

BC VEGETABLE MARKETING COMMISSION  
POLICY

**Producer Marketing Agreements  
(PMA)**

**GOALS:**

- Protect Grower, Agency, and Industry interests in marketing regulated product.

**OBJECTIVES:**

- Growers and Agencies know what is expected of each other;
- The rights of each party in marketing the crop are clearly identified;
- Transparent and complete records of the terms and conditions governing the marketing of the regulated crops;
- Industry wide best practice conduct.

**GENERAL ORDER SECTIONS:**

1. In this General Order:

"**Producer Marketing Agreement**" means an agreement between a Producer and an Agency which sets out the terms and conditions upon which the Regulated Product shall be provided by the Producer and sold by the Agency.

100. An agreement between an Agency and a Producer, which addresses terms and conditions upon which the Regulated Product shall be provided by the Producer and sold by the Agency (e.g., a Producer Marketing Agreement), shall be reduced to writing consistent with Commission policy.

121. Each Agency shall make available, upon request, all signed Producer Marketing Agreements with all Producers of Regulated Product shipped through that Agency to the Commission.

**CODE OF CONDUCT:**

- Agencies have fiduciary obligations to the Commission and producers. This means an Agency must fairly, truthfully, and loyally represent the interests of producers and act within the authority granted by the Commission to market BC grown regulated vegetable crops.
- The Licensed Agency has a fiduciary duty to conduct business for the benefit of its regulated vegetable producers and in the interests of the regulated vegetable industry.
- The Licensed Producer has a fiduciary duty to the Agency to produce and supply a quality product that satisfies the Agency's expectations.

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- All parties act in good faith for the benefit of the industry.
- Producer Marketing Agreements must be uniformly applied to all producers of regulated product marketing through an Agency and provide similar terms and conditions.
- The Producer must have a signed and valid producer marketing agreement with their designated Agency prior to delivering product to the Agency. The Agency is to refuse any product shipped from a grower that is not in possession of a signed and valid PMA.

#### **AGREEMENT PROVISIONS:**

- Other than provisions required by the Commission, additional terms and conditions may be added upon mutual agreement between producers and the Agency.
- Provisions required by the Commission to be included in All PMAs:
  1. AGENCY DUTIES
    - 1.1. Representations, warranties, and covenants that comprise the terms under which the regulated product will be marketed by the Agency.
    - 1.2. Reference to the legal authority and obligations of a licensed Agency.
  2. PRODUCER DUTIES
    - 2.1. Representations, warranties, and covenants that comprise the terms under which the regulated product will be supplied by the Producer.
    - 2.2. Reference to the legal obligations of a licensed Producer.
  3. PRODUCT QUALITY & FOOD SAFETY
    - 3.1. Assurance that all regulated products meet all regulations and legal requirements as dictated by the laws of the markets being supplied.
    - 3.2. Provisions for managing non-compliant or unmarketable product.
    - 3.3. Commitment by all parties to a recognized third party audited certification program.
  4. SETTLEMENTS
    - 4.1. Each Agency is authorized to and may implement pooling method(s) for the distribution of all proceeds received from the sale of the regulated product. The PMA must include a reference to the pooling program(s) being implemented.
    - 4.2. Payment dates and terms.
  5. DEDUCTIONS - COMMISSIONS, FEES, CHARGES, PENALTIES & LEVIES
    - 5.1. Reference to all fees, charges, Penalties, and Levies as set by the Commission.
    - 5.2. Provides clarity on the application of these deductions.
    - 5.3. All fees and charges for Agency Services must be annually approved by the Commission. Any fee or charge not approved is a nullity.

6. PRODUCT MANAGEMENT

6.1. Market access terms.

- For PMA's with Storage Crop Producers, reference to the application of Delivery Allocation to manage market access.

6.2. Packaging / Re-packing policy.

6.3. Reporting commitments.

6.4. Provides clarity on the management of / deductions for Product Rejections, Claims, and Product of Unmarketable Quality.

7. DISPUTE RESOLUTION

7.1. Reference to the terms to be followed to resolve a dispute.

8. TERM OF AGREEMENT

8.1. The PMA term is to extend over the period of a Crop Year and apply to the marketing of the regulated product(s) produced in that Crop Year.

- Greenhouse Vegetable Crop Year is January 1<sup>st</sup> to December 31<sup>st</sup>
- Storage Vegetable Crop Year is the beginning of the season to June 30<sup>th</sup> of the following year.

8.2. No PMA is to be any longer than 3 consecutive Crop Years.

8.3. An evergreen provision for the automatic renewal of a PMA is not permitted.

9. NOTICE OF TERMINATION

9.1. PMA's equal or greater than 2 consecutive Crop Years must include a notice of termination clause. The terms agreed to on giving notice must at a minimum require that notice be issued to the other party no later than October 31<sup>st</sup> in the year prior to the start of a new Crop Year.