



February 15, 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:

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

On January 19, 2005, the British Columbia Farm Industry Review Board (the “Provincial board”) issued directions regarding its review of specialty production and new entrant programs as they relate to improving access to the supply management system. The purpose of today’s letter is to: summarize progress to date; identify future activities and dates; and provide clarification and direction with respect to certain issues.

Progress Report

Representatives of the Provincial board have met with the commodity boards and with the Certified Organic Associations of BC (“COABC”) Implementation Team to outline what is expected in the review.

British Columbia
Farm Industry Review Board

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George Leroux and Kathleen Gibson, acting on behalf of the Provincial board, have also had meetings with the commodity boards and the COABC team and have participated in an information meeting for specialty producers and marketers hosted by the COABC team on February 11. Mr. Leroux and Ms. Gibson, on an in-confidence basis, are now assisting the boards in developing and assessing potential specialty and new entrant programs. They are also continuing discussions with the COABC team on the same basis.

Although some matters remain contentious, there is widespread recognition that this is an opportunity to resolve issues related to specialty and new entrant programs to the betterment of the supply management system in BC and in the overall public interest.

Consultation

The Provincial board and the Ministry of Agriculture, Food and Fisheries (“Ministry”) will be closely monitoring developments and the Provincial board remains prepared to clarify requirements and provide further direction as necessary. However, several individuals and groups who have contacted this office requesting opportunities to discuss specific areas of concern with the Provincial board and/or Mr. Leroux and Ms. Gibson have been referred to the appropriate commodity board. This is to ensure that each board has the chance to fully address all outstanding issues before finalizing their proposed specialty and new entrant program plans.

The Provincial board requires that throughout this process, the commodity boards engage in proactive consultation with all industry stakeholders in both the specialty and mainstream sectors. As well, the boards should discuss ideas and approaches between themselves during this review, especially since many specialty operations are involved in the production and marketing of more than one type of regulated product. When the commodity boards submit their draft plans to the Provincial board for approval, evidence of such wide spread consultation will be required.

Timings

The March 31, 2005 deadline for the commodity boards to submit their draft plans to the Provincial board remains in effect. However, the boards will only be required to submit plans which describe the content of their proposed new orders governing specialty production and new entrant programs. The Provincial board will review these plans by the end of April 2005 and advise the commodity boards of any changes that must be made before the boards instruct legal counsel to draft the new orders that are to be in place by June 30, 2005.

The following is a more detailed breakdown of process and meeting timings between now and the March 31 deadline:

February 15 to February 25	Ongoing discussions and exchange of ideas by Mr. Leroux and Ms. Gibson with commodity boards and specialty producers (consultation by the boards with specialty and mainstream stakeholders is to be ongoing throughout).
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February 26	Mr. Leroux and Ms. Gibson presentation at COABC Annual General Meeting (Provincial board and Ministry representatives will also be in attendance).
March 3, 4 (a.m.) or March 7	Joint meeting of the five supply managed commodity boards to discuss their respective specialty and new entrant program plans with Mr. Leroux and Ms. Gibson facilitating. Brenda Coutts of this office will schedule this meeting in consultation with the boards.
March 7 to 11	The commodity boards review outcomes of the joint meeting, revise their plans accordingly and prepare the plans for presentation at upcoming stakeholder meetings.
March 14 week	The commodity boards present their proposals to specialty producers and mainstream producer associations for discussion. Mr. Leroux and Ms. Gibson are available to facilitate these meetings if desired by the commodity boards. The scheduling of these meetings will be coordinated by Ms. Coutts of this office.
March 21 week	If considered advisable after the March 14 week meetings, the commodity boards are to have follow-up meetings with specialty producers to review revised proposals.
March 31	The commodity boards submit their plans to the Provincial board for approval.

Transition Planning

As outlined in my January 19, 2005 letter, commodity boards should look at transitional planning issues related to “determining exemption levels, implementing quota transfer assessments, instituting revised permit fees and any other program amendment that may be necessary”. The boards are reminded of these critical requisites and are to note that “program amendment” issues related to existing “specialty” permit holders must be addressed in their planning.

The commodity boards must continue to reduce the potential for disputes during the interim period by actively and constructively seeking resolutions to any dispute that exists or may emerge.

Conclusion

The Provincial board appreciates the importance and complexity of the task faced by the commodity boards during this review. While we understand the pressures involved in adhering to the timetable that has been laid out, the Provincial board remains of the view that the

recommended framework can be implemented by the end of June 2005. This will provide increased certainty and will in the long term lead to a more innovative, viable and open marketing system in the BC supply management system.

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
Primary Poultry Processors Association of BC
Lilydale Co-operative Ltd.
Fairline Developments Ltd.
Wingtat Game Bird Packers Ltd.
Farmcrest Foods Ltd.
Avalon Dairy Ltd.
BC Egg Processors Council
BC Dairy Council
BC Specialty Egg Producers Association
Small Lot Agriculture Initiative
c/o Fraser Valley Direct Marketing Association
Island Farmers Alliance
Society for the Prevention of Cruelty to Animals