

May 17, 2018

Al Sakalauskas
Board Member
BC Farm Industry Review Board
PO Box 9129 Stn Prov Gov't
Victoria, BC V8W 9B5

Sent via Email

Dear Mr. Sakalauskas,

Re: Public Accountability and Reporting Project – Draft Measures for Review and Discussion

We are writing in response to the letter received from BC FIRB on April 25, 2018 regarding BC FIRB's Public Accountability and Reporting Project. We have reviewed the draft governance and quota measures and provide the following feedback:

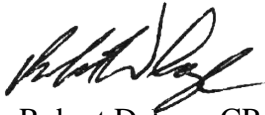
- It would have been helpful if a meeting would have been held with the GM's to gain a better understanding of FIRB's requirements and the flow of the documents.
- The proposed reporting period doesn't line up with BC Milk's fiscal period. We understand that FIRB requires the same reporting date for all Boards so that the FIRB reporting will align. If we are going to report to FIRB on these measures, it probably makes sense to also include the same information in our annual report. However, different reporting dates and figures (from our fiscal year) will cause confusion to the readers of the annual report. BC Milk could report to FIRB for the March 31 period and in our annual report for a July 31 year; However, this will create double the work for staff.
- FIRB should allow Board sufficient time to prepare the reporting after the annual reporting period, we suggest a minimum of 60 days. The data is not available until at least 15 days after a month end, then staff will require time to prepare and review the data before submitting to FIRB.
- FIRB will need to provide more information for some of the draft Measures in the Governance Measures document so that the Boards will fully understand the evaluation criteria. Some areas are very detailed, while others are not detailed at all.
- The Measures in the Quota Management and Movement document appear to be reportable by BC Milk; however, more time will be needed to properly analyze the proposed requirements.

We have the following comments regarding the Framework for the Development of Industry Performance Targets:

- How will the Boards be “held accountable”?
- A short time period was provided to the Boards to develop industry performance targets, “which can become part of overall commodity board strategic plans and action plans”. Boards can’t be expected to develop industry performance targets in one month. To properly implement these within a strategic plan the work must be done during the Board’s Strategic Planning cycle. The timeline provided doesn’t work for BC Milk’s planning cycle. However, we’ve provided the attached Industry Performance Targets as requested by FIRB.

If you have any questions regarding our feedback, please contact the writer.

Yours truly,

A handwritten signature in black ink, appearing to read 'Robert Delage', written in a cursive style.

Robert Delage, CPA, CMA
General Manager

BC Milk Marketing Board

BC FIRB Public Accountability and Reporting Project Industry Performance Targets

Target #	Description	Forward Looking	Core Values	Supports Board Vision
1	BC to lead the country in meeting national production commitments	Achieves the Board's vision of being responsive to market requirements	Responsive, Accountable	Responsive to market requirements
2	BC to lead the country in mandatory producer compliance of proAction modules	Achieves the Board's vision of being consumer focused, and the program is targeted at all stakeholders (including the processing sector)	Responsive, Accountable	Consumer focused
3	Create a New Entrant Program that will provide for renewal of the industry and opportunities for new farmers	Provides for future renewal of the industry by providing opportunities for new farmers to join the industry	Responsive, Accountable, Integrity, Impartial, Transparent, Equitable	Responsive to public needs, and provides for sustainable growth
4	Meet consumer demand for Life-Style and specialty milk and work with industry on new market opportunities	Working with industry to develop market opportunities that will meet consumers needs to provide new products on the market	Responsive, Accountable, Transparent, Equitable	Responsive to market requirements, and consumer focused
5	Work with our WMP partners to expand processing opportunities and capacity within Western Canada	Will create capacity that will provide security of processing for future years, and ensure milk supply requirements are met	Responsive, Accountable	Provides dynamic opportunities for processors, sustainable processing capacity for producers and creates a responsive environment