



February 19, 2018

File: 44200-60 QATE

DELIVERED BY E-MAIL

Rob Delage
General Manager
BC Milk Marketing Board
200 – 32160 South Fraser Way
Abbotsford, BC V2T 1W5

Dear Mr. Delage:

BC MILK MARKETING BOARD FOLLOW-UP QUESTIONS – QUOTA ASSESSMENT TOOLS SUPERVISORY REVIEW

Thank you for your February 9, 2018 letter on two items related to the BC Farm Industry Review Board's (BCFIRB) February 2, 2018 Quota Assessment Tools Supervisory Review decision (Quota Review decision).

BCFIRB met on February 14, 2018 to review the BC Milk Marketing Board's (Milk Board) letter. I was asked to provide the following response on BCFIRB's behalf.

Milk Board proposal: Directive 179(c)¹ is silent on whether a quota holder remains eligible to receive growth quota if a quota transfer is made between exempt persons². The Milk Board proposes that it is important for industry renewal purposes for a quota holder making a quota transfer to an exempt person remains eligible to receive growth and not be subject to a 12 month moratorium.

BCFIRB is reviewing the Milk Board's proposal and rationale and will be providing a response at a later date. In the meantime, BCFIRB's February 2, 2018 direction stands. Unless BCFIRB determines

¹ 179(c) Quota holders are not eligible to receive growth quota for 12 months following a transfer of any quota with one exception as follows: If a quota transfer does not result in an overall change in total quota holdings within a business unit (e.g. within a corporation), quota holders within that business unit remain eligible to receive growth.

² "Exempt persons" refer to those persons not subject to BCFIRB directed assessments when quota is transferred. Exempt persons are defined in the Quota Assessment Tools Supervisory Review decision. Exemptions to transfer assessments were originally established to support succession planning.

**British Columbia
Farm Industry Review Board**

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otherwise, a quota holder transferring quota out of a business unit is not eligible to receive growth quota for twelve months, even in a situation where it is a transfer of quota between exempt persons as defined in the context of transfer assessments.

Milk Board question: BCFIRB was silent on the Milk Board proposal to expand the exempt persons list to include non-family members. The intent was to support non-family members having an opportunity to join a corporate farm as part of succession planning. The Milk Board is asking for clarity on BCFIRB's position on this matter.

Given the Milk Board communicated to its producers that Last-In First Out (LIFO) will be removed, it is not clear to BCFIRB why the Milk Board sees it as necessary to expand the exempt persons list. If the Milk Board can provide some examples to illustrate its concerns, BCFIRB will be better positioned to respond.

If you have any questions, please feel free to contact me.

Regards,



Kirsten Pedersen,
Executive Director

cc: Stephanie Nelson, Executive Director
BC Broiler Hatching Egg Commission

Bill Vanderspek, Executive Director
BC Chicken Marketing Board

Katie Lowe, Executive Director
BC Egg Marketing Board

Michel Benoit, General Manager
BC Turkey Marketing Board

BCFIRB website