

## APPENDIX B

### BC Vegetable Marketing Commission Consolidated General Order March 16, 2005

To accommodate greater flexibility in the application of a Producer – Shipper Licence the following changes to the General Order are required.

CHANGES ARE HIGHLIGHTED IN **BLUE**

**A. Page 6, Producer-Shipper definition is to be changed to:**

“**Producer-Shipper**” means a person licensed by the Commission to produce Greenhouse **or Storage** Vegetable Crops and to market some or all of the Greenhouse **or Storage** Vegetable Crops produced by him directly to commercial trade channels but unless specifically authorized by the Commission does not include marketing **to an Agency or another Producer-Shipper**.

The original definition was written as follows:

“**Producer-Shipper**” means a person licensed by the Commission to produce Greenhouse Vegetable Crops and to market some or all of the Greenhouse Vegetable Crops produced by him directly to commercial trade channels but unless specifically authorized by the Commission does not include marketing to a Wholesaler, Agency or another Producer-Shipper.

**B. Page 9, PART IV LICENSING, ‘Licences – Producer-Shippers’ to be changed to:**

*Licences – Producer - Shippers*

9. No Producer-Shipper shall grow and market Greenhouse **or Storage** Vegetable Crops unless he:
  - (a) registers with the Commission;
  - (b) is qualified to and obtains annually the appropriate license from the Commission, and
  - (c) Pays to the Commission annually the fees for such licenses as described in Schedule III to these General Orders.

**C. Page 10, PART IV LICENSING, ‘Licences – Insurance, Cancellation or Suspension’  
to be changed to:**

*Licences - Issuance, Cancellation or Suspension*

11. Licences are valid for one (1) year for the period commencing the day after the due date described in each instance below and expiring on the next annual due date. Every application for a license whether it is an initial application or a renewal must be made on a form prescribed by the Commission and shall be submitted to the Commission no later than the following due dates of each year:

- (a) Producers and Producer-Shippers of Greenhouse Vegetable Crops – November 1<sup>st</sup>.
- (b) Other Producers and Producer- Shippers of Storage Crops – May 14<sup>th</sup>.
- (c) Designated Agencies, Processors, Wholesalers and Commission Salespersons – March 1<sup>st</sup>.

**D. Page 15, ‘PART VIIA PRODUCER-SHIPPER RESPONSIBILITIES’  
to be changed to:**

*Intent*

- 1. A Producer-Shipper licence is an extraordinary licence issued under exceptional circumstances. The circumstances are inclusive of, but not limited to, the history, geography, and economics associated with the applicant.
- 2. The intent of licensing certain producers as Producer-Shippers is to provide qualified producers the opportunity to Market and distribute directly to commercial trade channels the opportunity to do so. Commercial trade channels, for the purposes of Producer-Shipper licensing, are defined as individual retail stores, farm markets, individual foodservice establishments and wholesalers. It is not intended that Producer-Shipper licensing is a means for individual producers to sell or Market to Agencies or other Producer-Shippers whether located inside or outside B.C.
- 3. For most intents and purposes, Producer-Shipper licensing replaces previous exemptions from Marketing through an Agency.
- 4. The Commission qualifies the applicant and may place Market restrictions on the licence or deny an applicant all together if it is not in the best interests of the industry that the producer-shipper licence be issued with full authority or be granted at all.

## *Producer Shipper Licensing*

5. To obtain a Producer-Shipper license an applicant must:
  - (a) be assigned one or more Greenhouse Vegetable Production Allocations [or Storage Crop Delivery Allocations](#), and
  - (b) demonstrate that he is not committed, aligned, or connected by commercial contract, ownership or any form of legal undertaking that requires that he market through an Agency, and
  - (c) obtain approval from the Commission for his Marketing plan, and such plan shall be submitted to the Commission at least annually, in advance of licensing, or whenever a change from the approved plan is contemplated, and
  - (d) satisfy the Commission that he has the expertise and facilities to successfully produce, pack or have a contract to have his produce packed for him, market and distribute his greenhouse [or storage](#) crop.
6. A Producer Shipper must hold a valid and subsisting Producer-Shipper License.

## *Responsibility to Market*

7. A Producer Shipper must pack, market and distribute Regulated Products produced by him in accordance with the approved Marketing plan.
8. A Producer-Shipper may, with the prior permission of the Commission, from time to time when he is either long or short of requirements to meet his markets and marketing plan, temporarily, and for periods not greater than fifteen (15) days:
  - (a) market a portion of his greenhouse [or storage](#) vegetable crop, to another Producer-Shipper; or,
  - (b) sell a portion of his greenhouse [or storage](#) vegetable crop to an Agency.
  - (c) Unless an exception is granted by the Commission, the portion shall not exceed 5% of his Greenhouse Vegetable Production Allocation or [Storage Crop Delivery Allocation Period](#) for that crop in the crop year,
9. Other than as provided for in paragraph 7 of this Part, no Producer-Shipper shall [market](#) any Regulated Greenhouse [or Storage Crop](#) Vegetables produced by any other Producer, nor shall they offer to purchase for subsequent sale by them any Greenhouse [or Storage Crop](#) Vegetables produced by any other Producer.
10. Other than as provided for in paragraph 7 of this Part, no Producer-Shipper shall offer for sale any Regulated Greenhouse [or Storage Crop](#) Vegetables produced by them to any other [Producer-Shipper, or Agency](#).
11. [All sales must comply with Commission pricing procedures.](#)

## *Reporting Requirements*

12. A Producer Shipper must report all Greenhouse Vegetable and Storage Crop Marketing, including but not limited to volumes shipped and prices received, as directed by the Commission.
13. A Producer Shipper must comply with, and regularly report, production, shipments and Marketing as may be required by any Commission programs that collect and disseminate market information and Commission protocols used to monitor regulatory compliance.

## *Levies and Service Fees*

14. A Producer Shipper must remit all charges and levies due on the production and Marketing of the Regulated Product produced under the approved Production and Delivery Allocation.

## *Limitations on Producer Shippers*

15. A Producer-Shipper may not:
  - (a) market Regulated Product produced by another producer except as specifically provided for in paragraph 7 above, or
  - (b) serve as a director or an officer of an Agency, or
  - (c) have a contract, agreement, or understanding with an Agency for the Marketing of any or all of his Greenhouse or Storage Vegetable Crops, or
  - (d) continuously market the bulk of his Regulated Product to an Agency under the authority of his Producer-Shipper's license.

The original wording was as follows:

### *Intent*

1. The intent of licensing certain producers as Producer-Shippers is to provide those producers who wish to Market and distribute directly to retail trade channels the opportunity to do so. Retail trade channels, for the purposes of Producer-Shipper licensing, are defined as individual retail stores, farm markets, and individual foodservice establishments. It is not intended that Producer-Shipper licensing is a means for individual producers to sell or Market to other Producer-Shippers, Agencies or Wholesalers whether located inside or outside B.C.
2. For most intents and purposes, Producer-Shipper licensing replaces previous exemptions from Marketing through an Agency, and some producers currently (as at September 2006) exempted from marketing through an Agency will be required to be licensed as Producer-Shippers for the 2007 crop year.

### *Producer Shipper Licensing*

3. To obtain a Producer-Shipper license an applicant must:
  - (a) be assigned one or more Greenhouse Vegetable Production Allocations, and
  - (b) demonstrate that he is not committed, aligned, or connected by commercial contract, ownership or any form of legal undertaking that requires that he market through an Agency, and

- (c) obtain approval from the Commission for his Marketing plan, and such plan shall be submitted to the Commission at least annually, in advance of licensing, or whenever a change from the approved plan is contemplated, and
- (d) satisfy the Commission that he has the expertise and facilities to successfully produce, pack or have a contract to have his produce packed for him, market and distribute his greenhouse crop.

4. A Producer Shipper must hold a valid and subsisting Producer-Shipper License.

#### *Responsibility to Market*

- 5. A Producer Shipper must pack, market and distribute Regulated Products produced by him in accordance with the approved Marketing plan.
- 6. A Producer-Shipper may, with the prior permission of the Commission, from time to time when he is either long or short of requirements to meet his markets and marketing plan, temporarily, and for periods not greater than fifteen (15) days:
  - (a) market a portion of his greenhouse vegetable crop, which portion shall not exceed 5% of his Greenhouse Vegetable Production Allocation for that crop in the crop year, to another Producer-Shipper; or,
  - (b) sell a portion of his greenhouse vegetable crop, which portion shall not exceed 5% of his Greenhouse Vegetable Production Allocation for that crop in the crop year, to an Agency.
- 7. Other than as provided for in paragraph 6 of this Part, no Producer-Shipper shall offer for sale any Regulated Greenhouse Vegetables produced by any other Producer, nor shall they offer to purchase for subsequent sale by them any Greenhouse Vegetables produced by any other Producer.
- 8. Other than as provided for in paragraph 6 of this Part, no Producer-Shipper shall offer for sale any Regulated Greenhouse Vegetables produced by them to any other Producer-Shipper, Agency, or Wholesaler.

#### *Reporting Requirements*

- 9. A Producer Shipper must report all Greenhouse Vegetable crop Marketing, including but not limited to volumes shipped and prices received, as directed by the Commission.
- 10. A Producer Shipper must comply with, and regularly report, production and Marketing as may be required by any Commission programs that collect and disseminate market information.

#### *Levies and Service Fees*

- 11. A Producer Shipper must remit all charges and levies due on the production and Marketing of the Regulated Product produced under the approved Production Allocation.

#### *Limitations on Producer Shippers*

- 12. A Producer-Shipper may not:
  - (e) market Regulated Product produced by another producer except as specifically provided for in paragraph 6 above, or
  - (f) serve as a director or an officer of an Agency, or
  - (g) have a contract, agreement, or understanding with an Agency or Wholesaler for the Marketing of any or all of his Greenhouse Vegetable Crops, or
  - (h) continuously market any or all of his Regulated Product to an Agency or Wholesaler under the authority of his Producer-Shipper's license.

**E. Page 17, 'PART IX GENERAL PROHIBITIONS'**

**to be changed to:**

1. No person shall transport a Regulated Product unless it has been packed in a container authorized by a designated Agency or by the Commission.
2. A Wholesaler shall only buy, accept or receive a Regulated Product from an Agency or Producer-Shipper.
3. A Retailer located in BC shall only buy, accept or receive a Regulated Product from an Agency, a Processor, a Wholesaler, a Producer-Shipper in accordance with Part VIII of these Orders, or a Producer as authorized by a Manifest sales program.
4. No Processor shall sell or offer for sale or supply the Regulated product except in a processed or manufactured form.
5. No Processor shall buy, accept or receive Regulated Product from any Person other than a Wholesaler licensed by the Commission, an Agency designed and licensed by the Commission, or pertaining and limited to Processing Crops a Producer licensed by the Commission.
6. No Person, Producer or Processor, unless otherwise ordered by the Commission, shall grow, deliver, receive, accept or market Regulated Product for Processing, freezing, canning or preserving in any way unless there is a signed Commission approved Processing Crop contract which complies with all Commission Orders; such a contract shall be in compliance with and shall not deviate from the Master Contract negotiated for the Regulated Product in question and shall include a service charge.
7. No Person shall sell, offer to sell, supply or deliver the Regulated Product to any Person other than an Agency or such other Person as the Commission may expressly direct or authorize.
8. No Person other than a member or employee of the Commission shall move, destroy, sell or offer for sale any Regulated Product on which there has been put a detention tag or seizure tag, or with respect to which a notice of seizure has been given by any member or employee of the Commission or individual authorized by the Commission to effect such seizure, without the written authority of the Commission.
9. No Producer or Agency shall sell or offer for sale Regulated Crops subject to Commission minimum pricing, and no Person shall buy Regulated Crops subject to Commission minimum pricing, at a price less than the minimum price fixed by the Commission from time to time for the variety and grade of the Regulated Product offered for sale, sold or purchased, unless authorized by the Commission.

10. No Processor, or other authorized receiver of regulated product for Processing, shall receive or pay for any Regulated Product unless the Producer is currently registered with the Commission and is party to a current Commission approved Processing contract.
11. No Producer, shall market or transport any Regulated Product unless the Producer is currently licensed with the Commission, except as expressly authorized by the Commission pursuant to Section 4 of Part IV of the General Order.
12. No Producer shall produce or ship Regulated product without a Delivery or Production Allocation for the product in question, unless otherwise authorized by the Commission.
13. No Producer-Shipper shall sell or offer to sell Regulated Product to, or buy or offer to buy Regulated Product from, an Agency, other Producers, other Producer-Shippers or Wholesalers except as specifically provided for in these Orders or as otherwise authorized by the Commission.

**F. Page 28, 'PART XV MARKETING OF "NEW" OR ADDITIONAL REGULATED PRODUCT BY EXISTING AGENCIES'**

**to be changed to:**

**'PART XV MARKETING OF "NEW" OR ADDITIONAL REGULATED PRODUCT BY EXISTING AGENCIES & PRODUCER-SHIPPERS'**

No new or additional Regulated Product shall be marketed by existing Agencies **or Producer-Shippers** without Commission approval.

An Agency **or Producer-Shipper** seeking to market new or additional Regulated Product shall submit a Business Plan covering a period of time specified by the Commission which addresses matters relating to promotion, market development and planned expansion. In the case of agencies marketing regulated greenhouse crops, this requirement will occur within the Procedures outlined under General Orders Part XVI and XVIII.

At its discretion, the Commission may determine whether a hearing will be held, in either oral or written form, concerning the application by an existing Agency **or Producer-Shipper** to market new or additional Regulated Product. In exercising its discretion, the Commission will consider:

- (a) if and how other existing Agencies / **Producer-Shippers**, if any, will be affected;
- (b) how the Commission will notify interested parties of the application and its decision to approve or dismiss the application.

The Commission shall consider:

- (a) what benefits, if any, not currently available to Producers will accrue to them if new or additional Regulated Product is marketed by the Agency / **Producer-Shipper**;

- (b) whether the Agency / [Producer-Shipper](#) has sufficient staff with the necessary experience to market the new or additional Regulated Product;
- (c) whether a market exists for the new or additional Regulated Product; and
- (d) whether the new or additional Regulated Product would enhance orderly Marketing.

**G. Page 30, 'PART XVII PROCEDURE FOR DETERMINING DELIVERY ALLOCATION FOR STORAGE CROPS'**

**to be changed to:**

1. This Part covers Storage Crops as defined in Part I (5).
2. Only Regulated Product shipped through an Agency [or Producer-Shipper](#) of the Commission shall be used for the calculation of Delivery Allocation levels or adjustments for Crops under this Part.

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