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File: 44200-60 QATE

DELIVERED BY E-MAIL

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Dear Sirs/Mesdames:

**QUOTA ASSESSMENT TOOLS SUPERVISORY REVIEW – CLARIFICATION ON 10/10/X
AND 10/10/0**

It's been brought to the BC Farm Industry Review Board's attention (BCFIRB) that there may be potential inconsistency between two directions provided in the February 2, 2018 Quota Assessment Tools Supervisory Review decision (Quota Review)¹.

The majority panel has asked me to respond as follows.

¹2018 Feb 2. BCFIRB. [In the Matter of the Natural Products Marketing \(BC\) Act and Quota Assessment Tools Supervisory Review](#).

First, the majority panel determined that the following is a clarification of an identified internal inconsistency with the majority decision. As such the matter is properly addressed by the majority panel.

Regarding BCFIRB directed transfer assessments and new entrant quota, Paragraph 175 of the Quota Review decision sets out that:

If boards cease to use LIFO (on all quota held by a producer) and 10/10/10 (on new entrant quota) 10/10 is to be applied to the first transfer of new entrant quota issued to date and going forward. [emphasis added]

In relation, paragraph 176 establishes that:

After 10 years new entrant quota is to be managed under the same rules as other quota issued by a board and held by an established producer for more than 10 years. [emphasis added]

However, paragraph 179 directs that:

If boards cease to use LIFO (on all quota held by a producer) and 10/10/10 (on growth quota), these quota management rules are to be replaced with the following:

- a) 10/10/0 is to be applied to the first transfer of all growth quota issued to date and going forward. [emphasis added]

...

The majority panel intended commodity boards to have the flexibility to apply an assessment on the first transfer of quota issued by a board (be it new entrant, growth quota or other “incentive quota”) after 10 years if it is effective and strategic to do so. This intent is reflected in paragraph 181:

Boards are to have some form of mechanism in place to ensure quota is available to the commodity board for new entrants and other policy program needs (market demands/public interest) on an on-going basis.

As such, the majority panel is clarifying that **paragraph 179(a) should read as follows: 10/10 is to be applied to the first transfer of all growth quota issued to date and going forward.**

If you have any questions, please feel free to contact me.

Regards,



Kirsten Pedersen,
Executive Director

cc: BCFIRB website