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BC FARM INDUSTRY
REVIEW BOARD

JUL 29 2014

RECEIVED

July 17, 2014

Dear Jim:

The BCFIRB in its July 8, 2014 letter to the BC Turkey Marketing Board and BC Broiler Hatching Egg Commission has requested that the Boards provide recommendations on amendments to the quota transfer systems if desired. The letter summarized the amendments requested by the BC Milk Marketing Board, BC Egg Marketing Board and the BC Chicken Marketing Board.

After discussion the BCTMB agrees and supports the following recommendations:

- In agreement with the Milk Marketing Board, the BCTMB recommends no changes to the 10/10/10 LIFO program but supports the exclusion list to include nieces, nephews and grandchildren.
- In agreement with the Egg Marketing Board, the BCTMB supports the removal of the 5% quota transfer assessment on quota issued previous to September 1, 2005
- The BCTMB currently does not operate under a deemed assessment system and as a result, is not certain if it should provide feedback on this request. That said, the Board did wish to express to the FIRB that until 2009 the BCTMB operated under a deemed assessment system and one of the main reasons the Board requested a change was due to the assessments on family transfers and on business restructuring. As a result, the Board does not object to the Chicken Board's request to modify their assessment program.

The BCTMB acknowledges that these changes could affect the amount of quota available to potential new entrants but it is committed to introduce one or two new entrants per year regardless of how much quota is available in the transfer assessment reserve. In other words,

the Board is willing to fund the New Entrant Program with general allocation if there is not enough transfer assessment quota available.

The BCTMB supports these changes because it believes that in most situations and especially in whole farm transfers that reducing the amount of quota transferred by 5% introduces inefficiencies in the farm's operation. This amount does affect the farm's optimization and will likely lead to higher production costs (ie - the barn/farm still requires the same amount of heat, bedding, property taxes... but there is 5% less production to absorb these costs).

The Board also agrees that including nieces, nephews and grandchildren more accurately reflect the operations of family farms in this day and age. The exclusion of these family members from the list of exempt persons will one day result in a situation where a grandchild, niece or nephew will have an assessment applied to a transfer to them just because their parents had passed away prior to the date of the transfer denying them the direct link required to be exempt from a family farm transfer.

We hope that you will give consideration to these recommendations and we look forward to your response.

Yours truly,

Michel Benoit BCTMB