



BC Farm Industry Review Board - General Supervisory Expectations

RE: Supervisory Review of BC Dairy Quota Governance

This document provides an overview of BCFIRB's general supervisory expectations to support the BC Milk Marketing Board (Milk Board) in its review of BC Dairy Quota Policy and Governance.

BCFIRB's responsibility for the general supervision of BC's marketing boards and commissions under the *Natural Products Marketing (BC) Act (NPMA)* includes ensuring they are:

- acting within their legislation, and
- following sound marketing policy.

BCFIRB's supervisory role enables it to review, to oversee and, where deemed necessary and appropriate, give directions. This proactive role is complemented by BCFIRB's appellate role, which is triggered when a person files an appeal from a decision, order or determination of a marketing board or commission.

Background - Supervisory Review Process

This Review is being conducted in three stages:

1. *Establishing Common Understanding of Expectations (Fall 2012 – Summer 2013)*

BCFIRB works with the Milk Board to develop and establish a common understanding of shared expectations concerning the Review.

2. *Milk Board Quota Policy and Program Evaluation (Summer 2013 – Spring 2014)*

Milk Board develops and conducts its evaluation process informed by the established shared expectations as well as their own considerations. At the close of their evaluation, the Milk Board reports on its findings and recommendations to BCFIRB.

3. *BCFIRB Next Steps (Spring 2014)*

If any outstanding issues are identified after receiving the Milk Board's final report, BCFIRB will assess whether and how those issues should be further addressed.

BCFIRB General Supervisory Expectations

BCFIRB expects the Milk Board to:

- Effectively and strategically engage with its stakeholders, including non-dairy industry stakeholders and the general public, in examining its quota policies and programs;
- Evaluate whether current quota policies and programs are effective and strategic in meeting sound marketing policy objectives;

Sound marketing policy considerations can include, but are not limited to, relevant legislation and regulation, public policy, value chain considerations, sound governance principles (see BCFIRB's [Accountability Framework](#)) and the business needs of a sustainable BC dairy industry

- Identify issues and gaps;
- Propose solutions; and
- Report its findings and recommendations to BCFIRB, including a full rationale for any decisions reached by the Milk Board, and for any decisions requested of BCFIRB.

BCFIRB also expects the Milk Board to keep the following key considerations for quota governance in mind throughout the review process.

Key Considerations for Quota Governance in BC

These considerations highlight points of legislation, BCFIRB's [2003 - 2005 Specialty Review](#) directions, the BC Ministry of Agriculture's [2004 Regulated Marketing Economic Policy](#), and BCFIRB's '[SAFETI](#)' principles. All points have been communicated previously through the above noted sources and/or BCFIRB communications will all boards and commissions.

Quota governance adheres to legislative requirements

- Quota remains the property of the boards at all times.
- Boards cannot attach monetary value to quota.
- Policies and programs meet sound marketing policy objectives in the public interest.

Quota governance reflects the intent of supply management

- Boards retain a flexible approach quota management and distribution in order to be able to respond to market demands.
- Producers are actively engaged in production and committed to being in the industry. The historical intention of quota is that it is produced.

Quota governance reflects provincial agricultural policy

- Boards establish policies and programs to facilitate the entry of new producers.
- Boards establish policies and programs to stimulate and promote innovative approaches to production and marketing that have potential to create sustainable demand for BC products.
- Boards ensure their policies and decisions do not inhibit the economic viability of regional industries. Boards consider ways to sustain regional industries and capture unique opportunities for regional production and marketing.

Quota governance reflects a principles-based approach to regulation

- Boards undertake effective consultation with stakeholders and consider all appropriate perspectives in their decision making.
- Policies and programs are accountable --- they are developed and delivered in an effective, strategic manner that reflects a fair, inclusive, transparent approach.