



February 15, 2018

File: 44200-60 QATE

DELIVERED BY E-MAIL

Kevin Klippenstein, Chair
BC Turkey Marketing Board
106 – 19329 Enterprise Way
Surrey BC V3S 6J8

Dear Mr. Klippenstein:

QUOTA ASSESSMENT TOOLS SUPERVISORY REVIEW FOLLOW-UP

This letter is in follow up to the BC Farm Industry Review Board (BCFIRB) Quota Assessment Tools Supervisory Review (quota review) February 2, 2018 decision¹ and the related BC Turkey Marketing Board (Turkey Board) submissions made on July 4, 2017 and October 10, 2017.

The Turkey Board clearly communicated to BCFIRB that its quota management recommendations were integrated, and changes to one may necessitate change to others. As such, BCFIRB is following up with the Turkey Board on the recommendations BCFIRB did not address in the quota review decision.

In particular, whether there are outstanding recommended changes to quota management the Turkey Board would like to either have BCFIRB address, or if there are recommendations it would like to revise before asking for a BCFIRB decision.

In order to support the Turkey Board in answering these questions, the following identifies the Turkey Board recommendations that do not require a BCFIRB decision at this point in time:

1. *Increase quota holdings for new entrant growers by 2,500 kilograms.* It is the Turkey Board's responsibility in the first instance to determine what an effective, strategic volume of quota is for new entrants based on its industry knowledge and a strategic approach to supporting industry entry.

¹ 2018 Feb 2. BCFIRB. [Quota Assessment Tools Supervisory Review](#).

**British Columbia
Farm Industry Review Board**

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2. *Provide access to additional quota for new entrant growers and small commercial growers.* The Turkey Board cannot require these growers pay a predetermined special marketing levy in return for this quota – as per BCFIRB’s quota review decision, paragraph 183(b).
3. *The creation of a quota exchange for new entrant growers, small commercial growers and the public currently not holding turkey quota.* BCFIRB supports mechanisms that increase the transparency and inclusivity of quota transfers. It observes that the Turkey Board may wish to consider including all quota holders as part of the proposed exchange. Particularly given the Turkey Board’s rationale for change related to larger growers selling smaller lots of quota that can be purchased by new entrants/small commercial growers. BCFIRB has previously identified how the BC Egg Marketing Board and BC Milk Marketing Board exchanges provide priority access for new entrants and smaller producers looking to grow.
4. *Ensuring that 17,500 kgs of new entrant quota and 17,500 kgs of marketing quota will be available in any given year.* As per the quota review decision, BCFIRB expects supply-managed commodity boards to have quota available for new entrant programs and other policy objectives. It is the responsibility of the boards to determine and demonstrate in the first instance that the volume of quota available and how it is used is effective and strategic.
5. *Harmonization of new entrant and commercial allocation methodologies.* Although there is an extensive and complex appeal and supervisory history (2002-2006) that, in part, resulted in the separate allocation methodologies, BCFIRB will not require the Turkey Board to seek a decision on this change. The issue of allocation is a contentious one. BCFIRB notes that this recommendation does not appear to have been discussed with stakeholders (based on a review of the Turkey Board July 4, 2017 submission) nor fully explored in the submission’s rationale. If the Turkey Board decides to proceed with this quota management change BCFIRB strongly recommends a focus on clearly communicating a sound rationale that includes consideration of a fair and accountable outcome and for the Turkey Board to be prepared to work with stakeholders if issues arise.
6. *A review in three years to determine the effectiveness and impacts of changes to quota management on the industry.* BCFIRB agrees regular review of quota management rules in light of their effectiveness in supporting strategic industry goals is part of good governance. While supply managed commodity boards are encouraged to review their own rules as appropriate; BCFIRB will also be following up with establishing public reporting criteria and performance measures (quota review decision paragraphs 186-190).

If the Turkey Board decides to continue to pursue the following quota management recommendation, a response from BCFIRB is required before changes are made:

1. *One class of quota.* If the Turkey Board chooses to continue to seek a BCFIRB decision on organic and commercial quota being merged into one class of quota, BCFIRB provides the following for consideration. Going back to the 2005 Specialty Review², one of the original intents of having separate classes of quota was to help ensure markets for niche/specialty products were being met and orderly marketing maintained. Particularly given that operating on the basis of one class of quota was very evidently not successful in ensuring specialty markets were being met in general.

² 2005 Sept 1. BCFIRB. [Specialty Market and New Entrant Submissions Policy, Analysis, Principles and Directions](#).

Since that time two supply-managed quota boards have managed organic markets through one class of quota (BC Egg Marketing Board, and the BC Chicken Marketing Board most recently). Both these boards have provisions in place to help ensure markets continue to be met and orderly marketing maintained, including grader sign off in eggs and processor sign-off in chicken. This is in contrast to the Turkey Boards currently proposed approach of being fully hands off at managing organic production outside of ensuring 3rd party certification. BCFIRB recommends the Turkey Board follow-up with the Egg and Chicken Boards on their experiences (if it hasn't already done so) if it chooses to pursue its recommendation further with BCFIRB.

BCFIRB is aware, as previously communicated by the Turkey Board, that there is a desire by some organic producers to convert from organic to mainstream production.

We look forward to hearing back from you regarding the Turkey Board's recommendation to merge organic and commercial quota, and working with you on developing reporting criteria and performance measures with the other supply-managed commodity boards.

Please do not hesitate to contact Kirsten Pedersen at 250-387-3915 or Kirsten.Pedersen@gov.bc.ca if you have any questions.

Yours truly,

A handwritten signature in black ink, appearing to read "John Les".

John Les,
Chair

cc: Jim Collins, Chair, BC Broiler Hatching Egg Commission
Gunta Vitins, Chair, BC Egg Marketing Board
Ben Janzen, Chair, BC Milk Marketing Board
Robin Smith, Chair, BC Chicken Marketing Board

BCFIRB website