



August 15, 2018

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Jim Collins, Chair
BC Broiler Hatching Egg Commission

Robin Smith, Chair
BC Chicken Marketing Board

Gunta Vitins, Chair
BC Egg Marketing Board

Kevin Klippenstein, Chair
BC Turkey Marketing Board

Ben Janzen, Chair
BC Milk Marketing Board

Jack Brown, Chair
BC Cranberry Marketing Commission

Bert van Daltsen, Chair
BC Hog Marketing Commission

Debbie Etsel, Chair
BC Vegetable Marketing Commission

Dear Chairs:

PUBLIC ACCOUNTABILITY AND REPORTING PROJECT – MEETING REPORT AND FINAL REPORTING CRITERIA AND MEASURES

Thank you to the Public Accountability and Reporting (PARP) team members who met with me and BC Farm Industry Review Board (BCFIRB) staff on June 28, 2018 and July 12, 2018 to review and discuss proposed reporting criteria and performance measures. The criteria and measures are related to governance, quota management and industry performance.

The meetings provided helpful insight into how BCFIRB and the regulated commodity boards can establish an effective annual reporting cycle.

As we talked about, the overall goal of PARP is:

To support and demonstrate effective governance and sound leadership of the regulated agricultural sectors.

The following provides a summary of key points arising out of the two meetings.

**British Columbia
Farm Industry Review Board**

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Meeting Summary

The summary is divided into the three reporting components: Industry Performance Targets; Governance; and, Quota Management and Movement. Report structure and timelines are summarized at the end.

Overall, the first PARP report is intended to establish a “state of the sector” baseline. Going forward, BCFIRB will use the commodity board PARP reports to inform its own public accountability report each fall. Regardless of annual PARP reports, commodity boards remain accountable to BCFIRB as the supervisory body under the *Natural Products Marketing (BC) Act (NPMA)*.

Industry Performance Targets

BCFIRB expects all boards and commissions (commodity boards) to develop and annually report on “Industry Performance Targets” (Targets). The Targets themselves are to be identified by the respective commodity boards. Overall, three to five targets would be an effective number. Targets may be new or drawn from existing strategic plans. Targets will likely evolve over time.

There was good discussion on what commodity boards can and cannot control depending on the legislative authority granted to them under the *NPMA*. A key part of the report will be providing context and risk information relative to the Targets, such as international trade and inter-provincial competitiveness. Potential considerations related to Targets include when it is in BC’s best interest in the long-term to work as a team player with other jurisdictions and value chain members (provincially and nationally) and when to take a separate stance.

Governance Measures

As part of reviewing the proposed governance measures, there was conversation that the measures are an internal opportunity for commodity boards to look at their own processes and areas for improvement. BCFIRB is not going to take a “pass or fail” approach in reviewing the reports.

As part of the measures, BCFIRB suggested a stakeholder survey. While a survey may or may not be the best tool, the purpose is for boards to find ways to tell BCFIRB, and others, how they know that stakeholders view the boards as fulfilling their mandates. There will always be dissatisfied people.

Boards suggested that, rather than tracking the number of appeals, it may be more effective to look at the types of appeals and their outcomes. Other topics included development of a means of ensuring and demonstrating appropriate financial accountability (e.g., audited financial statements are only one part of financial accountability) and how to promote and support board member succession.

Quota Management and Movement (supply management boards only)

There was some suggestion that BCFIRB needs to be more specific about how it defines and interprets “quota” for the supply managed boards (e.g., type of quota unit, allocation, allotment, production). BCFIRB asks each board to define and label production quota, to be reported per this report, in the manner that works best for them, in terms of operational practice and industry understanding.

Overall there appeared to be little to no disagreement with the proposed quota measures – with one exception. There was concern from those boards that do not currently operate quota exchanges about reporting on quota price. Given the number of interacting factors impacting quota price, some boards argued there is little use in providing data about quota price. Other concerns included affecting bank valuation and a “published basement price” driving up quota price.

Report Structure and Timelines

As highlighted at the meetings, reports can take different styles. BCFIRB expects that there will be an evolution of the reporting criteria and measures and how board and commission reports are structured. “Iterative improvement” was a key message.

The three report components discussed included: Industry Performance Targets; Governance; and, Quota Management and Movement. After considerable discussion at both meetings, we are now suggesting that a realistic total report length would likely be in the range of approximately 8-20 pages, as a general guideline. When shaping report content, commodity boards need to think about the report being read by a Minister, as well as BCFIRB and their stakeholders.

All boards and commissions are expected to report on both Industry Performance Targets and Governance measures. With respect to reporting on Targets, approximately 3-5 pages is suggested and it will be important for boards to find a good balance with context, informing but not swamping the reader. Context will include the identification of key risks facing the sector (along with what is and is not within the control of the board), and comparison with other jurisdictions. With respect to reporting on Governance, approximately 5 pages is suggested, but the length will vary depending on how much information each board or commission believes is essential to report on each of the governance measures, per the final measures attached.

For the supply-managed boards, a further report on quota management and movement is required, per the final measures attached. While approximately 5 pages is suggested for this report, again, the length is expected to vary depending on how much information each board believes is necessary to accurately and comprehensively report on each of the quota measures.

Agreement was reached that the original April 1st annual reporting date would be moved to June 1st to accommodate better data collection and reporting by the boards. The PARP report will be a separate public report from commodity board annual reports. The PARP reporting period will be determined by the boards based on data availability.

Next Steps

BCFIRB is providing the final governance and quota movement and management measures attached to this letter. The first commodity board PARP reports are due to BCFIRB no later than June 1, 2019.

Between now and June 1, 2019, each board will be responsible for putting in place systems and other administrative support mechanisms as required to ensure comprehensive data collection and analysis to support the annual June 1 reporting timeline.

Chairs – commodity boards
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If you have any questions on the summary or next steps, please contact Kirsten Pedersen, Executive Director, BCFIRB.

Best Regards,

A handwritten signature in black ink, appearing to read 'A Sakalauskas', followed by a long horizontal line extending to the right.

Al Sakalauskas
Board Member

cc: All EDs/GMs Commodity Boards and Commissions

Wes Shoemaker, Deputy Minister
Ministry of Agriculture

James Mack, Assistant Deputy Minister
Ministry of Agriculture

BCFIRB website