



January 22, 2014

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DELIVERED BY EMAIL

Bob Ingratta
Chief Executive Officer
BC Milk Marketing Board
200 – 32160 South Fraser Way
Abbotsford BC V2T 1W5

Dear Mr. Ingratta:

POWERS AND DUTIES REVIEW – BC MILK MARKETING BOARD

Thank you for today's update regarding the status of the subject review. As requested, the purpose of this letter is to confirm our discussions regarding the powers and duties review requirement under the *British Columbia Milk Marketing Board Regulation* (Regulation).

As you know, the Regulation, under the *Natural Products Marketing (BC) Act (NPMA)*, sets out the following:

- 9 (1) By November 30, 1999, and by the end of each 3 year period after that date, the board must conduct a review of the continued appropriateness and adequacy of the provisions of section 7 [Powers and duties of the board] and report its findings to the British Columbia Farm Industry Review Board.
- (2) A review under subsection (1) must be conducted by the board in consultation with the Milk Industry Advisory Committee, the British Columbia Farm Industry Review Board and the minister's ministry.

A 2014 review is an opportunity for the Milk Board to look at whether the powers and duties set out in the Regulation are still appropriate and adequate for regulating the provincial dairy sector in the best interests of the industry and the public.

As we discussed, a number of broader "reviews" have taken place since 1999. In that year, the BC Farm Industry Review Board (BCFIRB – then the BC Marketing Board) led a government review of the legislation (principally the *NPMA*), governing all BC marketing boards and commissions. We have provided you with copies of the Milk Board's submissions and the final report prepared by BCFIRB.

Subsequently, there were the 2001-02 Core Review, the 2003-06 Specialty Review, the Enhanced Marketing Review in 2009 (subsequently cancelled for budgetary reasons), the current

**British Columbia
Farm Industry Review Board**

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Quota Governance Review (2013-14); as well as other formal but smaller, issue(s)-specific reviews.

The principles-based regulation and SAFETI¹ approach, currently reflected in the Quota Governance Review, will also support good decision-making in this review.

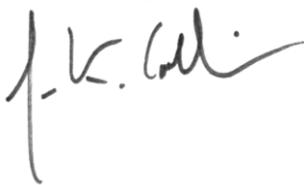
Some of the earlier reviews and consultation processes should help inform the Milk Board and stakeholders in the powers and duties review and allow for a more streamlined process. However, it is no secret that expectations of regulated boards and their industries with respect to governance, marketing, food quality, food safety, biosecurity, animal welfare, environmental and other issues continue to increase. What roles the Milk Board should or should not have under the *NPMA* in respect of such matters are potential questions for this review. Your board's role under the *Milk Industry Act* is not within BCFIRB's jurisdiction but whether there are issues with respect to that role that affect the Regulation, or vice versa, is something the Milk Board might consider in its deliberations.

It may be useful for the Milk Board, as part of its review, to discuss options and opportunities with the other marketing boards and commissions regarding the "continued appropriateness and adequacy" of the powers in their schemes under the *NPMA*. There is a similar powers and duties provision in the *British Columbia Egg Marketing Scheme, 1967* that has implications for a review currently being established by the BC Egg Marketing Board, for example.

Similar to the Quota Governance Review, it is expected that in reporting the outcome of this review to BCFIRB and stakeholders, the Milk Board will be able to clearly demonstrate that it has undertaken a SAFETI-based process, with all of its conclusions – whatever they might be – substantiated accordingly. This would also be important if this review resulted in potential recommendations to Government for any legislative or regulatory changes.

While section 9(2) of the Regulation requires the Milk Board to formally consult with BCFIRB as part of the review, we look forward to working with the Milk Board, as we have done with the Quota Governance Review, in helping communicate the process and general expectations. This will also better position BCFIRB to respond, as appropriate, to the conclusions the Milk Board provides in its report.

Yours truly,

A handwritten signature in black ink, appearing to read "J. Collins", written over a light blue horizontal line.

Jim Collins
Executive Director

¹ Strategic, Accountable, Fair, Effective, Transparent, Inclusive