

# KEEPING TRADE ON TRACK

Education | Mediation | Arbitration | Networking



# DRC

## ANNUAL REPORT

FISCAL YEAR 2016

*Fair and ethical trade in fresh produce in North America*

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# ABOUT DRC



The Fruit and Vegetable Dispute Resolution Corporation (DRC) is a non-profit, membership based organization serving the produce trade.

## VISION

The DRC's Trading Standards and Rules are the recognized and adopted principles for the trade of produce.

## MISSION

To provide harmonized standards, procedures, services, and education necessary to avoid and resolve disputes in the produce industry in a timely, cost-effective manner.

## MANDATE

The Mandate of the DRC is to provide a full suite of dispute resolution services for members engaged in the commerce of produce in North America.

## VALUE PROPOSITION

Membership in the DRC provides direct access to dedicated, professional and impartial trading advice and dispute resolution services.

## MESSAGE FROM THE CHAIRMAN OF THE BOARD



Dear Members,

Thank you for making 2016 yet another remarkable year for DRC! With your financial support and input, our dedicated staff has continued our expansion with member engagement, while strengthening our programs and services.

In 2016, the DRC updated its corporate strategic plan to take us from 2017 to 2020, with an eye to continuing to execute and enhance our deliverables on a wide range of programs and services, while building on our core values of integrity, competence, reliability and fairness for cultivating future opportunities and to expand our reach.

Last year, DRC membership continued to grow, and while we remained vigilant on the Canadian Food Inspection Agency's (CFIA) efforts towards "Single Entity", staff also engaged with foreign Embassies and Trade Offices as a component of a strategic outreach initiative. DRC's work and partnerships in this area will directly benefit the DRC membership as members continue to access new markets to source new products.

Another highlight from 2016 was Canada Standing Committee on Agriculture and Agri-Food study of Financial Risk Mitigation for the fresh produce industry. The end result was unanimous support for the proposed Cuming's Model Law as commissioned by the DRC. We eagerly await the Government of Canada's response to the study.

Looking forward, 2017 has already demonstrated that it promises to be another exciting year, for which the staff have dubbed it "The Year of Canada". Already, the Canadian Food Inspection Agency (CFIA) has officially published proposed Safe Food for Canadians Regulations which names the DRC as the single entity for buying, selling and dispute resolution. The proposal moves the Canadian Grade Standards out of regulations and into a compendium allowing for more efficient and timely updating. In order to better serve its members, DRC will undertake a major outreach effort explaining the new regulations and is beginning to work with the CFIA to take over the delivery of the Canadian Grade Standards and maintain the standards within the DRC's infrastructure. These initiatives will go a long way to making the DRC the one-stop trade and commerce technical experts for Canada.

None of this would have been possible without your continued support through your valued membership investment, or the commitment and dedication of the DRC staff.

On behalf of board members and the entire DRC staff, I thank you for your support.

Sincerely,

A handwritten signature in black ink that reads "Matt McNerney". The signature is written in a cursive, flowing style.

Matt McNerney  
Chairman, Fruit and Vegetable Dispute Resolution Corporation

# MESSAGE FROM THE PRESIDENT



DRC Members,

We certainly live in interesting times and 2016 has been no exception; for example, you only have to look at recent federal elections in Canada and the U.S. Both of these events caught the machinery of their respective governments by surprise, requiring much more time and resources to be redirected towards filling leadership positions and redefining priorities.



While we cannot control national and international events, we certainly can ensure that our strategy and delivery mechanisms are responsive to circumstances that impact your business. The leadership of the DRC board of directors and the hard work of DRC staff ensure that we continue to meet these challenges. A necessity in interesting times!

While we had anticipated becoming CFIA's single entity in 2016, additional public consultations to the *Safe Food for Canadians Regulations* continued throughout the year. We engaged with our industry partners and with the January 2017 release of the official proposed *Regulations*, the result is an even clearer and stronger mandate supporting the DRC's role in delivering dispute resolution.

The DRC was asked by industry to support its efforts to secure a financial risk mitigation tool for the benefit of produce growers, buyers and sellers in Canada. That effort received a significant boost when industry representatives, including myself, were summoned to testify before the House of Commons Standing Committee on Agriculture and Agri-Food. These testimonies, along with that of DRC legal and constitutional expert Professor R. Cuming, resulted in unanimous Committee support for the industry proposal as reflected in the following resolution:

*"That the Chair write to the Minister of Agriculture and Agri-Food and to the Minister of Innovation, Science and Economic Development to recommend to examine the model legislation put forth by Professor Ronald Cuming under the guidance of the horticulture industry and the Fruit and Vegetable Dispute Resolution Corporation with regards to Canada's Preferential Status under the United States Perishable Agricultural Commodities Act (PACA), and to consider adopting a legislation based on this model as soon as possible."*

The request was communicated to the Ministers by way of a formal Committee letter shortly after the hearings. Interesting times indeed!

During the course of the year, we successfully recruited and trained several new arbitrators with the assistance of Professor Anthony Daimsis. Not only were we able to add needed arbitrators in Canada, we were also able to recruit and train arbitrators who are attorneys skilled in contract law and bankruptcy. Addition of these new arbitrators to our roster will be a valuable resource once industry is successful in securing Cumings' model legislation for Canada.

## MESSAGE FROM THE PRESIDENT



Our Communications and Trading Assistance staff teamed up to seize an opportunity to promote the DRC beyond our North American borders. Working directly with Ottawa-based embassies who trade with Canada, we have generated additional interest in the DRC and are exploring opportunities to make the DRC a part of how they help their citizens successfully trade in the North American marketplace.

We are pleased to report that membership growth and retention remains strong. We are seeing a strong increase in members seeking guidance and opinions which they are using to resolve problems themselves with their trading partner.

The DRC Board approved the updated Corporate Strategic Plan for 2017-2020 developed from the ground up by DRC Staff and facilitated by Anne Fowlie. While adjusted for accomplishments and new challenges, the new strategic plan is focused on five Key Result Areas: Performance, Dispute Resolution, Membership Development, Government Engagement, and Stewardship of Assets.

Thank you for your continued support and, as always, feel free to reach out to me directly or any member of the team!

Sincerely,

A handwritten signature in black ink that reads "Fred C. Webber". The signature is written in a cursive, flowing style.

Fred Webber

President and CEO, Fruit and Vegetable Dispute Resolution Corporation

# YEAR IN REVIEW



March 2016, Paola Gonzalez and Jaime Bustamante represented DRC, exhibiting at the Texas International Produce Association's trade show, Viva Show, in Austin, TX.



May 2016, newly appointed Agricultural Minister of Mexico in Canada Mr. Iker Reyes and Dr. Pablo Sanchez, Second Secretary visited DRC Office.



May 2016, during the Annual Board Meeting in Monterey, CA, the DRC Directors were treated to an excellent tour of Duda Farm Fresh Foods and D'Arrigo Bros Co. of California



March 2016, DRC staff attended Canadian Horticultural Council Annual Meeting in Ottawa, ON



April 2016, DRC Chairman Matt McInerney and Andrea Bernier at the CPMA Convention and Trade Show



November 2016, Jaime Bustamante, Iryna Romanenko, Andrea Bernier and Luc Mougeot attend the OPMA's 25th Anniversary Gala Celebrations

# YEAR IN REVIEW



August 24, Fred Webber and Jaime Bustamante attended AMHPAC Annual Convention in Cancun, Mexico



August, 2016, Luc Mougeot and Iryna Romanenko represented DRC at the QPMa Convention in Montreal, QC



November, 2016 Paola Gonzalez represented the DRC at the "Road Show" in Toronto, ON organized by the Embassy of Peru in Canada.



September 2016, Luc Mougeot and Paola Gonzales attend the New England Produce Council Expo in Brewster, MA.

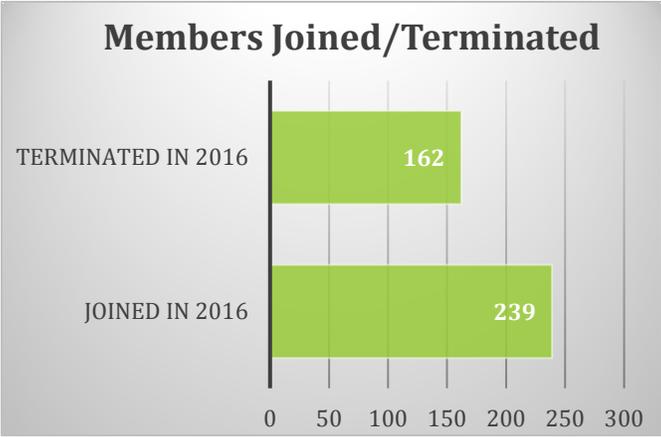
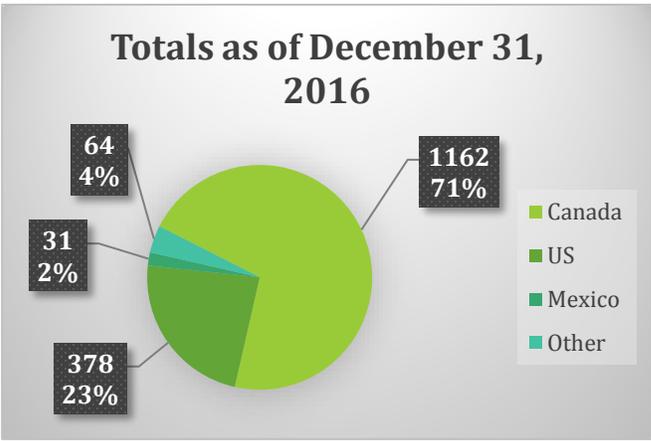


October 2016, The Trade Facilitation Office (TAO) invited Jaime Bustamante as a speaker in a seminar for government officials from Mexico, Chile, and Colombia.

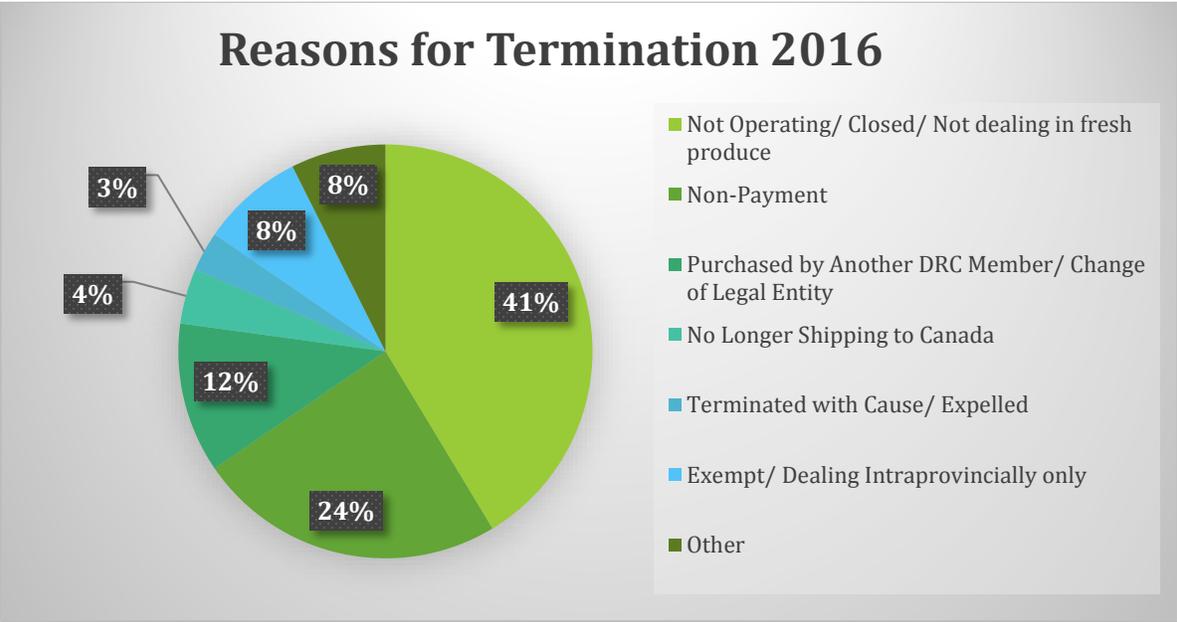
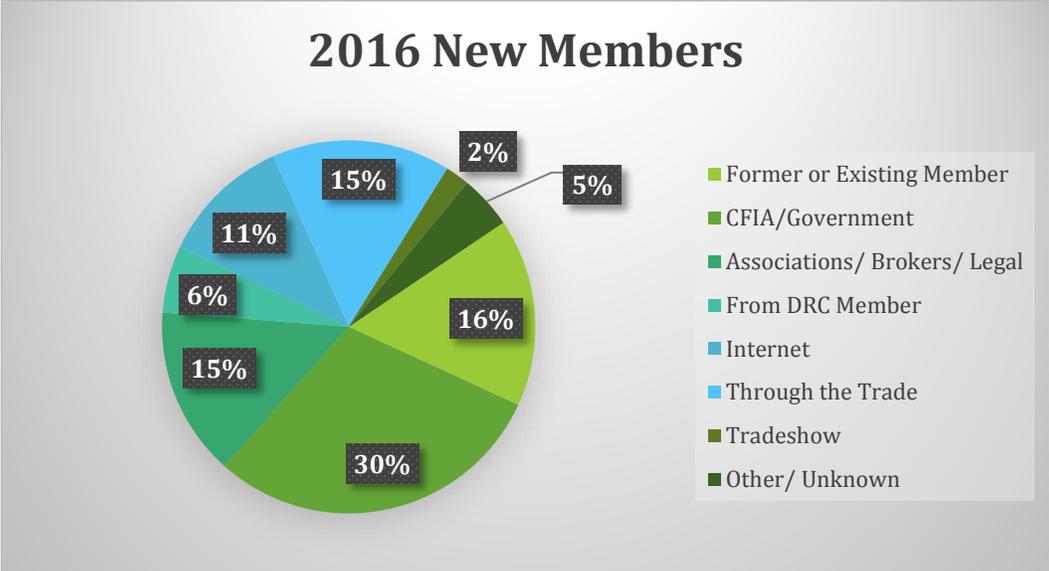


August 2016, the Canadian Produce Marketing Association (CPMA) and the Fruit & Vegetable Dispute Resolution Corporation (DRC) hosted 23 embassies and 11 industry representatives at a luncheon event in Ottawa.

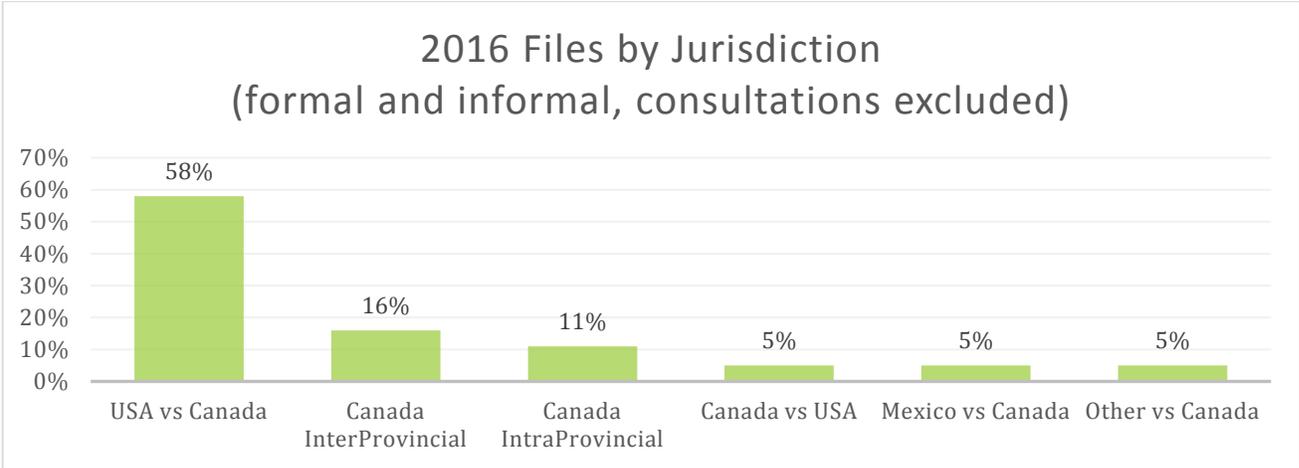
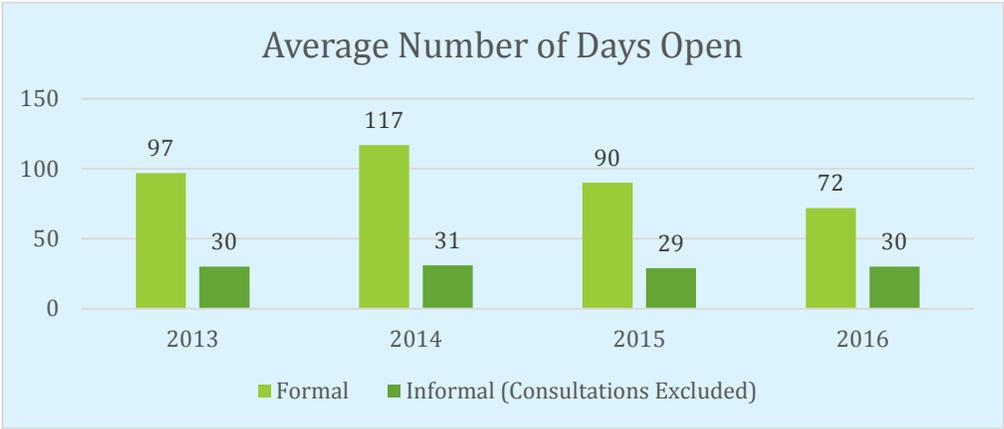
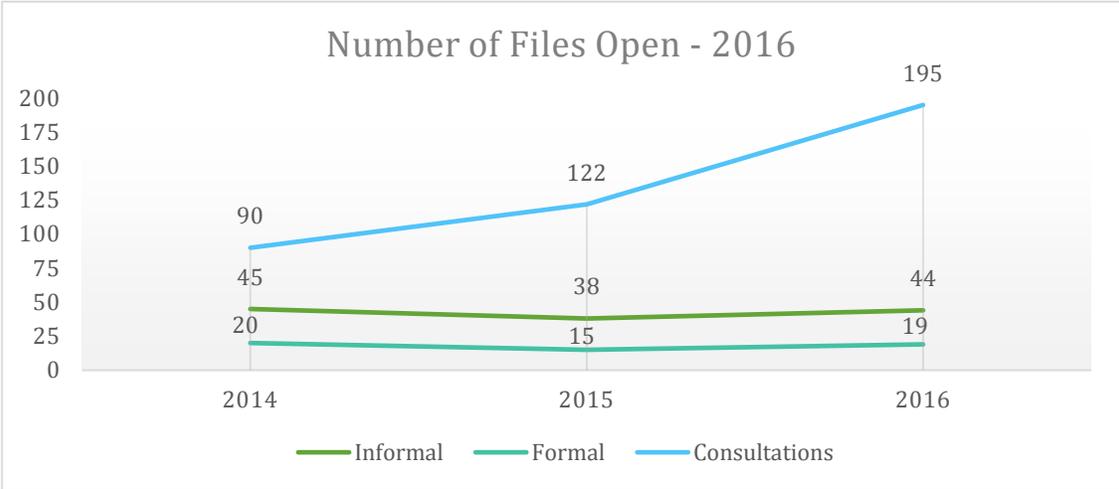
# MEMBERSHIP AND TRADING ASSISTANCE STATISTICS



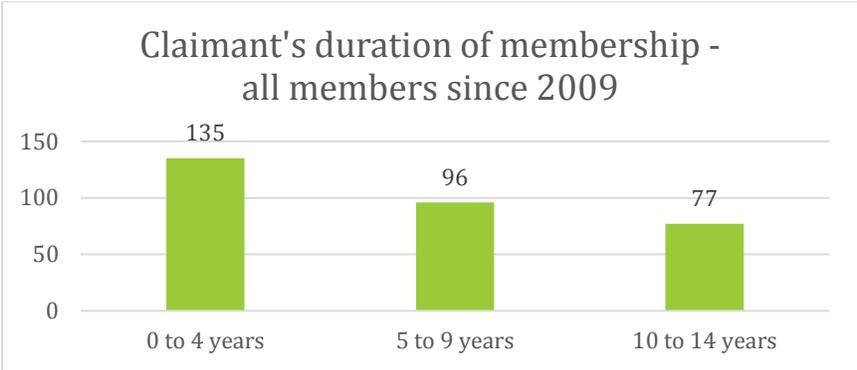
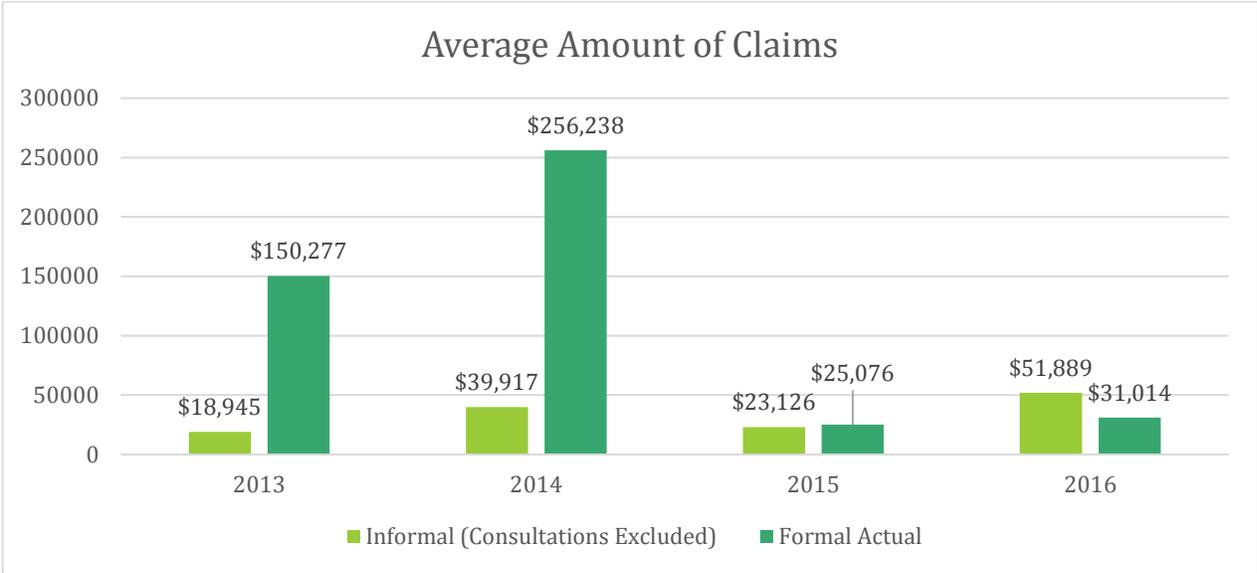
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# MEMBERSHIP AND TRADING ASSISTANCE STATISTICS





<b>DRC Key Result Areas for 2017-2020</b>		
<b>Core</b>	<b>KRA 1</b>	<b>PERFORMANCE OF THE DRC SYSTEM</b>
		To ensure the confidence of members, governments and other stakeholders that the DRC successfully fulfills its fundamental mission of delivering timely and effective dispute resolution services.
<b>Enabling</b>	<b>KRA 2</b>	<b>EDUCATION AND MEMBER SERVICES</b>
		To offer a comprehensive and tailored suite of tools that build the literacy and the capacity of members to avoid or resolve disputes.
	<b>KRA 3</b>	<b>MARKETING AND MEMBERSHIP DEVELOPMENT</b>
		The DRC is well known and recognized for its services, delivery standards and the value of membership as an integral business plan component for anyone engaged in commerce in the produce industry.
<b>Enabling</b>	<b>KRA 4</b>	<b>GOVERNMENT AND INDUSTRY RELATIONS</b>
		To achieve a supportive regulatory environment in Canada which includes a single licensing authority, a PACA-like deemed trust and a re-engagement of the Mexican government behind the objectives of the DRC's mission, vision and mandate.
<b>Foundational</b>	<b>KRA 5</b>	<b>STEWARDSHIP OF ASSETS</b>
		The responsible and proactive management and oversight of the DRC assets and capacity to meet its fiduciary obligations for governance and to support consistent and effective administration of its business over the long term.

## MEMBERS OF THE BOARD



### FRUIT AND VEGETABLE DISPUTE RESOLUTION CORPORATION BOARD OF DIRECTORS, AS OF DECEMBER 31, 2016:

<b>Chairman</b>	<b>Matt McInerney</b> , Western Growers
<b>Director</b>	<b>Glenn Baty</b> , Star Produce Ltd.
<b>Director</b>	<b>Frank Pagliaro</b> , Loblaws Inc.
<b>Director</b>	<b>Pierre Dolbec</b> , Veg Pro International Inc.
<b>Director</b>	<b>Rick Wallis</b> , BC Fresh Vegetables
<b>Director</b>	<b>Robert Guenther</b> , United Fresh Produce Association
<b>Director</b>	<b>Mike Stuart</b> , Florida Fruit & Vegetable Association
<b>Director</b>	<b>Bret Erickson</b> , Texas International Produce Association
<b>Director</b>	<b>Norberto Galvan Gonzalez</b> , Rodeva SPR de RL
<b>Director</b>	<b>Gerardo Mena Prieto</b> , Frutas San Antonio, S.A. DE C.V.
<b>Director</b>	<b>Gonzalo Aguilar Guizar</b> , Grupo Empaque Roquin
<b>President &amp; Chief Executive Officer</b>	<b>Fred Webber</b> , DRC
<b>Secretary / Treasurer</b>	<b>Luc Mougeot</b> , DRC

# STAFF



**Fred Webber**  
President and CEO



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Vice-President



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Administrator



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**Paola Gonzalez**  
Trading Assistance Officer



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## Contact Information

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