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COMMITTEE

ON

RESOURCES

Thursday, January 21, 2016

COMMITTEE ROOM

Wild Blueberry Producers Association of Nova Scotia

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Resources Committee

Mr. Gordon Wilson (Chairman)
Mr. Terry Farrell (Vice-Chairman)
Mr. Stephen Gough
Mr. Bill Horne
Mr. Derek Mombourquette
Hon. Pat Dunn
Mr. John Lohr
Hon. Sterling Belliveau
Ms. Lenore Zann

[Mr. Gordon Wilson was replaced by Mr. Ben Jessome]
[Mr. Stephen Gough was replaced by Mr. Brendan Maguire]

In Attendance:

Ms. Monica Morrison
Legislative Committee Clerk

Ms. Nicole Arsenault
Legislative Counsel

WITNESSES

Wild Blueberry Producers Association of Nova Scotia

Mr. Peter Rideout
Executive Director

Mr. Barron Blois
President

House of Assembly
Nova Scotia

HALIFAX, THURSDAY, JANUARY 21, 2016

STANDING COMMITTEE ON RESOURCES

9:00 A.M.

CHAIRMAN
Mr. Gordon Wilson

MR. TERRY FARRELL (Chairman): Good morning everyone, I'd like to welcome you all to this morning's meeting of the Standing Committee on Resources. We're here today to hear a presentation on behalf of the Wild Blueberry Producers Association of Nova Scotia.

I'm going to begin with introductions. My name is Terry Farrell, I'm the vice-chair of the committee and I'm substituting today for the chairman, Gordon Wilson. I'll ask the members of the committee to introduce themselves.

[The committee members introduced themselves.]

MR. CHAIRMAN: I'll begin by asking the members of the committee and all others in the room to make sure your phones are on silent. I'll give you some basic information about the new committee room: the washrooms and coffee can be found in the entryway, the anteroom where you came in. In case of emergency, please exit in the same manner that you came, through the Granville Street entrance, and proceed to the Grand Parade Square by St. Paul's Church where we'll take a head count and make sure everyone is present and accounted for.

The microphones are for the purpose of recording the proceeding, as well as amplification. So as we move through the presentations, I'll ask that you wait to be recognized by the Chair before you speak. I think the members should be familiar with that procedure.

We have two representatives here today from the Wild Blueberry Producers Association. Perhaps, gentlemen, I'll ask you to introduce yourselves and begin your presentation.

MR. PETER RIDEOUT: Good morning, I'm Peter Rideout and I'm executive director of the Wild Blueberry Producers Association of Nova Scotia and I'll be telling you more than you want to know about wild blueberries over the next little while.

MR. CHAIRMAN: I can't imagine that. Mr. Blois.

MR. BARRON BLOIS: Good morning, my name is Barron Blois. I am a blueberry producer here in the Province of Nova Scotia. I farm in Hants County and in Cumberland County. I'm a seventh-generation farmer. I'm the newly-elected president of the Blueberry Producers Association. This past year represents 59 years that my farm has produced blueberries in this province. This morning Mr. Rideout will make the presentation and I'll be more than happy to answer questions after the presentation.

MR. CHAIRMAN: Thank you. Mr. Rideout, would you like to begin?

MR. RIDEOUT: Thank you, I'll get right into it then. I have prepared a few slides to give you a general overview, a little background and context about our industry and its origins, a little bit about our association and its role in promoting the industry and another organization that we belong to, sort of a glimpse, a snapshot of the marketplace that we operate in, and then a summary of our strategic priorities that we developed in our organization as we represent the wild blueberry industry.

I have about 25 slides and some of them I'm not going to spend very much time on and some require a little more emphasis.

Wild blueberries only grow in northern North America, from about 40 degrees north latitude up into the boreal forest and right across from the East Coast into the foothills of the Rocky Mountains. The area you see on the screen on the map is the commercial range of the wild blueberry industry and it only occurs in this region: in the State of Maine, in the Maritime Provinces, a little bit in Newfoundland, and of course in the area around Lac Saint-Jean and the Gaspé Peninsula and the north shore of the St. Lawrence River in the Province of Quebec.

It's a unique product in that it's one of the few areas in the world where a naturally growing wild crop has been transformed and managed into an important commercial industry. I'll give you a little bit of history, only going back about 10,000 years.

There's strong evidence that wild blueberries have been growing in this region since the last ice age. The species that we refer to as wild blueberries is Vaccinium angustifolium, and it's in reference to the native wild lowbush blueberry that grows in this region, as I mentioned. Wild blueberries were traditionally gathered, of course, by the First

Nations people, who introduced them to the European settlers when they came here from the 1600s onwards.

In about the mid-1800s, around the time of the American Civil War, companies on the coast of Maine, some of these companies still in business in the wild blueberry industry, started to develop canneries to can wild blueberries that were gathered in the barrens along the Maine coast. They supplied them to the Union army during the American Civil War. We see that at least one of these companies is still in business, and some of the same people are still involved.

MR. CHAIRMAN: Is that why they won the war, Mr. Rideout?

MR. RIDEOUT: I think it was a factor.

Those canneries, in the early 1900s, began reaching out. Of course, there are long connections, traditional connections, between Maine, New England, and Nova Scotia. They began to send buying agents and started to do business in southwest Nova Scotia, buying fresh wild blueberries from people who were gathering wild blueberries. Probably some of Mr. Belliveau's ancestors were involved in that business. They gathered the fruit, and they sent them fresh on the Boston boat to sell them as fresh fruit in Boston, as well as exporting them from Yarmouth to those companies in Maine that I mentioned.

In the 1950s, of course, after the Second World War, frozen food started to become popular. The technology was developed; french fries - the McCain company got into business. Frozen seafood - some of the seafood companies in Nova Scotia started to buy wild blueberries from people who gathered them or had early fields. They were the first people to start to process, freeze, wild blueberries in Nova Scotia, and there were some small export sales by companies like H.B. Nickerson at that time, in the 1950s. We also had some early management methods that were being developed at that time by some of the researchers and innovators at that time who were learning ways to manage the wild stands to increase their productivity and gradually turn them into a commercial crop.

Our first real consistent overseas sales began sometime in the 1970s - late 1960s and early 1970s - again, by some companies that were still in the fish business. Oxford Frozen Foods, Mr. Bragg opened his company in 1969 and almost immediately got in the export business. M.W. Graves and Company in the Valley were also involved in exporting frozen wild blueberries to the European market. That's a bit of a history.

I'll give a little bit of a regional profile about how our industry has evolved over time. We refer quite commonly to the regional industry, and there's a lot of integration and coordination within the industry; I'll get into this in a little more detail in a few minutes. In Maine, the Maritimes, and Quebec, there's a lot of collaboration and coordination and joint business ventures. It's really a unique industry in this region.

In 1980, production across this region was something in the vicinity of 40 million pounds total production, and you see the production growth based on market demand and some of those new management methods. Production in 2014 was 325 million pounds, a record crop in that region. So there was tremendous growth in productivity over time.

Our product is more than 95 per cent frozen at harvest. There's no real significant fresh fruit aspect to our industry, except for what you find at the farmers' markets, the farm stands, and some supermarkets during harvest time in August and early September. The vast majority is frozen within 24 hours of harvesting, and is stored and graded and processed and prepared for sale in the industrial food ingredient market and in the frozen food retail market in North America and around the world.

I mentioned the focus is on food manufacturing so our customers generally are companies that manufacture consumer food products. That varies from one country to another; it might be yogurt, it might be bakery products, glass jar jams and preserves, beverages, a wide range of products, but we are basically in the ingredient business and a very small amount in the fresh food business in the local area.

Our Canadian industry is more than 90 per cent focused on the export market - it varies a little bit but around 28 to 30 countries. Nova Scotia has been and continues to be a leader in that export business on the Canadian side of the industry. The main industry, for the most part, is primarily focused on the U.S. domestic market, of course, because of the relative size of that market. There's a number of frozen food companies in Maine that supply mostly the U.S. domestic market, again to food manufacturers or, in some cases increasingly, retail packages of frozen wild blueberries for sale direct to the consumer.

A look now at our own sector: in Nova Scotia we have, as represented by our organization, 1,100 producer landowners of wild blueberries. Now within those 1,100 some of these are very small landowners who have property that maybe has been in their family for generations. About 250 of those 1,100 would be what we would consider commercial farm operations that would be deriving all or most of their farm income from wild blueberry management and production, that's the core group of commercial operators that exist within our industry.

Those producers manage some 44,000 acres of wild blueberry land in Nova Scotia. The land is managed on a two-year cycle so, 22,000 acres, half of that land that we harvested this year, or last year in 2015, has been mowed and pruned, and in 2016 will grow as a vegetative crop. You'll get a vegetative growth and they'll set up fruit buds during this coming season and in the Spring of 2017 those plants will bloom again, will bring in honeybees, will encourage wild bees to come into the fields for pollination, and we'll have a crop on that same land again in 2017. So it's a two-year cycle - half our crop this year, half next year. It's a convenient management method that we've used for encouraging them to fruit and make it a commercially-manageable crop.

In 2015 we had a record crop, 65 million pounds harvested in Nova Scotia. I mention the 2014 crop in the total industry of 325 million pounds, and I'll go through a breakdown of it here shortly to give you an idea of our position in it. In Nova Scotia it represents about $32.5 million in farm gate value to our producers, and our export sales for Nova Scotia in 2014 was $113 million, which makes it the largest agricultural export for the province.

Looking at our crop, just over the last three years you'll see a sharp increase. The table also shows the relative proportions of the crop in the Maritime Provinces, Quebec, and Maine. You see in the case of Nova Scotia, $37.5 million pounds in 2013, almost doubled in 2014 and then again another large crop on top of that in 2015. Starting to get serious indications from our researchers, extension workers, and our leading growers that maybe this level of production might be the new normal. Suddenly some measurement methods have kicked in, the conditions have been right so we've seen a 50 per cent increase in our supply over the last two years in a row, compared to 2013, so it has been a very good year.

I won't get into this slide too deeply but it just shows you the growth of the industry over time and the relative production that you find in Maine, Quebec, and the Maritime Provinces. You see steady growth that goes back to 1990, with some ups and downs, but generally steady growth in the industry, again, based on market demand and new management methods that have come into play during that period.

This slide shows you the five-year average of production, going back - 1980 is the sort of benchmark year that we look at. It was the year that we established the regional trade association to start coordinated marketing and promotion of wild blueberries. So you see in 1980, that 40 million-pound crop - about half of the industry was based in Maine at that time, and the other half in Quebec and the Maritime Provinces. If you look at the steady shift over to 2015, now the Maine industry is more like one-third of the total regional industry production, and the Canadian side of the industry has come ahead to represent about two-thirds of total production. This, again, is based on market demand and success in those overseas markets.

Our own association - a little bit of background - was founded in 1970 to promote the industry's growth and development. There had been one or two small associations in the past, in the early years, but basically we've been in business since 1970. Our primary purpose is industry development and member support through various programs - advocacy on behalf of our industry, with government, with industry partners, with the public, and also a heavy commitment to production research. Our organization is fortunate to have some resources at our disposal in terms of revenue from an industry check-off, and funds that we can use to carry out our objectives. An important part of that is our production research program to solve our production challenges within this region.

The commercial crop only exists, as I mentioned earlier, in this region. You can't go on the Internet and find a solution to a pest control problem or a weed control problem or other issues from some other part of the world. It only happens here, and we have to solve our problems ourselves by supporting production research. The research budget for this year, for example, is $100,000 of our own funds, which we commit to research projects and try to leverage them with other partners in supporting specific research projects.

We also engage actively and continuously with our regional partners throughout the region and work closely - we recognize that our fellow growers in Maine and New Brunswick and Quebec are not our competitors. Our competitors are the producers of what we sometimes facetiously refer to as "ordinary blueberries." In the Pacific Northwest, there has been tremendous growth in production of high-bush cultivated blueberries in North America, in the southern hemisphere, primarily for the fresh market, but some of their second-grade fruit invariably ends up in the freezer and competes with us at a lower price in the frozen-ingredient marketplace. So we do have competitors for customers who are prepared to substitute.

Also, market development: almost half of our budget is committed to market development - a little bit in terms of local marketing and PR, but we recognize that only a very small portion of our crop is sold here in the local market, so it's as much a public relations and awareness exercise locally, and our real focus is on global trade promotion.

In keeping with that, the industry in 1981 founded the Wild Blueberry Association of North America. It's a unique trade association that represents the entire region, cross-border - Maine, as well as in Quebec and the Maritimes. The purpose of the Wild Blueberry Association is basically marketing and promotion, and also in support of health research. The role is to promote global awareness and use of wild blueberries. Sometimes people confuse the two.

The Wild Blueberry Association of Nova Scotia is a member and partner in what we call WBANA, the Wild Blueberry Association of North America. It's our trade association that we use as a vehicle for market promotion. It provides a forum of communication for producers, processors, government agencies, customers, and finally the end consumer of our product as well. We develop and manage global marketing and promotion strategies specific to our export markets.

We also encourage and support health research. We were talking before the meeting with Mr. Belliveau. The health message around wild blueberries has been particularly valuable to us because, without a lot of overt promotion and making claims, there's broad general awareness of the health attributes and health benefits of wild blueberries in the general population. You can rarely go to a social situation and find someone in the room who doesn't at least have a vague knowledge: I've heard about wild blueberries; there's something about cancer or brain health or heart and stroke. Without making claims, we've derived terrific benefit from that research.

The global marketing strategy of WBANA is fairly straightforward. Our focus, again, is on the premium food ingredient, frozen fruit, and in some cases, dried and other forms of product, and also to differentiate our product from other fruit in the marketplace and to continue to highlight it as a premium desired ingredient for consumer food products. We focus very closely on trade relations. We don't spend our scarce dollars on media advertising but focus on relationships with customers and potential customers in our key markets, with targeted activities like selected trade fairs.

Incoming missions: we sell wild blueberries in the most over-populated parts of the world. It's a very valuable tool for us to bring our Japanese customers from Tokyo and take them to the wilderness in the summertime and explain - and they completely understand - that they are wild blueberries. If you can find a black bear to run across the field at that precise moment, it's great. You can't find one when you want one.

We pay careful attention to the customer base. I don't know if it's unique to our industry, but it's certainly remarkable that there's a core group of customers that exist in our key markets around the world. In Germany, in Japan, in France, and in the U.S., there are processing companies that we have long-standing close business relationships with, some of them going back to the very earliest days of the export business. Those close business relationships probably represent two-thirds of our regular year-over-year business around the world. Those customer relationships are vital, and we're very careful to maintain them and encourage them and grow them.

We appoint public relations agencies in our key markets. There are currently eight agencies that work for WBANA, in the European market, in the Asian market, and in the U.S. These are small media and public relations companies that interpret the message about wild blueberries appropriate to those markets. Since we appoint them, we also listen to them. We also listen to our Canadian trade representatives in foreign embassies around the world to be our eyes and ears to advise us on what we should be doing, and we try to take their advice.

We evaluate new markets, and in a public forum I won't list those new markets, but there's ongoing activity in terms of the process of evaluation and development of new markets. The process is simple. Wild blueberries, in the continuum of fruit, tend to be fairly expensive. Those new markets are evaluated in terms of their economy and their ability to fit our product into consumer food products that they might produce in those markets and logistics and other factors that get into it.

Of course, continuing support of that health message and encouraging more health research, keeping a careful balance not to - support the research without appearing to be self-serving, it's a delicate balance.

MS. LENORE ZANN: Kind of like politics.

MR. RIDEOUT: Yes, some of our competitors got into a lot of trouble making extraordinary claims about the health benefits of their products. We try to stay far away from making any extraordinary claim and let the research speak for itself.

That's just a snapshot of some of the results of those trade relationships and this is the work of an agency that works for us in Germany. In 2010 they did a survey of consumer food products in Germany that contained wild blueberries and found 64 in the marketplace. They are a very active group and Germany is an important market for us. Their survey in 2014 found 357 products on the retail shelves in Germany containing wild blueberries.

Now a different product is also a different size jar of jam so you have to consider that, but it shows some remarkable diversity in terms of the product that we sell in that market.

This is just a summary of our key export markets. Again, the U.S. domestic market is our largest. I just draw your attention to the left-hand column quickly - I won't go through it all - the U.S. domestic is certainly our most important export market from the Canadians. This is Canadian exports in kilograms of frozen wild blueberries. Germany and Japan are always pretty close in terms of the volume that those markets take. The other European countries, as a block, probably represent a larger market than Germany. Those are our core markets.

You'll see toward the bottom that China is an important market for us. We're facing a significant tariff obstacle in China, there's a 50 per cent tariff on frozen wild blueberries from North America going into the Chinese market. We're still able to send 2.7 million kilos in there but our competitors in Chile, with frozen cultivated blueberries, have a free ride into the Chinese market, which is a concern to us. We've been working with the federal government, part of that advocacy role to encourage continuing discussion. Of course it becomes a multi-sector discussion when you talk about tariff reduction, as you know. It's something we're continuing to work on.

You'll see a decline in the South Korean market. A couple of years ago a new trade agreement was signed with South Korea that is gradually reducing that tariff - which was at 30 per cent - over time. The U.S. got a couple of years ahead of us on that, negotiating sort of a stepping-down of their tariff. A lot of the decline that you see in South Korea from the Canadian side is now being served from Maine in selling wild blueberries into South Korea. It is interesting that South Korea is also another way into China, with consumer food products that are made in South Korea for sale in China.

Just some quick facts: our Canadian exports of wild blueberries, 130 million pounds to the top 10 countries, and as I mentioned earlier, the U.S., Germany, Japan, and others; 90 per cent of our Canadian wild blueberry crop is exported to foreign countries annually. Our domestic Canadian market mostly consists of frozen retail packs, industrial bakery and

food service - Tim Horton's, for example. Those kinds of outlets represent the Canadian domestic market.

I'll talk a little bit about our own organization and some of our strategic priorities. We're fresh from sort of our annual planning session that we've done every year now for a number of years to sort of set our priorities for our own provincial organization as it fits into that larger regional industry. One of the things we're focusing on is farming our existing land better, and maximizing our production and our efficiency from our existing land base. We don't have broad tracks of potential blueberry land that can be developed in Nova Scotia compared to what you find going on in northeastern New Brunswick, for example, where there are broad tracks of level, easily-developed land so we're really focusing on what we can do in our own existing land to make it more productive. Those are such things as encouraging the plant cover to spread naturally, to get 100 per cent cover and so on.

We're using more and more precision agriculture. These are new technologies that are employing such things as drones for mapping, satellite mapping, identification of bare spots, and the use of variable rate sprayers. We now have crop sprayers that will detect where blueberry plants occur and where there's bare ground and will turn off the sprayer and will not spray the bare ground, it's amazing - auto-steer technology to make sure that we're not tracking in the same spot across the field. It even works in areas where there's steep topography.

We're undertaking enhanced training to optimize the use. We do use pest control products. There are certain insect pests that we have to monitor for and we're increasing the use of integrated pest management approaches to carefully monitor for insect pests so that materials don't have to be applied unless they're absolutely needed and the materials that we do use are approved and applied under strict conditions by the Canadian Pest Management Regulatory Agency and other agencies that we subscribe to.

We're doing increasingly intensive analysis at the field level. One of the features of our Nova Scotia industry is the variability of it. The wide variation in soils, topography, and micro-climates - if you are familiar with the comparative differences in topography and climate that exist in what we call the Parrsboro plain, just outside the Town of Parrsboro, a broad expanse of wild blueberry land on a flat plain, compared to the topography that you find in the Cumberland hills and the challenges of steep terrain - different soil types, different climate. We're trying to understand and analyze those specific sites more specifically so we can tailor our management methods to those specific challenges.

We're also looking at new approaches to land development, like encouraging the development and maintenance of buffer zones between our wild blueberry plants in the field and the forest. These act as a buffer to insects that might come into the fields from the forest. They also provide pasture for native pollinators and natural, wild-occurring bees

and pollinators that occur naturally that supplement our commercial honeybees that we use for pollination.

We want to support our farm profitability. Our grower prices, our field prices have dropped slightly over the last couple of years, there has been some concern about this. Of course our productivity has increased 50 per cent in each of those two years as well. We're certainly undertaking enhanced grower education programs in terms of field management. If we're going to increase our margins and ensure our profitability those dollars have to be found in the field, through our field management methods.

We're establishing a new industry benchmark, cost of production data, and undertaking training for our individual producers so they know their cost of production and use it as a valuable tool in business and farm financial management. There's a lot of work to be done there in terms of helping our members and producers undertake more sophisticated farm financial management activities.

We're also looking at strategic land expansion and growth. We're working with DNR on a project to identify certain parcels of Crown land, on a pilot basis in Cumberland County, and we're working through the process of potential Crown land leasing of some of those parcels. We've had great engagement with both the Department of Agriculture and DNR on this project, and are looking forward to a leasing proposal arrangement coming out this Spring.

Also, we've had a good uptake on a new low-bush blueberry development program that was announced by the Department of Agriculture last summer - a three-year program. It's focused on, in some cases, development of new lands, and it's being used - the uptake has been very good on establishing those buffer zones, squaring up the fields, as well as land levelling. The blueberries grow there naturally, so to level the land without disturbing the plants is a careful process. We need to do this to facilitate mechanical harvesting, as well as mechanical pruning and mowing of the fields.

We talked about regional relations. It's vital to our industry that we collaborate and work closely with our industry partners from the neighbouring provinces and from Maine. There's a very high degree of collaboration, especially on the research and extension and production method side of things, as well as the marketing program. There's no budget for duplication or leaving any gaps in terms of the research we need to do to make our industry sustainable.

Again, we are expanding our coordination production, our pest management and field management research and providing information to our growers, supporting that global marketing program and health research. We want to make sure that our production is wild and healthy and that our production methods are consistent with the knowledge about our crop in the marketplace with consumers, and that we continue to focus on sustainable management methods. It's a unique type of agriculture, managing a wild crop in a delicate way that you're encouraging it without intervening too much and screwing it

up, basically. It's an ongoing process of learning how much to intervene to encourage the plants, to get that ground cover, that productivity, without intervening too much.

As across all of agriculture, we want to make sure that we have clear, factual information and messaging for consumers and for our customers, the food manufacturers, on our agricultural practices and our farming practices, to make sure that they are aware that we are using sustainable, approved farming practices and that they're tailored to our unique industry and that we're doing it in a sustainable way. Part of that, of course, is increasing the use of those integrated pest management concepts and adapting them to the specifics of wild blueberry production.

We're also working - our customers are starting to ask for traceability, and this is tied in, in many ways, to precision agriculture systems, so that we know exactly what spot on the earth that box of blueberries came from, that ends up with the customer in Hiroshima. It's a remarkable project, when you think about it, but the technology is there to allow us to do that.

Processor relations, of course, are vital in our industry, and we maintain a very close and collaborative working relationship with the processing companies. We try very hard, in both directions, to ensure that we don't get down the road into a confrontational or adversarial relationship with the processing companies. They're also wild blueberry growers. We're all partners in the trade association, and we all rise and fall together, in terms of the marketplace.

Those traceability initiatives that I mentioned, of course, are still part of that relationship with the producers. We maintain good communications and ensure that there's an equitable value chain throughout the whole process. Everybody from the farm supply company that provides machinery or that manufactures blueberry harvesters in Collingwood, through the producer, the processor, and our customers in foreign countries - everybody has to derive a profit from this value chain, or ultimately, it's not sustainable. There's a tremendous amount of give and take and negotiation and communication that goes into making sure that everybody is competitive and everybody is deriving a profit from it in order that the industry is sustainable over the long run. Of course, that includes, again, strong partnering in that WBANA-led promotion program and health research program.

Also, maybe on the more mundane side of things, maintaining good benchmark data, so that we know where we are and whether we're making progress or not, is important to our industry. We've been very grateful to have some of the economic analysis people in the Department of Agriculture helping us with that. We'll continue to call on them, some of my former colleagues that I get to harass once in a while. We need a clear direction and vision for industry growth and development. For that you need good benchmark data.

We're committed to farm profitability and to industry stability over time. That's what we live and die on, really. We're cognizant of the role of our industry in rural economic growth, and we're conscious of the fact that in northern Nova Scotia and certain parts of the province, the wild blueberry industry is a big driver of the rural economy. We're conscious of that and take that responsibility very seriously.

I'll just summarize some of our key points, things that we think about every day in our business. We're export-driven, since the early stages of a commercial industry, now, and into the future. It's an export-driven business, and that's the reality in the marketplace that we live in.

Government's role in trade promotion and those trade access issues that I mentioned is crucial. We look for your input and your help in that regard as we move forward.

Research is vital to our competitiveness and our sustainability. Again, it must be done here. We have tremendous research relationships with the Dalhousie Agricultural Campus, as well as with the Kentville Agricultural Centre. Those have been the leading institutions for wild blueberry research throughout the region. We've had great relationships there, and we look forward to much more work in that regard.

Finally, the government programs that I mentioned earlier help mitigate some of our business risk, ensure our competitiveness, and give a net return to the economy. That land development program employs people who do the land levelling work. The wildlife fencing program employs people who construct that. They help us be more productive and return dollars to the economy.

I'll just include this picture more for your amusement. This is our product that I found in a little street market in Nagano Prefecture in Japan last year. This is sweetened dried wild blueberries, so this would be the wild blueberry equivalent of the Craisin product that you can find in the supermarket. This can help you practise your Japanese. The price card says 100 grams for 1,000 yen; 1,000 yen is about $10. So 100 grams for $10 is one pound for $45 offered for sale to consumers in Japan. That's the value of our product in those foreign markets. I didn't buy any - no budget for that.

Anyway, thank you very much for your interest. We'd be happy to take any questions.

MR. CHAIRMAN: That's wonderful. Thank you very much, Mr. Rideout.

We'll begin with the PC caucus. Mr. Dunn.

HON. PAT DUNN: Thank you for the presentation. It's rare that a week goes by when I don't delve into blueberries at least three or four times. In fact, when I take a mitt-full and throw them into my cereal, my wife said to me recently that I should put some cereal in the bowl, but anyway. It's a wonderful product and a wonderful industry.

Again, I have lots of questions to ask. One of them, you mentioned earlier in your remarks about DNR leasing land and cultivating more land for blueberry crops. I can remember talking to someone in the blueberry industry, perhaps dabbling in the blueberry industry on a very small scale. Their little concern was if they're going to open up more Crown land, would that hurt them, and they were asking me. I have no knowledge of the industry and I said I don't think that would be much of a concern. I just want to throw that out and get a comment about that.

MR. BLOIS: Well obviously I've heard that comment too. One thing that is happening within the Maritime region is there is extensive expansion of blueberry land that is happening in New Brunswick and Prince Edward Island, so the volume of blueberries is going to increase as we move forward into the future.

We have a number of growers who are looking at ways of growing their operations and the opportunity to grow on some of these areas of Crown land is a possibility. As the price is somewhat stagnant as we move forward, because of the volume of product, one way you can stay in business is through volume.

Now I realize that this isn't an answer that the very small grower would want to hear but that is the reality in many sectors of agriculture today, that there has to be some level of volume that comes into play. We see that in those individuals that are looking to seek Crown land, that they're looking at ways they can expand their operation to distribute those fixed costs over more acreage.

MR. CHAIRMAN: Mr. Maguire.

MR. BRENDAN MAGUIRE: Thank you for coming here today. I have a couple of questions, I'll start with this one and then pass it on. Looking at the picture there, I think I've done that as a teenager, the raking blueberries. It's a little more painful than the picture, especially in the middle of a hot summer. I did it in Truro-Bible Hill as a child.

My question is, it can be difficult work, I don't think a lot of people would really - I don't know, I would imagine you guys have a pretty big turnover in that field. Do you have difficulty around employment?

MR. BLOIS: The industry has become quite mechanized in the area of harvesting, to the point where the major manufacturer of blueberry harvesting equipment is done in this province through Doug Bragg Enterprises, which they sell widely throughout the Maritimes, into Quebec and into Maine. There are still lands that have to be harvested, such

as what is happening here with the hand rakes. I still have some lands on my farm that have to be hand raked. We are moving forward with developing that land.

I can tell you as one who has grown up in the blueberry industry and has been there - the actual first year that blueberries were harvested on my farm I was born that year, 1956, so I know all about hand raking all those years and the challenges. At one point it was very easy, you started getting lists of names of individuals early in the summer and it was the way many young people made dollars to buy clothing that they wanted to go back to school so I am quite acquainted with all that.

Over the years it has become more difficult. We used to run two crews of about 80 people and there came a point where we had real difficult challenges so we had to mechanize in certain areas. I can tell you that in the last two years if it wasn't for the First Nations people, I would have left blueberries on the bush. The majority of my workforce over the last two years came from the First Nations. They have a tradition of going to Maine and harvesting the blueberries there and then coming back here. The crop was a little bit less in Maine this year so they were back earlier. We were very thankful and happy to have them come and look after that crop that we couldn't mechanically harvest.

Will that always be there? I'm not sure, but we were happy the last few years to be able to have them there. We still have some locals, but that is getting less of a factor. We only need harvesting over that basically four to five weeks, so we're not looking at individuals like some other sectors of agriculture that would bring in offshore workers over long periods. We're looking at what we can harvest here with the locals that we have.

MR. CHAIRMAN: Mr. Belliveau.

HON. STERLING BELLIVEAU: Earlier you said it, but I come from the era where actually I picked blueberries as a young child to help supplement by back-to-school funding for clothing. Unfortunately, I ate a lot of my product. I was my own worst enemy.

Seriously, your presentation was great. I think the only improvement is actually if you brought a homemade blueberry pie. You probably would do well.

But seriously, there is a reference here that these are good rural jobs, and we all know that we need jobs in rural Nova Scotia. If you go back and look at that map, especially in southwest Nova Scotia, we made reference to this earlier, the geography there, there is a lot of rock and granite in that particular area. But also, it can grow wild blueberries. You mentioned land development in your presentation, and with one of those modern-day excavators, you can clear a lot of land with a small amount of money.

I guess my question is, what do you see as a projection of potential growth to this industry? You mentioned the health-help message. To me, I see a number of opportunities there, but I also see the potential for supplementing people's income on a commercial basis. Do you see that? What is your projection for growth?

MR. BLOIS: I don't have a figure of the actual projection of growth of land development here in the province other than I know that there is the potential to have further growth on the existing land that we have. We are doing that in relationship with our research with the Dalhousie Agricultural College and also in Kentville.

A lot of our land has been cleared from the woodland, there were old pastures, old farms that were let go, and the blueberries basically moved in over a period of time, but there are still areas within those fields that have been bare for many, many years. We have a new soil scientist who has come on staff at the college, at the university in Truro. I think that we will find some new and improved ways of addressing that. One is that she's going to the actual forest and trying to understand the soil makeup and the actual activity there versus these bare spots and what we can do to create that. There's some potential to have growth there on our existing land and also understanding other better farm practices that are happening. Also, if Crown land comes into play, then there's going to be certain areas.

You mentioned the aspect of employment. I actually had blueberry land in back of Parrsboro down in the Port Greville area. You take the blueberry industry out of that area and you've got a lot of unemployment in those particular areas. There's limited growth that can happen in those areas as far as expansion of land, because basically every area has been covered.

But there are other areas, such as your area, where there is some potential and also with the technology of using excavators and the right and trained person running it, you can do amazing things.

I use the example of East Gore, which is about an hour from here in the Gore area, we had probably one of our highest producing fields, but it was extremely rocky, to the point of only hand harvesting and limited mechanical activity they could do on it. I brought a trained individual in this past year from the Parrsboro area who has extensive experience in that. He spent four weeks there with a machine and levelling to the point now where you can drive over it with a car. In the long run, that piece of land, had that not been brought into play mechanically, as years go by and it's harder to get people to do the hand work, probably would have had to have been set aside.

Crown land, Peter, we've looked at, what, three or four spots in Cumberland County this past year? There's a pilot project that there is the potential for growth there. We encourage that.

MR. RIDEOUT: I would just add that the Crown land pilot project, there's a team that has been at work to identify potential parcels. The pilot project has been focused, to begin with, in certain areas of Cumberland County. Based on the work of that team - and the horticulturalist from Perennia has been involved in it, staff from DNR, and staff from the Department of Agriculture to go out and look at these sites - it looks to us like the Crown land is part of the mix in terms of developing and growing our industry. It's more likely going to be in the hundreds of new acres as opposed to the multiple thousands of

new acres that we're seeing coming into production in northeastern New Brunswick. As part of the mix, I know there are parcels in southwest Nova Scotia that they have on their list to look at sort of in the next phase, I believe.

So it's going to be parcels of Crown land that might make sense for a nearby wild blueberry farmer to bid on and to put in a proposal to make it part of his farm enterprise mix. There are factors like, is it in range? Is it convenient to get to with machinery? Does it fit in with the rest of his farming programs? Also, there was a question earlier about how it relates to the concerns of that small producer.

Are we increasing production willy-nilly, without concern? The fact is, we have tremendous confidence in our marketing and sales capability within our industry. Demand for our crop and our product has exceeded supply most of the time for many years. Suddenly in the last two years, we've seen a 50 per cent increase, so the marketplace doesn't suddenly absorb 50 per cent more. It takes time to even things out. But we have a lot of confidence in the ability to market that in spite of competition.

MR. CHAIRMAN: Mr. Lohr.

MR. JOHN LOHR: I appreciate you guys coming in, Peter and Barron, and presenting.

Maybe this goes back to my farming background, but I'm just wondering about the raw numbers of the economics of blueberry production in the province. Barron, I know a number of years ago, it was seen as being very profitable for a small grower. I'm just wondering, what was the average price per pound a grower was receiving maybe 10 years ago, and what is the average price per pound a grower is receiving now, and why have those numbers changed - or have they?

MR. BLOIS: Well, the prices have certainly gone up and down over the years to a low of 35 cents back about six or seven years ago. Before that, they had reached a point of $1.10, I believe, and then followed that 35 cents. For a period of time, they got too high on the international market, and we lost markets from that. I think we have all learned from that aspect of it. Where's a nice middle road that producers would like to see? Somewhere in the 70 cent range. This past year, we've received 50 cents. Last year it was 60 cents.

I know, as Peter has mentioned, the challenge that I've always heard about before was that the marketers were concerned that if they went after big markets, and we weren't able to supply the blueberries the following year to meet those big markets, then we would lose them going forward. I think we've addressed that aspect of it in the last couple of years. We've shown that we can increase production significantly. Now the challenge is going to be the marketing side of it.

The other side of it is that we need to find ways to get into these growing markets, such as China. That 50 per cent tariff is a barrier for us and from that, get that South Korean market, so there are some activities there that Peter has already said in his presentation that we are in dialogue with the federal government on that.

I think that here in this province we need to have our trade representatives speaking to their federal counterparts and making sure that this is being addressed in the future. One wonders how that ever happened that we ended up with a 50 per cent, probably because we didn't pay attention to it. At that time we had markets in other parts of the world that we were scrambling to address and now we've got to find ways to do that.

MR. LOHR: If I could follow up, I know in agriculture we often think about an economically viable farm size. I know you gave me some numbers, or Peter did, of 44,000 acres in the province and 1,100 growers. I suppose that would mean an average of 44 acres per grower per farm. What would you think would be the sort of - I mean you're talking about farms having to get bigger, what would you consider an economically viable commercial blueberry farm size?

MR. BLOIS: The majority of our growers are involved in other aspects of agriculture, too, but there are some growers who just do blueberries alone. If you're going to do blueberries alone you have to have quite extensive land holdings. Then that depends on how long that land has been in your hands and whether you've borrowed money to buy that land and all those things that I'm sure you are well aware of. If you're looking to get into the blueberry operation and have that be your sole income, you need in the hundreds of acres of land because, remember, only half of that is going to be producing each year.

MR. CHAIRMAN: Mr. Jessome.

MR. BEN JESSOME: Thank you, gentlemen, for a very thorough presentation. It's certainly encouraging to hear about the development and the success and the ongoing ambition from the wild blueberry industry. It's additionally encouraging to hear about the anticipation for volumes in the coming years. I pray that it has nothing to do with the volume of snowfall, moving forward, but that's kind of a side issue.

I'm just curious - and, Mr. Blois, you alluded to a couple of examples, but I'm wondering if you can expand upon your relationship with post-secondary institutions throughout the province.

MR. BLOIS: Our activities are basically around the research activity side of it. We have a research committee of producers that meet on an ongoing basis and set an area of priorities of research that we would want to have done within the industry. We also meet with the various researchers who are in the Truro base area and also at Kentville and discuss with them. From that there is a dialogue back and forth that we're going on throughout the year. It's not only in the field management side of it but it's also in the equipment side of it, too, what areas.

Dr. Kumar out of Truro is actively following that on an ongoing basis, working with harvesting, working with spraying equipment, working with fertilizer equipment and how we can treat those specific areas. We looked at the role of supporting a student at the Dalhousie college more so in the future. From that, we're now going to entertain discussions with our counterparts in the other three provinces of how we can collectively pool our money together to entice more money, whether it be federal money, there would be the Natural Sciences and Engineering Research Council.

The only way that I know we are going to stay competitive moving forward, because we certainly know that the highbush industry has gotten massive ways of producing and plantings throughout South America and into western United States and up into B.C., is through research - how do we produce this product, enhance what is there, without disturbing it? Because I can tell you, if you create areas or do something to those plants, it takes literally years to bring them back. No one goes out there and puts something on without knowing exactly what is going to be the result, and that's where research comes into play. It's a crucial part of moving our industry forward.

MR. CHAIRMAN: Mr. Mombourquette.

MR. DEREK MOMBOURQUETTE: Thank you for the presentation. I'm just curious about activity on Cape Breton Island. Is there activity right now on Cape Breton Island? Are there active producers? The map didn't show it.

MR. RIDEOUT: By our estimates, production in Cape Breton is something like 8 per cent of provincial production. Around Lake Ainslie, in the Mira, in that area - there's potential there, and we're undertaking new extension work. Peter Burgess is our extension adviser with the Perennia Food and Agriculture group. He's making trips up there, having twilight meetings, working with growers to encourage more production.

I think there's a lot more potential in other parts of Cape Breton as well, in areas that I've been over. We're working with it, but it's still a small part of our industry at this stage. It's an ongoing project.

MR. CHAIRMAN: Ms. Zann.

MS. ZANN: Thank you for your presentation. It was really interesting. I'm always interested in these products that are basically - we almost have a unique stamp, Nova Scotian wild blueberries. I think the name is part of the brand, which is why I'd say we do so well. I went over to Germany when we were in government to look at alternate-energy type places, but we also took a blueberry farmer with us, Mr. Jim Baillie, and he was talking to them then about exports. I believe his exporting has actually improved since then.

I know that one of the important aspects of the blueberry industry is the pollinators, the bees, and there was some kind of disease - some kind of mite - in 2012, around there, that could have been a problem in some areas. It causes a high mortality rate. How are we

doing with our bee population in Nova Scotia? Are you aware? Can you update us about that?

MR. BLOIS: Bees and pollination are a crucial part. It always has been, and probably is even more so today, because now we've done estimates through research of the amount of blossoms. Traditionally we were producing about 30,000 blossoms per acre. We are now producing 150,000 blossoms per acre. Every one of those additional blossoms has to be pollinated, so natural pollinators, there aren't usually enough within those areas. Bees are crucial to our growth within this industry, and there have been challenges here over the last number of years around the bees, the colonies, and the loss of colonies.

We've been discussing this with various officials within the department over the last few years. There was a policy put out, I believe last year or so, that has enhanced the local production of bee populations, which is growing some. But over the last number of years, too, we've also looked at the possibility of importing bees for the actual pollination period of time. In the last few years that has happened with somewhere around 5,000 hives coming in. We need some 30,000 hives at the present time. There aren't 30,000 hives here. There are in other provinces, particularly in Ontario and western Canada.

There are other alternatives for bees. The bumblebees that you bring in in what they call "quads," they're a one-time use. So they develop them, I think it's in Ontario, and then you bring them in in these quads. I think that is getting better, but is it the total answer? No, I think at the end of the day the honeybee is still the preferred one.

In the coming weeks, we're going to be sitting down with the Minister of Agriculture and his staff, and also the bee sector, talking about the challenges happening within that industry. Hopefully we can come to a reasonable decision around that that gives them some reasonable protection, but also allows the blueberry industry to be able to address the ongoing need and desire for more pollinators.

MS. ZANN: Can I have a follow-up? When you do the spraying in the fields, when you said bare, do you mean bare patches or areas where bears live? (Laughter) Please excuse my question. My question basically is, does the spraying hurt the bees or is it okay?

MR. BLOIS: We do not spray when the bees are there.

MS. ZANN: Oh, I see, so you don't spray when the bees are there.

MR. BLOIS: Nobody goes out and sprays when the bees are there. You do that prior, if you're doing something for a blight or something that may be because of weather conditions or whatever, you're going to do that before the bees come in. You don't do any spraying while the bees are there. Then the bees are removed. I literally spend nights with my tractor and forklift, getting the bees out of there before we go back in the morning.

MR. RIDEOUT: Just to add another comment.

MS. ZANN: What about the bears?

MR. RIDEOUT: I'll explain about the bears - there are two kinds. When I refer to bare spots - b-a-r-e - in the fields it's part of that ongoing work that we're trying to do to encourage plant cover, to get as close to 100 per cent plant cover as possible.

The eastern black bear is a different beast; they are a natural resident of this region, of course, and they love blueberries. They seem to be particularly prevalent in some areas, areas down in southwestern Nova Scotia; we hear about certain localities. There's a program now in place to start using electric fencing, the same as you would use for livestock to keep them in - you use electric fencing to keep the black bears out. There's nothing more disappointing to a black bear than 5,000 volts. It doesn't hurt them, but it's very disappointing for them to come into contact with that. I try to show them to our foreign visitors when they come - can't find one.

Just a comment about the honeybees. Back in the 1950s and some of that early research on managing wild blueberries, there was a provincial apiarist at the time, Dr. Endel Karmo who worked at the NSAC at the time. His early work in using commercial honeybee colonies and bringing them in to wild blueberry fields was one of the most effective things that could be done to increase the yield. In Dr. Karmo's early work, he found that yields could be instantly doubled by the use of - I think it was one or two honeybee colonies per acre. He did some groundbreaking research that's still valid to this day.

MS. ZANN: Thank you, that was very interesting.

MR. CHAIRMAN: Mr. Dunn.

MR. DUNN: Could you comment a little further on the current state of disease and pest control, and do you foresee any different risk in the very near future?

MR. BLOIS: Well the current one, such as the beginning of the year - I'll take you through that. As the early Spring unfolds, in the fields, as the little buds start to open up, if you get a lot of damp weather during that period of time - not sunny conditions - you're more susceptible to blight. So you have to address that with a fungicide. If you've got perfect weather conditions, you'll get through that aspect of it. That's one of the first ones you're addressing during that particular year.

One of the things that we see on the front is what they call the sawfly. It's one of the pests that, from my understanding, had come in from China, crossed into California, moved up through the western United States and across Canada. When we were in B.C. a couple of years ago, it was a major factor there in the highbush blueberry industry and can literally destroy a crop in a short period of time. In Maine, they had some challenges with this a couple of years ago.

It mainly attacks soft fruit. The back of the fly, for all intents and purposes, there's like a little sawblade, you might say, that cuts into the fruit. It lays eggs in there, and then literally eats the fruit from the inside out and destroys it.

We've had very few problems with that at the present time, but we're also putting traps out on an ongoing basis during the growing season to make sure that it's not there. If it was found there, then you would have to address it or you would lose the crop.

But you would also be working with the various extension people to address what you would need to be applying to that field. Also, any producer that's shipping to a processor for freezing has to follow a procedure of the products that you were using and the timing. All the berries at some point will be inspected for residues, and no one wants to take the chance of having their product refused.

I would see that pest, the sawfly, as one of the foremost potentials to cause some crop damage in the future. Other ones that are there, we've been able to manage over the last number of years to a point where it's not a major issue.

MR. RIDEOUT: I would just add a supplement to that. That sawfly pest that Barron mentioned is an example of having to solve these problems here within our region. We're fortunate to have the work of Dr. Debra Moreau at the Kentville research station as a leading entomologist and researcher in insects. She has been very influential in helping us to monitor for this pest, which is an invasive pest - it's not native to this area - and also to develop strategies if we need to, to control and mitigate that. We have to.

MR. CHAIRMAN: Mr. Horne.

MR. BILL HORNE: Thank you for your presentation, first of all. I have to say I like all the things you're saying about the industry and the wild berry production.

The research that's going on, I believe what I'm hearing is, you've got many fingers in the fire for all kinds of research in Nova Scotia. My understanding is it takes about seven years to bring a field in to produce blueberries. Are you including that acreage in some of your discussions here this morning, or are we going to be bringing those on in the years to come?

MR. BLOIS: The acreage we show there is already in production.

MR. HORNE: I notice a lot of new fields being developed in Wentworth Valley and Cobequid Pass, it seems. How do you actually test or check out properties that you feel will be good production fields?

MR. BLOIS: Well, I can give you my way. If there's certain types of trees growing there, then you usually know that soil is acidic. Areas that have what I call black spruce, which are slow growing and allow for a lot of sunlight on the surface of the ground over a

long period of time, has most likely enhanced blueberries to grow there. You need areas that are relatively frost free, too, so higher land is preferred. You need lands that are fairly well drained. There's no sense spending thousands of dollars - it takes about $1,200 of inputs over that two years leading up to that crop before you actually go in there and harvest. This is in normal production. So you want to make sure you've got the right land to work with. Those are some of the key factors.

Obviously, the more level the fields are, the better. I'm all over the map. I have level fields and I have fields where you almost have to buckle yourself up in the seat of the tractor to come down over some of it. If there's only a few blueberry plants here and there, then probably the likelihood of spending money on that and getting a return in the foreseeable future is limited. But if there's a lot of plants, like if it's 50 per cent or 60 per cent coverage, and the soil is right, then there's some potential there. You can do various soil testing, but any blueberry grower who has been in it for a period of time, walking over that bit of land, can quickly evaluate whether there's some potential there.

Then it's done in various ways. Some of these lands may have been cut over by lumber companies at some point, or old farms that may have grown up over time and had some trees removed on it. I'm working on one in South Rawdon that was an old farm at one point, and a lumber company had removed the trees on it. We bought it basically for what land was worth at that time, and have been developing it over the last 10 years. But in some cases you can most likely go out and buy a piece of blueberry land, less than what you can develop it, but that may not be where your farmstead is too. It's all cases, but at the end of the day, it's a long-term project.

I go back to when blueberries went over $1 per pound. That created a huge hype within the industry and drove land prices up for a period of time. Then the blueberry price fell. Well, that probably didn't do anybody any good in the long run.

MR. CHAIRMAN: Mr. Belliveau.

MR. BELLIVEAU: It's interesting with some of the statistics you used earlier. You said 95 per cent of blueberries are frozen, and 90 per cent of those harvested in Nova Scotia are exported. As somebody who enjoys fresh berries on their cereal in the morning - at this time of year, to me it's noticeable that some of them were fresh berries or, to my observation, imported to Nova Scotia. The Canadian dollar is struggling and the University of Guelph talked about the high cost of our food product. So I guess my question is, why don't we see more local Nova Scotia blueberries on the shelf?

I use strawberries as an example. Strawberries in the local area, in my area, there's literally a competition of how quickly you can get into the store and get that fresh strawberry, but it doesn't seem to be the same when it comes to blueberries. Am I missing something here? Is there more commitment to exporting this product, or is there a gap of having freshly grown berries in Nova Scotia?

MR. RIDEOUT: First of all, Mr. Belliveau, I would direct you to another part of the store. The reality of the fresh wild blueberry business is that it's not a product that lends itself particularly well to being an easy entry into the fresh produce, the fresh fruit and vegetable, business. It's very delicate, it's much more delicate than the comparative cultivated blueberries that you find, and the fresh cultivated blueberries that you're finding in the supermarkets now would probably be from Chile or Argentina, the southern hemisphere. They're distributed in the sophisticated global distribution and marketing system for fresh fruit and vegetables.

In our industry, really apart from a handful of our producers who have developed a small part of their business selling fresh fruit during the fresh season - harvest time, August and early September - it's limited because of the delicate nature of the crop to the local market. There have been some efforts in the past to sell them to more distant markets. They're just too delicate, and they won't make the trip. They won't arrive there looking nice. So we're focused on that ingredient market.

We're pleased that frozen wild blueberries are now available in the supermarkets right across Canada and across the U.S. in the freezer. Be careful in your choice, though, because sometimes those ordinary blueberries sneak into those frozen bags too. You might be disappointed to find - I get calls at the office once in a while from consumers who say: we thought we were buying wild Nova Scotia blueberries, and I got the bag home and it's full of these big things.

MR. CHAIRMAN: Mr. Lohr.

MR. LOHR: I just want to make a comment that really kind of relates to Sterling's comments. If I open up the Veseys seeds catalogue, I can't just buy blueberry seed; if I go to the greenhouse, I can't buy blueberry plants. So as far as I know, it's the only crop in the world - maybe not the only one in the world, but you just can't do that. Just explain to us all about how you make blueberries grow. If I wanted to plant a field of blueberries, what do I have to do? What happens?

MR. BLOIS: And thank heavens you can't go to the store and buy a bag of seeds. (Laughter) Believe me, I think about that one a lot.

As I said earlier, they have developed in the fields from areas that have old farms that they've basically moved in. Our main fields were old cow pastures back in the 1930s and 1940s. The blueberries basically started to move in. A few times, fire got away in the Spring, and they realized the following year that they had increased blueberry production. At that point in time, the people realized that burning them off, which is nothing more than a pruning process, enhanced the growth the following year.

How do you get into blueberry production? You have to be in an area that has fairly acidic soil. If you had a farm such as down in your area that has had lime applied to it, you're out of luck. They're just never going to grow in those areas. They have to be on old

farmsteads or lands that have come out of the forest that have the potential for plants there. You can cut the sod somewhere and take it and put it on other ground, but that ground needs to be acidic too. The challenge is, where are you going to go cut the sod? There is basically no place where you could actually go and do that, and the cost would be quite high in that area. Again, it's a long-term project.

MR. LOHR: I think the general public doesn't really understand that, that there's no planting. You're just trying to encourage something, and how they propagate themselves is not really all that well understood.

MR. BLOIS: No. And they move through rhizomes, through the ground, and birds eating the berries and droppings. It's always amazing that the light poles, the telephone wires that used to run along the edge of the field, all along that line, the blueberry plants would grow. They need to go through that bird - the gestation of that system.

But you can go out there and throw blueberries that you've just picked on bare areas and I guarantee you they will never grow, for whatever reason. There have been various activities over the years of taking those little seeds and growing them in little cups and setting them out, but again, it's a long-term aspect of doing that. Again, you have to be in certain areas of the province and the Maritime region.

MR. LOHR: If I could continue, what I did want to ask about was, looking at your statistics of production, we've had a 50 per cent increase in production over the last two years. My question is - it's really an industry that's a processing industry - has the processing capacity been able to keep up with that? How has that worked? Have Nova Scotia blueberries been processed outside of Nova Scotia or is the capacity there? That's a pretty big jump so that would be a huge amount for a processor to swallow, I would think.

MR. BLOIS: It has been a challenge in the last couple of years, particularly as growth has substantially moved forward within the Province of New Brunswick and for the second part, within P.E.I., because the main processing plant within the Maritime region has been here in this province in Oxford; that has been our main processor. There's another small one in Halfway River. There was one in the Valley that processed for a period of time but my understanding is they're going to consolidate a lot of that blueberry processing activity within Oxford. With the new facility that's being built in New Brunswick, we see that that's going to take some of the pressure off.

There are some blueberries that end up from Nova Scotia into Maine for processing and actually even some blueberries from Maine end up in Nova Scotia, because in the early part of the season they work back and forth. So there's some activity there.

There is some processing done in Quebec and also some processing done in P.E.I., but the great majority of Nova Scotia blueberries are processed here, frozen.

MR. CHAIRMAN: Ms. Zann.

MS. ZANN: Actually, I was interested in the processing aspect of the business as well. I know that in 2013, Bragg foods made the deal with the Government of New Brunswick, and the government agreed to invest $184 million into this new processing facility and also to develop the wild blueberry fields in New Brunswick. As part of that agreement, the New Brunswick Government agreed to exchange 6,285 hectares of Crown land for an equal amount of private land.

I was wondering if that is something that has ever been discussed here. Would a processing plant of that nature be something that would be beneficial to our own Nova Scotian industry? Also, I notice that the company acquired Rainbow Farms in Upper Rawdon for $4.2 million and they closed the processing plant in Canning. What's the sense there? Would we benefit from another processing plant here in Nova Scotia where we can process it ourselves?

MR. BLOIS: Well we always encourage other processing in the blueberry industry. I still think there's an area that we haven't tapped into yet, other uses for blueberries. The Van Dyk family has done a wonderful job in the area of juice so there's potential there. I know there's a company in the Lunenburg area that does jams, there's some potential there for processing.

Do we need another plant the size of what is in Oxford? I would say there probably aren't enough blueberries here in this province at this point in time. Will we have other ones interested in the future? I'm not sure in that particular area, I think we'll need to see what's going to happen with the processing facility in New Brunswick in the next couple of years and what level they're going to be able to take in there. I know it did create some challenges over this past year of getting blueberries into the plant in time. I know they did their best and they run around the clock, 24 hours a day, non-stop from it.

That's the other thing, I think there are more things that the blueberry producer can do, as far as the quality and working with the plant to make sure that when they're harvesting those blueberries that they get in there in a timely fashion so they are dealing with the freshest fruit possible.

MS. ZANN: And what about - you said there was $100,000 for the research for this year at the Agricultural College, in Kentville, both? And do you need more money for research, for things like this even, how to keep them fresh?

MR. BLOIS: Well you can always use more money in research as we all know. It doesn't matter what area you're doing it in but this is what the producers put on the table. The majority of that is spent in Truro because that's just where the heart of the blueberry research is and where we've been.

A few weeks ago Peter and I were in Kentville talking to researchers there, and also there are some new programs that are going to be coming out with the federal government and we want to make sure that we're structured in a way that we can address that. We're trying to do that within the greater Maritime area. Every dollar we put out we expect it to be matched or tripled.

MS. ZANN: So you mean you put $100,000 . . .

MR. BLOIS: We put $100,000 that comes off the producers, there's one cent a pound that comes off, every producer pays into that. Half that money basically goes to WBANA for the promotion of the product; the other half-cent is to run our organization. That $100,000, we sit down at the beginning of the year and look at our priorities.

The call has gone out to researchers that we're going to be meeting at such and such a date and get your proposals in, we're going to look at these proposals and see if they meet what we need and move forward on that going basis.

Also, with Dr. Kumar at the Truro facility, we have kind of a little technical group. There's a producer on it and someone from the Bragg Enterprises side of it, and we're looking at the equipment to make sure that it is actually functioning - is it actually picking the crop the best way possible, what's the crop loss, and those types of things? I think there are lots of gains that can be done in that area.

MS. ZANN: The Department of Agriculture does put money towards research, too, doesn't it?

MR. BLOIS: Yes.

MS. ZANN: How much does it put in a year, do you know?

MR. BLOIS: I don't know right off.

MR. RIDEOUT: Under the Homegrown Success Program of the Department of Agriculture, I believe there were four research scientists at Dalhousie AC which were able to access those funds to match funds that we put forward as our association. In that case it's the individual researchers who apply for specific funding projects through the Department of Agriculture, so I believe there were four. We leveraged our funds with them and they added to them. It's just that we try to achieve a doubling or tripling of what we put in to get maximum results.

MS. ZANN: And they're still there, are they, those four research scientists?

MR. RIDEOUT: Oh yes, I think those projects were mostly one-year projects. Some of the work that Dr. Percival was doing, for example, is on evaluation of what we call double cropping, seeing if there's economy in going - instead of the two-year cycle

that I talked about, going to a three-year cycle, two crops in a row. So different approaches to management and that's where some of those provincial government program dollars went in, for that kind of work.

MS. ZANN: Okay, thank you.

MR. LOHR: Do we have time?

MR. CHAIRMAN: It appears we've been around. We'll go for one quick question from you, Mr. Lohr, and then we'll ask our guests to give their closing remarks.

MR. LOHR: I'm just wondering about the access to Crown land. I understand there was a request for proposals for long-term leases or tenders out and those tenders were cancelled. Can you comment on that?

MR. RIDEOUT: There was an initial request for proposals back around harvest time last year. Basically, there was only one proposal received, and it was deemed at the time, as I understand it, to be ineligible because of the way that the proposal was structured. We went back and had further discussions with some of our producers on our board of directors as well as with the team that we were working with at DNR and Agriculture to try to determine why there was so little uptake on that initial pilot project call for proposals.

The sense that we got from talking to producers who we thought might have been interested was that the parcel size was perhaps too large, that the parcels they were putting forward would represent an uneconomic cost to the producer to develop that land into productive wild blueberry land. That was one aspect of it. Another aspect was around the proposed conditions of the leasing rate.

Now, we've gone back and had further discussions with the working group, with DNR and Agriculture, and they're looking at amending those criteria and dividing up the initial parcels that were identified into smaller parcels, so 20- or 25-acre parcels, as I understand it, instead of a 100-acre block and putting those out. We hear through the grapevine that there's probably some interest among some producers in the area in taking another look at it. Also, they've amended the lease rates so that the up-front cost is much lower for the producer when he's undertaking the development cost of bringing that land into production. So it's an ongoing project.

We're positive about it. I think it'll go forward on a pilot basis. But again, to put it in perspective, it's the potential for maybe some hundreds of additional acres over time and not thousands.

MR. LOHR: If I could follow up, how many acres were initially in the overall parcel? They were in 100-acre blocks; how many blocks were there, Peter, if that's what they were?

MR. RIDEOUT: There were six parcels, and among the six parcels, just from memory, I think a couple were in the vicinity of 100 acres each and a couple that were in the 50-acre range. All of them were in kind of the Cumberland hills-Millvale-Wentworth area that were identified.

MR. LOHR: They were considered pretty prime blueberry land?

MR. RIDEOUT: They were. They went through hundreds of parcels of Crown land to evaluate and boiled it down to these six sites that were deemed to have the plant cover, soil conditions, drainage, and all of these other criteria. Also, other restrictions that might have applied in terms of protected areas, issues with First Nations concerns that they might have on particular parcels. All these were criteria that they used to screen them out, and they ended up with those six parcels.

MR. LOHR: You think that will be put back out again sometime in the near future?

MR. RIDEOUT: That's our understanding, yes. We're still in communication with the working group on that.

MR. CHAIRMAN: We have just over five minutes left, Mr. Rideout or Mr. Blois, if you would like to offer some closing remarks. Mr. Blois.

MR. BLOIS: On behalf of the blueberry producers of this province, we thank you for this opportunity to come here today and talk about our industry. It's obviously an industry that I have been very fortunate to be part of. It just so happened that I had that kind of land on my farm, so I've been able to grow with it.

We think that there will continue to be a positive turn for the province and the various communities that blueberry lands lie in into the future. We have our challenges, such as many other agriculture commodities, from time to time, whether it be the currency or whether it be trade barriers into the various countries.

As I said earlier, I think there are other opportunities that we could do here with further processing of blueberries that we should be thinking about as a province as we move forward into the future. From that, the growth that's going to happen, I think we need to be part of it because it's going to happen in other provinces and other sectors and other parts of the Maritime region. We know that New Brunswick has an extensive plan in place, Quebec has had an extensive plan in place for a long period of time.

This was one of the ideas a few years ago when we sat around the table that we looked at what's happening in other provinces - they've had the ability to access Crown land over a long period of time and we just hadn't been doing that. That's one place that we tried to kind of address but it all takes time, so thank you very much.

MR. CHAIRMAN: Thank you, sir. Mr. Rideout.

MR. RIDEOUT: I think Barron has summed it up very much. I just wanted to extend my own thanks for the opportunity to come in and talk about our favourite topic. So we encourage you to visit the freezer case in your supermarket. We used to have a rule at our board meetings that anyone who said the word "blueberry" without saying "wild blueberry" had to put $20 on the table. (Laughter) So remember, it's wild blueberries that we grow here.

MR. CHAIRMAN: That's our brand.

MR. RIDEOUT: That's our brand identity. So thank you again for the opportunity, and I wish you all well.

MR. CHAIRMAN: Thank you, gentlemen. We'll take a short recess to allow our guests to go on their way, and then we'll resume in two or three minutes.

[10:46 a.m. The committee recessed.]

[10:52 a.m. The committee reconvened.]

MR. CHAIRMAN: Order, please. We have some committee business to take care of, and the first is the March meeting date. It appears that the March meeting falls during the week of the March break, and I guess committees traditionally don't meet during that week. What we're going to do is seek agreement from the members here today that we can reschedule the meeting to Thursday, March 24th. Do we have any objection to that? Mr. Lohr.

MR. LOHR: I'm sure I can get someone else to be there if I can't be there March 24th, but I would prefer March 10th. What did you say, Lenore?

MS. ZANN: We're supposed to be in a caucus retreat that day.

MR. LOHR: On March 24th?

MS. ZANN: No, on March 10th - the 24th is good.

MR. CHAIRMAN: It appears that March 24th is good for everyone other than Mr. Lohr, so it appears we're as close to consensus as we can get. So the March meeting of the committee will be held on Thursday, March 24th.

Our next meeting is Thursday, February 18th at 9 a.m., at which time we will hear a presentation from the Dairy Farmers of Nova Scotia.

It appears there is no further business before the committee today, so we'll adjourn. Thank you, everyone.

[The committee adjourned at 10:54 a.m.]