



December 2, 2014

File: 44200-60 MILK QUOTA
REVIEW

DELIVERED BY E-MAIL

Jim Byrne
Chair
BC Milk Marketing Board
200 – 32160 South Fraser Way
Abbotsford, BC V2T 1W5

Dear Mr. Byrne:

**FOLLOW-UP TO BCFIRB SEPTEMBER 23, 2014 DECISION –MILK MARKETING
BOARD QUOTA GOVERNANCE REVIEW - GEP**

On September 23, 2014, the BC Farm Industry Review Board (BCFIRB) issued its “Supervisory Review Decision - BC Milk Marketing Board Quota Governance Review”¹ (Quota Review Decision). In this decision, BCFIRB accepted and adopted the Milk Board’s recommendations with respect to the Graduated Entrant Program (GEP) subject to the following condition:

Prior to the Milk Board undertaking its recommended actions on the GEP it must satisfy BCFIRB that the proposed approach to clearing the current wait list will mitigate “double dipping”.

“Double dipping” is a situation where a new producer receives GEP quota from the Milk Board (at no cost) then shortly thereafter receives further quota from a family member where the quota transfer is excluded from a transfer assessment. In BCFIRB’s view, “double dipping” does not meet the principles underlying the 2005 Specialty Review in general, and new entrant programs in particular. It also can impact public confidence in new entrant programs. These views were expressed to the Milk Board through correspondence, meetings and other communications.

¹ September 23, 2014. BCFIRB. [Supervisory Review Decision – BC Milk Marketing Board Quota Governance Review](#).

**British Columbia
Farm Industry Review Board**

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On November 17, 2014 the Milk Board recommended to BCFIRB the following GEP revision:

The Board moved and seconded to address FIRB direction regarding changing the current GEP program by exhausting the current GEP waitlist in five years and not allowing exempt family transfer for ten years. If a GEP entrant requests a family transfer within ten years, then retract all GEP benefits which includes the initial GEP quota allocation, allocation from the initial GEP quota, and matching quota plus allocation from matching quota.

BCFIRB understands the Milk Board is consulting on this recommendation at the fall producer meeting (December 4, 2014) and may change its recommendation depending on the input received.

Decision

BCFIRB sought and received clarification from the Milk Board that this recommendation means that if a GEP recipient receives a family transfer of quota (i.e. one that is exempt from quota transfer assessment) within ten years of having received GEP quota, the Milk Board will retract all GEP benefits from the GEP recipient (initial GEP quota allocation, allocation from the initial GEP quota, and matching quota plus allocations from matching quota). This condition would apply to GEP recipients started over the next five years as a result of the Milk Board clearing the wait list prior to revising the GEP.

Based on the information received, we are now satisfied that the Milk Board's recommendation meets BCFIRB's minimum requirement for ensuring "double dipping" is mitigated – and if properly implemented will align the GEP with the intent and principles underlying new entrant programs. We are prepared to give conditional approval on the understanding that any amendment to the Milk Board's Consolidated Order will clearly reflect the requirement that GEP recipients cannot receive benefits in the form of quota transfers exempt from transfer assessments in addition to GEP benefits for a period of ten years following receipt of GEP quota.

This requirement is consistent with the September 23, 2014 BCFIRB approval of the Milk Board recommendations on future changes to the GEP program. Under the previously approved recommendations, exempt transfers will not be permitted for a period of ten years following receipt of GEP quota.

The Milk Board may finalize its GEP "double-dipping" rules for clearing the waitlist based on the results of its upcoming consultations, so long as the rules clearly reflect BCFIRB's condition stated above. If the rules do not reflect BCFIRB's condition, BCFIRB's approval is withdrawn.

Closing

In accordance with s. 57 of the *Administrative Tribunals Act*, "an application for judicial review of a final decision of (BCFIRB) must be commenced within 60 days of the date the decision is issued."

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Administrative decisions made by the Milk Board in the implementation or application of its recommendations—as approved by BCFIRB—are appealable under s. 8 of the *NPMA* within 30 days of a Milk Board decision.

If you have any questions, please contact BCFIRB.

BRITISH COLUMBIA FARM INDUSTRY REVIEW BOARD
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A handwritten signature in black ink, appearing to read "Andreas Dolberg". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Andreas Dolberg
Vice Chair

cc: BCFIRB web site