



BC VEGETABLE MARKETING COMMISSION

DECISION RE:
IN THE MATTER OF A REVIEW OF
AN AGENCY LICENCE ISSUED TO GLOBAL GREENHOUSE PRODUCE INC.

BEFORE: The British Columbia Vegetable Marketing Commission:
Derek Sturko, Chair
Craig Evans, Member
Natalie Veles, Member
Kevin Husband, Member
Hugh Reynolds, Member

DATE: August 8, 2023

Background

On May 5, 2023, the Commission informed Global Greenhouse Produce Inc. (Global) that designated agency status is to be maintained for the 2023-2024 licensing period subject to any further directions that might be issued by the Commission concerning the use of sub-agencies to fulfill agency responsibilities. The Commission also instructed that Global must submit additional information to the Commission by July 31, 2023 as follows:

- a) Clarification is needed on the use of the word “Market” in part 3.10 of the amended shareholder agreement. (Refer to 17.1 for further explanation)
- b) With specific regard to the information provided in PART XIV 1(3)(d)(iii) particulars are to be provided of the intended market placement of delivery and production allocation by target market category as defined by the Commission. The Commission seeks additional information on:
 - i. The definition of direct and semi-direct customers. Clarification on which customers fit under each definition, and a breakdown of volume by customer along with an analysis of the historical 2-Yr and projected 1-Yr sales volumes. (Refer to 17.2 and 17.3 for further explanation)
 - ii. Specifics on how Global plans to pursue and secure direct to retail business and drive sales through this category and achieve its objectives and goals.

On June 30,2023 the Commission received a submission from Global in response to the May 5, 2023, Commission request for additional information. The Commission has now assessed the submission and considered whether any further directions are to be issued to Global at this time.

Commission Conclusions

The Commission recognizes the business steps taken and your business case for maintaining the Global Agency licence going forward. The additional detail supports a comprehensive and aggressive business plan that, if implemented, ensures Global will be very successful upon its fulfillment.

Global states the purpose of the word “Market” in clause 3.10 of the Global Greenhouse Produce Inc. shareholder agreement was to ensure that shareholders were not prohibited from competing with each other or offering the same type of crops to the public. Global also assures that if Krahnlic Ventures plans to return to the greenhouse industry, Global will consult with the Commission to ensure the marketing of this product will be done in a manner that is consistent with the General Orders and the Commission’s guidelines on centralized marketing. The Commission is satisfied with this response.

Regarding semi-direct customers, the Commission does not currently recognize this customer category. On review of your submission, most customers identified by Global as semi-direct are in fact currently licensed by the Commission as wholesalers. The Commission considers all customers you have classified as semi-direct to be in fact wholesalers.

As indicated in the May 5, 2023 decision, the Commission is currently engaging with industry to discuss the use of sub-delegates (sub-agencies) to fulfill the responsibilities of designated agencies. Industry discussions will inform the Commission as it works to develop an agency accountability framework. This work is scheduled for completion by October 31, 2023. The industry wide project will provide clarity on an agency’s roles and responsibilities, including focused standards that define the Commission’s expectations as the regulator.

Decision

The Commission accepts your response. Global has satisfied the requirement to submit additional information on the specific items that were identified in the May 5,2023 decision. This condition has been removed.

Global Agency status for the 2023-2024 licensing period is maintained. Consideration of future licenses will be subject to any further directions that might be issued by the Commission concerning the use of other organizations (e.g. sub-agencies or contractors) to fulfill agency responsibilities.



Derek Sturko, Chair