



**BC VEGETABLE MARKETING COMMISSION**

## **CONSULTATION ON AGENCY APPLICATION**

### **TO MARKET GREENHOUSE VEGETABLES**

MPL British Columbia Distributors Inc.

October 13, 2021

## **INTRODUCTION**

“Designated agencies” are a critical component of the regulatory system for vegetables in British Columbia. They are the means by which the Commission achieves its main policy objective of maximizing producer returns through centralized, coordinated marketing of regulated product. The appropriate agency structure for the marketing of regulated vegetables contributes to orderly marketing by ensuring market growth opportunities for producers, and a steady supply of BC product for consumers.

Under the *Natural Products Marketing (BC) Act* (NPMA), the Commission can delegate authority to designated agencies to support the purposes of regulated marketing. Among other things, the Commission is empowered to: (a) regulate the time and place at which and to designate the agency through which a regulated product must be marketed; (b) determine the charges that may be made by a designated agency for its services; (c) set the prices, maximum prices, minimum prices or both maximum and minimum prices at which a regulated product or a grade or class of it may be bought or sold in British Columbia or that must be paid for a regulated product by a designated agency and to set different prices for different parts of British Columbia; and (d) authorize a designated agency to conduct pools for the distribution of all proceeds received from the sale of a regulated product and to require that designated agency to distribute the proceeds of sale, after deducting all necessary and proper disbursements, expenses and charges, so that each person receives a share of the total proceeds in relation to the amount, variety, size, grade and class of a regulated product delivered by the person and to make those payments until the total net proceeds are distributed. Every designation of an agency must be approved in writing by the BC Farm Industry Review Board (BCFIRB).

On May 27, 2021 the BCVMC (Commission) received an amended application for a NEW Class 1 designated agency licence from MPL British Columbia Distributors Inc. (MPL) for the marketing of regulated greenhouse vegetables. The application was submitted pursuant to Amending Order 54, which revised Part XIV of the General Order on procedures for the designation of agencies.

A panel of the Commission was struck to review the application. The panel members consist of Debbie Etsell (Chair), Armand Vander Meulen (member), Hugh Reynolds (member), Kevin Husband (member). On October 8, 2021 the applicant was provided with an opportunity to present its application to the panel. Following the applicant’s presentation, the panel decided to engage in further consultation with industry stakeholders.



**BC VEGETABLE MARKETING COMMISSION**

This document provides industry stakeholders with information on the consultation process, how they can participate, and particulars of the evaluation criteria set out in Amending Order 54. Following the completion of the consultation process with industry stakeholders, the panel will decide whether to grant designated agency status to the applicant for the 2022 Crop Year.

The applicant has prepared a redacted version of its application for review by industry stakeholders. This redacted version is available upon request. A copy of this document can be requested from the BCVMC administrative assistant, Claudia Trigo, at [claudia@bcveg.com](mailto:claudia@bcveg.com).

All industry stakeholders are invited to make written submissions directly to the panel. Written submissions are due by **5:00PM, Friday October 22, 2021**. (More information can be found on pages 3-4)

## EVALUATION CRITERIA

Subsection 2(6) of “PART XIV Designated Agencies” describes the criteria for review of applications by the Commission. The criteria are stated as follows:

- 2. (6) Following consultation with industry stakeholders, the panel will decide whether to grant designated Agency status to the applicant. The panel will grant designated agency status only where it is satisfied that:
  - (a) there is a market requirement for the proposed Agency, and the designation of that Agency would benefit the industry as a whole having regard to the interests of all producers, including those marketing through other Agencies;
  - (b) it would not be in the interests of the industry for the proposed regulated product to be marketed by an existing Agency;
  - (c) the presence of the proposed Agency will not be disruptive to orderly marketing and will not result in increased competition among Agencies on price, which may have a detrimental effect on producer returns;
  - (d) the proposed Agency has demonstrated an understanding of the regulatory system and has adequately expressed its intention to follow Commission Orders and the enabling legislation and regulations;
  - (e) there is evidence-based demand for the specific product(s), grouped by end use customer, that are to be marketed by the proposed Agency, which demand is not already satisfied by existing Agencies;



**BC VEGETABLE MARKETING COMMISSION**

- (f) there is evidence-based support from multiple licensed Commercial Producers, who are at arms-length from each other, and who intend to market regulated product through the proposed Agency;
- (g) the primary responsibility for marketing regulated product will rest with the proposed Agency, rather than wholesalers who may market regulated product on behalf of the proposed Agency;
- (h) the proposed Agency will comply with the Commission’s orders, including all applicable minimum pricing orders in relation to sales occurring both within and outside the Province;
- (i) the proposed Agency will not have a detrimental effect on the delivery allocation and production allocation of existing producers not represented by the proposed Agency; and
- (j) the proposed Agency has the knowledge, capacity and ability to operate effectively as an Agency.

A complete copy of amending order No. 54 can be found on the BCVMC website at:

<https://www.bcveg.com/regulatory-bulletins.html>

## CONSULTATION PROCESS

This consultation process is open to licensed producers, wholesalers, agencies and any other stakeholder of regulated vegetables. Questions about the process must be directed to the BCVMC Chair, Debbie Etsell, via email at [BCVMC.Chair@bcveg.com](mailto:BCVMC.Chair@bcveg.com). If you do not receive a reply within 24 hours you are to contact Claudia Trigo at [claudia@bcveg.com](mailto:claudia@bcveg.com). All stakeholders will be notified of any new information that is given in response to any relevant questions that have been submitted.

### Redacted Version Agency Application

All stakeholders that wish to participate in the consultation process can attain a redacted version of MPL’s agency application upon request. A copy of this document can be requested from the BCVMC administrative assistant, Claudia Trigo, at [claudia@bcveg.com](mailto:claudia@bcveg.com). A list of recipients who receive a copy of the document will be kept on file and forwarded to the panel.

### Written Submissions

The consultation process is to be executed by written submission. Unless the panel decides otherwise through the course of this written consultation process, no public consultation is planned with industry stakeholders at this time. Stakeholders must make submissions on the agency application in writing.

# BCVMC

## BC VEGETABLE MARKETING COMMISSION

All submissions are due **Friday October 22, 2021 by 5:00PM** and are to be sent directly to Debbie Etsell, the panel chair, via email at [BCVMC.Chair@bcveg.com](mailto:BCVMC.Chair@bcveg.com). On receipt of a submission, a confirmation receipt will be sent back to the sender. If you do not receive a confirmation receipt within 24 hours you are to contact Claudia Trigo at [claudia@bcveg.com](mailto:claudia@bcveg.com).

All written stakeholder submissions will be shared with the panel members and distributed to the agency applicant. The agency applicant will also be given an opportunity to respond to the submissions. The applicant's response to stakeholder submissions is to be e-mailed directly to the panel chair at [BCVMC.Chair@bcveg.com](mailto:BCVMC.Chair@bcveg.com).

On completion of the written consultation process the panel may determine that further questions remain to be answered from the participants. All participants will be notified of any remaining questions to be answered and provided an opportunity to submit a written reply. If there are no further questions to be asked, the panel will inform all participants that the consultation process has been completed.

### Application Review Timeline

DATE	PROCEDURE
FRI. OCTOBER 22, 2021 Due by 5:00PM	All written submission from industry stakeholders must be submitted by email directly to the panel chair via email at <a href="mailto:BCVMC.Chair@bcveg.com">BCVMC.Chair@bcveg.com</a> .
MON. OCTOBER 25, 2021	All written submissions from industry stakeholders are provided to the agency applicant for an opportunity to respond to the submissions.
THU. OCTOBER 29, 2021 Due by 5:00PM	The applicant's response to stakeholder submissions is to be e-mailed directly to the panel chair at <a href="mailto:BCVMC.Chair@bcveg.com">BCVMC.Chair@bcveg.com</a> .
TUE. NOVEMBER 2, 2021 Due by 5:00PM	The panel meets to review all submissions and determine if further questions remain to be answered from the participants. All participants are to be notified of the determination and the remaining schedule to completion of the agency application review.

Respectfully submitted on behalf of the BC Vegetable Marketing Commission,



Debbie Etsell, Chair