

December 5, 2013

**VIA EMAIL**

J. Collins, General Manager  
British Columbia Farm Industry Review Board  
PO Box 9129, Stn. Prov Govt  
Victoria, British Columbia  
V8W 9B5

**Re: BC Vegetable Marketing Commission Final Reply Submission Regarding the October 31, 2013  
BC Vegetable Marketing Commission Decision and Central Vancouver Island Regulated  
Marketing**

Dear Mr. Collins:

Having regard to the above captioned matter on November 22, 2013 the BC Vegetable Marketing Commission (VMC) submitted to the BC Farm Industry Review Board (FIRB) an initial written submission that was copied to V. I. P. Produce Ltd. (VIP), Island Vegetable Co-operative Association (IVCA), Vancouver Island Farm Products Inc. (VIFP) and BC Fresh Vegetables Inc. (BC Fresh).

Having received the initial written submissions from the above referenced designated agencies on November 29, 2013 a VMC reply submission was directed to FIRB. This reply submission was copied to each of the mentioned designated agencies.

In its November 15, 2013 correspondence followed by a December 3, 2013 email the VMC was informed that a final reply is to be received by FIRB by end of day Thursday, December 5, 2013, and, as was the case with the above described submissions it is to be copied to each of the above captioned designated agencies.

The document accompanying this transmittal letter is the VMC's final reply submission. The transmittal letter and the final reply submission have been copied to the above mentioned designated agencies.

Yours truly,



Tom Demma,  
General Manager

Enclosure

***Growers working for Growers***

**Final Reply to the BC Farm Industry Review Board (BCFIRB)  
Re: Vancouver Island Farm Products Inc. (VIFP) Agency Status**

This submission aims to make a brief reference to the history of the situation on central Vancouver Island, and summarize the regulatory process that has taken place since the Supervisory Review decision of FIRB was issued on January 7, 2013. Reference will be made to the hearing into the joint application made by BC Fresh Vegetables Inc. (BC*fresh*), and VIFP, and submissions made to the BC Vegetable Marketing Commission (VMC) and to FIRB post-hearing. In addition, reference will be made to matters remaining to fulfill directions arising from the January 7 decision.

While it is difficult to avoid making reference to events which took place prior to the issuance of the January 7 decision, it is now time to look forward, and accordingly our focus should be on a solution.

### **Pre-Hearing**

On July 18, 2013, the BCFIRB received the BC*fresh*-VIFP sub-agency proposal, also sent to the BCVMC. A July 29 letter from BCFIRB directed the Vegetable Commission *“to consider, in consultation with industry stakeholders as appropriate, if and how the proposal may or may not form a **transitional step** in meeting BCFIRB’s January Supervisory Review directions”* (emphasis added). As noted elsewhere, this proposal came at a time when the VMC was working on meeting numerous directions arising from the Supervisory Review. The VMC agreed with the applicants that faced with a proposal *“made between willing partners who share a common vision,”* issues still outstanding concerning Vancouver Island should not take precedence over or forestall the VMC consideration of this proposal.

The VMC decided that it was appropriate to hold a hearing into the matter and set a date of August 29, and advised all industry stakeholders of this intention. Objections were expressed about the timing for this hearing. Among other things concern was raised about inadequate time being made available for interested parties to apply for intervener status. Subsequently, the commission extended the filing deadline by one week; however, no further applications were forthcoming.

### **Hearing**

The hearing took place in Delta August 29, 2013 with representatives of the applicants BC*fresh* and VIFP, and interveners IVCA, VIP present. It should be noted that an in-camera meeting between the Commission panel and the applicants was held earlier to discuss

confidential financial and business matters. A court reporter was employed for the public portion of the hearing and a transcript was made available to interested parties.

Among the issues addressed by this proposal, two stood out which had been identified as major concerns early on: agency governance and the management of delivery allocation. The VMC panel is confident that both issues will be addressed by the oversight of BC*fresh* in this agency/sub-agency proposal.

It should be noted that pre-hearing correspondence, as well as the notice of meeting, made clear reference to the VMC's desire to broaden discussion during the hearing to provide for consultation regarding a long-term vision and strategy for central Vancouver Island. There was, however, a disappointing lack of engagement in this regard by VIP in particular, which characterized the hearing format as an adversarial environment not conducive to consultation or progress. IVCA did share with the panel that there had been discussions between themselves and VIFP regarding consolidation earlier in the year but that they had not gone beyond a preliminary stage. While it was clear that neither VIP nor IVCA supported the proposal, the tone of the hearing was quite civil, in sharp contrast to much that has been written in post-hearing submissions.

## **Post-Hearing**

The state of tension primarily among central Vancouver Island producers that was the case prior to the FIRB Supervisory Review decision has increased to the point where today there are two 'camps' with decidedly different interests. One camp has the view that the only acceptable outcome is one where all Vancouver Island growers concerned are unified under the roof of one designated agency, whereas the other camp has a view that aligns with the VMC October 31, 2013 decision.

A single agency may be ideal; however, the circumstances in which we find ourselves today are far from ideal. As the FIRB panel stated so succinctly in their January 7 decision, "*the irreconcilable tensions described above in respect of the VIP agency make it unrealistic to attempt to force all the previous growers into one agency structure.*" The situation has not improved; it has in fact deteriorated. It should be made clear that this situation exists only between the existing members of VIP and those of VIFP. There seems to be nothing standing in the way of an alliance being forged between IVCA and VIP – this could be a clear example of 'putting their money where their mouth is' and a very positive transitional step toward a single agency on the island.

VIP would have you believe that IVCA involvement in this matter is impartial. It has been anything but. Nor would we expect otherwise. It is not unreasonable for a Vancouver Island agency to take a pro-island stance. However, there are limits. IVCA seems to be blinded by its overriding aim of preventing BCfresh from “getting a foothold on the island”. This is in spite of clear evidence of the presence of BCfresh in the Vancouver Island market place for a considerable length of time. Having said that, it is clear that IVCA supports the view that a single agency for Vancouver Island is a desirable long-term goal.

## January 7 Directions

Here we look to Appendix A of the July 29 letter from FIRB as a reference:

The BCfresh-VIFP proposal comes at a time when the Vegetable Commission is working on meeting the January Supervisory Review directions, including:

- a) Developing a vision and strategic plan for the Vancouver Island regulated vegetable industry; including providing recommendations to BCfirb as to the number and type of agencies for Vancouver Island before November 31, 2013;
- b) Monitoring and assessing VIFP and VIP Inc. over 2013;
- c) Generally reviewing its agency accountability requirements, including submitting a report to BCfirb before December 31, 2013; and,
- d) Moving forward with requesting a Scheme amendment that would allow for two independent members to sit on the Commission.

## Conclusion

There are myriad issues raised by the two agencies opposed to the VMC decision to approve the sub-agency proposal. The vast majority of them have been fully addressed by the joint applicants, BCfresh and VIFP in their submissions. Regrettably, many of the matters referred to in the written submissions are grievances that pre-date both the Supervisory Review and the August 29<sup>th</sup> hearing; it is not the intent of the Commission to address them here.

In the back and forth of submissions both to the VMC and the BCfirb, there has been much ado about numbers; be it the number of producers shipping through a given agency, their respective acreage, production tonnage or delivery allocation and the weighting that should be afforded as a consequence. Similarly, agencies’ fees are higher or lower, they are competitive or not, viable, unviable or at financial risk. The VMC has confidential information flowing from the in-camera hearing regarding this proposal. Similarly, it is privy to confidential information concerning the various Vancouver Island agencies. The Commission can share this information with the BCfirb panel if desired.

Any decision taken will of necessity be transitional in nature—a recognition that the final state is not yet reached. In the present circumstance to do otherwise would be ill-advised. There seems to be enough vitriol, at least on the part of some producers, to fuel this debate forever. In our view it is time to say enough is enough.

**In view of these considerations, the Commission respectfully requests that the BCFIRB panel approve its decision.**