

**BC Milk Marketing Board
Public Accountability and
Reporting Project (PARP)
2019 Reporting Period**

Section 1: Sector Performance Targets

Table 1.1

1.1 Sector Performance Targets Template

* **All commodity boards and commissions** are to identify between 3-5 board targets/goals that you think best demonstrate the strategic priorities and future direction of your sector.

* Some or all targets/goals may already be part of your strategic plan.

Target	Target description	Target status
Provide effective and efficient quota management policies and address the future consolidation of farming	A key strategy was to provide growth opportunities and assess the current Graduated Entry Program (GEP) to identify opportunities for improvement	Completed: New Entry Program fully implemented
Maintain sound financial and administrative management, ensure a culture of sound governance	A key measure is to have clean and timely audit reports issued after the end of the fiscal year and no significant errors found or reported on in the findings report	Consistent compliance with the target, clean audit report for 2019
Evaluate a Renewal Policy to support new producers and/or capital investments	Develop succession policy for non-exempt persons to join the farm	Policy was successfully implemented on October 17, 2019.
Communicate and promote new processor opportunities and available programs to industry	Upload a reference document for available innovation programs to BCMMB website	Reference document made available January 2019
New IT systems for improved efficiency and risk management	Implementation of the Milk Management System (MMS) to ensure business continuity and improved service to the industry. The MMS system replaces the Milk Board's legacy business software used to manage quota, milk production & distribution, as well as billing and producer payment calculations.	System was implemented August 2019

Section 2: Governance

Tables 2.1 - 2.5

* Effective, strategic and accountable delivery of legislated regulatory responsibilities by boards requires good governance and sound decision-making.

* All commodity boards are to complete tables 2.1, 2.2, 2.3, 2.4, and 2.5.

* Fill in the Comments/Examples column with a brief description and/or web link and/or evidence/examples.

Table 2.1 General Governance Tools and Related Regulatory Requirements

	Indicator	In place/ In progress/ To be started	Comments/Examples
Planning and reporting	Strategic Plan	In Place	Posted on the BC Milk website
	Annual Report	In Place	Posted on the BC Milk website
	Annual General Meeting	In Place	AGM was conducted November 2019
	Copies of all minutes, orders, reports, rules & regulations forwarded to BCFIRB as they are made	In Place	All minutes and orders are sent to FIRB immediately after they are approved and signed
Rules	Consolidated Orders up to date & published	In Place	CO and Amending Orders are up to date and posted to BC Milk website
	BCFIRB approved election rules	In Place	Election rules have been approved by FIRB, next Review in 2021
Board and staff	Current member job descriptions	In Place	Current member job descriptions are included in governance documents
	Member orientation (e.g., mandate, role, responsibilities, regulatory framework, governance)	In Place	New members have received orientation at the start of their term
	Member training (e.g., role of officers, ethics, conflict of interest, fiduciary duties, decision-making practices)	In Place	Member training conducted through COGA sessions and consultants engaged by the Board
	Staff orientation and training plans	In Place	New staff members follow a scheduled orientation & onboarding process
	Member and staff succession plan as applicable	In Place	Industry associations and committees provides for board succession
	Member performance evaluations (annual)	In Place	Board members participate in an annual evaluation survey process
Accountability	Staff performance evaluations (annual)	In Place	Staff members are evaluated at least annually
	Member code of conduct signed	In Place	All board members have signed code of conduct forms
Transparency	Member conflict of interest signed and updated annually	In Place	All board members have signed COI forms annually
	Governance and operational policies and controls up to date and public	In Place	Governance manual is updated annually and posted to BC Milk website

Table 2.2 Financial Accountability and Related Regulatory Requirements

	Indicator	In place/ In progress/ To be started	Comments/Examples
Financial statements	Auditor appointed in accord with Scheme requirements (if applicable)	In Place	Appointment of auditor has been done in compliance with regulation
	Audited financial statements (annual)	In Place	Audited financial statements performed each year
	Financial statements presented in annual report and at annual general meetings	In Place	Financial statements are provided in the annual report and presented at the AGM
Member expenses	Up to date approved member remuneration and expense policy consistent with legislation (where applicable)	In Place	Member remuneration approved at the AGM annually
Controls	Accounting practices are in accord with legislation and published standards	In Place	Accounting practices in accordance with GAAP as reviewed by auditors annually
	Internal financial controls are in place, and reviewed by auditors	In Place	Internal controls reviewed annually by management and auditors
	Senior staff engaged with budget development & approval	In Place	Senior management team prepares budget for approval by the board
Accountability	Operational, program and other expenditures using levies collected under the NPMA are in accord with purposes of the Scheme.	In Place	Levies are used in accordance with the NPMA and other Acts and Regulations
	Financial accountability processes and policies in place with producer associations and other organizations that receive funding from boards to carry out delegated responsibilities under the NPMA.	In Place	BC Milk board member participates in BCDA audit committee

Table 2.3 Communication and Consultation

	Indicator	In place/ In progress/ To be started	Comments/Examples
Communication	Active industry communication plan or strategy	In Place	Board provides industry communication through many formats (weekly updates, monthly statistics, regional meetings, AGM)
	Crisis management communication plan or strategy	In Place	BC Milk coordinates crisis management plans and strategy with industry stakeholders (provincially, regionally, nationally)
Consultation	Consultation, as appropriate and meaningful, with stakeholders (e.g., producers, supply chain, BCFIRB, Ministry of Agriculture, national agencies) to address sound marketing policy and public interest questions.	In Place	Consultation is extensively used in the development of new policies (i.e., CUSMA, NEP program, train access discount policy), and when addressing industry issues (i.e., Covid production, producer-processor challenges)
	Stakeholder feed back actioned where appropriate (e.g., policy or program development)	In Place	Stakeholder feedback used recently in developing the NEP program Succession policy, product recall insurance and reviewing the train access discount policy
Evaluation	Avenue for regular stakeholder feedback on board operations, processes, policies and communications.	In Place	Bi-annual industry survey conducted. Regional meetings and AGM provide an opportunity for stakeholder feedback

Table 2.4 Decision Making

	Indicator	In place/ In progress/ To be started	Comments/Examples
Requirements	Quorum confirmed prior to decision making	In Place	Board ensures a quorum is confirmed prior to making decisions
	Conflict of interest disclosure and recusals recorded	In Place	COI recusals are recorded in minutes
Process	Processes are fair, inclusive, transparent, effective and strategic based on the matter to be decided.	In Place	BC Milk incorporates the SAFETI principles for decision making
Outcome	Full rationale published for major decisions (e.g., including demonstrated application of consultation, market and other necessary information to reach sound marketing policy outcomes; demonstrated use of SAFETI in process & outcome)	In Place	Publication of major policy decisions includes these considerations (i.e., NEP, train access policy)
	Prompt timing, delivery and publishing of decisions	In Place	Decisions are communicated immediately following board meetings

Table 2.5 Decision Assessment

Assessment of focus of appeals and supervisory reviews. Assessment of what triggered appeal(s) and/or reviews. Lessons learned (process and sound marketing policy outcomes).

Decision Assessment
There was one appeal during the reporting period regarding the board's train access policy. The board had implemented a review of the policy prior to the appeal and began industry consultation to seek input. The result of the consultation resulted in no change to the policy and the appeal was subsequently withdrawn.

Section 3: Sector Summary Part 1

Tables 3.1 - 3.6

Sector Basics

* **All commodity boards** are to complete the tables in Section 3, providing the following definitions and statistics.

* *Examples are included in italics. Please delete when filling in your own stats and information.*

Table 3.1 Reporting Time Period

Define the start and end date of the period being reported on their PARP report.

Reporting Period	
Start date of reporting period	<i>August 1, 2018</i>
End date of reporting period	<i>July 31, 2019</i>

Table 3.2 Producer Size Definition

Create producer size categories based on production volume or quota units that are relevant to the sector

Producer Size Definitions	
Small Producer	<i>< 91 kg/day CDQ</i>
Medium Producer	<i>91.1 - 186 kg/day CDQ</i>
Large Producer	<i>> 186 kg/day CDQ</i>

Table 3.3 Production Type

Define the major production types within the sector, and provide a brief explanation for each.

Production Type Definitions	
Production Type	Explanation
Conventional	Milk other than Organic Milk
Specialty	Organic Milk
Lifestyle	Naturally Enriched Essential Fatty Acid Milk, Vita D Milk or Grass Fed Milk
Specialty Lifestyle	Organic and Grass Fed

Table 3.4 Production Measurement

Define the units of measurements used in the sector to measure production volume, and quota if applicable.

Production Measurement Definitions	
Quota Unit	<i>1 kg butterfat / day (CDQ)</i>
Production Unit	<i>kg of butterfat</i>

Table 3.5 Estimated Farm Cash Receipts

Report the total farm cash receipts of all production in B.C. in the reporting period (fiscal year 2018).

Total Farm Cash Receipts	
\$	635,598,000.00

Table 3.6 Cottage Industry Program

Report the number of producers holding small lot permits per region, at the end of the reporting period.

Small Lot Producers per Region	
Lower Mainland	0
Vancouver Island	0
Interior	0
North	0

Section 3: Sector Summary Part 2

Tables 3.7 - 3.18

Total Producer Numbers

* All commodity boards are to use these tables to report the number of producers in B.C. at the end of the reporting period.

* Statistics are to be broken down by total number of producers in each category in each region.

* Total producer numbers are to be the same across tables 3.7, 3.8, and 3.9.

Table 3.7 Total Producers by Producer Type and Region

Producer type	L.M.	V.I.	Interior	North	Total Producers
Established Producers	286	38	87	12	423
New Producers	40	0	6	1	47
Total Producers	326	38	93	13	470

Table 3.8 Total Producers by Producer Size and Region

Producer Size	L.M.	V.I.	Interior	North	Total Producers
Small Producers	106	10	33	8	157
Medium Producers	94	18	35	5	152
Large Producers	126	10	25	-	161
Total Producers	326	38	93	13	470

Table 3.9 Total Producers by Production Type and Region

Production Type	L.M.	V.I.	Interior	North	Total Producers
Conventional	301	38	86	13	438
Specialty	14	-	6	-	20
Lifestyle	3	-	-	-	3
Specialty Lifestyle	8	-	1	-	9
Total Producers	326	38	93	13	470

Total Production Volume

* All commodity boards are to use these tables to report the amount of the commodity produced in B.C. over the full reporting period.

* Statistics are to be broken down by the total volume of the commodity that was produced, in each category in each region.

* Total production volume is to be the same across tables 3.10, 3.11, and 3.12.

* Supply managed boards are to report production volume per the table below:

Table 3.10 Total Production by Producer Type and Region

Producer type	L.M.	V.I.	Interior	North	Total Production
Established Producers	609,112,197	51,935,563	134,764,588	8,285,158	804,097,506
New Producers	20,550,894	-	1,705,923	339,417	22,596,234
Total Production	629,663,091	51,935,563	136,470,511	8,624,575	826,693,740

Table 3.11 Total Production by Producer Size and Region

Producer Size	L.M.	V.I.	Interior	North	Total Production
Small Producers	54,011,109	5,425,732	14,001,136	4,341,642	77,779,619
Medium Producers	107,037,190	21,535,071	39,036,655	4,282,933	171,891,849
Large Producers	468,614,792	24,974,760	83,432,720	-	577,022,272
Total Production	629,663,091	51,935,563	136,470,511	8,624,575	826,693,740

Table 3.12 Total Production by Production Type and Region

Production Type	L.M.	V.I.	Interior	North	Total Production
Conventional	599,897,086	51,935,563	129,165,415	8,624,575	789,622,639
Specialty	18,554,210	-	5,169,708	-	23,723,918
Lifestyle	4,131,290	-	-	-	4,131,290
Specialty Lifestyle	7,080,505	-	2,135,388	-	9,215,893
Total Production	629,663,091	51,935,563	136,470,511	8,624,575	826,693,740

Table 3.13 Quota Utilization

* The BC Broiler Hatching Egg Commission, the BC Chicken Marketing Board, and BC Turkey Marketing Board are to report on the average quota utilization across the reporting period.

Average Quota Utilization
NA

Table 3.14 New Producers Entering the Regulated Sector

* Use this table to report on the number of new producers (as defined on page 3) which are new licence holders who entered the sector in the reporting period.

* Statistics are broken down by the total number of producers per region.

Lower Mainland	Vancouver Island	Interior	North	Total

# of New Licenced Producers	-	-	2	-	2
Total	-	-	2	-	2

Table 3.15 All Producers Exiting the Regulated Sector

* Use this table to report on the number of producer exits in the sector in the reporting period.

* Statistics are broken down by the total number of producers per region.

	Lower Mainland	Vancouver Island	Interior	North	Total
Licensed Producer < 5 years	3	-	1	-	4
Licensed Producer 5- 10 years	1	-	1	-	2
Licensed Producer 10 years+	6	-	1	-	7
Total	10	-	3	-	13

Table 3.16 New Producers Entering the Supply Managed Sector

* Use this table to report on the number of new producers (as defined on page 3) who entered the sector in the reporting period and the volume of quota they were issued.

* For those boards that collect data on other types of entrants to the sector (not through defined New Entrant Program), there is the option to report on these entrants under the category "other," in the table below.

* Statistics are broken down by the total number of producers and total volume of quota received, per region.

	Lower Mainland		Vancouver Island		Interior		North		Total	
	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota
New Entrant Program	-	-	-	-	2	38.40	-	-	2	38.40
Other	-	-	-	-	-	0.00	-	-	-	0.00
Total	-	-	-	-	2	38.40	-	-	2	38.40

Table 3.17 All Producers Exiting the Supply Managed Sector

* Use this table to report on the number of producer exits in the sector in the reporting period.

* Statistics are broken down by the total number of producers and total volume of quota they previously held, per region.

	Lower Mainland		Vancouver Island		Interior		North		Total	
	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota
New Entrant < 5 years	1	17.72	-	-	-	-	-	-	1	17.72
New Entrant 5- 10 years	-	-	-	-	1	38.58	-	-	1	38.58
Other < 5 years	2	109.73	-	-	1	42.32	-	-	3	152.05
Other 5- 10 years	1	160.21	-	-	-	-	-	-	1	160.21
Any producer 10 years +	6	468.79	-	-	1	153.23	-	-	7	622.02
Total	10	756.45	-	-	3	234.13	-	-	13	990.58

Processing

* Use these tables to report on the provincial processing capacity within the commodity sector.

* All commodity boards are to provide regional counts of processors, broken down by Federal or Provincial licences.

Table 3.18 Total Number of Processors by Type

Processor Size	LM	VI	INT	NOR	Total
<i>Federal</i>	16	4	9	-	29
<i>Provincial</i>	15	3	4	1	23
Total	31	7	13	1	52

Section 4: Quota Management & Movement Part 1

Tables 4.1 - 4.3

Quota Holdings

* Use these tables to report the total quota holdings in B.C. at the end of the reporting period.

* Statistics are broken down by the total volume of quota held by producers based on each category in each region.

* Total quota holdings are to be the same across tables 4.1, 4.2, and 4.3.

Table 4.1 Quota Holdings by Producer Type and Region

Producer type	L.M.	V.I.	Interior	North	Total Producers
Established Producers	70,260	6,171	15,542	937	92,910
New Producers	2,531	-	241	36	2,808
Total Quota Holdings	72,790	6,171	15,783	973	95,718

Table 4.2 Quota Holdings by Producer Size and Region

Producer Size	L.M.	V.I.	Interior	North	Total Producers
Small Producers	6,196	633	1,706	375	8,910
Medium Producers	12,714	2,517	4,684	598	20,512
Large Producers	53,881	3,022	9,394	-	66,297
Total Quota Holdings	72,790	6,171	15,783	973	95,718

Table 4.3 Quota Holdings by Production Type and Region

Production Type	L.M.	V.I.	Interior	North	Total Producers
Conventional	69,347	6,171	14,804	973	91,295
Specialty	2,129	-	643	-	2,772
Lifestyle	490	-	-	-	490
Specialty Lifestyle	824	-	337	-	1,161
Total Quota Holdings	72,790	6,171	15,783	973	95,718

Section 4: Quota Management & Movement Part 2

Tables 4.4 - 4.9

Quota Transfers

* Use tables 4.4 to 4.9 to report on all quota transfers between producers, or applicable going concern sales. ☐

* Quota issued by boards is reported in tables 4.18, and 4.12-4.14. ☐

* On August 7, 2019 BCFIRB amended its quota transfer directions to the Milk Board to allow for assessment free transfers of quota to non-family members off the quota exchange under specific conditions. A condition of the amendment was that the Milk Board is to report annually via PARP on the amount of quota being transferred off the Exchange, broken down by family transfers and non-family transfers. ☐

* On September 13, 2019, BCFIRB extended the PARP reporting requirement for separating out non-family/family quota transfers to all supply managed boards, regardless of whether there is a quota exchange.

Table 4.4 Quota Transfer Restrictions

* Use this table to report on any quota transfer restrictions (excluding BCFIRB directed restrictions) that affect how quota is transferred (e.g., regional movement restrictions).

Transfer Restrictions

Table 4.5 Total Transfer Volume by Transfer Type

Transfer Volume by Transfer Type	
# of quota exchange transfers	409
Volume of quota exchange transfers	1,885
# of exempt transfers	16
Volume of exempt transfers	1,546
# of exempt family transfers	24
Volume of exempt family transfers	1,097
# of non-exempt family transfers	0
Volume of non-exempt family transfers	0
(MMB only) # of exempt non-family transfers	0
(MMB only) Volume of exempt non-family transfers	0
Total # of all transfers	449
Total quota of all transfers	4,528
Total quota assessment collected	0

Table 4.6 Total Transfer Volume by Quota Type

Total Transfer Volume by Quota Type	
# of Conventional Quota Transfers	441
Volume of Conventional Quota Transfers	4,187
# of Specialty Quota Transfers	5
Volume of Specialty Quota Transfers	196
# of Conventional Lifestyle Quota Transfers	1
Volume of Conventional Lifestyle Quota Transfers	5
# of Specialty Lifestyle Quota Transfers	2
Volume of Specialty Lifestyle Quota Transfers	141
Total # of all transfers	449
Total quota of all transfers	4,528

Table 4.7a Quota Exchange Transfers by Producer Type

Producer Type	Transfer From		Transfer To	
	# of Transfers	Total Quota	# of Transfers	Total Quota
Established Producers	87	1,870	282	1,727
New Producers	9	15	31	158
Total	96	1,885	313	1,885

Table 4.7b Off Exchange Transfers by Producer Type *

Producer Type	Transfer From		Transfer To	
	# of Transfers	Total Quota	# of Transfers	Total Quota
Established Producers	33	2,416	36	2,466
New Producers	7	227	4	177
Total	40	2,643	40	2,643

* Table 4.7b represents farm relocations to capture quota movement between regions, however, each transaction (both from and to) only counted once as IRMA is the same.

Table 4.8 Off Exchange Transfers by Producer Size

Producer Size	Transfer From		Transfer To	
	# of Transfers	Total Quota	# of Transfers	Total Quota
Small Producers	16	686	17	804
Medium Producers	13	1,295	12	1,134
Large Producers	11	663	11	705
Total	40	2,643	40	2,643

Table 4.9 Off Exchange Transfers by Region

Region	Transfer From		Transfer To	
	# of Transfers	Total Quota	# of Transfers	Total Quota
Lower Mainland	36	2,338	31	1,755
Vancouver Island	1	119	1	39
Interior	3	186	8	849
North	-	-	-	-
Total	40	2,643	40	2,643

Section 4: Quota Management & Movement Part 3

Tables 4.10 - 4.16

Growth Quota

* Use these tables to report any growth quota issued to producers due to an increase in overall quota holdings in B.C. that occurred during the reporting period.

* Statistics are broken down by established and new producers, and the number of producers who received quota within each category and the volume of growth quota they received.

4.10 Growth Quota Basic Info

- If boards issued growth quota in the reporting period, report basic growth quota statistics.

Growth Quota Allocation Basic Stats	
Date(s) of allocation	01-Aug-18 01-Feb-19
Total volume of allocation	6%
# of producers who accepted growth quota	441
# of producers who turned down growth quota	0
# of producers ineligible for growth quota	29

4.11 Growth Issued by Region

Region	Established Producers		New Producers		All Producers	
	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota
Lower Mainland	272	3,862	38	139	310	4,001
Vancouver Island	33	312	-	-	33	312
Interior	81	829	6	11	87	840
North	10	38	1	2	11	40
Total	396	5,040	45	152	441	5,193

4.12 Growth Issued by Producer Size

Producer Size	Established Producers		New Producers		All Producers	
	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota
Small Producers	101	350	38	91	139	441
Medium Producers	140	1,018	5	40	145	1,058
Large Producers	155	3,672	2	22	157	3,694
Total	396	5,040	45	152	441	5,193

4.13 Growth Issued by Production Type

Production Type	Established Producers		New Producers		All Producers	
	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota
Conventional	368	4,810	41	142	409	4,952
Specialty	17	148	3	8	20	156
Lifestyle	3	26	-	-	3	26
Specialty Lifestyle	8	56	1	2	9	59
Total	396	5,040	45	152	441	5,193

Quota Retraction

* Supply managed boards are to use these tables to report any quota retracted from producers to manage overall production in B.C.

* Statistics are broken down by established and new producers, and the number who had quota retracted within each category, and volume of retracted quota.

*Retracted quota reported refers to the 10/10/0 transfer assessment

4.14 Quota Retracted by Region

Region	Established Producers		New Producers		All Producers	
	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota
Lower Mainland	3	31.93	2	10.49	5	42.42
Vancouver Island	-	0.00	-	0.00	-	0.00
Interior	2	30.68	2	11.79	4	42.47
North	-	0.00	-	0.00	-	0.00
Total	5	63	4	22	9	85

4.15 Quota Retracted by Producer Size

Producer Size	Established Producers		New Producers		All Producers	
	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota
Small Producers	4	35	4	22	8	58
Medium Producers	1	27	-	-	1	27
Large Producers	-	-	-	-	-	-
Total	5	63	4	22	9	85

4.16 Quota Retracted by Production Type

Production Type	Established Producers		New Producers		All Producers	
	# of Producers	Total Quota	# of Producers	Total Quota	# of Producers	Total Quota
Conventional	5	63	2	20	7	83
Specialty	-	-	2	2	2	2
Lifestyle	-	-	-	-	-	-
Specialty Lifestyle	-	-	-	-	-	-
Total	5	63	4	22	9	85