

Dear editor:

As a previous director of the Ontario Bean Producers Marketing Board (OBPMB) and a member of the steering committee that worked towards the proposal submitted to the Ontario Farm Products Marketing Commission (FPMC) for the creation of one new dry bean producer organization (Ontario Bean Growers), I feel it imperative that voting producers understand the importance of “getting out the vote” with a little more of the story told. To this end I wish to debunk some of the myths and share some of the reality from my perspective.

For starters, there is a perceived concern that the new organization will result in a loss of negotiating power that the current OBPMB enjoys. The reality is that in the prior five growing seasons all drying charges have been relegated to a formula based predominantly upon the cost of natural gas and electricity. Over my recent tenure on the bean board there has never been a change in storage or pick fees. In fact, the board is all but powerless to “negotiate” these or other fees as it does not have the internal expertise nor is there cost effective outside expertise for hire to put forward a valid negotiating position. Even the dealers would agree that with the volatility in production and amount requiring drying it would be impossible to foretell an accurate rate. The only recourse that the board has in the event of a stalled negotiation is to pull bean dealer licences.

Growers need to understand that with only two major end-users for navy beans, each with strict quality and traceability parameters, and each aligned with our two major domestic dealers, to not renew a dealer licence is wholly impractical. The new proposed Ontario Bean Growers will still “negotiate” maximums on behalf of pool beans, however I strongly feel that individual growers will be in a better position to decide if proposed non-pool charges are ‘fair’ based on the market intelligence that Ontario Bean Growers will gather and publicly share. Furthermore, under the new Ontario Bean Growers regulations, producers will no longer be legally obligated to deliver white beans to dealers strictly within Ontario thereby opening up a whole new competitive marketplace.

The 560 odd voting white bean growers also need to appreciate that the current OBPMB general and administrative expenses paid out of today’s \$8.80/tonne levy is a significant burden that results in less financial contribution towards research, lobbying, and co-funding of industry alliances. The new proposed Ontario Bean Growers will start with a \$6.60/tonne levy partly as a result of significant savings in overhead. It will not only maintain existing but work towards strengthening financial commitments to research.

The current structure of the OBPMB has lead to a rather acrimonious relationship between the Board and its dealer network...sometimes losing sight of its end goal. A new Ontario Bean Growers will provide the ‘reset’ needed to develop true synergies focussed on improving our relationship with our domestic funding partners and our foreign end-users by giving them confidence that we truly are committed to working together all along the value chain. This can only enhance a truly innovative, export driven, niche industry in our globally competitive environment.

Finally, with only 2-4 per cent of white beans marketed through the pool in the past number of years there is a long overdue necessity of updating the way in which the pool is financed. The last few years OBPMB directors voted to ‘top up’ initial payments

above the government guarantee partly because of the generous surplus funds built up directly by non-pool growers licence fees and indirectly thru industry levies. In fact, all of the interim payments were paid by dipping into the surplus, without interest and without utilizing the OBPMB's bank line of credit. Additionally, no general and administrative overhead including staff, office, meeting, and travel expenses have been specifically delegated to the pool. The result has been a gross subsidization by non-pool growers towards the operation of the pool. The new proposed Ontario Bean Growers regulations will ensure that all risks and costs associated with operating any bean pools will be borne by that pool and its users. This is another key factor in lowering the producer licence fee.

For the reasons mentioned above I have respectively submitted my resignation as District 2 director of the OBPMB. I hope that my points above provide fodder for reflection and action by all dry bean producers being asked to vote to create one new "Ontario Bean Growers" organization. Regardless, it is imperative that all growers "get out the vote"!

Sincerely,
Steve Twynstra
Ailsa Craig