



Island Vegetable Co-operative Association

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November 22, 2013

BC Farm Industry Review Board
Attention: Mr. Jim Collins
Executive Director
780 Blanshard Street
Victoria, BC V8W 2H1

Dear Mr. Collins,

In response to your letter of November 15th, 2013 requesting initial submissions regarding the BCVCM decision of October 31/2013, please find the following submission from IVCA addressing the issues using SAFETI principles as the guide to why IVCA does ***not*** believe this BCVCM decision, along with several previous decisions and actions which have brought all of us to this point in time, represents “*sound marketing policy which will best serve the strategic interests of the regulated vegetable industry on Vancouver Island in the longer term*”.

Strategic

Strategy / Strategic –

1. Plan of action designed to achieve a particular goal.
2. A high level plan to achieve one or more goals under conditions of uncertainty.
3. Strategy is about shaping the future and is the human attempt to get to desirable ends with the available means.

In reviewing the BCVCM decision to allow VIFP / BC Fresh to create a sub agency / agency entity, IVCA believes, first, we need to look at is how VIFP came into existence and how it has never met the requirements of being an agency in the first place and how this has affected the Island since that point.

Nowhere in the requirements for issuing a license to create an agency does it indicate agencies should be formed out of a mutiny by disgruntled members of an existing agency, especially when there were mechanisms in the existing agency they were a part of, to resolve the disputes. It requires proof there is a market need for the agency. How could there be a need for two agencies in such a small market area? It also requires that an agency prove it is financially solvent and able to stay in business.

When IVCA asked VIFP during the August 29th 2013 hearing if they were financially viable if the sub-agency license ***was not*** granted they replied on the record they were not financially viable.

(As per the transcripts from the August 29/2013 hearing – MR. SIEFFERT: “*We would not be able to continue to exist as we are now after losing to potato growers. Page 41 – line 5*”)

The disgruntled growers who were a part of the VIP agency should simply have been directed, once it became obvious they could not settle their differences, to join another agency.

When BCVMC made decision to approve VIFP's application and at the same time revoke VIP's license, which from my recollection of final discussions in the initial agency application hearing couldn't have been further from where myself and a number of others in attendance felt matters were left; IVCA questions how much thought truly went into this in light of the strategic long term effect it would have on Island marketing of regulated products. BCFIRB appears to also have questioned their thought process...

Following the January 7, 2013 supervisory decision, an appeal panel dismissed the outstanding appeals, noting in an April 9, 2013 decision that BCFIRB had required "the Vegetable Commission to undertake a broader industry review, with ongoing BCFIRB supervision, before making long term decisions with respect to designation of agencies on Vancouver Island". BCFIRB's January 7, 2013 supervisory decision set out specific directions, including temporary agency status for VIFP and VIP pending final recommendations from the Commission before November 30, 2013 on the number and type of agencies, including the regulated product to be marketed that would best serve the Island. The Commission was to provide substantive reasons with its recommendations.

It was IVCA's understanding BCVMC was directed by BCFIRB to create this report on what was the best for Vancouver Island growers, marketing of regulated product and the number of agencies which should be licensed on the Island to effectively service the Island in the long term. It was also IVCA's understanding this process would involve BCVMC spending time in discussions with the Island agencies, growers and other affected parties. To date IVCA has never been consulted about anything to do with the report requested by BCFIRB. Again, how can BCVMC make application approvals without first doing it's homework to create the requested report and develop a strategic plan which includes input from all the parties who will be affected by it? IVCA doesn't believe this meets Strategic requirements. IVCA also believes if the agency license requirements had been adhered to we wouldn't have this mess to deal with now. If BCVMC has a *strategic plan or vision* for Vancouver Island, according to the definitions listed above, then IVCA would like to know *how* they have developed it, *where* they received their input from and *what* in BCVMC's thoughts does a *desirable end* look like?

Accountable

In respect to accountability as agencies we need to hold all parties to the same standard. During the August 29/2013 hearing of the VIFP / BC Fresh application, IVCA questioned BCVMC on the very point of how could they make such an important decision without first creating the vision, long term strategy and have BCFIRB approval of their report. IVCA was told by BCVMC they were instructed by BCFIRB that they could use the hearing proceedings to develop their report around and with information from the hearing. How would that create an atmosphere for growers and agencies to share what they think is best for the island? IVCA believes both BCVMC and BCFIRB need to be accountable for what they request and for what is requested from them. If BCFIRB requested a report prior to decisions being made about licenses being granted or revoked then they need to stick to that directive which they gave BCVMC and the BCVMC needs to follow those directives.

I might point out as well that in the August 29th hearing, the Panel Chair and Panel failed to swear in or affirm any of the speakers after the first speaker – Mr. Sieffert. If this were done in a court of law this hearings proceedings would be thrown out just on that basis alone.

Fair

As was outlined in “Accountable” – Fair would require we all play by the same rules without bias – “equal treatment without favouritism or discrimination ... impartial”. Why was VIFP granted a license and without notice VIP’s license was revoked? Does that sound fair?

On section 50 of the BCVMC decision they include a directive concerning Island Kennebec growers:

50. The Commission has concerns about the volume of production for marketing of Kennebec potatoes on Vancouver Island for marketing on Vancouver Island; consequently, it directs that those Vancouver Island growers with a current record of growing Kennebec potatoes and have an assigned Food Service Delivery Allocation are to limit the planting of this variety of potatoes for the 2014-2015 crop year to a planted area whereby a normal yield will not result in an incremental volume above ten percent of presently assigned Food Service delivery allocation expressed in tons. Vancouver Island producers failing to abide by this decision provision will be called to a Commission hearing regarding cancellation of the earlier issued annual producer license and its replacement at a license class no less than Class 3 and the issued higher license class is to remain in effect for two successive crop years before falling to the next lower license class.

IVCA asks what does that have to do with a decision regarding the issuing of a sub-agency license? How is that fair to just throw that in – in the middle of a decision it has nothing to do with? When looking at this from VIP’s point of view, IVCA has to ask, what in this process has been fair to VIP?

VIP had their license revoked without notice or due process, VIFP was approved as an agency with a name which is way to close to VIP’s and has added to a lot of the confusion in the central island market place based on the information heard at the August 29th hearing. In a separate BCVMC decision which IVCA is in the process of appealing, VIP requested intervener status (as they were invited to be an intervener by BCFIRB and they were an intervener at the original hearing) and BCVMC opposed them being allowed to being an intervener, while they supported BC Fresh being allowed to be an intervener. Why wouldn’t they want them there? Is that the way a fair commission operates – we only want to hear from people who agree with us?

Effective

In regards to Effective IVCA points out BCVMC’s own words in the October 31st decision:

Page 11 section 67.

*With the Commission approving the application it provides for an **interim solution** to long standing regulated marketing matters and challenges that hold the best prospect for achieving a stable marketing environment in the central Vancouver Island area that will lead to sustainable production and marketing opportunities for central Vancouver Island farmers.*

Is all of this process, time, money and energy simply in BCVMC’s own words just an **interim solution**? How does this create a stable marketing environment when it is in their words an “*interim solution*”? Does BCVMC have and or see a long term solution that to this point hasn’t been shared with IVCA? This is where BCFIRB has clearly asked for a long term vision and plan. Nothing IVCA has seen or heard to this point indicates BCVMC has a long term plan of **their** own.

Transparent

In regards to the Transparency of the decision, even getting copies of the transcript of the August 29th hearing seemed to take much longer than was promised by BCVMC. The following is from the court reporters notes:

Page 2 Lines 17-25 and page 3 lines 1 – 3.

THE CHAIR: I was concerned that the voices might get too loud, Rose. In any event, I'm sorry we don't have microphones. I've always thought they're useful even in a room that's not too big. We'll try and do that. As you are aware then, Rose is our court reporter for the day and is going to be taking down a

*record of the hearing so we won't need any personal recording devices at this hearing. **The transcript will be made available 7 to 10 days from now for those who are interested in seeing it.***

It would appear it took a lot longer and in IVCA's opinion somewhat reluctantly to have the court notes provided to "those who are interested in seeing it". Almost 5 weeks later the following email was received:

From: Tom Demma [mailto:tom@bcveg.com]

Sent: **October 3, 2013 3:56 PM**

To: Jaymie Collins ; Lillian Posch ; Murray Driediger; Sarah Potter ; 'Shelly Harris'; Tom Pollock

Subject: BC Vegetable Marketing Commission - August 29, 2013 Hearing

To: Storage Crop Agency Managers

The purpose of this email is to ensure that all storage crop agencies are treated similarly by the Commission.

Recently, the VMC was requested to provide a copy of the transcript of the August 29, 2013 hearing. Having received legal advice regarding copyright and matters of administrative fairness the Commission provided a copy of the transcript to V. I. P. Produce Ltd.

If any other agency would like to be provided with a copy of the transcript please reply to this email to that effect.

There is no cost associated with providing a transcript of the hearing.

Thank you.

Regards,

Tom

Tom Demma, General Manager
BC Vegetable Marketing Commission
207 – 15252 – 32nd Avenue
Surrey, British Columbia
V3S 0R7

IVCA is not sure why legal advice was necessary for something we were told by the Chair, would be available in 7-10 days. If VIP had not requested the notes then IVCA would not have even known they were available as we received no notice from BCVMC they were available until after they had sent them to VIP and issued the email shown above to the listed parties.

At the end of September stores of Vancouver Island were receiving potatoes with the VIFP logo on it that were shipped and also labeled as being from the mainland for orders received by VIFP. From a timeline perspective only it takes at least 4-6 weeks to have packaging materials made, let alone time to design and create new printing dyes. It would therefore appear to IVCA that decisions were made long before even the August 29th hearing, let alone the decision of October 4th, that would indicate that either a huge assumption was made or a decision was clearly eventual. We do not see either of these as transparent.

Inclusive

Inclusive – from Wikipedia

1. Taking a great deal or everything within its scope; comprehensive: *an inclusive survey of world economic affairs.*
2. Including the specified extremes or limits as well as the area between them: *the numbers one to ten, inclusive.*
3. Including much or everything; and especially including stated limits; "an inclusive art form"; "an inclusive fee"; "his concept of history is modern and inclusive"; "from Monday to Friday inclusive"

In the whole process between VIP and VIFP - Strategic and Inclusive are the two principles which seem to have been forgotten. Right from BCVMC's original decision to approve VIFP's application for an Agency license and then at the same time – without even giving notice or hearing they revoked VIP's license. In VIFP and BC Fresh's application and subsequent hearing IVCA heard constantly about the necessity for speeding up the process and not delaying any further because growers or more specifically one grower had to make future plans. IVCA was asked to take this into consideration and agree to a very fast track for this application. IVCA asks BCVMC why VIP wasn't given the same due process regarding their license – is that BCVMC's version of *inclusive*?

At the present time the BCVMC has a system requirement in place where by anyone wanting to buy and resell regulated product from an agency has to be approved by the BCVMC through an application process that includes a number of requirements, one of which includes providing a list of 10 customers the applicant sells to, and if they don't provide this list their application to buy and sell regulated product will be, and has been recently, denied. We see this requirement is draconian and anything but inclusive.

Summary

It takes a lot of time and energy to create a silk purse out of a sow's ear.

IVCA believes this is what has been attempted right from the start of this whole mess.

First, VIFP should never been granted a license to start with as there was no need for a third agency on the Island.

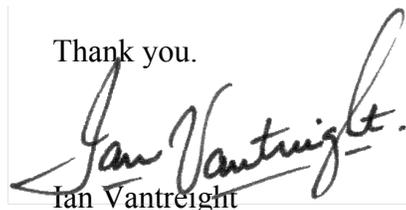
Second, why would VIFP be considered for another type of license when they are still only operating under a temporary license until BCVMC provides BCFIRB with the items they requested.

Third, IVCA believes if the directive given by BCFIRB had been followed by BCVMC to create a plan and vision for Vancouver Island and the marketing of regulated product with the input of the **Island** agencies, growers and even clients of the agencies (Inclusive) then we would have had a cornerstone to move into the future from and create something of value for future generations to come.

Instead we are looking at one poor decision after another.

IVCA is looking to BCFIRB to provide the needed leadership to overhaul the whole system starting at the top. The big picture of what is in the best interest of the growers has been absent from the horizon for a long time and is very much needed to be brought back to the centre of focus. In our opinion the current system is not working for the consumer, for the market, for the wholesalers / distributors, for the agencies and most importantly for the growers.

Thank you.



Ian Vantreight

President

Island Vegetable Co-operative Association

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250-652-0777

cc: BCVMC, VIFP,
VIP and BC Fresh