



BC Farm Industry Review Board

February 20, 2024

DELIVERED BY EMAIL

Janice Comeau, Chair
BC Milk Marketing Board
32160 South Fraser Way, Unit 200
Abbotsford, BC
V2T 1W5

Dear Janice Comeau:

RE: BC MILK MARKETING BOARD & DAIRY INNOVATION WEST FUNDING

Background

From July 2019 to April 2020, the BC Milk Marketing Board (Milk Board) and BCFIRB had communications regarding the Milk Board's involvement in the Dairy Innovation West (DIW) initiative.

That correspondence culminated in an April 23, 2020 letter in which BCFIRB directed that the Milk Board was not permitted to have an ownership interest in the proposed DIW. Further, the Milk Board was asked to confirm that no further funds collected by the Milk Board under the authorities contained within the *Natural Products Marketing (BC) Act*, or any federally delegated authorities, would be invested in the DIW initiative, either directly or indirectly. Lastly, the letter also directed that the Milk Board keep BCFIRB apprised of any role the Milk Board intended to play in relation to DIW, so that BCFIRB can consider what, if any, supervisory oversight may be required (*See Appendix A*).

In a May 15, 2020 letter to BCFIRB, the Milk Board confirmed that "no funds will be invested in the DIW initiative, either directly or indirectly from the Milk Board" (*See Appendix B*).

In a standard BCFIRB staff review of the November 20, 2023 Milk Board minutes, the following entry was noted under the heading "WMP Inter-Provincial Transportation":

"The Board reviewed options to cover the operational costs during the pre-commencement phase of the DIW project and agreed to cover these costs through inter-provincial cost sharing through the WMP less any costs that BCDA will cover."

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In response to a BCFIRB staff email request for clarification, the Milk Board noted the following in its January 15, 2024 email:

"The costs during the pre-commencement phase are operational costs that are incurred before DIW is running and providing benefits to the WMP participants. We will need to cover these costs through producer deduction. Additionally, BCDA is working on putting additional capital into the project and that would help to offset some of those costs."

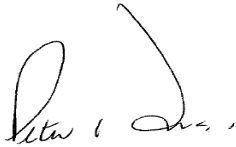
Direction to Provide Particulars

In light of the Milk Board's response, BCFIRB is directing the Milk Board to provide a complete accounting of all funds it has expended on the DIW initiative to date, no later than March 15, 2024, the particulars of which include, but are not limited to:

- a) funds expended in the "pre-operational phase";
- b) the source of all funds expended by the Milk Board in relation to a);
- c) the types of funds expended by the Milk Board in relation to a);
- d) the uses made of the funds in a), and an explanation of who made use of the funds and under what authority; and
- e) the dates of all such expenditures.

Please contact Martha Anslow, Executive Director, if the Milk Board has any questions.

Sincerely,



Peter Donkers
BCFIRB Chair

cc: Rob Delage, General Manager, BC Milk Marketing Board
Leah Sheffield, Executive Director, BC Milk Marketing Board
Peter Pokorny, Deputy Minister, Ministry of Agriculture and Food
Eric Kristianson, Assistant Deputy Minister, Ministry of Agriculture and Food
Martha Anslow, BCFIRB, Executive Director