

May 29, 2024

DELIVERED BY EMAIL

Linda Delli Santi
Executive Director
BC Greenhouse Growers Association

CC: Armand Vander Meulen, BCGGA President/Chair
Derek Sturko, BCVMC Chair

Dear Ms. Delli Santi:

RE: Levies and Request to Present at BCGGA AGM

Thank you for your email dated May 30th. I had been trying to reach you over the past few weeks through emails on April 22nd and May 3rd and by phone, leaving a voicemail the week of April 8th, May 3rd, and on the morning of May 14th, to discuss the Greenhouse matters outlined below.

I became aware that a notice was emailed on May 14th, 2024 to all greenhouse owners informing that your AGM has been set for Tuesday June 25th. In prior years the BCVMC Chair and General Manager have received an invitation to attend the meeting and based on our follow-up discussion the invitation is forthcoming. As expressed in my May 3rd, 2024 email we would have liked the opportunity for the new BCVMC Chair, Derek Sturko, to speak to your membership at the AGM but understand that the agenda is full. In lieu of that opportunity to present, we are requesting that a written communication from the BCVMC Chair be part of your communication package distributed in advance of the AGM.

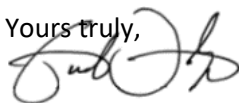
As expressed in my April 22nd email, I want to follow up on the BCGGA's efforts to establish a separate Commission for regulated BC greenhouse vegetables. Of particular interest and concern to the Commission is the way in which those efforts are being funded. These efforts are not aligned with the Commission's interests. Consequently, levy proceeds collected by the Commission cannot be used to fund such an initiative.

Further, our review of this particular issue has provoked a broader review of the general funding provided by the Commission to the BCGGA as well as other industry associations. For your review and reference, I have attached as Appendix "A" a list of considerations that are applicable to the Commission's funding of the BCGGA.

Linda, these are important matters that we need to discuss as levy proceeds collected by the Commission cannot be transferred to the BCGGA until such time as the Commission is satisfied that the funding considerations set out in Appendix "A" are appropriately addressed. In this regard I am respectfully awaiting your response on the following requests:

1. Your availability to schedule a call to discuss the BCVMC collecting levies to fund approved activities of the BCGGA, the Research and Development Agreement between the BCGGA and BCVMC, and specifically the sections: Scope of Work, Program Funds, and Reporting.
2. A copy of the agreement with the Ministry of Agriculture and Food, the terms of reference (TOR) for the "Marketing Study" that is being undertaken by MNP and a reconciliation as to how this is being funded.
3. A decision on whether the BCGGA will distribute a written communication from the BCVMC Chair as part of your June 25th AGM package.

Yours truly,



Andre Solymosi, General Manager

APPENDIX "A"
FUNDING CONSIDERATIONS

1. Sections 6, 7 and 8 of the 2007 Research and Industry Development Agreement made between the Commission and the BCGGA oblige the BCGGA to provide the Commission with a statement of work and a financial budget for consideration. The statement of work and financial budget are to be approved annually by the BCGGA membership. Further, the annual statement of work and financial budget, as well as the levies required to fund that annual statement of work and financial budget, are subject to the approval of the Commission. Obviously, it would be sensible to seek and obtain the Commission's approval prior to consideration by the membership.
2. Sections 13, 14, 15 and 16 of the 2007 Research and Industry Development Agreement made between the Commission and the BCGGA oblige the BCGGA to report to the Commission with respect to its use of funds provided by the Commission.
3. The Commission, when collecting mandatory levies under legislated authority, is responsible for how that money is used on an ongoing basis and has the obligation to be transparent and accountable. See: *Rainbow Poultry Ltd. et. al. v. B.C. Chicken Marketing Board et. al.*, (BCFIRB, December 18, 2013) at par. 86.
4. It is the Commission, not the BCGGA, that is responsible to the growers who pay the mandatory levy to ensure that growers have sufficient information to know what activities have been undertaken by the BCGGA from the funding provided by the Commission, what those activities cost and how those activities fit within the statutory mandate and sound marketing policy. See: *Rainbow Poultry Ltd. et. al. v. B.C. Chicken Marketing Board et. al.*, (BCFIRB, December 18, 2013) at par. 87.
5. It is incumbent on the Commission to identify the statutory framework under which it is prepared to fund the BCGGA and to clarify any activities or expenses that are either not within the purposes of the Scheme or that it is not prepared to fund as a matter of sound marketing policy. The Commission also needs to identify what supporting documents it requires from the BCGGA to demonstrate that proposed expenditures fall within the purposes of the Scheme. See: *Rainbow Poultry Ltd. et. al. v. B.C. Chicken Marketing Board et. al.*, (BCFIRB, December 18, 2013) at par. 91.
6. Before the Commission can consider the BCGGA statement of work and financial budget, the Commission must have sufficient documentation or explanation from the BCGGA to demonstrate how each activity or category of expenditure fits within the statutory framework and is consistent with sound marketing policy. The statement of work, financial budget and supporting documents must be sufficiently detailed to allow the Commission to know what activities or categories of expenditure the BCGGA proposes as well as the estimated expense in each case and the basis for the estimate. The BCGGA must also provide an explanation of how those activities and expenditures relate to the purposes of the Scheme and sound marketing policy in order for the Commission to make informed funding decisions within the statutory mandate in relation to the Association's funding request. See: *Rainbow Poultry Ltd. et. al. v. B.C. Chicken Marketing Board et. al.*, (BCFIRB, December 18, 2013) at par. 91.
7. The Commission must also receive a comprehensive summary from the BCGGA reporting on the past year's activities and expenditures in relation to the approved budget for that year. The purpose of this report is to provide a meaningful discussion of what money was received by the BCGGA from the Commission in the past year and how the activities and categories of expenditure in the approved budget for that year relate to the purposes of the Scheme and sound marketing policy, what the money was spent on in reference to the various budgeted activities and categories of expenditure, and what was ultimately accomplished with the funding. As well, the report is to compare the past year's expenditures with the budgeted amounts for that year and actual expenditures in the prior year. See: *Rainbow Poultry Ltd. et. al. v. B.C. Chicken Marketing Board et. al.*, (BCFIRB, December 18, 2013) at par. 91.