



April 18, 2005

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Bruce Cook, Chair
British Columbia Broiler Hatching Egg Commission

Ron Kilmury, Chair
British Columbia Chicken Marketing Board

David Taylor, Chair
British Columbia Egg Marketing Board

John Jansen, Chair
British Columbia Milk Marketing Board

Ron Charles, Chair
British Columbia Turkey Marketing Board

Brian Hughes, Chair
Certified Organic Associations of British Columbia Implementation Team

Dear Sirs/Mesdames:

**REVIEW OF SPECIALTY PRODUCTION AND NEW ENTRANT PROGRAMS –
IMPROVING ACCESS TO THE SUPPLY MANAGEMENT SYSTEM**

On March 21, 2005, the British Columbia Farm Industry Review Board (the “Provincial board”) issued a timetable for completing the subject review and implementing the approved commodity board proposals by June 30, 2005. Last week, representatives of the Provincial board and the Ministry of Agriculture, Food and Fisheries (the “Ministry”), accompanied by George Leroux and Kathleen Gibson, met with the five supply managed boards to examine the proposals submitted by each of the boards.

From this preliminary review, the Provincial board has determined that the policy objectives outlined in its August 25, 2004 Principles for Consideration in Support of Specialty Production

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Farm Industry Review Board

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and Marketing in the British Columbia Supply Managed System and in Mr. Leroux's December 20, 2004 Recommendations for Managing Specialty Agri-Food Products in BC's Supply Managed System have yet to be fully realized in the proposals submitted.

Accordingly, and in order to complete the substantive work already undertaken, the Provincial board is referring the proposals back to the commodity boards with directions to address outstanding questions which are identified in separate letters to each board.

The Provincial board is also requiring the commodity boards to address three (3) general issues as they revisit their proposals during the next phase:

1. Discuss and explain the markets for their product, and specifically their understanding of trends in the specialty sectors within these markets.
2. Provide explanation of their proposed specialty quota management policies and procedures for ensuring specialty markets are adequately serviced.
3. Explain their proposed allocation policies and procedures between the classes of quota (including mainstream new entrant).

At the same time, commodity boards should seek further substantive input from specialty groups and other industry players concerning recommendations to be made in their revised submissions. Specifically, commodity boards should seek policy and procedure recommendations which address these three areas outlined above – meeting the market, managing specialty quota and providing market responsive allocation between quota classes as well as input concerning the commodity-specific questions provided to the commodity boards by separate letter.

It is appreciated that challenges exist both for the commodity boards in understanding and assessing specialty marketing trends and for specialty producers in understanding and addressing supply management policy and procedural issues. Nevertheless, the Provincial board believes informed submissions with respect to these and the other commodity-specific issues are important prerequisites to reaching solutions that will work for both the mainstream and specialty sectors while meeting government's policy expectations.

Given the importance of the above matters and recognizing that it will take some time to respond to the questions raised, the Provincial board is amending the timetable outlined in its March 21, 2005 letter to read as follows:

April 1 to April 8	Initial review of the plans by Provincial board and Ministry representatives in consultation with George Leroux and Kathleen Gibson. COMPLETED.
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- April 11 to April 15 Provincial board and Ministry representatives meet with each of the commodity board working groups to review and assess the plans. George Leroux and Kathleen Gibson will also attend these meetings. COMPLETED.
- April 18 to May 18 Commodity boards revise their plans as necessary in response to Provincial board direction and conduct final consultation with their industry stakeholders.
- George Leroux and Kathleen Gibson will be available to assist commodity boards to complete their second submissions. They will also meet with specialty representatives to ensure their concerns are identified and brought to the attention of the commodity boards.
- May 18 Commodity boards submit their revised plans to the Provincial board, including their responses to the requirements identified in this general letter as well as the commodity-specific questions provided to each commodity board by separate letter. These plans are to be copied to industry stakeholders, with notification that further input on the plans should be provided in writing directly to the Provincial board by May 31. These plans are also to be posted on each board's website.
- May 31 Deadline for interested persons to provide their final, written comments on the commodity board plans to the Provincial board. These responses should focus on policies and procedures to ensure that all market segments are serviced, quota is effectively managed and allocation is responsive to the market.
- June 15 Provincial board issues its approvals or directions as required.
- June 15-30 Provincial board meets with individual commodity boards to discuss the approvals and directions provided and the preparation of draft Orders by the commodity boards.

Draft Orders flowing from these proposals will also be reviewed by the Provincial board before they come into effect, with the expectation that these draft Orders will have been submitted and approved prior to August 31.

George Leroux and Kathleen Gibson will continue to liaise with and assist commodity boards and the industry sectors. Commodity boards particularly are encouraged to make use of their services as the proposals are reviewed and revised.

The Provincial board recognizes that care and attention are required in making changes to the supply management system and would like to thank all for their efforts to date. All parties are encouraged to remain focused on changes that will allow BC's industry the first opportunity to serve BC's markets from within responsive, innovative and inclusive supply management systems in each sector.

Yours truly,



Richard Bullock
Chair

pc: Daphne Stancil, Assistant Deputy Minister
Strategy, Policy and Legislation
Ministry of Agriculture, Food and Fisheries

George Leroux
Kathleen Gibson

Council of Marketing Boards of BC
BC Broiler Hatching Egg Producers Association
BC Chicken Growers' Association
BC Egg Producers Association
BC Milk Producers Association
BC Turkey Association
BC Egg Hatchery Association
Certified Organic Associations of BC
Pro-Cert Canada Inc.
Primary Poultry Processors Association of BC
Lilydale Co-operative Ltd.
Fairline Developments Ltd.
Wingtat Game Bird Packers Ltd.
Bradner Farms Ltd.
Farmcrest Foods Ltd.
Avalon Dairy Ltd.
BC Egg Processors Council
BC Dairy Council
BC Poultry Committee
BC Specialty Egg Producers Association
BC Specialty Bird Association
Small Lot Agriculture Initiative
c/o Fraser Valley Direct Marketing Association
Island Farmers Alliance
Society for the Prevention of Cruelty to Animals