

**BC Milk Marketing Board - Powers and Duties Review**  
**BC Dairy Association Engagement Session**  
**April 17, 2014, Burnaby**  
**“As it was Heard” Report**

**Participants:**

BC Dairy Association Members

- Dave Taylor
- Ken Vandeburgt
- Jeremy Weibe
- Lorne Hunter
- Paul Davidson
- Dave Eto
- David Janssens
- Phil Owen
- Louis Schurmann
- Stan Van Keulen
- Paul Hargreaves

BC Milk Marketing Board

- Cornelis Hertgers
- Garth Green
- Bob Ingratta

**Purpose of the Session:**

- To engage industry stakeholders in the Review with the intent of securing comments and views on the continued appropriateness and adequacy of the current powers and duties of the BC Milk Marketing Board (Milk Board) and what if any additional powers were required to realize the strategic vision of the BC dairy industry.

**Format of the Session:**

- The Session started with a description of the scope and objectives of Powers and Duties Review, providing background context on past reviews and indicating that this was the “first dedicated review”.
- A summary of the Industry Engagement strategy being employed in the Review.
- An outline of the source of the Milk Board’s powers and duties.
- A summary of the existing strategic vision for the dairy industry was presented to provide a point of reference for the Review. Participants were advised that this relationship was important from a BC Farm Industry Review Board (FIRB) governance perspective as well as taking into account the SAFETI principles.
- The evolution of the promotion and marketing duties was provided.
- Participants were asked to
  - Consider the strategic vision, mission and pillars in their assessment of the current powers and duties of the Milk Board.
  - Share their views on the appropriateness of continued “delegation” of the promotion and marketing duties of the Board.
  - Consider any additional powers or duties needed by the Milk Board to realize the strategic vision of the industry.

## **Summary of Participant Views and Comments:**

### Clarity of Understandings

- Participants were not clear on the roles and responsibilities of the Milk Board and the relationship of those roles and responsibilities to other organizations.

Examples include:

- 1<sup>st</sup> receiver of milk, does that convey ownership of milk to the Milk Board?
- When does ownership transfer, to the Milk Board, to the processor?  
Participants expressed that they did not want to see the Milk Board take ownership of milk.
- Innovation – does the Milk Board initiate or facilitate innovation?
- CQM/proAction – BCDA versus Milk Board, development, implementation, enforcement roles.
- Promotion and marketing – what is the Milk Board’s role?
- Lobbying – Does the Milk Board have a role?

### Communication and Transparency

- Participants felt the Milk Board did a good job in reporting. In particular the Milk Board’s participation in regional meetings was appreciated and valued.
- Participants viewed consultation processes as being too in-depth, expressing concern that the longer the process and the more people involved resulting in “paralysis” and indecision. It was however recognized by the group that the Milk Board’s expanded the consultations for the Powers and Duties Review to include the Dairy Association and the decision was appreciated.
- Greater communication of rationale for decisions; in particular where committee recommendations are not accepted; the SPAC inhibitor infraction was used as an example.
- Opportunity to facilitate and broaden understanding of committee members through a more comprehensive explanation of results.

### Committees

- MIAC’s mandate is limited to pricing and production decisions
- MIAC provides a valuable forum where producers and processors are together at one table and provides for good discussion of issues. The Milk Board could benefit by taking the opportunity to broaden the committee’s scope from just production and pricing.
- Concern regarding the appointment process for committee members, however, general consensus was to leave as is.

## Promotion

- It was pointed out that the role of the Milk Board with respect to current promotional activities is limited to collecting the levies established under the *Dairy Industry Development Council Regulation (DIDC)* and paying the money collected to the Dairy Industry Development Council (Council).
- The Council has the responsibility as established under the DIDC for promotional levies and activities.
- Under the DIDC, there is no accountability for promotional activities by the Council or the Association to the Milk Board, the accountabilities as set out in the *Farming and Fishing Industries Development Act* are to the Minister of Agriculture.
- The promotional activities undertaken by the industry evolved over time and historically have not involved the Milk Board. The promotional funds were initiated under the provisions of the *Milk Industry Act*.
- Participants expressed a strong view that the Board had a very limited role in respect to marketing, citing promotion of classes of milk as an example.
- References in the Milk Board's annual report that "The Board delegates its powers for dairy marketing and promotion and public engagement to the BC Dairy Association" is not correct. There has never been a delegation from the Milk Board to the Association or any of its predecessors.

## Strategic Role/Policy Direction

- It was expressed that certain elements of the Milk Board's strategic plan goes beyond their regulatory role. Questions were raised about the Milk Board's intent with respect to
  - "address the future consolidation of farming";
  - innovation as indicated above; and
  - "reduce cross border shopping".
- The participants felt that the Milk Board was effectively handling their roles and responsibilities with respect to communication, industry relations, fiscal administration and management.
- Participants raised the view that BC having a Milk Board and a Dairy Association was unique and contrary to the situation in other provinces. They were very clear that the session was not a discussion of a combined Milk Board and Association.
- Some participants felt that the Board should not be the champion for the industry, nor should the Milk Board promote supply management as a regulator.

## Additional Roles and Responsibilities

- Questions were raised as to how would the evolution and implementation of proAction be handled?
- The Association believes it is their responsibility to develop and implement programs for the British Columbia industry.
- It needs the Milk Board to support those initiatives and provide the tools to secure producer compliance with the directions set by the Association.
- It is not clear as to how Milk Board can empower the Association to achieve the desired outcomes of proAction.

- The question of the future of milk inspection services provided by the Ministry of Agriculture was raised.
- Participants were of the general view that “independent” government inspection was positive and should be retained by government.
- A question regarding third party certification systems was brought up. What is the Milk Board’s role and can it facilitate to minimize the multiple layers of certification that currently exist, particularly in the organic sector.
- There were no specific additional powers or duties specifically identified by participants as being necessary in the immediate future.

Prepared by:

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