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## BC Farm Industry Review Board

# 2019-20 VEGETABLE SUPERVISORY REVIEW

## Submission Summary Supervisory Review Topics for Consultation

May 15, 2020

### TO ALL REGULATED VEGETABLE PRODUCERS AND STAKEHOLDERS

The Review Panel requested feedback on three topics. We heard from 8 of you – not enough to fully represent the industry or to provide the panel the kind of guidance we need, especially from growers. We are reaching out to you again with a survey – your input is important to guide the future of your industry. In the meantime we said we would report what we heard from the first request for input – it follows below based on the 8 submissions received.

### Background

BCFIRB started this Review to help the BC Vegetable Marketing Commission (Commission) with its work on governance, agencies, and storage crop industry policies and rules. This work, in part, comes out of a recent series of appeals and industry issues.

This Review also relates to a Commission decision placing a moratorium on agency and producer-shipper applications (for an unstated period of time) pending completion of its strategic planning and agency accountability projects.

Review [BCIFRB's Supervisory Review web page](#).

On April 3, 2020, the BCFIRB panel requested written feedback from you by April 30, 2020 on three proposed Review topics. It also asked you for input on how you would like to be consulted as part of the overall Review process. Thank you to those who did submit, your submission is important and will assist with finalizing the scope of the Review.

Invitations for feedback were sent by email to over 155 B.C. vegetable industry stakeholders, including 105 Registered Growers, 17 Agency representatives, and 33 other stakeholders. Review the [Supervisory Review Topics for Consultation](#). The Panel Chair also provided a reminder at the April 29, 2020 Vegetable Commission Annual

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General Meeting (AGM) that submissions were due by April 30, 2020. There were 15 growers, 10 agency representatives, and 21 others in attendance at the AGM.

The following is a summary of the eight submissions.

## **Submission Summary**

### **1. Commission Structure**

#### ***Questions Posed***

The panel proposes working with the Commission to assess the effectiveness of the Commission's structure, and to consider if changes are needed.

- *Do you think the current structure of the Commission enables it to make effective and strategic decisions to support the production and marketing of BC vegetables for the benefit of producers, value chain members and the public?*
- *Do you think the current Commission structure allows it to effectively, fairly and accountably manage potential conflict of interest and apprehension of bias in its decision making?*
- *Why or why not?*

#### ***Summary of Responses***

There was support for change to the structure of the Commission balanced with support for the status quo. The primary concern highlighted by several submissions was conflict of interest and perception of bias in Commission decision making. Most submissions supported the addition of one or two additional independent members to the Commission. One submission pointed to the benefit of additional independent members bringing a "fresh eye" to market and growth opportunities. Some spoke to the need for implementing Commission member term limits. Proposals were also made on how to restructure crop and district representation.

While some submissions reflected that the existing conflict of interest guidelines are sufficient to address concerns with decision-making, others spoke to the need for better tools or processes to manage conflict of interest and apprehension of bias in decision-making.

#### ***Additional Comments and Themes***

- *"The current size is a compromise between too big and big enough."*
- *"Every difficult decision will never have 100% support. There will always be allegations of conflict of interest or bias by those that were unhappy with the outcome."*
- Decision making panels should be as unbiased as possible, and those decisions should be fact-based.
- Decisions regarding Agency and New Entrant applications should be transparent and objective, to promote predictability for those applying.

- All agencies should be represented on the Commission.
- Larger agencies shouldn't have undue influence over Commission decisions.

## 2. Designated Agency Accountability

### **Questions Posed**

The panel proposes working with the Commission to finalize an agency accountability framework and process. Agency accountability is about having a requirement for a structure that allows agencies to show their producers, the Commission and others that they are meeting their obligations.

- *Do you think the development of a framework (including criteria) to support agency accountability is an effective investment in building industry strength? (agency accountability with the Commission, producers, supply chain, BCFIRB and the public for their policy and regulatory responsibilities).*
- *Why or why not?*

### **Summary of Responses**

Not all respondents commented on this question. Those that did supported an agency accountability framework. For example, one commented on the need for the Commission and growers to have access to accurate facts and documentation to assist in decision making. Some submissions commented on the importance of accountability to the public. Some also spoke to improving the level of trust between agencies and the Commission.

Responses spoke in favour of the current agency system, and the important place agencies occupy within the BC regulated vegetable industry. They referred to the unique nature of agencies and their position within the industry to assess current market demands, and how that relates to securing markets for growers.

### **Additional Comments and Themes**

- Agency success is measured through consistently growing both producer returns and new markets, enabling producers to expand their acreage, and growing the BC vegetable industry to encourage new growers.
- *“It is crucial for all Agencies to be responsible and accountable to all segments of industry, from Growers to Public and every level in between.”*
- *“We would like to make the point as well that providing food is a very fluid and ever changing dynamic industry and the developing of a framework should not be overly onerous and cumbersome but should enhance the effectiveness of an Agencies operations and its ability to do the utmost they can for the success of producers.”*
- *“We are in support of Agency accountability and Commission oversight within reason. We are the most regulated vegetable industry in Canada. There is a fine line between oversight and interference with daily market dynamics.”*

### 3. Storage Crop Delivery Allocation

#### **Questions Posed**

The panel proposes working with the Commission to evaluate if market access is being managed effectively and strategically for storage crop producers through delivery allocation, and to consider if changes are needed.

*Do you think an evaluation of market access management and delivery allocation at this time is an effective investment in the future of the storage crop industry?  
Why or why not?*

#### **Summary of Responses**

Most responses were in favour of evaluating market access management and delivery allocation to consider whether changes are needed. Most submissions reflected that delivery allocation is an effective tool to ensure that growers can bring their products to market, while affirming that the Commission's approach to managing delivery allocation needs periodic updating.

Comments spoke to the need for transparent criteria for how delivery allocation is allocated to new entrants in order to streamline the process and make it more predictable. Other submissions proposed that the Commission set aside a certain amount of delivery allocation for new entrants.

#### **Additional Comments and Themes**

- *“The Delivery Allocation system has remained current with today’s needs and will continue to be a work in progress as industry dynamics evolve.”*
- *“...there needs to be a complete review of D.A., it’s current status, and how it is earned, amounts given to growers when applying for new D.A., and what can be done or develop a new formula to get D.A. more in line with B.C. marketplace demands.”*
- *“There needs to be expectation of clear timelines that pertain to decisions being made when growers make application to increase their D.A. or apply for “NEW” D.A. of regulated product.”*
- *“All quota is administered by BCVMC but policy allows members to manipulate or interfere with what should be administrative decisions based on accurate information and criteria being met.”*
- *“In regards to producer shippers we are very concerned about delivery allocation as by their very nature there appears to be no accountability or transparency as they are single entities and do not work with agencies.”*

## 4. Consultation

The panel received little input on how stakeholders would like to be consulted. Some made specific requests for in-person meetings with the panel. We are now following up with a survey.

If you have any questions regarding the contents of this document, or the supervisory review itself, please contact Wanda Gorsuch, BCFIRB Manager of Issues & Planning at [Wanda.Gorsuch@gov.bc.ca](mailto:Wanda.Gorsuch@gov.bc.ca) or 778-974-5790.