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January 17, 2023

Attention: Nazeer T. Mitha, K.C., Hearing Counsel  
MLG Law Corporation  
543 Granville Street, Suite 920  
Vancouver BC V6C 1X8

Re: MPL British Columbia Distributors Inc.

I am the President and Chief Executive Officer of MPL British Columbia Distributors Inc. ("MPL"). In this letter, I address the civil action filed by MPL against members and the general manager of the British Columbia Vegetable Marketing Commission ("BCVMC") and the Supervisory Review conducted by BCFIRB arising from the filing of that action, but I would first like to talk about my history, and my company's history, in the business of growing and marketing greenhouse vegetables in North America and our dedication to this industry and to regulatory compliance.

MPL is a member of the Mastronardi group of companies ("Mastronardi") and is a direct subsidiary of Mastronardi Produce Limited which is headquartered in Kingsville, Ontario. The business was started by my grandfather, Umberto Mastronardi and has been in our family for over 70 years. Our family developed protected (greenhouse) production techniques that are industry-leading today, and have helped us grow the largest protected agriculture fresh produce company in North America.

Mastronardi is a fully integrated grower, shipper, distributor and marketer of protected agricultural products. For decades, Mastronardi has built enduring relationships with independent third party growers who we consider our friends and partners. We provide our grower partners with access to an extensive marketing and distribution network through which we supply many of the top retailers and food service operators in North America.

We are a company that cares about our employees, our growers, our customers and the environment. We routinely exceed social responsibility and safety standards required by the large food retailers. We adhere to industry-leading social responsibility standards (Sedex Members and Ethical Trade Audit). We certify our distribution centers through QAI to handle organic product. We conduct testing for unapproved pesticides to validate compliance with organic standards from all our suppliers. We implemented full traceability of the product we distribute. We have been a participant in the Non-GMO Verified Project program since 2010. We follow the Global Food Safety Initiative at all our farms and distribution centers. We have an excellent track record with our history of CFIA inspections.

Because I personally commit so much of my time and energy to ensuring that Mastronardi is a socially responsible company that fosters long-lasting and positive relationships with growers, customers, governments and regulators, the recent Supervisory Review conducted by BCFIRB and the prospect of the Part II Process of the Review have been particularly distressing to me. The focus has shifted from the good that MPL can offer as a licensed agency to the content of the civil action filed by MPL and why we filed it. None of this is positive, and takes all parties' focus away from where it should be. This needs to change. Accordingly, I have instructed MPL's legal counsel to bring the civil action to an end, and to address the issue of costs with the defendants. It is my sincere hope that this will be the first step in shifting the focus back to the question of how Mastronardi would be a positive force for the protected agriculture sector in British Columbia, and to ensure orderly marketing in the industry as a whole.

I have come to realize that there were options to address MPL's concerns rather than commencing the civil action. In particular, MPL could have asked BCFIRB to look into, in a manner it deemed appropriate, the matters that were of concern to MPL. I regret that MPL did not explore this option at the outset. It was not MPL's wish to put other parties or BCFIRB through the extensive and costly supervisory review process. MPL acknowledges that the BCFIRB has made a decision arising out of the first phase of the Supervisory Review, and reached the conclusions it did. At this point, I want our company to move on and get back to showing BCFIRB what a valuable asset MPL can be for growers and the industry in BC.

Our company acknowledges that Chair Donkers found that cost and disruption occurred and in recognition of this, MPL is prepared to compensate the Commission for 50% of its legal costs associated with the Supervisory Review up to a maximum of \$90,000.

MPL is keenly aware of the role that an agency plays within the system of regulation in British Columbia. For many years, Mastronardi has been purchasing regulated products from BC agencies. MPL understands that the authority of agencies is delegated from BCVMC and that an agency is accountable to BCVMC and must at all times work closely and productively with BCVMC. MPL also understands the importance of the agency role in relation to the interests of growers, including by securing and building market access for BC regulated products.

MPL understands that the holding of an agency license is a privilege. To maintain this privilege, MPL acknowledges that it will be required to comply with and promote the BCVMC's rules and orders among growers and other agencies. MPL understands that orderly marketing in the industry is critical. Among other things, this will require MPL to be responsible for representing groups of producers in the marketplace; MPL will be required to manage the production allocation of its growers; and MPL will be required to ensure compliance with minimum prices that may be set by the BCVMC.

Mastronardi has been successfully fulfilling this role elsewhere in Canada for many years. I am personally committed, as is my management team, to complying with the above principles and to working closely and positively with BCVMC and to fostering what is

ultimately a group effort: the promotion of British Columbia produce for the benefit of the industry and for the benefit of British Columbia more broadly.

Mastronardi has a long and positive track record of working with regulators and growers elsewhere in Canada. We understand the importance of regulation in ensuring safety, efficiency and fairness. Mastronardi is Ontario's largest marketer of greenhouse vegetables, demonstrating that we successfully operate within the regulatory environment. With the Canadian regulatory environment, Mastronardi has implemented a grower liaison program that helps build and maintain relations with growers and this has been immensely successful with growers in Ontario and Quebec where there has been significant expansion in production of greenhouse vegetables in the past decade.


I recognize, however, that our company still has to show that its history will reflect its future in the BC industry. Accordingly, should we be successful in the prior approval process, we are prepared to voluntarily commit to quarterly reporting to BCFIRB for an 18 month period, following the approval of our license, on compliance with the terms and conditions of our licence.

In light of all of these commitments, it is my hope that BCFIRB will conclude that the second phase of the Supervisory Review concerning MPL is not necessary.

MPL is grateful to BCVMC for its thorough review of MPL's agency licence application and welcomes the conclusion reached by BCVMC in that review. MPL is dedicated to working alongside BCVMC if BCFIRB approves the agency licence application.

Respectfully submitted,

**MPL BRITISH COLUMBIA DISTRIBUTORS INC.**

By:   
Name: Paul Mastronardi  
Title: Chief Executive Officer