



# Processing *report*

LUCERNE FRUIT AND VEGETABLE CROP UPDATE

As 2011 ended and 2012 just began the focus at the Clearbrook facility was on cole crops, including broccoli, cauliflower, and brussel sprouts. These crops came in later than normal which resulted in below average yields. The market demand for brussel sprouts has been increasing quickly. Perhaps, this can be attributed to the growing awareness of the nutritional benefits these leafy green vegetables have.

The focus at Lethbridge was on peas. As most of the industry is well aware, there is an immense shortage of Grade A peas in North America. This has resulted in outsourcing for international crops.

The lack of supply from previous growing season has sparked conversations about the various factors that play into growing these commodities (fruits and vegetables) and the volatility of the market. Many price increases can be attributed to shortages; however, other underlying factors including: initial growing price, fuel costs, and various certification requirements also have an impact on price. For example, at a time where there is a consumer trend to buy organic, there surprisingly has been less organic

crop growth. This is a result of the strict organic guidelines in place in order to have products certified organic. Also, organic crops are both cost and labour intensive. A GFSI certification results in a plant that can be trusted for quality and safety; implementing this program is very costly.

A 2012 outlook is hard to predict as the growing season has yet to begin. However, recent plant closures and the reduction in the size of farm operations (all outside of Lucerne) are good indicators that help in defining market health, or lack of. Furthermore, in some international markets such as China, there has been a shortage in farm workers as many individuals are moving to cities in search of higher wages. This has resulted in a lower supply and a higher price for products that are sourced from China.

## A Challenge of Growth

As some provinces face challenges in growth, Alberta continues to boom. The continual growth of Alberta's economy has caused shortages of workers in much of



the province. Lucerne was recently able to acquire four higher capacity harvesters. This will give Lucerne the ability to harvest at a time when it is difficult to find workers for our field operations. This investment resembles our long term commitment to the industry and local farmers as we support the growth of our customers.

### Average Retail Price of Gasoline

Natural Resources Canada  
nrcan.gc.ca

