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## **2009 ONTARIO APPLE REPORT**

For the 2009 crop, production estimate indicates an increase of 15.9% over 2008 (details by variety can be found in the chart below). While hail was the prevalent growing challenge in 2008, Ontario's 2009 challenge was scab with many growers experiencing very high pressure. A spring frost caused severe damage in some orchards in southwestern Ontario. Thinning challenges were greater than normal with cooler weather during the critical period. Some areas of the province experienced a bumper crop while others struggled with a variety of issues. There was ample moisture throughout the growing season. The storability of the crop was predicted to be yet one more challenge. However, at this point, the crop is storing well with the exception of Honeycrisp. Prices for the 2009 apple crop started out stable but we have since experienced downward pricing pressure on Red Delicious, Golden Delicious, and Gala varieties specifically. Grower returns for the 2008 crop years returned to more acceptable levels following the disastrous results that were experienced in 2004 and 2005. The returns to growers were up 12% in comparison to 2007.

**Orchard and Vineyard Transition Program (OVTP)** – The Canadian and Ontario governments introduced a three-year \$22.3 million program to help tree fruit and grape growers cover some of the cost of removing unwanted and/or unproductive trees and vines and transition into alternate varieties or crops. \$20 million was allocated to a removal program (\$18.4 million for removals, balance for administration). To date, \$18.7 million has been allocated. Approximately \$2 million will be used for strategic planning to provide direction to our industry for the next fifteen years.

On February 3<sup>rd</sup>, 2010 the Province of Ontario announced a \$2 million top up to OVTP for removals. Applications for removals are being accepted until March 31, 2010. The OAG will continue to communicate with government regarding the need for further funding in the form of a replant program.

**Minimum Wage** - The third of three \$0.75 annual increases in the Ontario minimum wage takes effect on April 1, 2010. The hourly minimum wage for 2010 will be \$10.25. When the wage increase is fully phased in, labour will represent over 50% of the variable cost of producing apples in Ontario. Growers understand the need to provide assistance to low income earners but, in this case, growers are clearly an unintended casualty of a well-intended social program. It will be extremely important for growers to adopt production and packing practices which reduce their labour costs wherever possible.

Brian Gilroy  
Ontario Apple Growers  
March, 2010

**APPLE INDUSTRY STATISTICS**

<b>Varieties</b>	<b>2007 Production ('000 lbs)</b>	<b>2008 Production ('000 lbs)</b>	<b>Nov 2009 Production ('000 lbs)</b>	<b>% Change 09/08</b>
Other Early Varieties	6,730	5,666	6,386	12.7%
Ambrosia	177	314	1,551	394.6%
Cortland	5,555	5,005	5,805	16.0%
Crispin/Mutsu	6,990	5,354	8,265	54.4%
Empire	60,105	36,303	39,321	8.3%
Fuji	448	421	1,313	211.6%
Gala	7,229	8,674	9,572	10.3%
Golden Delicious	3,853	4,308	12,289	185.3%
Honeycrisp	1,609	1,218	4,523	271.2%
Idared	20,326	18,334	17,465	-4.7%
Jonagold	3,432	3,356	3,348	-0.2%
McIntosh	90,135	76,344	82,702	8.3%
Northern Spy	19,149	17,368	28,692	65.2%
Red Delicious	37,797	26,042	31,503	21.0%
Spartan	5,076	4,406	7,988	81.3%
Other Late Varieties	2,406	2,088	2,073	-0.7%
<b>Total Fresh and Non-Juice</b>	<b>273,022</b>	<b>215,202</b>	<b>262,795</b>	<b>22.1%</b>
<b>Juice</b>	<b>157,151</b>	<b>100,596</b>	<b>103,101</b>	<b>2.5%</b>
<b>All Varieties</b>	<b>430,173</b>	<b>315,798</b>	<b>365,896</b>	<b>15.9%</b>