

June 22, 2020

**Sent Via E-Mail**

British Columbia Farm Industry Review Board  
780 Blanshard Street  
Victoria, BC V8W 2H1

**Attention: Wanda Gorsuch**

Re: Timeline for Lifting Agency Application Moratorium

We write on behalf of Mastronardi Produce Ltd. ("**Mastronardi**") to follow up on the status of the moratorium on agency applications.

**Demand for Mastronardi to Market British Columbia Vegetables**

Mastronardi is keen to invest in British Columbia and become an agency so that it can market greenhouse vegetables grown in the province. Multiple retailers and food service businesses have asked Mastronardi for updates on when it can obtain an agency licence in British Columbia. There is repeated demand amongst retailers and food service businesses for Mastronardi being an agency to sell British Columbia-grown vegetables.

Mastronardi has received numerous requests from British Columbia growers who wish to sell vegetables through Mastronardi. British Columbia growers want to benefit from selling Mastronardi's specialty brands, such as ALOHA™ peppers, Campari® tomatoes, and Kumato® brown tomatoes. If Mastronardi was an agency in British Columbia, it could increase the selection of British Columbia grown vegetables available to growers and consumers.

**Benefits to British Columbia**

The British Columbia vegetable industry would benefit from Mastronardi entering as an agency. In Ontario there are over 30 marketers for greenhouse vegetables. The process to become an agency in Ontario is straightforward, which encourages and has resulted in growth. Between 2011 and 2020, greenhouse vegetable acreage in Ontario has increased by 65%. During this time Ontario growers have enjoyed increasing returns, and Ontario agencies continue to sell greenhouse vegetables at sustainable prices to retailers.

In contrast, in British Columbia, there are only eight agencies authorized to market greenhouse vegetables. Up until 2002, BC Hot House was the sole agent for marketing greenhouse vegetables grown in the Lower Mainland area of British Columbia and on Vancouver Island. The VMC recognized the unfairness in this arrangement and recommended further greenhouse agencies. However, there has since been stagnation in British Columbia, with barriers to new agencies, putting British Columbia far behind the growth afforded to Ontario and other provinces.

Adding Mastronardi as an agency will foster renewed growth in the British Columbia greenhouse vegetable industry. However, the unknown timeline for the VMC to lift the moratorium hinders Mastronardi's ability to enter British Columbia as an agency. Retailers and food service businesses are putting pressure on Mastronardi to market British Columbia grown vegetables. They cannot wait indefinitely for the VMC to lift the moratorium.

### **Uncertainty for British Columbia Vegetable Industry**

Mastronardi has reviewed the VMC Working Group and BCFIRB panel May 14, 2020 meeting report. The May 14, 2020 meeting report indicates that the supervisory panel will finalize its views on the agency accountability framework in September 2020. The meeting report then states that the agency accountability framework is a "key requirement to the VMC determining a date for considering new agency applications". However, the date for making any supporting changes to the General Orders "cannot be determined until the degree of change is determined after adoption of the accountability framework".

It has nearly been one year since the VMC imposed the moratorium on agency and producer-shipper applications, and it seems that there are still several months to go before the moratorium is lifted. It will take even longer for the VMC to process agency applications.

Mastronardi appreciates the importance of establishing an agency accountability framework. However, it is concerned about the open-ended nature of the timelines and inability to service its customer requirements for a British Columbia source of product. The result is uncertainty for Mastronardi and the broader British Columbia vegetable industry.

### **Steps Going Forward**

In light of this, Mastronardi has two requests. First, the supervisory panel and the VMC should commit to a prompt target date by which the moratorium is lifted. We appreciate that that the panel and the VMC cannot fully predict when they will complete their work, and that a target date may be aspirational. However, a target date would give the panel and VMC a goal to work towards and provide stakeholders more predictability.

Second, Mastronardi requests that the supervisory panel and the VMC provide a timeline on which agency applications will be considered. The supervisory panel and VMC should take steps to prevent any unnecessary delays to processing agency applications after this process is over.

Mastronardi would welcome an opportunity to discuss the above with the supervisory panel, the VMC, or both.

Yours truly,

Dentons Canada LLP



Morgan Camley  
Partner

MC/  
cc. Robert Hrabinsky (via email)