



BC VEGETABLE MARKETING COMMISSION

2023 ANNUAL REPORT

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Message From the Chair

Welcome to the first Annual Report for the BC Vegetable Marketing Commission! I believe this will be an effective way for the Commission to highlight accomplishments each year and outline objectives and plans for the coming year.

2023 was a busy year for the Commission as we embarked on several initiatives to improve regulation of BC's vegetable industry. This included developing a new Strategic Plan that builds on our existing priorities (e.g. regulatory improvements) and renews our focus on communications, engagement, and compliance & enforcement. We also reorganized the General Orders to eliminate redundant and duplicated text, group topics more appropriately, and update wording and definitions to improve clarity and better reflect the Commission's approach to regulating the industry.

Further to direction from the BC Farm Industry Review Board and in collaboration with our Industry Advisory Committees, the Commission introduced an Agency Accountability Framework in 2023. The accountability framework is designed to ensure designated Agencies understand and are fully compliant with their responsibilities and obligations as a regulated entity. Implementation of the Framework began by Commission representatives meeting with each Agency to ensure they understand the Framework and what it means for them. While the expectation of compliance is immediate, non-compliant Agencies will be provided a reasonable timeframe to become fully compliant no later than December 31, 2024.

In support of this work and to assist Agencies, the Commission has developed a Compliance and Enforcement Policy & Procedures Manual. The manual will help ensure regulated entities are pro-active, responsive, and working to ensure they meet the obligations and requirements of the licence they hold. This includes a graduated approach to enforcement which provides Agencies with multiple opportunities to come into compliance.

In 2024, the Commission's focus will include implementing the Agency Accountability Framework, enhancing our communications to industry, engaging with stakeholders to inform our efforts, and improving the efficiency of our operations. All these efforts are designed to increase the value the Commission, in its role as regulator, provides to stakeholders in BC's vegetable industry and, in particular, improve returns to producers.

2023 saw the addition of Paul Guichon from the storage crop sector and the return of Mike Minerva from the greenhouse industry as Commissioners.

My thanks to all the commissioners and staff who supported our efforts in 2023, to the advisory committees for their contributions, and to BC's growers for continuing to produce safe, quality vegetables for British Columbians. We are looking forward to a productive 2024.



Derek Sturko
Chair

BC VEGETABLE MARKETING COMMISSION

Message From the General Manager

I am pleased to present to you the Annual Report for the BC Vegetable Marketing Commission for the year ending December 31, 2023. This year has been a remarkable journey for the Commission, marked by notable achievements, strategic advancements, and significant milestones that establish a solid foundation on which we can achieve our strategic objectives and sustain our success.

I would like to express my sincere gratitude to producers, agencies, wholesalers, employees, BCFRIB and the Commission for their unwavering support and dedication to strengthening the regulatory framework for BC grown vegetables. Together, we have achieved notable success this year, and I am confident that we will continue to build upon this momentum as we work on the 2024-2027 strategic priority objectives and implement the identified actions.

Sincerely,



Andre Solymosi
General Manager

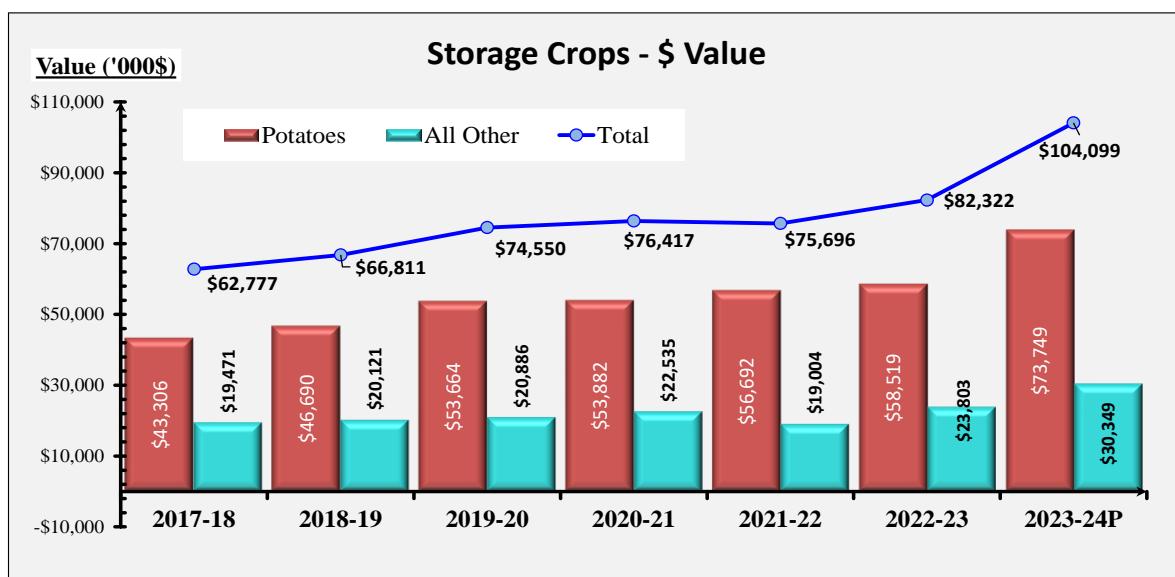
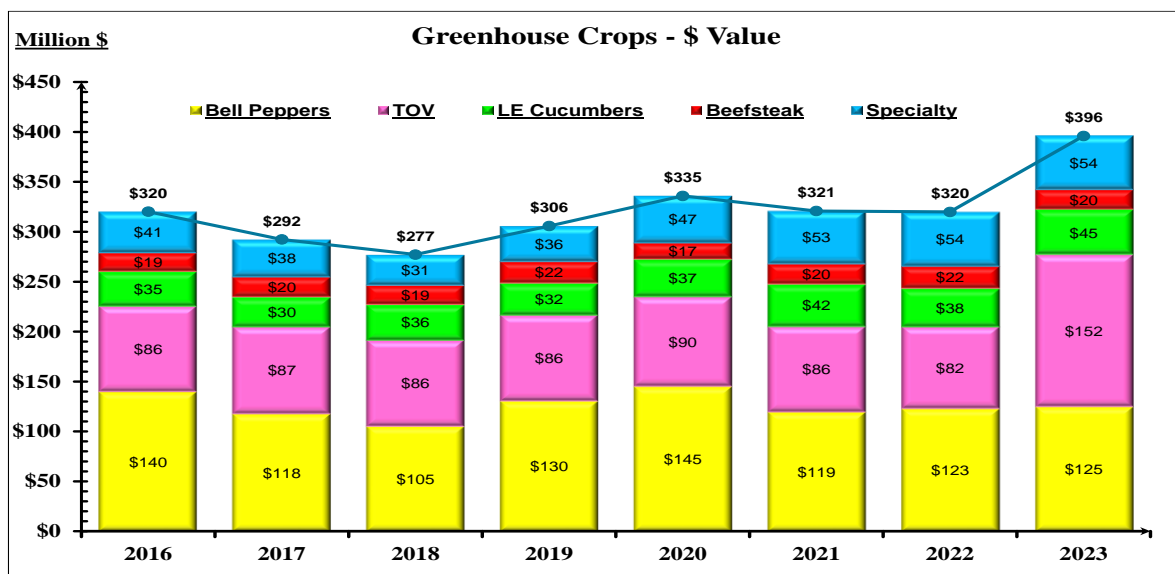


BC VEGETABLE MARKETING COMMISSION

BC's Regulated Vegetable Industry

KEY INDUSTRY STATISTICS

The regulated vegetable industry has maintained a solid financial position amidst a dynamic and challenging business landscape. Despite market fluctuations and economic uncertainties, average pricing remains stable in regulated storage crops and greenhouse vegetables on increased sales volume in both sectors. Overall, the FOB value of storage, processing, and greenhouse vegetables has increased to over 500 million and represents a growth of 24% compared to the previous year.



BC VEGETABLE MARKETING COMMISSION

In fiscal year 2023 a total of seventy-five (75) Storage Crop and fifty-two (52) Greenhouse vegetable producers were licensed to produce regulated vegetables. Eleven (11) agencies and two (2) producer-shippers were licensed to market regulated products.

KEY INDUSTRY CHALLENGES

Inflationary pressure is driving up input and production costs for producers while, at the same time, agencies are dealing with retail consolidation which is putting downward pressure on prices. The impact of these trends is continued downward pressure on producer returns.

Other identified challenges facing the industry include:

- Water restrictions
- Limited plant protection products in certain crops (i.e.) Cabbage root maggot control
- Crop virus (i.e.) Tomato rugose virus
- Access to labour
- Urban pressures on agricultural land availability and increased competition on agricultural land use putting upward pressure on the cost of land.

There is however also market opportunity for agencies through Buy Local campaigns, new markets, product innovation, and shifting consumer preferences. Producers can also capitalize on market opportunities through research and innovation that increase yields and mitigate disease pressures and by adopting new production technologies.

Outstanding vegetable industry matters in fiscal year 2023 that are before, or a result of decisions issued by, the BC Farm Industry Review Board (BCFIRB):

1. Prokam Appeal Regarding Licence Class and Interim Producer-Shipper Licence: Prokam brought an appeal from the Commission's Reconsideration Decision dated November 18, 2019 (Appeal N1908). The live issues remaining in that appeal include Prokam's licence class, and its application for an "interim producer-shipper license."
2. CFP Appeal Regarding Agency Licence: CFP submitted to the Commission an amended application for a Class 1 designated agency licence. The application was summarily dismissed by the Commission on April 11, 2022. That decision is presently the subject of an outstanding appeal brought by CFP (N2216) and is being held in abeyance pending resolution of the BCFIRB's Bad Faith Supervisory Review.
3. Red Sun Appeal (N2309) (The appeal was dismissed on February 27, 2024)
4. BCFIRB Bad Faith Supervisory Review (Phase II). (A decision has since been issued March 15, 2024)
5. Judicial Review of MPL Prior Approval Supervisory Review
6. BCFIRB-mandated re-examination of whether the Commission should recommend that MPL be approved as an agency following the March 1, 2025 expiration of the probationary licence issued by BCFIRB on October 11, 2023.

Governance

In accordance with the Scheme, the Commission is comprised of an appointed Chair, two appointed independents and up to six members who are 'commercial producers' (as defined in the Scheme) elected by the commercial producers. The Chair is appointed by the provincial government.

FINANCE AND AUDIT COMMITTEE

The Finance & Audit Committee is a standing committee of the BCVMC whose role it is to oversee the financial reporting process, the audit process, risk management, Commissioner and General Manager compensation, the BCVMC's system of internal controls and compliance with laws and regulations. The Committee reports and makes recommendations to the Board.

GOVERNANCE COMMITTEE

The Governance Committee is a standing committee established to enhance the effectiveness of corporate governance at BCVMC. Its role is to oversee succession planning, lead annual evaluations and support development of the Board and General Manager, as well as establish, monitor and ensure compliance with BCVMC General Orders and policies. It also oversees stakeholder engagement strategies to ensure they are well defined, reflect best practices and are aligned with the BCVMC vision and strategic priorities. The Committee reports and makes recommendations to the Board, helping compose a well-rounded, skilled Board.

ADVISORY COMMITTEES

Maintaining access to industry knowledge and expertise enables the Commission to make a prepared and informed decision. To ensure that the decision-making process can proceed in a timely manner, the Commission engages advisory committees for retaining access to industry knowledge and expertise. The advisory groups are structured to include commercial producers and contain reasonable apprehension of bias that may be due to a producer's association with an agency.

The advisory committees formed by the Commission are as follows:

1. Storage Crop Vegetable Advisory Committee
2. Greenhouse Vegetable Advisory Committee

The Commission engaged these Committees in the development of the Agency Accountability Framework over the fiscal year 2023. The storage crop committee also commenced discussion on identifying criteria on producing a regulated vegetable and will be addressing criteria for new entrant delivery allocation in 2024. Both committees will continue to be engaged on the implementation of the Agency Accountability Framework and informed of the progress made to bring agencies into compliance by December 31, 2024.

Members of the advisory committees are listed on page 11.

2023 Key Accomplishments

In 2023, the Commission proceeded with the development of the Agency Accountability Framework which has strengthened our regulatory framework. Over the course of the year, the Commission consulted with industry on agency accountability at a townhall session in April and through numerous meetings held with the greenhouse and storage crop vegetable advisory committees. Through these industry meetings the Commission identified the issues that needed to be addressed, creating, and validating the Agency Accountability Framework (AAF). The AAF which is supported by industry ensures that designated Agencies are fully aware and operating in compliance with their licensed responsibilities and regulatory requirements as defined by the General Orders. The AAF consists of four components:

- Agency Licence Requirements & Standards
- Agency Performance Metrics
- Compliance & Enforcement Mechanics
- Relationships with other Regulated Entities

To effectively implement the AAF it was determined that the General Orders would need to be reorganized to eliminate redundancy, regroup regulations under revised categories, and include updated wording and definitions. The reorganization of the General Orders provides clear rules and eliminates any ambiguity on how an Agency is to function and be held accountable by the Commission. These revisions to the General Orders were brought into force on January 1st, 2024, and better reflect the Commission's approach to regulating and maintaining Orderly Marketing for regulated vegetables. The Commission is committed to enforcing the rules fairly and consistently, taking the necessary action when needed on non-compliant licensed entities. These actions are to be applied consistently, predictable, and documented.

The Commission believes the best approach to ensuring compliance is for all licensees to understand their obligations and be given time to voluntarily comply if they are found to be out of compliance. In ensuring all regulated entities are fully compliant with their obligations, the Commission has established a graduated approach to enforcement centered around education and in providing regulated entities every opportunity to come into compliance with the rules within a reasonable timeframe.

Improving operational efficiency has been a priority for the Commission. We adopted various measures to streamline processes including bringing the bookkeeping function in-house for BCVMC staff to manage, moving to invoicing levies adding transparency to receivables, acquiring software to manage documentation, and implementing a document retention policy and business continuity plan. Going forward we will be setting service standards on requests and applications and automating routine processes to improve the overall efficiency of the Commission.

The Commission recognizes the importance of engaging industry partners to drive meaningful change in the industry. In the fall we completed a survey to elicit feedback from industry partners to understand issues and provide direction to the Commission's strategic plan. The evaluation consisted of three topics: Trust and Integrity, Information and Communication, and comment on the Commission/Industry's strengths and weaknesses, opportunities, and threats. We also engaged storage crop and greenhouse

BC VEGETABLE MARKETING COMMISSION

advisory committees throughout the year primarily on the AAF and look to expand the scope of discussions in the coming year.

Our employees are the driving force behind our success, and we are committed to nurturing a culture of excellence, collaboration, and inclusivity. New staff have now been in place for over a year and job descriptions have been reviewed to better understand roles and responsibilities and implement changes to improve alignment. Staff are motivated to serve stakeholders and support the Commission in carrying out its mandate. The office has been refreshed with new carpet and paint and clutter has been removed bringing new life to the office and we invite everyone to come and see the changes.

In 2023 we updated our website and introduced a quarterly newsletter to keep growers and agencies informed and up to date on Commission activities. This communication has been well received and will be continued in future and we will be investigating other communication vehicles to you informed. We are also putting a priority on meeting with stakeholders and staff to get out of the office and engage with industry.

Throughout the year, the BCVMC continued to fulfill its mandate of ensuring regulatory compliance and promoting transparency, fairness, and stability within the storage crop, processing crop and greenhouse vegetable sectors. Decisions were issued on various matters related to applications for agency licensing and for production and delivery allocations.

All vegetables grown in the province are subject to the BC Vegetable Marketing Commission's (Commission) authority. Prior to December 31, 2023, the Commission's General Orders applied only to regulated storage, processing, and greenhouse vegetables grown below the 53rd parallel north latitude (53rd parallel), in the southern half of British Columbia. On January 1st, 2024, this restriction was removed from the General Orders and the regulated area was expanded to encompass the entire province. This decision was made in consideration of climate change and changes in agricultural practices that utilize controlled environment structures.

We also recognize the importance of sustainability in our operations and since 2017 the Commission has been drawing from a substantial reserve to fund revenue shortfalls. In 2023 the Commission increased the administrative levy charged to producers, which had not been increased in 8 years and which was actually reduced in 2017. This decision was not taken lightly and was made to ensure the continued viability of the Commission's operations. The new administrative levy rates generated additional revenue covering most of the projected 2023 budget deficit generated primarily from increased legal, insurance and other inflationary costs. We have also increased service fees, application fees, and agency fees (which also have not increased since 2005). Going forward these increases will allow us to build an accumulated surplus that meets the minimum reserve requirement established by the Commission.

2024 Outlook

Our main priorities going forward include the effective implementation of the Agency Accountability Framework (AAF) which will require new processes and procedures, more robust communications to keep you informed and improved efficiencies and timelines around decision-making.

We will continue to adopt a proactive and risk-managed approach to regulation, focusing on emerging risks, effective enforcement, and stakeholder engagement. Through this approach, we aspire to create an efficient, resilient and responsive regulatory environment that supports a healthy, prosperous, and sustainable BC vegetable industry. We will monitor emerging challenges and review and update existing regulations and policies to ensure we remain relevant.

With a clear strategic direction, a talented team, and a commitment to excellence, we are well-positioned to deliver long-term value of the regulatory framework to growers, agencies and other stakeholders.



BC VEGETABLE MARKETING COMMISSION

Strategic Plan



Vision

A healthy, prosperous, and sustainable BC vegetable industry

Mission

To provide strategic leadership and effective regulation for BC's vegetable industry

Values

Accountable
Committed
Fair
Outcome-Oriented
Transparent

Strategic Priorities



Regulatory Compliance

- Implement the Agency Accountability Framework, including the associated Compliance and Enforcement policies and procedures by December 31, 2024.
- Report on regulatory compliance progress to BCFIRB and industry partners.
- Complete the modernization of the General Orders.



Organizational Sustainability

- Maintain operational and financial stability.
- Implement selective partial cost-recovery fees for certain services rendered by BCVMC.
- Recruit qualified Commissioners.
- Recruit and retain qualified staff.



Operational Excellence

- Establish service standards.
- Streamline and simplify processes.
- Enable timely decision making based on evidence.



Effective Communication

- Communicate relevant information to industry partners in a timely manner.
- Provide opportunities for industry input on issues.

BC VEGETABLE MARKETING COMMISSION

Commissioners

Commissioners			
Name	Position	Representation Category	Term End
Derek Sturko	Chair	Independent	2024
Craig Evans	Vice Chair	Independent	2025
Hugh Reynolds	Secretary	Storage Crops	2024
Natalie Veles	Member	Independent	2024
John Newell	Member	Greenhouse Crops	2025
Michael Minerva	Member	Greenhouse Crops	2026
Armand Vander Meulen	Member	Greenhouse Crops	2024
Kevin Husband	Member	Storage Crops	2026
Paul Guichon	Member	Storage Crops	2025

Staff

Staff		
Name	Position	Email
Andre Solymosi	General Manager	asolymosi@bcveg.com
Debbie Oyebanji	Regulatory and Data Management	doyebanji@bcveg.com
Randy Cox	Licensing and Compliance Manager	rcox@bcveg.com
Diana Milligan	Administrative Coordinator	diana@bcveg.com

BC VEGETABLE MARKETING COMMISSION

Greenhouse Advisory Committee

Greenhouse Advisory	
Member	Representation Category
Vijay Randhawa	Producer
Marcus Janzen	Producer
Corne Moerman	Producer
Ray VanMarrewyk	Producer
Michael Purewal	Independent
Mike Minerva	Agency
Jeff Madu	Agency
Armand Vander Meulen	Commissioner
Craig Evans	Commissioner

Storage Crop Advisory Committee

Storage Crop Advisory	
Member	Representation Category
Tim Guichon	Producer
Cory Gerard	Producer
Blair Lodder	Producer
Jimmy Dhaliwal	Producer
Bill Zylmans	Independent
Shelly Harris	Agency
Murray Driediger	Agency
Hugh Reynolds	Commissioner
Kevin Husband	Commissioner

BC VEGETABLE MARKETING COMMISSION

2023 Financial Statements

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION

Financial Statements

Year Ended December 31, 2023

BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
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Year Ended December 31, 2023

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BC VEGETABLE MARKETING COMMISSION

Aterna Advisors Inc.
Chartered Professional Accountants

Unit 240, 8621 201 Street
Langley, BC V2Y 0G9
Telephone 604 585-3300

INDEPENDENT AUDITOR'S REPORT

To the Members of British Columbia Vegetable Marketing Commission

Report on the Financial Statements

Opinion

We have audited the financial statements of British Columbia Vegetable Marketing Commission (the "organization"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 25, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)

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BC VEGETABLE MARKETING COMMISSION

Independent Auditor's Report to the Members of British Columbia Vegetable Marketing Commission
(continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Langley, British Columbia
April 5, 2024

Aterna Advisors Inc.



CHARTERED PROFESSIONAL ACCOUNTANTS

BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Term deposits	\$ 72,479	\$ 229,213
Accounts receivable	237,988	201,124
Goods and services tax recoverable	30,709	16,611
Prepaid expenses	31,101	15,071
	<u>372,277</u>	462,019
RESTRICTED CASH AND EQUIVALENTS (Note 4)	1,051,158	418,683
CAPITAL ASSETS (Note 5)	<u>59,412</u>	82,463
	<u>\$ 1,482,847</u>	<u>\$ 963,165</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 41,038	\$ 132,002
ADMINISTERED FUNDS	<u>1,051,158</u>	418,683
	<u>1,092,196</u>	550,685
NET ASSETS		
Unrestricted fund	331,239	330,020
Invested in capital assets	<u>59,412</u>	82,460
	<u>390,651</u>	412,480
	<u>\$ 1,482,847</u>	<u>\$ 963,165</u>
CONTRACTUAL OBLIGATIONS (Note 9)		

ON BEHALF OF THE BOARD


 _____ Chair

 _____ Secretary

See notes to financial statements

BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
Statement of Revenues and Expenditures
Year Ended December 31, 2023

	2023	2022
REVENUES		
Levies	\$ 596,114	\$ 357,026
Licenses	185,509	186,059
Rental income	-	14,024
	<u>781,623</u>	<u>557,109</u>
EXPENSES		
Salaries and wages	384,776	336,480
Legal fees (<i>Note 8</i>)	116,568	81,220
Commissions/Chair	95,057	80,857
Rent	62,522	61,567
Amortization	43,496	52,736
Supplies and services	34,155	28,954
Support and promotion	26,223	17,959
Accounting and audit fees	22,330	14,370
Telephone and internet	20,755	15,720
Industry Memberships	8,138	10,361
Contractor services	7,780	76,169
Travel	6,522	7,772
	<u>828,322</u>	<u>784,165</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(46,699)</u>	<u>(227,056)</u>
OTHER INCOME (EXPENSES)		
Other income (<i>Note 7</i>)	24,870	8,501
Food safety costs recovery	-	15,545
Food safety costs	-	(40,380)
	<u>24,870</u>	<u>(16,334)</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (21,829)</u>	<u>\$ (243,390)</u>

See notes to financial statements

BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
Statement of Changes in Net Assets
Year Ended December 31, 2023

	Unrestricted Fund	Invested in capital assets	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 330,020	\$ 82,460	\$ 412,480	\$ 655,871
DEFICIENCY OF REVENUES OVER EXPENSES	21,667	(43,496)	(21,829)	(243,390)
CAPITAL ASSETS	(20,448)	20,448	-	-
NET ASSETS - END OF YEAR	\$ 331,239	\$ 59,412	\$ 390,651	\$ 412,481

See notes to financial statements

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BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (21,829)	\$ (243,390)
Item not affecting cash:		
Amortization of capital assets	43,496	52,736
	<u>21,667</u>	<u>(190,654)</u>
Changes in non-cash working capital:		
Accounts receivable	(36,864)	(74,813)
Accounts payable	(90,960)	18,796
Prepaid expenses	(16,030)	(6,558)
Goods and services tax payable	(14,098)	(19,911)
	<u>(157,952)</u>	<u>(82,486)</u>
Cash flow used by operating activities	<u>(136,285)</u>	<u>(273,140)</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(20,448)	(40,093)
Term deposits	156,734	287,487
Cash flow from investing activities	<u>136,286</u>	<u>247,394</u>
FINANCING ACTIVITIES		
Administered funds	632,475	174,604
Held for administered funds	(632,475)	(174,604)
Cash flow from financing activities	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	<u>-</u>	<u>(25,748)</u>
Cash - beginning of year	<u>-</u>	<u>25,748</u>
CASH - END OF YEAR (Note 3)	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION

Notes to Financial Statements

Year Ended December 31, 2023

1. DESCRIPTION OF BUSINESS

The Commission was established by the British Columbia Vegetable Scheme, B.C. Reg.96/80, for the purpose of regulation, marketing and promotion of the B.C. vegetable industry.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%	straight-line method
Computer software	33%	straight-line method
Database	25%	straight-line method
Furniture and office equipment	10%	straight-line method
Leasehold improvements	20%	straight-line method

Administered funds

The Commission reports funds administered on behalf of industry groups.

Revenue recognition

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenues in the year in which related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital asset. Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2023

3. TERM DEPOSITS

	2023	2022
Term Deposits	\$ 538,199	\$ 519,390
Restricted - held for administered funds	(465,720)	(290,177)
	\$ 72,479	\$ 229,213

Envision Credit Union term deposits are cashable at any time during its term. Term deposits consist of one step-up term maturing May 14, 2025, with interest of 1.25% per annum till August 14, 2024 and 7.75% per annum from August 15, 2024 to May 14, 2025.

4. RESTRICTED - CASH AND EQUIVALENTS

Reserved for administered funds (<i>Note 6</i>)	\$ 1,051,158	\$ 418,683
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5. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Database software system	\$ 229,558	\$ 185,935	\$ 43,623	\$ 73,171
Leasehold improvements	56,616	53,426	3,190	4,102
Computer equipment	30,057	24,601	5,456	3,132
Furniture and office equipment	114,212	111,782	2,430	2,058
Computer software	72,884	68,171	4,713	-
	\$ 503,327	\$ 443,915	\$ 59,412	\$ 82,463

BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2023

6. ADMINISTERED FUNDS

	2022	Net Receipts	Net Disbursements	2023
Brassica Research Fund	\$ 22,222	\$ 7,088	\$ -	\$ 29,310
B.C. Agricultural Council	27,011	9,990	10,554	26,447
B.C. Greenhouse Growers Assoc. Research & Industry Development Fund	18,475	490,786	509,261	-
Fruit & Vegetable Growers of Canada	10,585	18,680	25,133	4,132
Bean Growers Association Funds	(5,348)	4,981	1,100	(1,467)
Fraser Valley Cole Crop Growers Association Fund	2,153	-	2,153	-
Fraser Valley Strawberry Growers Association Fund	255	363	257	361
Greenhouse Trade Support Fund	(140,081)	140,081	-	-
Greenhouse Trade Support Levies	(7,221)	7,221	-	-
Greenhouse Quota Trust Fund	138,770	384,156	63,550	459,376
Pea Wilt Research Fund	1,809	-	-	1,809
Potato Research & Industry Development Fund	12,321	77,646	49,929	40,038
Potato Trade Support Fund	341,053	125,114	-	466,167
Processing Vegetable Development Fund	(2,376)	52,619	26,300	23,943
United Potato Growers of Canada	(1,440)	5,055	2,730	885
Strawberry Research Fund	495	158	496	157
	<u>\$ 418,683</u>	<u>\$ 1,323,938</u>	<u>\$ 691,463</u>	<u>\$ 1,051,158</u>

Administered funds are funds established and held for specific purposes as follows:

- a) Research and development funds are established for related industry research and development activities.
- b) The performance security fund holds funds held as performance guarantees for development.

7. OTHER INCOME

	2023	2022
Interest	\$ 19,020	\$ 3,491
Other income	5,850	5,010
	<u>\$ 24,870</u>	<u>\$ 8,501</u>

Other income includes administrative fees.

BC VEGETABLE MARKETING COMMISSION

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
Notes to Financial Statements
Year Ended December 31, 2023

8. LEGAL FEES

The significant legal expenses are due to appeals before BC Farm Industry Review Board (FIRB), a Supervisory Review, and the subsequent hearing process.

9. CONTRACTUAL OBLIGATIONS

The Commission occupies premises under a lease agreement which includes minimum rent, plus property taxes, maintenance, heat and certain other common costs. Subsequent to the year end, the lease was renewed on January 8, 2024, for five years starting May 1, 2024:

The minimum lease payments, excluding additional costs and sub-let receipts, if any, for the next years are as follows:

Contractual obligation repayment schedule:

2024	\$	41,389
2025		42,399
2026		42,399
2027		43,745
2028		44,418
Thereafter		14,806
	\$	<u>229,156</u>

10. FINANCIAL INSTRUMENTS

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Credit Risk

Credit risk arises from the potential that licensees will fail to perform its obligations. The organization is exposed to credit risk from licensees. In order to reduce its credit risk, the organization reviews a new licensee's credit history before extending credit and conducts regular reviews of its existing licensees' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of licensees which minimizes concentration of credit risk.

BRITISH COLUMBIA VEGETABLE MARKETING COMMISSION
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Liquidity Risk

Liquidity risk is the risk that the Commission may be unable to meet short term financial demands. This usually occurs due to the inability to convert a hard asset to cash without a loss of capital and/or income in the process. The Commission's funds held are adequate to cover its obligations.

Fair Value

The organization's carrying value of cash, term deposits, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity or capacity for prompt liquidation of these instruments.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

BC VEGETABLE MARKETING COMMISSION

2024 Operating Budget

BC Vegetable Marketing Commission
2024 Operating Budget
Statement of Operations

	<u>Budget 2024</u>
REVENUE	
Total License Fees	337,321
4220 Administration Levy	670,838
4810 Other Income	<u>15,500</u>
Total Revenue	1,023,659
EXPENSES	
Financial Expense	12,788
Industry Support Expense	108,400
Governance Expense	115,000
Administration & Office Expense	112,311
Data & IT Expense	45,806
Staff Expense	423,921
Professional Development Expense	5,000
Contractor Service Expense	<u>106,500</u>
Total Expenses	929,726
SURPLUS / (DEFICIT)	<u><u>93,933</u></u>

Commission Information

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