

March 23, 2017

Quota Tools Assessment Review (QTAR) Industry Questions for Consultation Stage 1

The BC Milk Marketing Board is conducting a Quota Tools Assessment Review (QTAR). This review is initiated by the Farm Industry Review Board (FIRB) to all five supply managed commodity boards in the province to develop long term quota policies that will support industry stakeholders and the public interest for BC residents. [BC FIRB Quota Assessment Tool Evaluation – February 28, 2017](#)

Objective

The overall purpose of the review is to assess the outcomes of BCFIRB's 2005 Specialty Review transfer assessment and industry entry related directions as they pertain to their continued effectiveness, utility and appropriateness. The evaluation will be conducted in light of:

- The 2005 transfer assessment and industry entry related policy objectives; and,
- Supporting delivery of sound marketing outcomes in a rapidly changing environment

The review will primarily focus on two policies; (1) Transfer Assessment Structure; and (2) Industry Entry; however, a sound evaluation of related quota policies will be conducted to provide a thorough rationale for any proposed policy changes.

BC Quota Policy and Governance Review

In 2013 the BC Milk Marketing Board commissioned a comprehensive review in parallel with the FIRB which focused on policies relating to the governance of dairy quota in BC. Policies reviewed included allocation, production and the transfer of dairy quota. Policy proposals were categorized into five main themes (in no order); Quota Allocation; Graduated Entrant Program; Farm Succession; Declining Transfer Assessment; Whole Farm Transfers & Quota Exchange. Other themes discussed were Specialty Milk, the Cottage Industry Program and Lifestyle Milk. The Board submitted final recommendations on April 15, 2014. [BC Quota Policy Governance Consultation](#)

Although the focus areas of this review will be specific to two areas of policy, the Board will consult and provide feedback on the five main themes included in the 2014 Quota Policy & Governance submission.



Participation

During the first stage of consultation process, the Board will hold five regional face-to-face listening sessions with dairy industry stakeholders (producers, processors, vendors and other dairy industry participants) in conjunction with their annual spring producer meetings across BC. These sessions will take place from March 28, 2017 to April 12, 2017. [Notice of Spring 2017 Producer Meetings](#)

In addition to the face-to-face meetings, all dairy industry stakeholders and members of the public are invited to review the questions below and provide input to the Board via mail: Suite 200 – 32160 South Fraser Way, Abbotsford, BC V2T 1W5, via Fax 604.556.7717 or via email to qtar@milk-bc.com by April 28, 2017.

The Board will use the face-to-face sessions and all written submissions to identify ideas and relevant themes to develop options for any proposed policy changes.

The following questions were provided by FIRB to all participating commodity boards to assist in providing a focus to QTAR discussions. The Board encourages all industry stakeholders and members of the public to provide input using these questions as guidance. Anyone attending the face-to-face sessions will have an opportunity to discuss these questions with other attendees. The Board will be requesting written submissions from all regional producer groups, processors and members of the public by April 28, 2017. Additional comments are welcome but only comments related to the scope of this review will be evaluated.

All information pertaining to this review and all supporting documents can be found at [BC Dairy Quota Tools Assessment Review \(QTAR\)](#)

Questions for Industry Discussion

1. Have transfer assessments limited the transfer of quota, if so, to what extent? Do you think this is contributing to increases in the price of quota?
2. Do transfer assessments impact new entrants, specialty and mainstream producers differently, and if so, how?
3. Are there changes to quota transfer assessments – or other tools- that could further reduce barriers to entry and increase quota availability?
4. Are there other ways in which new people are entering the industry, what are they and how prevalent are they?
5. Do current transfer assessments and exemptions enable producers to sell/transfer their farms sufficiently intact to remain financially or operationally viable? Are whole farm transfers still important for succession or industry health?
6. Is the traditional family farm approach to succession changing? If so, to what degree?
7. Are non-family succession structures important for industry success going forward? If so, are there related quota management tools that could support this approach to farm succession in addition to, or in place of, transfer assessment exemptions?
8. Other Comments?