

**BRITISH COLUMBIA MILK MARKETING BOARD**



# Annual Report

For The Dairy Year  
2000 - 2001

Twelfth Annual Report  
July 31, 2001

**2001 ANNUAL GENERAL MEETING**  
**OF THE**  
**BRITISH COLUMBIA MILK MARKETING BOARD**

|   |   |
|---|---|
| CHAIRMAN .....                                  | JOHN JANSEN   |
| VICE-CHAIRMAN .....                             | BEN CUTHBERT  |
| SECRETARY-TREASURER .....                       | BEN JANZEN  |
| BOARD MEMBER .....                              | CHARLIE IBERG   |
| BOARD MEMBER .....                              | JOHN PRUIM  |
| MILK INDUSTRY ADVISORY COMMITTEE CHAIRMAN ..... | GORDON SOUTER   |
| AUDIT COMMITTEE CHAIRMAN .....                  | DICK KLEINGELTINK   |
| GENERAL MANAGER .....                           | THOMAS DEMMA  |
| ASSISTANT GENERAL MANAGER .....                 | JIM BYRNE   |
| COMPTROLLER .....                               | ROBERT DELAGE   |
| PROVINCIAL MILK MANAGER .....                   | WARREN PENNER   |
| POLICY ANALYST .....                            | GENEVIEVE LANIEL  |
| PROGRAM MANAGER .....                           | SCOTT MILES   |
| FINANCE OFFICER .....                           | BARBARA PACHOLKO  |
| QUOTA OFFICER .....                             | JENNIFER LAVOIE   |
| MILK PAYMENTS CLERK .....                       | SANDRA LIVINGSTON   |
| RECEPTIONIST .....                              | KELLY FAIRBANKS   |
| HERD INSPECTOR .....                            | JOHN LOCKHART   |
| BOARD OFFICE .....                              | 2669 DEACON STREET<br>ABBOTSFORD, BC V2T 6H3<br>TELEPHONE: (604) 556-3444<br>FACSIMILE: (604) 556-7717<br>WEB SITE: WWW.MILK-BC.COM |
| FINANCIAL INSTITUTION .....                     | BANK OF MONTREAL  |
| AUDITORS .....                                  | KPMG - CHILLIWACK   |
| VENDOR AUDITORS .....                           | KPMG - NEW WESTMINSTER  |
| LEGAL COUNSEL .....                             | MACAULAY MCCOLL   |

# TWELFTH ANNUAL GENERAL MEETING

THURSDAY, NOVEMBER 15, 2001

RANCHO CATERERS  
35110 DELAIR ROAD  
ABBOTSFORD, BC

## AGENDA

|  |                          |
|--|--------------------------|
| <b>Call to Order</b>                               | <b>10:30 a.m.</b>        |
| <b>Reading of the Notice of Meeting</b>            |                          |
| <b>Approval of the Minutes of the Eleventh AGM</b> |                          |
| <b>Business Arising from the Minutes</b>           |                          |
| <b>Chairman's Statement</b>                        | <b>John Jansen</b>       |
| <b>General Manager's Report</b>                    | <b>Thomas Demma</b>      |
| <b>Report of the Audit Committee</b>               | <b>Dick Kleingeltink</b> |
| <b>Auditors' Report</b>                            | <b>KPMG</b>              |
| <b>Financial Statements</b>                        | <b>Ben Janzen</b>        |
| <b>Appointment of Auditor</b>                      | <b>Dick Kleingeltink</b> |
| <b>Approval of Members' Remuneration</b>           | <b>Dick Kleingeltink</b> |
| <b>Review of Statistical Information</b>           | <b>John Jansen</b>       |
| <b>Report on Legal Issues</b>                      | <b>John Jansen</b>       |
| <b>New Business</b>                                |                          |
| <b>Adjournment</b>                                 |                          |
| <b>Lunch Break</b>                                 |                          |

## TABLE OF CONTENTS

|  | Page Number |
|--|-------------|
| Chairman's Statement.....                            | 5           |
| General Manager's Report.....                        | 7           |
| Financial Statements .....                           | 9           |
| General Fund .....                                   | 9           |
| Milk Pool Equalization Fund .....                    | 22          |
| Statistical Overview.....                            | 28          |
| Going Concern Sales and Other Transfers .....        | 29          |
| Quota Exchange .....                                 | 29          |
| Provincial/Federal Manufactured Milk Quota.....      | 29          |
| Graduated Entry Program .....                        | 29          |
| Vendor Audits .....                                  | 30          |
| Summary of Legal Proceedings .....                   | 30          |
| Summary of Appeals to the B.C. Marketing Board ..... | 31          |
| Appendix of Statistical Tables .....                 | 32          |

## CHAIRMAN'S STATEMENT

The August 1, 2000 to July 31, 2001 dairy year was one where significant improvements were achieved with respect to national and regional pooling issues. These improvements included a reduction in equalization obligations, an increase in provincial market sharing quota (PMSQ) allotted to British Columbia by way of the National Milk Marketing Plan (NMMP) and the prospect for growth in PMSQ.

The reduction in equalization obligations combined with higher milk prices resulted in increased values for monthly milk pools and larger returns for producers. The cost of milk procured by British Columbia processors remained competitively priced when compared to milk procurement costs for processors operating in the other western provinces.

The exit of Agrifoods International Cooperative Limited from the British Columbia processing sector in February 2001 and the subsequent entry of Saputo Incorporated brought its own brand of challenges and consequences for the British Columbia Milk Marketing Board (BCMMP) and the dairy industry in British Columbia. These events also had a significant impact on the Western Milk Pool.

In response to the new processor ownership environment, the Board researched prevailing legislative and regulatory authorities in British Columbia and other jurisdictions. Accordingly, during the latter part of the reporting period, the BCMMP channeled its efforts on an extensive consultation process involving both producers and processors. This consultation focused on the BCMMP acting in the role of first receiver of milk by October 1, 2001. Although coordinated delivery of producers' milk and its receipt by processors are an interrelated corollary of first receiver responsibilities, the BCMMP also examined cost sharing of freight, plant of last resort, interprovincial movement of milk and the assurance of a daily milk supply for British Columbia processors.

Since the World Trade Organization (WTO) panel ruling in 1999, the Canadian and British Columbia dairy sectors have been in a constant state of change. Through the Canadian Milk Supply Management Committee (CMSMC), British Columbia has contributed to the effort of achieving a national milk marketing system where Canadian exports of dairy products would be compliant with Canada's multilateral and bilateral trade obligations. The test of this policy will be the final hearing of the WTO panel that will be held in the near future.

Besides adopting new technology to stay at the forefront of Canada's dairy industry, British Columbia's producers have demonstrated the resolve to remain in the industry. Despite the five-year trend of fewer licensed dairy farmers in the province, British Columbia continues to record more milk production each year. This increasing milk supply is meeting the sustained, yet moderate growth in demand being experienced by the dairy sector. This growth is contingent upon the slow, yet upward trend in the provincial population and gains in per capita consumption over the broad range of dairy products commonly found on store shelves.

In anticipation of the expiration of my initial three-year term as a non-producer member of the BCMMB, the Milk Industry Advisory Committee (MIAC) deliberated on this principal regulatory responsibility this summer. The outcome of its deliberations was to appoint me to serve a second term commencing November 2001. I look forward to serving the industry for this second term.

In closing, I would like to express my appreciation to producers, processors, Board Members and staff for their support and dedication during the period from August 1, 2000 to July 31, 2001.

Respectfully submitted,

John Jansen  
Chairman

## GENERAL MANAGER'S REPORT

Legislative and regulatory compliance and governance of the British Columbia Milk Marketing Board (BCMMLB) are the responsibilities of the Chairman and the Board Members as supported by staff. Regulatory obligations are met through the work of the Board, the British Columbia Milk Industry Advisory Committee (MIAC) and the Audit Committee.

As part of its consultation practices, the Board holds producer meetings each spring and fall throughout the province. In addition to the producer meetings, the Board establishes working groups from time to time for the purpose of obtaining the views of dairy industry stakeholders. Some working groups are comprised solely of producers whereas others include both producer and processor representatives. As well, Board Members and staff regularly attend meetings organized by other British Columbia dairy industry groups in order that pertinent information can be exchanged and views gathered. These consultative mechanisms lead to the development of BCMMLB policy and, where required, the creation or amendment of regulation in the form of the Consolidated Order.

Responsibility for day to day BCMMLB operations vests with the General Manager. In addition to the General Manager, there are nine full time employees. The accounting firm of KPMG LLP in New Westminster performs milk plant audits on a fee for service basis. Herd inspections, which are an integral part of the audit activity for producer vendors, are performed by a part time contractor. Legal services are obtained from the law firm Macaulay McColl. When necessary, investigation and surveillance services are provided by licensed investigators.

Not to the exclusion of others, fundamental day to day operations are:

- licensing all producers, processors and milk transporters;
- maintaining a register of licensed producers;
- serving as the registrar of milk quota, including establishing the terms on which milk quota is allotted, held, altered, suspended or cancelled;
- establishing milk utilization classes and accounting values;
- administering the monthly producers' equalization pool, including reconciliation of milk production and processor sales and collecting and remitting industry prescribed fees;
- administering the regulatory authority to direct milk for use in all milk classes;
- administering milk marketing regulations for industry compliance purposes, including, when warranted, making use of inspection authority;
- communicating with dairy industry stakeholders through an established communications program, including the preparation and circulation of the monthly newsletter;
- liaising with government, British Columbia dairy and agriculture organizations and milk marketing boards and agencies outside of British Columbia; and
- delivering Board authorized services.

During the reporting period, Board decisions resulted in amendments to BCMMLB authority, changes to administration practices or the performance of directed measures. A list of significant accomplishments that occurred during the 2000/2001 dairy year is set out below.

- Amendments to the Consolidated Order during the reporting period were as follows:
  - quota swap minimum amount reduced from 500 kilograms of TPQ to 200 kilograms;
  - general allotments to be allocated to licensed producers on a pro rata basis;
  - changes were made to Commercial Export Milk references for the purpose of remaining consistent with the scheme and Canada's multilateral and bilateral trade obligations;
  - the transfer of milk quota involving siblings where the production unit remains intact and on the same real property is exempt from the transfer assessment policy;
  - Producer Temporary Special Administration Levy for Dairy Farmers of Canada legal costs for WTO defense purposes established November 2000 and rescinded June 2001;
  - Vendor Marketing Costs and Losses Levy was imposed on processors reporting fluid milk sales in Classes 1(a), 1(b)(i) and 1(c) effective February 2001; and
  - accounting values changed each month for Special Milk Classes and on February 1, 2001 for fluid and industrial milk classes;
- General TPQ allotment of 523,304 kilograms effective November 2000 on a pro rata basis;
- General TPQ allotment of 385,851 kilograms effective December 2000 on a pro rata basis;
- WMP pooling methodology changed from total solids to actual Multiple Component Pricing effective August 1, 2000 leading to comparatively reduced monthly equalization obligations;
- British Columbia's share of the Canadian Dairy Commission 1999/2000 dairy year surplus (\$440,000) distributed to licensed producers in November 2000;
- Equalization funds in the amount of \$3.8 Million held in trust by the Canadian Dairy Commission in regard to anticipated retroactive changes to national and regional pooling calculations distributed to licensed producers in May 2001;
- Changes made to monthly milk quota allocation administration resulting in greater production flexibility; and
- In preparation for the 2001/2002 dairy year, the \$1.10 per hectolitre handling charge was eliminated, and as is the case in other jurisdictions, Class 3 was segregated into Class 3(a) for cheeses other than cheddar and Class 3(b) for all types of cheddar cheese.

In the later part of the reporting year, staff focused on preparing the Board for becoming the first receiver of milk. This included plant of last resort considerations, paying producers for delivered milk, implementing a milk quality bonus and administering the cost sharing of freight.

The goal of BCMMB staff is to provide accurate and timely administrative services for producers and processors. Board operations and work activities are constantly examined to gain greater efficiencies and achieve cost savings wherever possible.

Lastly, I extend my appreciation to the BCMMB staff for their dedicated efforts. Their work during the reporting period permitted the Board to meet its legislative and regulatory obligations and its administration and service objectives.

Thomas A. Demma, P. Ag.  
General Manager



Financial Statements of

**BRITISH COLUMBIA MILK  
MARKETING BOARD**

GENERAL FUND

Year ended July 31, 2001



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## AUDITORS' REPORT TO MEMBERS

We have audited the balance sheet of British Columbia Milk Marketing Board General Fund as at July 31, 2001 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the British Columbia Milk Marketing Board General Fund as at July 31, 2001 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Chilliwack, British Columbia  
September 25, 2001



# BRITISH COLUMBIA MILK MARKETING BOARD

GENERAL FUND  
Balance Sheet

July 31, 2001, with comparative figures for 2000

|                              | 2001                 | 2000                |
|------------------------------|----------------------|---------------------|
| <b>Assets</b>                |                      |                     |
| Current assets:              |                      |                     |
| Cash                         | \$ 8,097,577         | \$ 5,424,414        |
| Accounts receivable (Note 3) | 3,848,665            | 3,704,731           |
| Prepaid expenses             | -                    | 6,300               |
|                              | <u>11,946,242</u>    | <u>9,135,445</u>    |
| Investment (Note 4)          | 63,837               | 76,504              |
| Capital assets (Note 5)      | 90,814               | 89,982              |
|                              | <u>\$ 12,100,893</u> | <u>\$ 9,301,931</u> |

## Liabilities and Net Assets

|  |                      |                     |
|--|----------------------|---------------------|
| Current liabilities:                     |                      |                     |
| Accounts payable and accrued liabilities | \$ 103,593           | \$ 160,570          |
| Fees payable or refundable (Note 6)      | 4,789,947            | 4,418,642           |
| Unearned fees (Note 7)                   | 4,015,527            | 1,925,557           |
|  | <u>8,909,067</u>     | <u>6,504,769</u>    |
| Net assets:                              |                      |                     |
| Invested in capital assets               | 90,814               | 89,982              |
| Internally restricted                    | 1,843,575            | 1,843,575           |
| Unrestricted                             | 1,257,437            | 863,605             |
|  | <u>3,191,826</u>     | <u>2,797,162</u>    |
| Commitment (Note 10)                     |                      |                     |
| Contingent liability (Note 11)           |                      |                     |
|  | <u>\$ 12,100,893</u> | <u>\$ 9,301,931</u> |

On behalf of the Board:



John Jansen, Chairman



Ben Janzen, Secretary-Treasurer

See accompanying notes to financial statements.

# BRITISH COLUMBIA MILK MARKETING BOARD

## GENERAL FUND

### Statement of Revenues and Expenditures

Year ended July 31, 2001, with comparative figures for 2000

|   | 2001              | 2000              |
|---|-------------------|-------------------|
| Revenues:   |                   |                   |
| Other agencies (Note 8)                               | \$ 25,080,232     | \$ 33,437,686     |
| Board (Note 9)  | 1,604,021         | 1,583,027         |
|   | <u>26,684,253</u> | <u>35,020,713</u> |
| Less transfers to other agencies (Note 8)             | 25,080,232        | 33,437,686        |
|   | <u>1,604,021</u>  | <u>1,583,027</u>  |
| Interest  | 374,821           | 255,184           |
| Special projects expense recovery                     | 50,323            | -                 |
| Over quota and unlicensed producer fees - prior years | -                 | 18,135            |
|   | <u>2,029,165</u>  | <u>1,856,346</u>  |
| Expenditures:   |                   |                   |
| Amortization  | 22,704            | 22,495            |
| Audit - Board   | 17,000            | 17,000            |
| - Vendor  | 160,167           | 140,107           |
| Board member per diems                                | 176,275           | 155,450           |
| Committees  | 841               | 829               |
| Consulting and contract wages                         | 40,603            | 38,750            |
| Data processing                                       | 87,015            | 85,748            |
| General office and administration                     | 278,485           | 254,243           |
| Legal   | 93,452            | 99,719            |
| Salaries and benefits                                 | 513,760           | 540,446           |
| Special projects                                      | 51,549            | 107,740           |
| Travel  | 192,650           | 253,253           |
|   | <u>1,634,501</u>  | <u>1,715,780</u>  |
| Excess of revenues over expenditures                  | <u>\$ 394,664</u> | <u>\$ 140,566</u> |

See accompanying notes to financial statements.

# BRITISH COLUMBIA MILK MARKETING BOARD

## GENERAL FUND

### Statement of Changes in Net Assets

Year ended July 31, 2001, with comparative figures for 2000

|   | 2001                             |                          |              | 2000         |              |
|---|----------------------------------|--------------------------|--------------|--------------|--------------|
|   | Invested<br>in capital<br>assets | Internally<br>restricted | Unrestricted | Total        | Total        |
| Balance,<br>beginning of year                           | \$ 89,982                        | \$ 1,843,575             | \$ 863,605   | \$ 2,797,162 | \$ 2,656,596 |
| Excess (deficiency) of<br>revenues over<br>expenditures | (22,704)                         | -                        | 417,368      | 394,664      | 140,566      |
| Change in investment<br>in capital assets               | 23,536                           | -                        | (23,536)     | -            | -            |
| Balance, end of year                                    | \$ 90,814                        | \$ 1,843,575             | \$ 1,257,437 | \$ 3,191,826 | \$ 2,797,162 |

See accompanying notes to financial statements.

# BRITISH COLUMBIA MILK MARKETING BOARD

## GENERAL FUND

### Statement of Cash Flows

Year ended July 31, 2001, with comparative figures for 2000

|  | 2001         | 2000         |
|--|--------------|--------------|
| Cash provided by (used in):  |              |              |
| Operating:   |              |              |
| Excess of revenues over expenditures                                     | \$ 394,664   | \$ 140,566   |
| Items not involving cash:  |              |              |
| Amortization of equipment  | 22,704       | 22,495       |
| Amortization of prepaid rent   | 21,667       | 19,385       |
| Net changes in non-cash working capital balances relating to operations: |              |              |
| Accounts receivable  | (143,934)    | 265,918      |
| Prepaid expenses   | 6,300        | (6,300)      |
| Accounts payable and accrued liabilities                                 | (56,977)     | (15,670)     |
| Fees payable or refundable   | 371,305      | (1,051,584)  |
| Unearned fees  | 2,089,970    | (54,176)     |
|  | 2,705,699    | (679,366)    |
| Investing:   |              |              |
| Purchase of capital assets   | (23,536)     | (17,225)     |
| Increase in investment   | (9,000)      | (2,000)      |
|  | (32,536)     | (19,225)     |
| Increase (decrease) in cash position                                     | 2,673,163    | (698,591)    |
| Cash position, beginning of year   | 5,424,414    | 6,123,005    |
| Cash position, end of year   | \$ 8,097,577 | \$ 5,424,414 |
| Supplementary cash flow information:                                     |              |              |
| Interest received  | \$ 316,430   | \$ 203,497   |

See accompanying notes to financial statements.

# BRITISH COLUMBIA MILK MARKETING BOARD

GENERAL FUND

Notes to Financial Statements

Year ended July 31, 2001

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## 1. General:

(a) The British Columbia Milk Marketing Board ("the Board") is a regulatory body which receives its authority under the Natural Products Marketing (B.C.) Act, the British Columbia Milk Marketing Board Regulation, the Milk Industry Act, the Agricultural Products Marketing Act, the British Columbia Milk Order, the Canadian Dairy Commission Act, and the Dairy Products Marketing Regulations. The General Fund includes all statutory activities of the Board with the exception of Milk Pool Equalization Fund which is accounted for as a distinct fund and reported on separately.

The Milk Pool Equalization Fund has \$85,307,920 in equalization revenue and \$85,307,920 in equalization expenditures and \$12,208,873 in assets and liabilities to July 31, 2001 which are not included in these financial statements.

(b) The Board remits Equalization payments to the Canadian Dairy Commission ("CDC"). The CDC receives the funds in respect of milk and dairy products in inter-provincial trade and, as agent for the Board, distributes them pursuant to prevailing pooling agreements, and, in respect of milk and dairy products in international export trade, pursuant to the above legislation.

## 2. Significant accounting policies:

(a) Unearned fees:

Unearned fees consists of:

- i) the difference between the world price received by producers and domestic price paid by processors for milk shipments assessed by the Board based on individual producer's market share quotas and those computed by the CDC based on the aggregate provincial allotment of quota for the dairy year; plus,
- ii) distributions of any surpluses from the marketing operations of the CDC for the year.

The Board exercises discretion over the use of these funds. At the discretion of the Board in any year following the recording of unearned fees, the amounts may be appropriated as revenue or redistributed to producers. Appropriated revenues are recorded as internally restricted funds until utilized by the Board.

# BRITISH COLUMBIA MILK MARKETING BOARD

GENERAL FUND

Notes to Financial Statements (Continued)

Year ended July 31, 2001

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## 2. Significant accounting policies (continued):

(b) Investments:

The investment in Central Agricultural Facility Ltd. is recorded on the equity basis which approximates cost.

(c) Capital assets:

Capital assets are recorded at cost.

Amortization of office equipment has been provided in the accounts on a declining balance basis at an annual rate of 20% calculated on the unamortized balance at the end of the year.

(d) Use of estimates:

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## 3. Accounts receivable:

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|                             | 2001               | 2000               |
|-----------------------------|--------------------|--------------------|
| Milk Pool Equalization Fund | \$ 3,079,525       | \$ 3,177,406       |
| Accounts receivable - trade | 769,140            | 527,325            |
|                             | <hr/> \$ 3,848,665 | <hr/> \$ 3,704,731 |

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# BRITISH COLUMBIA MILK MARKETING BOARD

GENERAL FUND

Notes to Financial Statements (Continued)

Year ended July 31, 2001

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## 4. Investment:

The investment is in a 50% owned subsidiary, Central Agricultural Facility Ltd.

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|   | 2001             | 2000             |
|---|------------------|------------------|
| Advances representing:                                |                  |                  |
| Prepaid rent  | \$ 109,250       | \$ 109,250       |
| Less amortized to rent expense                        | (72,163)         | (50,496)         |
|   | <u>37,087</u>    | <u>58,754</u>    |
| Advances without interest or fixed terms of repayment | 26,750           | 17,750           |
|   | <u>\$ 63,837</u> | <u>\$ 76,504</u> |

## 5. Capital assets:

---

|                  | 2001       |                             | 2000              |                   |
|------------------|------------|-----------------------------|-------------------|-------------------|
|                  | Cost       | Accumulated<br>amortization | Net book<br>value | Net book<br>value |
| Office equipment | \$ 316,589 | \$ 225,775                  | \$ 90,814         | \$ 89,982         |

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# BRITISH COLUMBIA MILK MARKETING BOARD

GENERAL FUND

Notes to Financial Statements (Continued)

Year ended July 31, 2001

## 6. Fees payable or refundable:

|   | 2001         | 2000         |
|---|--------------|--------------|
| Equalization payments - Special Classes and Western Milk Pool | \$ 3,678,065 | \$ 3,869,124 |
| Fees payable:   |              |              |
| Accommodation fees  | 169,172      | 161,373      |
| Dairy Farmers of Canada - Promotion                           | 299,826      | 253,273      |
|   | 468,998      | 414,646      |
| Other fees payable to third parties or to producers:          |              |              |
| Fees payable for interprovincial hauling                      | 411,226      | -            |
| Skim-off payable to Dairy Farmers of Canada                   | 118,998      | 134,872      |
| Domestic/over-quota fees                                      | 62,745       | -            |
| Marketing costs and losses fees                               | 49,915       | -            |
|   | 642,884      | 134,872      |
|   | \$ 4,789,947 | \$ 4,418,642 |

## 7. Unearned fees:

|  | 2001         | 2000         |
|--|--------------|--------------|
| Balance, beginning of year                     | \$ 1,925,557 | \$ 1,979,733 |
| Add:   |              |              |
| Over quota - domestic/world price differential | 1,519,362    | 1,155,129    |
| In quota fees charged to producers             | 395,762      | -            |
| Over quota - interprovincial freight           | 232,433      | -            |
| Fees - prepaid                                 | 16,753       | -            |
|  | 4,089,867    | 3,134,862    |
| Less:  |              |              |
| Credited to producers in the year              | 74,340       | 1,202,876    |
| Transferred to operations                      | -            | 6,429        |
|  | 74,340       | 1,209,305    |
| Balance, end of year                           | \$ 4,015,527 | \$ 1,925,557 |

# BRITISH COLUMBIA MILK MARKETING BOARD

GENERAL FUND

Notes to Financial Statements (Continued)

Year ended July 31, 2001

## 8. Fees - other agencies:

During the year the following fees were assessed by the Board for remittance to other agencies:

|   | 2001                 | 2000                 |
|---|----------------------|----------------------|
| Assessed on producers via Milk Pool Equalization Fund payments for remittance to Canadian Dairy Commission: |                      |                      |
| Special Classes pooling   | \$ 14,754,390        | \$ 18,547,735        |
| Western Milk Pool equalization  | 3,900,000            | 3,900,000            |
| Over quota - domestic/world price differential  | 1,174,306            | 6,281,881            |
|   | <u>19,828,696</u>    | <u>28,729,616</u>    |
| Assessed on producers for remittance to Dairy Farmer of Canada:   |                      |                      |
| Promotion   | 3,039,530            | 2,914,901            |
| Assessed on processors for remittance to plant of last resort:  |                      |                      |
| Accommodation fees  | 1,695,539            | 1,793,169            |
| Assessed on processors for remittance to producers:   |                      |                      |
| Marketing costs and losses fees   | 516,467              | -                    |
|   | <u>\$ 25,080,232</u> | <u>\$ 33,437,686</u> |

# BRITISH COLUMBIA MILK MARKETING BOARD

GENERAL FUND

Notes to Financial Statements (Continued)

Year ended July 31, 2001

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## 9. Board fees:

During the year the following fees were assessed by the Board:

|                           | 2001               | 2000               |
|---------------------------|--------------------|--------------------|
| Assessed on producers:    |                    |                    |
| Administration fees       | \$ 962,346         | \$ 944,679         |
| Licence fees              | 145,540            | 152,016            |
| Wait list fees            | 8,300              | 10,300             |
|                           | <hr/> 1,116,186    | <hr/> 1,106,995    |
| Assessed on processors:   |                    |                    |
| Administration fees       | 477,099            | 467,352            |
| Licence fees              | 7,290              | 6,068              |
|                           | <hr/> 484,389      | <hr/> 473,420      |
| Assessed on transporters: |                    |                    |
| Licence fees              | 3,446              | 2,612              |
|                           | <hr/> \$ 1,604,021 | <hr/> \$ 1,583,027 |

## 10. Commitment:

The Board rents its office premises under a sub-lease covering the period December 1, 1997 to November 30, 2003. Lease payments are \$8,000 per month (see Note 12).

## 11. Contingent liability:

The Board is a guarantor of the head lease between Central Agricultural Facility Ltd. ("CAFL") and the ultimate landlord of the business premises utilized by the Board. The Board is jointly liable under the head lease for lease payments to the landlord of \$9,000 per month through November 30, 2003.

# BRITISH COLUMBIA MILK MARKETING BOARD

GENERAL FUND

Notes to Financial Statements (Continued)

Year ended July 31, 2001

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## **12. Related party transactions:**

Included in general office and administration expense is \$96,000 (2000 - \$96,000) in lease payments and \$21,667 (2000 - \$19,385) in amortized prepaid rent to lease facilities from CAFL.

The Board owns 50% of CAFL.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## **13. Comparative figures:**

Certain of the prior year's figures shown for comparison have been reclassified to conform with the current year's financial statement presentation.

Financial Statements of

**BRITISH COLUMBIA MILK  
MARKETING BOARD**

MILK POOL EQUALIZATION FUND

Year ended July 31, 2001



KPMG LLP  
Chartered Accountants  
#200 – 9123 Mary Street  
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## AUDITORS' REPORT TO THE DIRECTORS OF THE BRITISH COLUMBIA MILK MARKETING BOARD

We have audited the balance sheet of British Columbia Milk Marketing Board Equalization Fund as at July 31, 2001 and the statement of revenue and expenditures for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the British Columbia Milk Marketing Board Milk Pool Equalization Fund as at July 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Chilliwack, British Columbia  
September 25, 2001



# BRITISH COLUMBIA MILK MARKETING BOARD

MILK POOL EQUALIZATION FUND  
Balance Sheet

July 31, 2001, with comparative figures for 2000

|                                     | 2001                 | 2000                |
|-------------------------------------|----------------------|---------------------|
| <b>Assets</b>                       |                      |                     |
| Cash                                | \$ 195,730           | \$ 215,932          |
| Accounts receivable                 | 12,013,143           | 5,341,725           |
|                                     | <u>\$ 12,208,873</u> | <u>\$ 5,557,657</u> |
| <b>Liabilities</b>                  |                      |                     |
| Accounts payable (Note 3)           | \$ 12,028,990        | \$ 5,376,538        |
| Long-term accounts payable (Note 4) | 179,883              | 181,119             |
|                                     | <u>\$ 12,208,873</u> | <u>\$ 5,557,657</u> |

On behalf of the Board:



John Jansen, Chairman



Ben Janzen, Secretary-Treasurer

See accompanying notes to financial statements.



# BRITISH COLUMBIA MILK MARKETING BOARD

## MILK POOL EQUALIZATION FUND

### Statement of Revenue and Expenditures

Year ended July 31, 2001, with comparative figures for 2000

|                                     | 2001              | 2000              |
|-------------------------------------|-------------------|-------------------|
| Revenue:                            |                   |                   |
| Equalization receipts               | \$ 85,243,163     | \$ 59,906,309     |
| Interest                            | 64,757            | 56,886            |
|                                     | <u>85,307,920</u> | <u>59,963,195</u> |
| Expenditures:                       |                   |                   |
| Equalization payments (Note 5)      | 85,307,920        | 59,963,195        |
| Excess of revenue over expenditures | <u>\$ -</u>       | <u>\$ -</u>       |

See accompanying notes to financial statements.

# BRITISH COLUMBIA MILK MARKETING BOARD

MILK POOL EQUALIZATION FUND

Notes to Financial Statements

Year ended July 31, 2001

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## 1. General:

The British Columbia Milk Marketing Board ("the Board") is a regulatory body which receives its authority under the Natural Products Marketing (B.C.) Act, the British Columbia Milk Marketing Board Regulation, the Milk Industry Act, the Agricultural Products Marketing Act, the British Columbia Milk Order, the Canadian Dairy Commission Act, and the Dairy Products Marketing Regulations.

The Milk Pool Equalization Fund is the method used by the Board to enable producers to participate in all of the sales in each of the Milk Classes established by the Board proportionate to the quota allotted to each producer.

These statements do not include the general fund operations of the board which are reported on separately.

## 2. Western Milk Pool:

Effective March 1, 1997 the four western provinces, British Columbia, Alberta, Saskatchewan and Manitoba and the Canadian Dairy Commission made an agreement named the Western Milk Pooling Agreement. The purpose of the Agreement is to extend the pooling arrangements within each of the provinces so that all producer returns are pooled among producers in all of the western provinces, as if the western provinces constituted a single market.

## 3. Related fund balances:

Included in accounts payable is an amount of \$3,079,525 (2000 - \$3,177,406) owing to the Board's General Fund. This amount represents Special Classes, Western Milk Pool and Over Quota - domestic/world price differential equalization settlements charged to producers through the Milk Pool Equalization Fund.

## 4. Long-term accounts payable:

This amount represents an accumulation of the excess of equalization receipts over equalization payments. It is used to ensure adequate funds are available to meet cash flow needs. The Board does not intend to pay this amount within the next year, accordingly it is classified as a long-term accounts payable.

# BRITISH COLUMBIA MILK MARKETING BOARD

MILK POOL EQUALIZATION FUND

Notes to Financial Statements (Continued)

Year ended July 31, 2001

---

## **5. Related fund expenditures:**

Included in equalization payments are funds paid or payable to the Board's General Fund for Special Classes, Western Milk Pool, and Over Quota - domestic/world price differential equalization settlements. These expenditures totalled \$14,754,390, \$3,900,000 and \$1,174,306 respectively for the 2001 fiscal year (2000 - \$18,547,735, \$3,900,000 and \$6,281,881 respectively).

## **6. Use of estimates:**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.

## **7. Statement of cash flow:**

A statement of cash flow has not been prepared as the information is readily apparent from the financial statements presented.

## STATISTICAL OVERVIEW

On July 31, 2001 there were 709 milk producers in British Columbia. A breakdown of producer populations and quota holdings by region is presented in Table 1 of Appendix A.

Statistical information on milk production, utilization and sales is presented in Tables 2 to 4 in Appendix A. During the 2000/2001 dairy year 601,235,612 litres of milk were produced in British Columbia (see Table 2). Of this total production, 362,244,001 litres were utilized in the Class 1 market (see Table 3 for a breakdown of Class 1 milk sales by product) and 238,991,611 litres were used in the processing of non-fluid dairy products.

Total milk production in the province increased by 1.96 percent or 11,529,492 litres during the period from August 1, 2000 to July 31, 2001 over the corresponding period in 1999 and 2000 (see Table 2). Class 1 utilization during the August 1, 2000 to July 31, 2001 period increased by 2,920,752 litres or 0.81 percent over the same period in 1999 and 2000 (see Table 2). Industrial milk utilized during the 2000/2001 dairy year compared to the 1999/2000 dairy year increased by 8,608,740 litres or 3.74 percent (see Table 2).

On March 1, 1997 the Western Milk Pool (WMP) was formed consisting of British Columbia, Alberta, Saskatchewan and Manitoba. Production and sales figures for the WMP from August 1, 2000 to July 31, 2001 are presented in Table 4 of Appendix A. Total production of butterfat in the WMP was 62,948,963 kilograms during the 2000/2001 dairy year (see Table 4). Class 1 milk sales in the WMP during the same period were 869,380,484 litres (see Table 4).

There were 34 dairy plants licensed by the Board to process milk as at July 31, 2001. Licensing statistics are provided in Table 5 of Appendix A.

**Note:** Table 2 includes milk utilized in Class 1(b)(ii) and Class 1(d), whereas Table 3 does not.

## **GOING CONCERN SALES AND OTHER TRANSFERS**

There were 58 transfers of Total Production Quota (TPQ) during the 2000/2001 dairy year that were completed without the use of the quota exchange. Amongst these 58 transactions were 19 partial transfers, 5 family transfers, 16 name changes and 8 merge/splits that accounted for 710,479 kilograms of the total kilograms transferred. Going concern sales resulted in 147,866 kilograms of TPQ being transferred. The Board assessed 12,910 kilograms under its assessment policy. Details of TPQ transfers during the 2000/2001 dairy year are shown in Table 6 of Appendix A.

## **QUOTA EXCHANGE**

Two quota exchanges were run every month except for July as there are no transfers effective August 1. Details of the quota exchange market clearing prices for the 2000/2001 dairy year are given in Table 7 of Appendix A.

## **PROVINCIAL/FEDERAL MANUFACTURED MILK QUOTA**

The Manufactured Milk Quota (MMQ) allocated to British Columbia for the 2000/2001 dairy year was 8,023,924 kilograms on August 1, 2000. This was increased to 8,544,340 kilograms on November 1, 2000 and then decreased to 8,339,650 kilograms on April 1, 2001. British Columbia produced 36,919 kilograms of butterfat for the Domestic Dairy Product Innovation Program. British Columbia's deemed MMQ under the Western Milk Pooling Agreement was 10,266,363 kilograms as of July 31, 2001.

## **GRADUATED ENTRY PROGRAM**

To provide a major portion of the quota necessary for the Graduated Entry Program (GEP), a transfer assessment policy was introduced in August 1986 for fluid quota and in January 1991 for MMQ. The assessment was reduced from 10% to 5% in April 1995. Effective August 1, 1999 the transfer assessment policy was discontinued for TPQ sold on the quota exchange. During the 2000/2001 dairy year the TPQ transfer assessment remained at 5% for going concern sales and partial transfers. Details of the GEP are provided in Tables 8 and 9 of Appendix A.

## **VENDOR AUDITS**

Throughout the 2000/2001 dairy year, the auditing of licensed vendors followed the Board established vendor audit schedule. Although vendors were typically audited on a quarterly basis, the specific frequency for each vendor conformed to risk assessment principles. Characteristics such as plant size and product variety influenced the frequency of vendor audits. Larger vendors were audited from four to six times during the dairy year while two audits was the norm for smaller vendors.

As was expected for the 2000/2001 dairy year, vendor auditors uncovered variances that were characterized as insignificant when examined from the perspective of the total value of milk delivered each month by producers. The finding of audit variances by vendor auditors is not uncommon because vendors capture and record large amounts of data, and slight over or under reporting can occur. There was no trend evident among any of the licensed vendors that the incidence of audit variances exceeds normalcy.

Upon identification, audit variances were incorporated into subsequent monthly equalization pools as audit adjustments. A review of the audit adjustments made during the 2000/2001 dairy year as set out in each of the monthly producer equalization pools serves to demonstrate that audit variances have occurred. However, they have not been of a nature where the monthly blend price or the monthly value for any of the three milk components has been significantly affected.

## **SUMMARY OF LEGAL PROCEEDINGS INITIATED OR RESOLVED DURING THE 2000 - 2001 DAIRY YEAR**

There were no legal proceedings initiated during the period from August 1, 2000 to July 31, 2001.

## **SUMMARY OF APPEALS TO THE B.C. MARKETING BOARD INITIATED OR RESOLVED DURING THE 2000 - 2001 DAIRY YEAR**

### **Pendray Farms Limited**

An appeal filed in March 2001 by Pendray Farms Limited, a licensed producer, referred to a decision by the Board concerning the transfer of quota. The appellant withdrew this appeal in June 2001.

# APPENDIX A

## STATISTICAL TABLES

|  | Page Number |
|--|-------------|
| Table 1<br><i>Regional Statistics</i> .....                                  | 33          |
| Table 2<br><i>Qualifying Milk Production</i> .....                           | 33          |
| Table 3<br><i>Class 1 Milk Sales</i> .....                                   | 34          |
| Table 4<br><i>Western Milk Pool Statistics</i> .....                         | 34          |
| Table 5<br><i>Licensing Information</i> .....                                | 35          |
| Table 6<br><i>Quota Transfers</i> .....                                      | 36          |
| Table 7<br><i>Quota Exchange Market Clearing Prices</i> .....                | 36          |
| Table 8<br><i>Producers Started on the Graduated Entry Program</i> .....     | 37          |
| Table 9<br><i>Quota Issued to Graduated Entry Program Participants</i> ..... | 37          |



**TABLE 1 - Regional Statistics for British Columbia as at July 31, 2001**

| <b>Region</b>    | <b>Number of Producers*</b> | <b>TPQ Held (kg)</b> |
|------------------|-----------------------------|----------------------|
| Bulkley Valley   | 15                          | 263,556              |
| Cariboo          | 9                           | 302,413              |
| Fraser Valley    | 492                         | 15,792,733           |
| Kootenays        | 15                          | 551,235              |
| Okanagan         | 95                          | 2,477,897            |
| Peace River      | 5                           | 118,611              |
| Vancouver Island | 78                          | 2,744,130            |
| <b>Total</b>     | <b>709</b>                  | <b>22,250,575</b>    |

\* Includes licensed producers in Class C to Class F

**TABLE 2 - Qualifying Milk Production in British Columbia for the 2000/2001 and 1999/2000 Dairy Years**

|                  | <b>PRODUCTION</b>   |                             | <b>UTILIZATION CLASS 1</b> |                             | <b>UTILIZATION OTHER CLASSES</b> |                             |
|------------------|---------------------|-----------------------------|----------------------------|-----------------------------|----------------------------------|-----------------------------|
|                  | <b>Total Litres</b> | <b>Daily Average Litres</b> | <b>Total Litres</b>        | <b>Daily Average Litres</b> | <b>Total Litres</b>              | <b>Daily Average Litres</b> |
| 2000/2001 Totals | 601,235,612         | 1,647,221                   | 362,244,001                | 992,449                     | 238,991,611                      | 654,772                     |
| 1999/2000 Totals | 589,706,120         | 1,611,219                   | 359,323,249                | 981,758                     | 230,382,871                      | 629,461                     |
| Volume Change    | 11,529,492          | 36,002                      | 2,920,752                  | 10,691                      | 8,608,740                        | 25,311                      |
| Percent Change   | 1.96%               | 2.23%                       | 0.81%                      | 1.09%                       | 3.74%                            | 4.02%                       |

Notes: Table 2 includes milk utilized in Class 1(b)(ii) and Class 1(d), whereas Table 3 does not.  
Table 2 does not include milk produced by Cottage Industry Producer Vendors. That milk is processed into non Class 1 products.

**TABLE 3 - Class 1 Milk Sales in British Columbia for the 2000/2001 and 1999/2000 Dairy Years**

|                             | 2000/2001<br>Litres | 1999/2001<br>Litres | Volume<br>Change | Percent<br>Change |
|-----------------------------|---------------------|---------------------|------------------|-------------------|
| Homogenized Milk            | 67,306,791          | 68,131,152          | -824,361         | -1.21%            |
| Skim Milk (2%B.F.)          | 130,463,655         | 131,261,882         | -798,227         | -0.61%            |
| Skim Milk (1%B.F.)          | 77,103,727          | 75,490,052          | 1,613,675        | 2.14%             |
| Skim Milk                   | 48,090,770          | 47,606,108          | 484,662          | 1.02%             |
| Chocolate Milk              | 10,757,337          | 10,361,157          | 396,180          | 3.82%             |
| Buttermilk                  | 3,276,408           | 3,273,107           | 3,301            | 0.10%             |
| Light Cream<br>(10%B.F.)    | 15,361,128          | 14,789,124          | 572,004          | 3.87%             |
| Cream (18%B.F.)             | 1,358,486           | 1,045,114           | 313,372          | 29.98%            |
| Whipping Cream<br>(32%B.F.) | 5,178,852           | 5,137,759           | 41,093           | 0.80%             |
| Eggnog                      | 1,047,643           | 782,924             | 264,719          | 33.81%            |
| Cordials                    | 499,311             | 465,149             | 34,162           | 7.34%             |
| All Products                | 360,444,108         | 358,343,528         | 2,100,580        | 0.59%             |

Note: Table 3 does not include milk utilized in Class 1(b)(ii) and Class 1(d), whereas Table 2 does.

**TABLE 4 - Western Milk Pool Statistics for the Period from August 1, 2000 to July 31, 2001**

|                  | CLASS 1<br>SALES<br>(LITRES) | % OF<br>CLASS 1<br>SALES<br>(LITRES) | CLASS 1<br>SALES PLUS<br>EXCLUSION<br>(LITRES) | AVG. B/F<br>ALL MILK<br>(KG/HL) | CLASS 1<br>SALES PLUS<br>EXCLUSION<br>(KG) | DEEMED<br>CLASS 1<br>(KG) | DEEMED<br>INDUSTRIAL<br>(KG) | TOTAL<br>PRODUCTION<br>(KG) |
|------------------|------------------------------|--------------------------------------|--|---------------------------------|--|---------------------------|------------------------------|-----------------------------|
| Manitoba         | 111,964,644                  | 12.88%                               | 117,591,094                                    | 3.7654                          | 4,429,759                                  | 5,672,388                 | 5,207,793                    | 10,880,181                  |
| Saskatchewan     | 50,860,315                   | 5.85%                                | 53,110,431                                     | 3.7185                          | 1,977,540                                  | 4,064,070                 | 3,642,368                    | 7,706,438                   |
| Alberta          | 344,612,178                  | 39.64%                               | 355,381,654                                    | 3.6306                          | 12,914,245                                 | 11,669,796                | 10,526,638                   | 22,196,434                  |
| British Columbia | 361,943,347                  | 41.63%                               | 372,260,615                                    | 3.6854                          | 13,726,441                                 | 11,641,735                | 10,524,175                   | 22,165,910                  |
| TOTAL            | 869,380,484                  | 100.00%                              | 898,343,794                                    |                                 | 33,047,985                                 | 33,047,989                | 29,900,974                   | 62,948,963                  |

**TABLE 5 - Licensing Information for British Columbia**

| CLASS OF LICENCE                                   | A  | B  | C   | D | E | F | G | H  |
|--|----|----|-----|---|---|---|---|----|
| ISSUED BETWEEN AUGUST 1, 2000 AND JULY 31, 2001    | 22 | 13 | 749 | 0 | 2 | 1 | 4 | 19 |
| CANCELLED BETWEEN AUGUST 1, 2000 AND JULY 31, 2001 | 6  | 1  | 18  | 0 | 0 | 0 | 0 | 0  |
| IN EFFECT JULY 31, 2001                            | 16 | 12 | 731 | 0 | 2 | 1 | 4 | 19 |
| IN EFFECT JULY 31, 2000                            | 16 | 9  | 724 | 0 | 2 | 1 | 2 | 12 |

CLASS A LICENCE ISSUED TO: VENDORS PROCESSING BOTH FLUID AND NON FLUID MILK PRODUCTS.  
 CLASS B LICENCE ISSUED TO: VENDORS PROCESSING ONLY NON FLUID MILK PRODUCTS.  
 CLASS C LICENCE ISSUED TO: PRODUCERS HOLDING QUOTA AND SHIPPING THEIR MILK TO A CLASS A OR CLASS B LICENSED VENDOR.  
 CLASS D LICENCE ISSUED TO: PRODUCERS HOLDING QUOTA AND PROCESSING THEIR QUOTA MILK, ON THEIR FARM, INTO BOTH FLUID AND NON FLUID PRODUCTS.  
 CLASS E LICENCE ISSUED TO: PRODUCERS HOLDING MARKET SHARING QUOTA AND PROCESSING THEIR QUOTA MILK, ON THEIR FARM, INTO NON FLUID PRODUCTS.  
 CLASS F LICENCE ISSUED TO: PRODUCERS WITH WHOM THE BOARD HAS ENTERED INTO AN AGREEMENT WITH RESPECT TO THE PRODUCTION OF MILK FOR A SPECIALTY PRODUCT OR PRODUCTS DESTINED FOR A SPECIALTY MARKET.  
 CLASS G LICENCE ISSUED TO: PROCESSORS WITH WHOM THE BOARD HAS ENTERED INTO AN AGREEMENT WITH RESPECT TO THE PROCESSING OF MILK INTO A SPECIALTY PRODUCT OR PRODUCTS DESTINED FOR A SPECIALTY MARKET.  
 CLASS H LICENCE ISSUED TO: TRANSPORTERS OF MILK.

**TABLE 6 - Quota Transfers in British Columbia  
from August 1, 2000 to July 31, 2001**

| <b>Quota Exchange</b>          |         | <b>Kilograms</b> |
|--------------------------------|---------|------------------|
| Unused TPQ                     |         | 151,323          |
| Used TPQ                       |         | 80,826           |
| <b>Going Concern Transfers</b> |         |                  |
| Unused TPQ                     |         | 108,433          |
| Used TPQ                       |         | 39,433           |
| <b>Partial Transfers</b>       |         |                  |
| Unused TPQ                     |         | 76,022           |
| Used TPQ                       |         | 13,026           |
| <b>Other Transfers</b>         |         |                  |
| Family                         | 103,681 |                  |
| Name Changes                   | 433,557 |                  |
| Merge/Splits                   | 84,193  |                  |
| <b>Total Other Transfers</b>   |         | <b>621,431</b>   |
| <b>TOTAL ALL TRANSFERS</b>     |         | <b>1,090,494</b> |

**TABLE 7 - Quota Exchange Market Clearing Prices  
in British Columbia from August 2000 to July 2001**

| <b>Month</b> | <b>First Quota Exchange</b>   |                             | <b>Second Quota Exchange</b>  |                             |
|--------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
|              | <b>Unused TPQ<br/>(\$/kg)</b> | <b>Used TPQ<br/>(\$/kg)</b> | <b>Unused TPQ<br/>(\$/kg)</b> | <b>Used TPQ<br/>(\$/kg)</b> |
| Aug-00       | \$52.00                       | N/A*                        | \$50.00                       | N/A*                        |
| Sep-00       | \$49.00                       | N/A*                        | \$46.00                       | N/A*                        |
| Oct-00       | \$46.00                       | \$41.00                     | \$46.00                       | \$38.00                     |
| Nov-00       | \$48.00                       | -                           | \$48.00                       | -                           |
| Dec-00       | \$48.50                       | \$43.00                     | \$49.00                       | \$44.00                     |
| Jan-01       | \$50.00                       | \$44.00                     | \$51.00                       | \$42.00                     |
| Feb-01       | \$49.00                       | \$44.00                     | \$48.00                       | \$46.00                     |
| Mar-01       | \$51.00                       | \$46.50                     | \$52.00                       | -                           |
| Apr-01       | \$53.75                       | \$45.00                     | -                             | \$43.00                     |
| May-01       | -                             | \$45.00                     | \$53.00                       | \$46.00                     |
| Jun-01       | \$52.50                       | \$47.25                     | \$50.75                       | \$48.00                     |
| Jul-01       | N/A**                         | N/A**                       | N/A**                         | N/A**                       |

\* No Used TPQ Exchanges in August and September  
 \*\* No Unused or Used TPQ Exchanges in July

**TABLE 8 - Number of Producers Started on the Graduated Entry Program**

| <b>Year</b> | <b>Fraser Valley</b> | <b>Okanagan</b> | <b>Kootenays</b> | <b>Cariboo</b> | <b>Peace River</b> | <b>Vancouver Island</b> | <b>Total</b> |
|-------------|----------------------|-----------------|------------------|----------------|--------------------|-------------------------|--------------|
| 1991        | 7                    | 3               |                  |                |                    |                         | 10           |
| 1992        | 8                    | 3               |                  |                |                    |                         | 11           |
| 1993        | 5                    | 2               |                  |                |                    |                         | 7            |
| 1994        | 5                    |                 |                  |                |                    |                         | 5            |
| 1995        | 6                    | 1               |                  |                |                    |                         | 7            |
| 1996        | 8                    | 2               |                  |                |                    |                         | 10           |
| 1997        | 9                    | 1               |                  |                |                    |                         | 10           |
| 1998        | 6                    | 4               |                  |                |                    |                         | 10           |
| 1999        | 2                    | 2               |                  |                |                    |                         | 4            |
| 2000        | 2                    |                 |                  |                |                    |                         | 2            |

**TABLE 9 - Total Production Quota Issued to Graduated Entry Program Participants**

| <b>Year</b> | <b>Producers Started on Program</b> | <b>Initial Allotment of Total Production Quota (Kilograms)</b>   | <b>Matching Allotment of Total Production Quota (Kilograms)</b> | <b>Total Allotment (Kilograms)</b> |
|-------------|-------------------------------------|--|---|------------------------------------|
| 1997        | 10                                  | 29,500   | 30,431  | 59,931                             |
| 1998        | 10                                  | 29,500   | 32,914  | 62,414                             |
| 1999        |                                     |  | 1,414   | 1,414                              |
| 2000        |                                     |  | 1,599   | 1,599                              |
|             |                                     | <i>Temporary Allotment of Total Production Quota (Kilograms)</i> |   |                                    |
| 1999        | 4                                   | 28,000   |   | 28,000                             |
| 2000        | 2                                   | 14,000   |   | 14,000                             |