



Garlic Growers Association of Ontario

24 March 2002

Greetings fellow Garlic Growers,

Annual General Meeting – Saturday, April 13th 2002 – 10:00 am

- PLEASE SIGN UP ASAP – we have lots to discuss
- Flyer with detail attached
- NEW Location – Quality Inn, Woodstock (Hwy 59 & 401)

Domestic Garlic Industry Wins Anti-Dumping Case

- We now have year round protection against dumped garlic from China
- Thanks to everyone's efforts in making this happen!

President's Message:

Unlike the garlic lying dormant in your fields, that is only now starting to awaken from a long winter's nap, the GGAO has been VERY active since our fall meeting. I am really looking forward to 2002 and the opportunities that it will present for the domestic garlic industry. I want to strongly encourage you to come out the ANNUAL GENERAL MEETING (AGM) of the GGAO on 13 April 2002 in Woodstock.

Anti Dumping: The big news is that we have won the Anti-dumping case against the Peoples Republic of China. We now have up front, year round duties of CDN\$1.82/kg in place for the next five years. This effort has been monumental and all consuming for the executive for pretty much the whole fall/winter. I want to thank a number of people who have given of their time and efforts graciously. Without these people, Canadian growers would not have the chance to be viable. Please join me in thanking: the 40 or so growers that completed the CITT questionnaires, the growers that were witnesses (Leigh Allossery, Warren Ham, Dough Sholdice), and our dedicated consultant team of Barb & Alex Macdougall and our lawyer, Richard Wagner. My understanding is that the price of garlic has already started to rise.

Membership: This effort has been costly – both in terms of time and effort and financial costs, however, the anti-dumping ruling will last for 5 years. Our plan is to manage the year-to-year budget such that we have sufficient funds set aside to handle this in the future. With this in mind, we re-examined the membership structure and adopted a new membership fee structure at our fall meeting. The new membership is \$50 per year + \$40/acre of garlic planted. Dues are due at

the fall meeting. As not everyone made it to the fall meeting, we have enclosed a membership (renewal) form in this mailing. If you have not fully paid your dues, please do your part to support the garlic Association that is supporting the garlic industry.

Speaking of Membership - you will notice an AGM agenda item called Section 12 (Mandatory Membership). The GGAO has started the process of applying under the Ontario Farm Products Marketing Commission to become deemed a "Section 12 Representative Association". That would mean that once we are successful, membership dues would no longer be voluntary - they would be mandatory under law.

Our experience has shown that there are 3 groups of growers in regards to paying membership dues: one group pays consistently, recognizing the value and the ethics of paying for benefit received, a second group seems to oppose joining the GGAO and takes every opportunity to speak out loudly about how they refuse to financially support the Association (fortunately, this group is very small, but they act like a cancer for the 3rd group). The third group, I call the fence sitters. They enjoy the benefits of the GGAO (like higher prices brought on by successful anti-dumping efforts), yet since they hear about the second group (VERY small minority of growers vocally decreeing that they will not pay dues), they themselves think 'well, it's optional (I have a choice) and since one guy two counties over is saying he won't pay, neither will I'. Unfortunately, either through apathy or the above-described situation, the majority of growers seem to fall into the third group. I suspect that most growers, knowing the benefits of membership (the list is growing all the time), will support the move to mandatory membership. It is simply a matter of paying everyone's fair share.

As with some other commodities that have "mandatory check offs", there is a way to make membership dues payment mandatory for commercial garlic growing operations. Please join us at the AGM for a discussion on how best to proceed down this path. The GGAO simply cannot afford to create value for people that won't pay for it. We will be soliciting expressions of support for the proposal to move to Section 12 – Mandatory Membership at the AGM. There will be a sign up sheet where you can provide your contact information and acreage. We'll need a petition with 15% of producer support to proceed to the next steps.

You will notice that our new annual membership rates (\$50 + \$40/acre) are based on acres planted instead of the old 'pounds planted'. The main reason for this is so that we are using something that can be verified. This is especially important for our proposed AgriCorp crop insurance effort and dues enforcement. As most of you know, crop insurance has not existed for garlic in the past. The very wet harvest of 2000 and the drought of 2001 have hurt almost everyone to a certain degree. We are proposing that one of the benefits of GGAO membership will be access to AgriCorp garlic crop insurance. We are working with AgriCorp and things look promising. One of the key things we need now is membership

support to lobby AgriCorp to put garlic on the list. We need you to sign up and indicate your interest in garlic crop insurance. The sign up form to EXPRESS INTEREST (you are not committing to contract for coverage) will be at the sign in table at the AGM.

Future of Garlic Growth: Last year, the Canadian market for garlic was about 12.5 million kilograms. We estimate that the domestic production accounted for 2 million kg or 16%. At the CITT hearing and in several meetings with Members of Parliament, the GGAO has suggested that Canadian growers should be able to meet 50% of domestic demand. Using average past yields, that means about 3,500 acres should ultimately be grown in Canada. We've had a past high of around 2,000 acres, but are currently way down. Ontario grows over 90% of Canada's garlic. It wouldn't surprise me if there weren't more than 450 acres in the ground in Ontario today. With the PRC duties in place now, and a commitment from Canada Customs and Revenue Agency (CCRA) to stop illegal transshipping we expect the market to strengthen. All of these things together point to a very bright future for Ontario garlic growers.

Future of the GGAO: For the industry to grow, the GGAO needs to flourish and grow. The relationship is symbiotic – the industry needs the Association and the Association needs support of the industry. The single best way that growers in the industry can get involved in the current issues and help shape the direction of the GGAO is to volunteer to serve on the Executive of the GGAO. Your participation can take whatever form you want. At the AGM we will be soliciting for more growers to join the Officers and Directors of the GGAO. We meet one evening, every 6-10 weeks, depending on issues and seasons, usually in Woodstock. If you have any questions about what is all involved, please feel free to call me at 519-674-1213. I would especially encourage every group of growers that has banded together in any sort of commercial relationship to volunteer one or two folks to join the Executive. We need a diverse group of growers to best represent the membership and encourage anyone that is interested to step up.

Thank you for your support and I look forward to seeing you on the 13th.

Wayne Passmore.