



November 5, 2018

File: 44200-60 QATE

DELIVERED BY EMAIL

Robin Smith
Chair
BC Chicken Marketing Board
101 – 32450 Simon Ave
Abbotsford, BC VT2 4J2

Dear Mr. Smith,

QUOTA ASSESSMENT TOOLS EVALUATION (QATE) IMPLEMENTATION

The BC Farm Industry Review Board (BCFIRB) reviewed the BC Chicken Marketing Board's (Chicken Board) July 1, 2018 actions to date on implementing the February 2, 2018 Quota Assessment Tools Supervisory Review (QATE) directions.

As part of its review, BCFIRB considered the Chicken Board's changes to its August 26, 2011 General Orders (Orders) as well as its decisions and stakeholder communications related to the 20% pro rata quota increase scheduled for period A-164 (July 5–August 29, 2020).

BCFIRB recognizes the Chicken Board's strategic work and stakeholder communications to date. The Chicken Board evidently put in place a well-thought-out implementation plan, which was clearly communicated to stakeholders in a timely fashion.

Two items arose in the review that BCFIRB would like the Chicken Board to address by November 30, 2018.

New entrant quota

We note that the Chicken Board retained the following rule in its Orders: "New entrant growers entering the industry after May 20, 2014 will not be permitted to transfer their quota for a minimum of 5 years from the date the quota was issued" (s. 49.12).

In the face of BCFIRB's QATE direction (paragraph 173) that all quota distributed by a board, including new entrant quota, is to remain transferable in some form, please provide the Chicken Board's rationale for retaining its non-transferable new entrant quota rule.

QATE directions and General Orders

While the Chicken Board is choosing to transition to the 2018 QATE directions from the 2005 Specialty Review directions, the recent changes to its Orders do not include three quota management directions contained in paragraph 179 of the QATE decision:

- b) Quota holders are to have the option to refuse or accept growth quota.*
- c) Quota holders are not eligible to receive growth quota for 12 months following a transfer of any quota, with one exception as follows:*
 - i. 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.*
- d) Receipt of growth quota cannot be deferred. Offer and acceptance of growth quota is a onetime opportunity.*

Although the 20% quota issuance scheduled for period A-164 is seen by the Chicken Board as a one-time event, incorporating the QATE growth directions into the Orders will help ensure clarity and prevent any confusion for stakeholders as to “what the rules are” should the Chicken Board issue quota growth again at some point in the future.

BCFIRB expects paragraph 179 sections b through d of the QATE decision to be incorporated into the Chicken Board’s Orders.

Please feel free to call me if you have any questions.

Regards,



John Les
Chair

Cc: BC Egg Marketing Board
BC Hatching Egg Commission
BC Milk Marketing Board
BC Turkey Marketing Board
BCFIRB web site