



April 8, 2015

File: 44200-20 MMB

DELIVERED BY EMAIL

Jim Byrne
Chair
BC Milk Marketing Board
200 – 32160 South Fraser Way
Abbotsford BC V2T 1W5

Dear Mr. Byrne:

POWERS AND DUTIES REVIEW – BC MILK MARKETING BOARD

This letter is in follow-up to the BC Milk Marketing Board powers and duties review requirement under the British Columbia Milk Marketing Board Regulation (Regulation). In 2014 the Milk Board completed a review of its powers and duties and submitted a final report (Report) dated June 25, 2014 to the BC Farm Industry Review Board (BCFIRB) as required by the Regulation.

Background

As you are aware, the Regulation, under the *Natural Products Marketing (BC) Act (NPMA)*, sets out the following:

- 9 (1) By November 30, 1999, and by the end of each 3 year period after that date, the board must conduct a review of the continued appropriateness and adequacy of the provisions of section 7 [Powers and duties of the board] and report its findings to the British Columbia Farm Industry Review Board.
- (2) A review under subsection (1) must be conducted by the board in consultation with the Milk Industry Advisory Committee, the British Columbia Farm Industry Review Board and the minister's ministry.

The 2014 review was an opportunity for the Milk Board to consider whether the powers and duties set out in the Regulation are still appropriate and adequate for regulating the provincial dairy sector in the best interests of the industry and the public.

**British Columbia
Farm Industry Review Board**

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At the outset of the Powers and Duties Review, BCFIRB provided its general expectations in a January 22, 2014 letter. In summary, the Milk Board process and outcomes were expected to demonstrate a principles-based (SAFETI¹) approach.

Process

BCFIRB is satisfied the Milk Board demonstrated a SAFETI-based process that included engagement and consideration of stakeholder input (the stakeholders required by the Regulation and other stakeholders determined as appropriate by the Milk Board, including the public). The Powers and Duties Review process, information and outcomes were readily available for all stakeholders from the front page of the Milk Board web site. A transparent, informed process is vital when there is potential for recommendations to Government for any legislative or regulatory changes.

Report

After reviewing the June 25, 2014 Milk Board Powers and Duties Report (Report), BCFIRB is satisfied with the Report and resulting identification of areas of importance going forward.

The Milk Board determined that current legislation and regulations are appropriate and adequate to achieve the strategic vision and direction of the dairy industry in BC. Although no immediate need for regulatory change was identified, the Milk Board highlighted two areas requiring further consideration and action:

- There are increasing expectations of marketing boards to take on broader responsibilities than envisioned when the regulated marketing system legislation was originally put in place (e.g. animal welfare, biosecurity, food safety, environment). The Milk Board indicated it will discuss with BCFIRB and the Ministry of Agriculture what, if any, regulatory changes may be necessary to manage animal welfare responsibilities, including those in relation to the national Dairy Farmers of Canada proAction Initiative. Other considerations include how these additional responsibilities (and authorities) may overlap with/interact with other legislation and regulations².
- An effective and strategic dairy system requires clarifying roles and responsibilities, and ensuring appropriate lines of accountability between the regulatory body (Milk Board) and producer associations (BC Dairy Association)/other organizations the Milk Board may work with to meet the purposes of the Regulation. In relation to the *Farming and Fishing Industries Development Act (FFIDA)*, this includes the Ministry of Agriculture and the Dairy Industry Development Council.

Looking forward

As the Report points out, it is no secret that expectations of regulated marketing boards with respect to governance, marketing, food quality, food safety, biosecurity, animal welfare, and other issues continue to increase. What other roles, e.g. environmental, the Milk Board should or

¹ Strategic, Accountable, Fair, Effective, Transparent, Inclusive

² E.g. *Health of Animals Act, Prevention of Cruelty to Animals Act*

should not have under the *NPMA* in respect of such matters will be an on-going question for the industry, the Milk Board, BCFIRB, and Government.

The Milk Board is to continue keeping BCFIRB informed of its work with the BC Dairy Association, the Dairy Industry Development Council and the Ministry of Agriculture to clarify roles, responsibilities and lines of accountabilities under the *NPMA* and the *FFIDA*. In particular, current areas of focus include financial accountability, marketing and promotion, and animal welfare. BCFIRB supports and encourages the Milk Board in these activities.

Clarifying roles and authorities in relation to legislation is vital for an accountable regulatory system. For instance, as BCFIRB pointed out in a March 14, 2014 letter, “[f]inancial accountability is a key part of good governance” and includes “accounting practices that are in accordance with legislation, regulations, published standards, and stakeholder expectations of accountability and transparency”.

In summary, the key to effective and accountable regulation of the dairy system in the public interest is coordination and communication between the Milk Board (first instance regulator), BCFIRB (supervisor), the Ministry of Agriculture (public policy and legislation) and industry organizations (non-profit industry support groups). The Powers and Duties Review provided a good framework to support necessary regulatory coordination. BCFIRB is encouraged to see identification of effective regulatory and non-regulatory relationships for the benefit of the dairy industry and looks forward to productive conversations.

Yours truly,

A handwritten signature in black ink, appearing to read 'John Les', with a large, stylized flourish at the end.

John Les,
Chair

Cc: James Mack,
Assistant Deputy Minister
Ministry of Agriculture

BCFIRB web site