



July 29, 2013

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DELIVERED BY EMAIL

David Taylor
Chair
BC Vegetable Marketing Commission
207-15252-32nd Avenue
Surrey, BC V3S 0R7

Dear Mr. Taylor:

AGENCY PROPOSAL FROM BC FRESH VEGETABLES INC. (BCFresh) AND VANCOUVER ISLAND FARM PRODUCTS INC. (VIFP)

On July 18, 2013 the BC Farm Industry Review Board (BCFIRB) received the BCFresh-VIFP sub-agency proposal, also sent to the BC Vegetable Marketing Commission.

The agency proposal is related to the BCFIRB January 7, 2013 decision as set out in: "[Supervisory Review of the British Columbia Vegetable Marketing Commission Central Vancouver Island Agency Designations](#)".¹

In summary, the BCFresh-VIFP agency proposal requests that:

- VIFP be approved to operate as a sub-agency of BCFresh; and,
- Greenhouse vegetables are added to the regulated crops to be marketed by BCFresh.

The proposal also requests a decision be made quickly in order to facilitate producer business planning, and notes the future of VIFP has been "...too long in the hands of the regulators".

It is the Vegetable Commission's responsibility to address the proposal in the first instance.

This letter sets out BCFIRB's expectations and related matters.

BCFIRB's Expectations

1. It is the Vegetable Commission's responsibility to consider, in consultation with industry stakeholders as appropriate, if and how the proposal may or may not form a transitional step in meeting BCFIRB's January Supervisory Review directions.

¹ See Appendix A for more information on the relationship between the proposal and the January Supervisory Review.

BCFIRB's Expectations Con't

2. BCFIRB appreciates the business planning and related time concerns expressed in the proposal and expect this will be a part of the Vegetable Commission considerations. As a supervisor², BCFIRB's priority remains to help the industry transition to long-term, strategic solutions while balancing immediate business concerns.
3. If, at any juncture, a BCFIRB decision is requested by the Vegetable Commission, such as those related to agency approval, other supervisory review directions and/or a general supervisory decision, BCFIRB expects the Vegetable Commission will provide full reasoning based on SAFETI³.

BCFIRB staff will confirm these expectations in discussion with the Vegetable Commission this week. Any resulting process or other information relevant to industry stakeholders will be shared.

In Closing

The January Supervisory Review directions continue to be a strategic opportunity for both the Vegetable Commission and agencies to balance the needs of business with the required responsibilities that come with legislated powers (good governance and sound marketing policy in the public interest).

As noted above, it is the Vegetable Commission's responsibility to address the BCFresh-VIFP proposal in light of the Supervisory Review directions and to subsequently communicate the next steps, if any, to both BCFIRB and industry stakeholders.

If you have any questions, please contact Wanda Gorsuch at 250-356-7819 or Wanda.Gorsuch@gov.bc.ca

Yours truly,



Ron Kilmury

Chair

cc: BC Fresh Vegetables Inc.
Vancouver Island Farm Products Inc.
V.I.P. Produce Ltd.
Island Vegetagle Co-op Association
BC HotHouse Foods Inc.
Country Fresh Produce Inc.
Fraserland Organics Inc.
Global Greenhouse Produce Inc.
Greenhouse Grown Foods Inc.
Okanagan Grown Produce Ltd.
VF Operations Canada Inc.
BCFIRB web site

² *Natural Products Marketing (BC) Act* s. 7.1(1)(a)

³ The Vegetable Commission may wish to review the [BC Chicken Marketing Board Schedule 15](#) as one approach to using SAFETI. More information about SAFETI and Principles-Based Regulation can be found on BCFIRB's web site – [Governance Initiative](#).

Appendix A

Context - Supervisory Review of Vancouver Island Agencies

The “[Supervisory Review of the British Columbia Vegetable Marketing Commission Central Vancouver Island Agency Designations](#)” arose out of long-standing grower relationship issues, alongside agency governance and management issues, on Central Vancouver Island.

Regulators provided several opportunities over the years for growers and agencies to address these issues. BCFIRB decided a Review was an effective and strategic means to help conclusively address these tensions. Simply focusing on the agency prior approval decisions requested for VIFP and VIP under the Natural Products Marketing BC) Act Regulation outside of the context of the underlying situation would not resolve the fundamental issues negatively impacting growers and the industry.

The BCFresh-VIFP proposal comes at a time when the Vegetable Commission is working on meeting the January Supervisory Review directions, including:

- a) Developing a vision and strategic plan for the Vancouver Island regulated vegetable industry; including providing recommendations to BCFIRB as to the number and type of agencies for Vancouver Island before November 31, 2013;
- b) Monitoring and assessing VIFP and V.I.P. Inc. over 2013;
- c) Generally reviewing its agency accountability requirements, including submitting a report to BCFIRB before December 31, 2013; and,
- d) Moving forward with requesting a Scheme amendment that would allow for two independent members to sit on the Commission.

BCFIRB committed to providing a final decision on VIFP and VIP agency status, following receipt of the Vegetable Commission’s report, before December 31, 2013.

For more information on the Review and its background, see the BCFIRB web site - - [Supervisory Reviews – Central Island Agency Designations](#).