

September 4, 2014

Amending Order Final Consultation:

The BC Milk Marketing Board proposal for a Mandatory *Code of Practice for the Care and Handling of Dairy Cattle (Code)* on-farm

During the Board's Powers and Duties Review in 2014 and report on June 25, 2014 (details may be found on the Board's website), the Board consulted with stakeholders regarding potential additional powers and duties. As noted in the report, public and industry expectations of the dairy industry continue to increase in such areas as animal welfare, quality, environment etc. This has increased the complexity of the Board's operating environment. The *Natural Products Marketing (BC) Act* provides broad and enabling legislation for these emerging challenges to be addressed in the Board's role as a regulatory authority. The report noted that the Board will need to consider regulatory amendments for possible future additional duties with respect to animal welfare of milking cows and the (Dairy Farmers of Canada) "proAction" program.

In its June 14 and June 20, 2014 Industry Notices, the BC Milk Marketing Board (the Board) committed to provide inspection and audits of animal welfare in its role as a regulator. Subsequently, the Board established an Animal Welfare Steering Committee which provides oversight for audits by independent experts. Audits have been implemented at Chilliwack Cattle Sales, following the issuance of SPCA Orders. In addition, the Board committed to include regulatory changes in Board policies for mandatory compliance with the *Code* for all BC producers and invited key dairy industry stakeholders to a consultative meeting for input on a clear and accountable plan for dairy animal welfare. At this June 26, 2014 Industry consultation meeting, the consensus direction from all industry stakeholders was for the Board to provide a mechanism for a mandatory Code of Practice as soon as possible. The Dairy Industry and the BC Farm Industry Review Board (FIRB) requested that the Board rapidly develop mechanisms for monitoring and compliance of dairy animal welfare, in order to ensure orderly marketing.



In an August 1, 2014 letter, the FIRB provided further clarity around its expectations of the Board with respect to animal welfare and advised that there is “scope within the *Natural Products Marketing (BC) Act*” for the Board to address appropriate animal welfare standards so as to ensure orderly marketing is maintained. The FIRB made it clear that adopting enforceable standards was within the authority of the Board and that it reflects sound marketing policy.

The current standard in Canada for animal welfare is the National Farm Animal Care Council (NFACC) ***Code of Practice for the Care and Handling of Dairy Cattle (Code)***, which is a voluntary standard accepted by Dairy Farmers of Canada and the BC Dairy Association.

On September 3, 2014, the Board made the conditional approval of the attached *Draft Amending Order* for a mandatory *Code* and directed staff to issue this Industry Notice for an additional two week final consultation with the expectation to determine final Board approval of the Amending Order at the September 24, 2014 Board meeting with an effective date of October 1, 2014. The Amending Order for animal welfare reflects a best balance of producer and processor responsibilities to ensure orderly marketing.

Please see attached the *Draft Amending Order* and provide comments by September 18, 2014 to Vicki Crites: vcrites@milk-bc.com.

Please note that in order to maintain transparency of the consultative process, comments may be posted on the Board’s website under the Powers and Duties Review.

**DRAFT AMENDING ORDER FOR CONSULTATION
TO
CONSOLIDATED ORDER OF SEPTEMBER 1, 2013**

**MADE BY THE BRITISH COLUMBIA MILK MARKETING BOARD
ON SEPTEMBER 3, 2014**

The British Columbia Milk Marketing Board orders as follows:

1. *Section 28.1 is added to the Consolidated Order of September 1, 2013 immediately following section 28, as follows:*

Code of Practice for the Care and Handling of Dairy Cattle

- 28.1 (1) From and after October 1, 2014, every Producer must comply with the applicable on-farm requirements specified in the *Code of Practice for the Care and Handling of Dairy Cattle* published by the Dairy Farmers of Canada and the National Farm Animal Care Council.
- (2) Subject to subsection (5), where an inspector appointed by the Board has determined that a Producer has failed to comply with an applicable on-farm requirement specified in the *Code of Practice for the Care and Handling of Dairy Cattle*, then for so long as that Producer is non-compliant, and in any event for a period of not less than the remainder of the month in which the determination was made and the next subsequent month, that Producer is ineligible to:
- (a) receive the Milk Quality Bonus;
 - (b) buy or sell Continuous Daily Quota on the Quota Exchange or otherwise;
 - (c) participate in a Credit Transfer;

Amending Order ??
Page 1 of 3

- (d) re-allocate Continuous Daily Quota among dairy farms;
 - (e) receive a temporary production permit;
 - (f) receive a general allotment of Continuous Daily Quota by the Board; and
 - (g) receive incentive days.
- (3) In addition to any sanction that may be imposed under the preceding subsection, the Board may, in accordance with Part XIV of the Consolidated Order, suspend or cancel the licence held by, or Continuous Daily Quota allotted to, a Producer who has been determined by the Board to be non-compliant with an applicable on-farm requirement specified in the *Code of Practice for the Care and Handling of Dairy Cattle*.
- (4) Nothing in this section shall be interpreted as abrogating or limiting the application of Part XIV of the Consolidated Order to any other contravention of this Consolidated Order, the B.C. Act, the B.C. Regulation or other relevant legislation.
- (5) On the application of the affected Producer, the Board may, in its sole discretion, waive any one or more of the sanctions described in subsection (2) where the Board is satisfied that exceptional circumstances justify such a waiver.

2. *Section 50 of the Consolidated Order of September 1, 2013 is replaced with the following:*

Vendor Levies and Charges

50. (1) Levies are fixed and imposed on each Vendor as set out in Schedule 6. Such levies are due and payable to the Board on the 12th Business Day of each month, and shall thereafter bear interest at the rate of 24% per annum.

- (2) On each occasion that a Vendor cancels a requested Delivery of milk on less than three Business Days' notice to the Board, an order change surcharge of \$350.00 will be imposed upon that Vendor.
- (3) For the purpose of subsection (2), a Vendor may request a volume of milk on a specified day provided that such request is made at least three Business Days before the requested Delivery date, but the Board will determine, in consultation with the Vendor, the time of day that such milk will be Delivered.
- (4) On each occasion that a Vendor requests a Delivery of Organic Production without qualifying that the request is subject to reasonable variation with respect to volume and delivery days, an order surcharge of \$250.00 will be imposed upon that Vendor. The Board may, in its discretion, waive the order surcharge for a period of up to 12 months where the Vendor is requesting a Delivery of Organic Production for the purpose of developing new products.
- (5) On each occasion that a Vendor refuses to receive a requested Delivery of Qualifying milk as directed by the Board, an order refusal surcharge will be imposed upon that Vendor in an amount equal to the current month's Class 4 (d) price multiplied by the number of hectolitres of Qualifying Milk so refused.

3. *This Order comes into effect on October 1, 2014.*

DATED Abbotsford, British Columbia, on September 3, 2014.

BRITISH COLUMBIA MILK MARKETING BOARD

J. Byrne, Chair

B. Cuthbert, Vice Chairman

T. Hoogendoorn, Sec-Treasurer

C. Hertgers, Member

D. Klein Geltink, Member

G. Green, Member

Amending Order ??
Page 3 of 3