads alternated with health information and recipes that incorporate cranberries. This project is supported by the Canadian Agricultural Partnership, a federal-provincial-territorial initiative. The program is delivered by the Investment Agriculture Foundation of BC.

the month of September with voting in October. We had great sponsor participation and the Grand Prize winner received a year's worth of Craisins and a cranberry harvest tour courtesy of Hopcott Farms. Over 270 BC residents submitted over 400 recipes. The recipes are on www.bccranberries.com. Nearly all entrants filled out a quick survey and it showed that participants were from all over BC, and in all age groups. They were asked what is their favourite cranberry product, and the graph below left shows a real diversity in their preferences. Over 3,500 voted for their favourite recipe.

GENERAL AUDIENCES

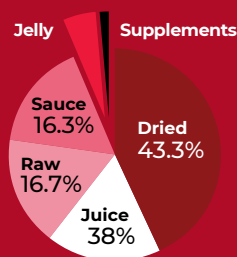
BC Cranberry Culinary Contest

The BCCMC partnered with Black Press Media to host an online recipe contest for

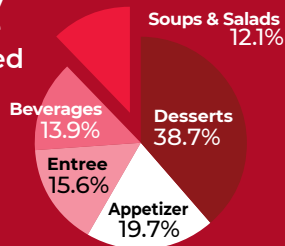
Funding support was provided, in part, by the BC Government's Buy BC Partnership Program and delivered by the Investment Agriculture Foundation of BC, with funding from the Government of British Columbia.

CULINARY CONTEST STATISTICS

Favourite Cranberry Product

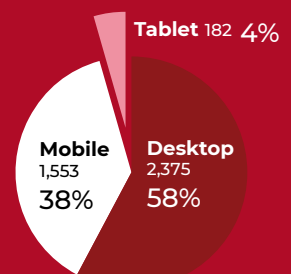


Category of recipe submitted



WEBSITE STATISTICS

2020 Access Platform to Website





COMMUNICATION

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 children. 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 inquiry related to a crisis such as a significant injury or death in a bog, accident with workers, food borne illness situation, boycott or any issue that can negatively impact the reputation, legal liability or economics of the industry. Thankfully no crises occurred in 2020 which required media management.

BC Cranberries Website and Social Media Performance

Overall, our social media did well in 2020. Website traffic increased over 22% from 2019. Approximately 58% of those people accessed the site by computer and 38% by mobile phone in 2020. Our other social media increased significantly for Facebook, Instagram and Pinterest, although Twitter had a decline of 27% in reach but an increase of 7% in follower base. Both the dieticians e-ads and the online recipe contest contributed to these increases as well as regular social media posting for the last 6 months of the year to keep followers engaged.

Visitors by Country

	2018	2019	2020
Canada	2,763	2,249	2,795
USA	600	581	555

Website traffic increased by 22.39% from 2019

	2018	2019	2020
	3,924	3,358	4,110

SOCIAL MEDIA STATISTICS

f 621% increase in reach 82% increase in follower base

t -27% increase in reach 7% increase in follow up engagement

p Recipes targeted to families generated: 132% increase in impressions 255% increase in post views

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.

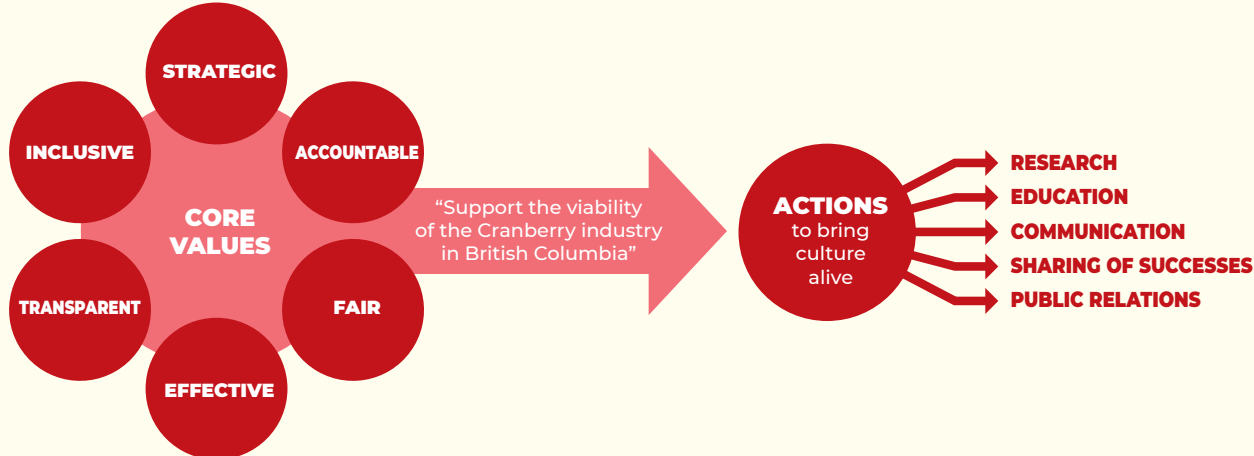
The Commission is accountable, to the public, to the Farm Industry Review Board (FIRB) and to the industry it serves.

As part of this accountability, the Commission submitted its Public Accountability and Reporting Project (PARP) report to FIRB. The report has industry performance targets, industry statistics and outlines 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. COVID-19 resulted in fewer events this year with one being rescheduled from a March in person meeting to a December virtual event. The three events for 2020 were: Governance and Managing Conflict; Emerging Issues: Activism & Influences in Agriculture and a Managing the Media training Session. Internal training includes Board orientation and a governance manual with all pertinent regulations, code of conduct and conflict of interest policies.

From the 2019 Strategic Plan



Looking Ahead – 2021



While 2020 had its challenges, the Commission was able to keep on keeping on by adapting and changing activities to suit the times. As staff all work remotely, the impact to staff has been minimal. The Directors have embraced moving to online meetings and were able to have one in-person at the farm while respecting health protocols. We welcomed Coast Cranberries as a new Agency and continued our licensing and regulatory functions. Some activities did change however, we were not able to offer the two open houses at the Research Farm as we usually do, rather a video update of the research farm projects was shared with all growers. Two of the approved research projects could not proceed as planned but thankfully four

others were able to adjust and continue in 2020. While we couldn't attend the Dieticians Conference of Canada, what we did was a weekly ad in their electronic newsletter with over 6,000 dieticians in their circulation– reaching more dieticians more frequently than ever before. We also had our BC online recipe contest which engaged a diversity of BC residents in submitting and voting for their favourite recipes. Over 400 recipes are now added to our library and being posted to the website.

In 2021 we will be conducting a regulatory review and doing a strategic plan refresh. Growers, Producer Vendors and Agencies will be included in the process, so stay tuned. We are looking forward to the first Pacific Northwest Cranberry Congress as we are collaborating with Washington State and Oregon Growers to host the 2021 Congress online. We are planning a fall open house and Field Day. I'm sure we are all looking forward to some networking as well as knowledge sharing time. We have a couple new promotional initiatives including in the Vancouver Wellness at Home Show and continuing efforts with the Dieticians of Canada. Everything we do is in partnership with so many and we honour these collaborations and look forward to working together again.

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

BC Cranberry Marketing Commission Financial Statements

Year Ended December 31, 2020

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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, 2020, 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, 2020, 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 15, 2021

Agatha Cluff Inc.
CHARTERED PROFESSIONAL ACCOUNTANT

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Financial Position
December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 42,841	\$ 76,452
Term deposits (Note 3)	1,206,987	941,459
Accounts receivable	15,132	11,843
Prepaid expenses	2,500	2,500
	1,267,460	1,032,254
LONG TERM INVESTMENTS (Note 4.)	-	200,000
	\$ 1,267,460	\$ 1,232,254
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 7,811	\$ 4,100
Goods and services tax payable	971	3,542
	8,782	7,642
NET ASSETS	1,258,678	1,224,612
	\$ 1,267,460	\$ 1,232,254

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, 2020

	2020	2019
REVENUES		
Levies and licenses	\$ 247,307	\$ 477,081
Interest income	23,255	23,589
Domestic promotion income	15,552	-
Production Research Grant - IAF	10,809	17,256
Grower programs income	6,724	8,719
	<u>303,647</u>	<u>526,645</u>
EXPENSES		
Administration	94,337	96,811
Communications	7,487	7,094
Foreign exchange	4,814	2,251
Governance	36,627	44,865
Grants	4,000	6,500
Legal fees	1,471	-
Memberships	12,316	11,930
Professional fees	4,100	4,100
Supplies and services	1,842	4,627
	<u>166,994</u>	<u>178,178</u>
Excess of revenues over expenses from operations	136,653	348,467
OTHER EXPENSES		
Development and production expenses <i>(Note 5)</i>	102,587	105,517
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 34,066</u>	<u>\$ 242,950</u>

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Changes in Net Assets
Year Ended December 31, 2020

	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 1,224,612	\$ 981,662
EXCESS OF REVENUES OVER EXPENSES	<u>34,066</u>	<u>242,950</u>
NET ASSETS - END OF YEAR	<u>\$ 1,258,678</u>	<u>\$ 1,224,612</u>

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenues over expenses	<u>\$ 34,066</u>	<u>\$ 242,950</u>
Changes in non-cash working capital:		
Accounts receivable	(3,289)	(901)
Accounts payable	3,711	(5,225)
Prepaid expenses	-	(2,500)
Goods and services tax payable	(2,571)	113
NACREW Funds	-	(4,053)
	<u>(2,149)</u>	<u>(12,566)</u>
Cash flow from operating activities	<u>31,917</u>	<u>230,384</u>
INVESTING ACTIVITIES		
Term deposits	(265,528)	(165,029)
Long term Investments	<u>200,000</u>	<u>(21,311)</u>
Cash flow used by investing activities	<u>(65,528)</u>	<u>(186,340)</u>
INCREASE (DECREASE) IN CASH FLOW	(33,611)	44,044
Cash - beginning of year	<u>76,452</u>	<u>32,408</u>
CASH - END OF YEAR	<u>\$ 42,841</u>	<u>\$ 76,452</u>

See notes to financial statements

BRITISH COLUMBIA CRANBERRY MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2020

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, 2020

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>2020</u>	<u>2019</u>
Term deposits held	<u>\$ 1,206,987</u>	<u>\$ 941,459</u>

Short term and cashable term deposits are held by Envision Credit Union. The terms earn interest at 0.15% to 3.3% per annum, maturing from April 2, 2021 to August 28, 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, 2020

5. DEVELOPMENT AND PRODUCTION EXPENSES

Development and production expenses

	2020	2019
Production research	\$ 54,950	\$ 37,706
Domestic market development	27,686	11,148
Congress	6,853	5,113
Field Day	-	19,385
Foreign market development	13,098	32,165
	\$ 102,587	105,517

6. RELATED PARTY TRANSACTIONS

During the year the Commission gave a grant of \$nil (2019 - \$nil) 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 it's growers' dues from one customer. Should this customer substantially change it's 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, 2020

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 \$21,886 US (\$27,861 Canadian) Funds at December 31, 2020.

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Growers	75	75	74	70	76	72	72	72	73	72	75
Acreage	6,556	6,297	6,382	6,411	6,483	6,483	6,541	6,566	6,539	6,505	6,508
Production (barrels)	1,003,998	631,045	1,347,753	858,941	1,007,684	988,803	837,538	941,277	944,051	607,520	643,851
Yield (barrels per acre)	174	100	211	134	155	153	128	143	144	93	99
Producer Vendors	7	6	5	5	6	6	6	7	8	7	7
Agencies	3	3	3	3	4	4	4	4	4	4	4

Quebec Cranberry Statistics

Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Growers	81	78	78	80	82	82	84	81	80	76	74
Acreage	10,682	10,145	9,965	9,828	9,504	9,247	8,516	7,657	7,070	5,880	4,878
Production (barrels)	2,306,906	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
Yield (barrels per acre)	216	252	252	163	290	226	283	212	262	203	188

US Cranberry Statistics

Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Acreage	40,171	42,200	40,800	40,950	41,500	41,400	40,600	42,000	40,300	38,500	38,500
Production (barrels)	7,727,038	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
Yield (barrels per acre)	176	180	213	198	223	195	198	210	197	201	177

