



Message from the Chair to Industry

I am writing to provide you with a brief update on several key activities in which the BC Vegetable Marketing Commission has been engaged over the past year.

BCVMC Strategic Plan

On November 16, 2023, the Commission held a strategic planning session to assess performance against the goals and objectives of the 2021-23 Strategic Plan, and to determine key priorities over the next three years. Stakeholder surveys (results to be released to industry shortly) were taken into consideration. While many of the same priorities still exist, including regulatory improvements, we have identified the need to increase communications and engagement, and enhance compliance & enforcement. These shifts will improve our ability to support the next iteration of the Strategic Plan which will be prepared in January 2024 and available to stakeholders in February.

Updated General Orders

The Commission will be introducing updated General Orders (a revision of the 2005 General Orders) which will be circulated this month and come into force January 1, 2024.

The General Orders have been reorganized to eliminate redundant and duplicate text, re-group regulations under revised categories (e.g.: Producers, Agencies, etc.), and include updated wording and definitions to improve clarity. These revisions have resulted in more succinct General Orders that better reflect the Commission's approach to regulating BC's vegetable industry.

The General Orders have also been amended to support implementation of an agency accountability framework, establish a new compliance and enforcement system, set application fees for new Agencies and Producer-Shippers, require licensed entities to have a biosecurity program, and expand the regulated area to the entire province. Details on these parts are provided below:

Implementation of an Agency Accountability Framework

Further to direction from the BC Farm Industry Review Board (BCFIRB) and in collaboration with our Storage Crop and Greenhouse Industry Advisory Committees, the Commission has developed an Agency Accountability Framework that ensures designated Agencies are fully compliant with their licensed responsibilities and regulatory obligations as defined in the General Orders.

The Commission will be implementing the Framework and ensuring compliance effective January 1st, 2024. However, we realize this will be a journey for some and while the expectation of compliance will be immediate, we will be phasing in implementation over the next year. This will begin with individual meetings with Agencies in early January 2024 to discuss the specific aspects and requirements of the Framework. We will also be reporting back to BCFIRB on how the Commission has responded to their direction on this important topic.

New Compliance and Enforcement System

There was consensus on both Industry Advisory Committees that enforcement will be key to the success of the agency accountability initiative. As part of the work on the General Orders and agency accountability, the Commission has developed a Compliance and Enforcement Policy and Procedures Manual that also comes into effect January 1, 2024. This manual explains and details how the BCVMC approaches non-compliance issues and determines appropriate compliance and enforcement action.

The Commission believes the best approach to ensuring compliance is for all licensees to understand their obligations and voluntarily comply with the requirements of the licence they hold. In ensuring Agencies are fully compliant with their obligations the Commission will be using a graduated approach to enforcement centered around education and providing Agencies with every opportunity to come into compliance over a reasonable timeframe. We will track and report on progress and make the necessary adjustments to ensure success.

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Application Fees for Agencies and Producer-Shippers

In addition to developing application forms for Agency and Producer-Shipper applicants, the Commission is moving to a partial cost-recovery format to consider these applications. After evaluating these costs, the Commission has established non-refundable application fees for these application categories. The current fee for these applications is \$0. Specifically, this includes:

- For prospective agencies, an initial application fee of \$20,000 to file an agency license request, which will cover a portion of our commissioner, staff, consultation, and other costs to consider an application through to completion. The equivalent fee for Producer-Shipper applications will be \$6,000, which again covers a portion of the Commission's cost to consider these applications.
- The cost of an application will also include the non-commission costs incurred by the Commission (e.g.: legal fees, financial expertise, subject matter experts, etc.), if any, on a cost recovery basis as a precondition of being considered for a licence.
- If an application is approved, the applicant must also pay the annual licence fee established for New Agencies and Producer-Shippers to complete the process.

2024 Agency Annual Fee Increase

Through the 2024 budgeting process the Commission approved an increase to annual agency fees which have remained static for over 20 years. Effective with the 2024 fiscal year, agency fees will be increased to \$4,000 and 0.0475% of sales. We did not take this decision lightly and it reflects the fact that agency fees have not increased, while Commission expenses have increased. The increase in fees also considers the increased costs associated with the agency accountability and communication initiatives. There is also a need to get our reserve back to its target position to ensure the financial stability of the Commission. Other annual fees have been standardized.

Biosecurity Program

A definition on Biosecurity Program has been added to comply with BCFRIB's Administrative Monetary Penalties mandate. For the purposes of Regulated Vegetables, a biosecurity program is akin to a Food Safety Certification program. A Biosecurity and Food Safety Program appropriate to the Licence a regulated entity holds is required to be in place for the regulated entity to be compliant with the General Orders.

Extending the Regulated Area to the Whole Province

The Commission is vested with the power to promote, control, and regulate in any respect the production, transportation, packing, storage, and marketing of Regulated Product grown in British Columbia. At present, the Commission's General Order restrict that authority to the southern half of BC (south of the 53rd parallel). The decision to extend the Commission's oversight of regulated vegetables to include the full province was made in consideration of climate change and changes in agricultural practices (e.g.: vertical farming).

Going forward, the Commission will regularly review the General Orders and engage industry advisory committees. This will ensure regulations are responsive to the needs of the industry, clear and concise, and enhance the administrative efficiency of the Commission.

You will be hearing more about these important activities in the coming months.

In the meantime, on behalf of the Commission, all the best for the coming holiday season and the New Year.



Derek Sturko, Chair

BC Vegetable Marketing Commission