



January 28, 2014

File: 44200-35/VMC

DELIVERED BY EMAIL

Tom Demma
General Manager
BC Vegetable Marketing Commission
207 – 15252-32nd Av
Surrey BC V3S 0R7

Dear Mr. Demma:

**DECEMBER 23, 2013 SUPERVISORY DECISION – VANCOUVER ISLAND AGENCIES
– STRATEGIC REVIEW AND GOVERNANCE**

As the BC Vegetable Marketing Commission prepares for the Vancouver Island strategic review required by paragraph 75(D) of the subject decision, it might be useful if I, on behalf of the BC Farm Industry Review Board (BCFIRB), outline a few key points arising from my separate discussions with you and Commission chair David Taylor.

Strategic Review. The Commission is well aware by this point that principles-based regulation, including SAFETI¹, is the expected approach to governance and decision-making by all regulated boards and commissions. Building, communicating, using and updating (as required) a strategic framework for decision-making is not a ‘one-off’ project. Rather, it is part of the Commission’s responsibility as a regulator. Such a framework allows the Commission to effectively and strategically address regulatory questions and issues, such as those faced on Vancouver Island.

While any strategic review of Vancouver Island should take into account any unique Island production and marketing opportunities, it is difficult to see such a review being conducted in isolation from the Commission’s overall strategic vision for the BC regulated vegetable industry. This work was started by the Commission in 2011, culminating in the January 30, 2012 “[Opportunities Assessment of British Columbia’s Vegetable Sector](#)” report. As you know, that report provided six recommendations for increasing the competitiveness of BC’s vegetable industry. It also noted: “...*a need to make fundamental changes to how BC’s vegetable industry operates and its structure...the key determinants of which are ‘get the product right every time’ and ‘produce what customers and consumers value’.*”

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

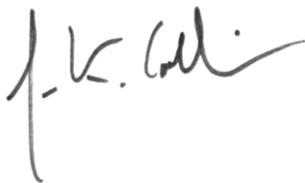
Non-producer members on the Vegetable Commission. There have been a number of conversations and exchanges of correspondence between our offices in recent years about Commission challenges in regards to its composition, perceived conflicts of interest and the maintenance of quorums. These issues, along with allegations of bias, were raised again in the recent supervisory process. As we have discussed, other boards such as the BC Milk Marketing Board and BC Cranberry Marketing Commission have enhanced their expertise by adding non-producer members to their boards of directors. As this could also answer questions about governance arising as a result of its current composition, the Commission can expect further discussion with BCFIRB in this regard.

Conclusion. The Vegetable Commission must clearly and consistently demonstrate to its stakeholders on an on-going basis in its governance and decision making that it is applying principles-based regulation. This includes the Commission clearly communicating to stakeholders its strategic direction and expectations of the regulated vegetable industry. Finally, the Commission is expected to ensure agencies, a key part of the regulated vegetable industry and which have delegated legislated powers, also clearly demonstrate good governance and accountability.

Having provided direction in its January 7 and December 23, 2013 supervisory decisions, BCFIRB now expects the Vegetable Commission to address those matters in accordance with the general guidance provided in this letter. BCFIRB looks forward to the Commission providing its review schedule by February 1, 2014 and to monitoring the Commission's progress through its decisions and through its ongoing reporting to BC vegetable industry stakeholders and the public regarding its regulatory activities.

If you have any questions, please do not hesitate to contact me.

Yours truly,



Jim Collins
Executive Director

cc: John Walsh, President
V.I.P. Produce Ltd.

Jaymie Collins, General Manager
Vancouver Island Farm Products Inc.

Ian Vantreight, President
Island Vegetable Co-operative Association

BCFIRB Website

Murray Driediger, Chief Executive Officer
BC Fresh Vegetables Inc.