



BC VEGETABLE MARKETING COMMISSION

INTERIM ADMINISTRATIVE POLICY
Management of Industry Delivery Allocation and Market Access

Established administrative policy under the following parts of the General Order:

- PART XVI Production and Delivery Allocations - General**
- PART XV Marketing of “New” or Additional Regulated Product by Existing Agencies & Producer-Shipper**
- PART XVII Procedure for Determining Delivery Allocation for Storage Crops**

See Appendix A for the paragraph references under these parts

The following procedure will be applied to determine market access to the retail / wholesale / food service / or processing markets when:

- A) A Producer has planted a regulated storage crop vegetable without Delivery Allocation and wants to ship product to the retail / wholesale / food service / or processing markets.**

REPORTING:

- I. The Commission General Manager is notified of the producer as soon as the producer is known, and prior to producer qualification.

PROCESS:

1. PRODUCER QUALIFICATION

- 1.1.** The Producer is represented by a storage crop Agency.
- 1.2.** The designated Agency determines if the Producer is qualified for market access:
 - The Producer is licensed by the Commission to produce the regulated crop.
 - The Producer has a signed GMA with the Agency.
 - The Producer has a valid Food Safety Certificate and must add the crop in question at the next available opportunity. If an AUDIT is pending, further discussion with all Agencies is required to determine Producer qualification.

2. ACKNOWLEDGE THE DELIVERY ALLOCATION OF AN AGENCY’S PRODUCERS

- 2.1.** The Agency confirms availability of the regulated vegetable amongst the Agency’s group of Producers that have earned or been granted Delivery Allocation.

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- 2.2. If there is product available from Producers with unfilled Delivery Allocation, these Producers are given the opportunity to ship product or by-pass on the opportunity.
- 2.3. If a Producer with unfilled Delivery Allocation by-passes on the opportunity to ship product to the market, this needs to be documented by the Agency.
- 2.4. Once verified that none of the Agency's Producers with unfilled Delivery Allocation have product that meets the specifications to supply the pending sale, the Agency must confirm if there is unfilled industry Delivery Allocation to be acknowledged.

3. ACKNOWLEDGE INDUSTRY DELIVERY ALLOCATION

- 3.1. The Agency sends an e-mail to the Commission General Manager, storage crop producer-shipper and all storage crop Agencies that manage delivery allocation for the specific regulated vegetable informing:
 - That it has a qualified Producer with no Delivery Allocation, and requests access to this product to supply an Agency customer.
 - Specific details on the product: total volume (tons) to be shipped (by-week), shipping period start and end dates, region / district to be serviced by the product, target customer (retail / wholesale / food service / processing) and customer specification requirements.
- 3.2. All storage crop Agencies and Producer-Shippers that manage delivery allocation for the specific regulated vegetable are to make a submission stating if they support or oppose the request, and the reasons behind their position.
- 3.3. The Commission General Manager will follow up with each submission.
- 3.4. As required, a conference call is arranged with all storage crop Agency managers and Producer-Shipper of the specific regulated vegetable to discuss the request with the Commission General Manager.

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The following procedure will be applied to determine market access to the retail / wholesale / food service / or processing markets when:

- B) There is a volume of product that is to be shipped in excess of an Agency's or Producer-Shipper's aggregate Delivery Allocation or Commission approved sales forecast when other Producers in the Province have not yet filled their Delivery Allocation.**

REPORTING:

- I. Agencies and Producer Shippers are to notify the Commission when shipments are forecasted to exceed the Commission approved sales forecast for each delivery allocation category and period. Forecasted sales are to be reported to the Commission as per a set reporting schedule. Sales volume (tons) forecasted to exceed delivery allocation for each category and period requires prior approval by the Commission.
- II. An industry report is to be distributed **monthly, every third week, prior to the Agency Market call**. The report will track forecasted shipments vs delivery allocation and approved sales forecast. The report is used to inform the administrative decision to be made on forecasted sales that exceed the approved sales forecast.

PART B PROCESS:

4. ACKNOWLEDGE INDUSTRY DELIVERY ALLOCATION

4.1. Each storage crop Agency and Producer-Shipper is expected to maintain operational reports that provide:

- Reporting on actual shipments by each storage crop Producer that tracks and compares shipments to a Producer's Delivery Allocation for the period.
- For each regulated storage crop vegetable, a forecast on production for the delivery allocation category, by period and Crop Year.
- For each regulated storage crop vegetable, a forecast on sales volume (tons) for the delivery allocation category, by period, and Crop Year.
- Reporting that tracks and compares an Agency's / Producer-Shipper's actual shipments, forecasted production, and forecasted sales to their aggregate Delivery Allocation and Commission approved sales forecast for each Delivery Allocation category, by period, and Crop Year.

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4.2. Each storage crop Agency is expected to give reasonable notice and report to all Agencies and the Commission:

- Prior to shipment, when an Agency is aware that their group of producers will commence production of a regulated storage crop vegetable.
- The date when shipments commence for each regulated storage crop vegetable.
- When Delivery Allocation commences within the Agency for each Delivery Allocation category and period.
- When they anticipate that aggregate shipments will fill Delivery Allocation, and when they will exceed their Commission approved sales forecast for each Delivery Allocation category and period.

4.3. Each storage crop Producer-Shipper is expected to give reasonable notice and report to the Commission:

- Prior to shipment, when the Producer-Shipper is aware that they will commence production of a regulated storage crop vegetable.
- The date when shipments commence for each regulated storage crop vegetable.
- When they anticipate that shipments will fill Delivery Allocation, and when they will exceed their Commission approved sales forecast for each Delivery Allocation category and period.

4.4. Reporting on shipments to aggregate delivery allocation and Commission approved sales forecast is brought into force for ALL AGENCIES and PRODUCER-SHIPPERs when:

- **AN AGENCY declares the commencement of delivery allocation,**
- **Two Agencies, Two Producer-Shippers, or a combination of an Agency and a Producer-shipper commence shipments of a regulated storage crop vegetable in a delivery allocation category period.**

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ADMINISTRATIVE DECISION

An administrative decision will be made by the Commission General Manager to determine market access to the retail / wholesale / food service / or processing markets when:

- A) **A Producer has planted a regulated storage crop vegetable without Delivery Allocation and wants to ship product to the retail / wholesale / food service / or processing markets.**
- B) **There is a volume of product that is to be shipped in excess of either an Agency's or Producer-Shipper's aggregate Delivery Allocation or Commission Approved Sales Forecast, when other Producers in the Province have not yet filled their Delivery Allocation.**

5. ADMINISTRATIVE DECISION

5.1. The primary information sources are the Agency and Producer-Shipper submissions. All decisions are to be reached by consensus with storage crop Agency managers of the regulated product.

5.2. A decision will be made on:

- The permissible volume (tons); and,
- The terms under which this product can be shipped to the market.

5.3. Decisions by consensus will be validated with all Agency managers and filed by the Commission General Manager.

5.4. **If a decision cannot be reached by consensus and or the General Manager believes that it is beyond his authority to issue an administrative decision, the matter will be brought forward to the Commission (Board) for review.**

DECISION CONSIDERATIONS:

- Unless authorized by the Commission, no Agency or Producer-Shipper is permitted to ship in excess of the aggregate Delivery Allocation held by its Producers, or in excess of their Commission approved Sales Forecast, when other Producers in the Province have not yet filled their Delivery Allocation.
- Availability of product that meets the Agency and customer's specifications.
- Market access of the product may be disruptive to orderly marketing and therefore requires a marketing plan and Sales Forecast for each delivery allocation category and period to be pre-approved by the Commission before market access can be granted.

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Appendix A

PART XVI PRODUCTION AND DELIVERY ALLOCATIONS – GENERAL

1. The purposes of the Delivery and Production Allocation Procedures contained in Part XVII and Part XVIII are to identify the principles and guidelines by which the Commission will support and enhance a regulated marketing system for the intra-provincial, interprovincial and export trade of regulated crops.

These purposes include:

- A) The preservation of market access for Producers who have served the market over time.
 - B) The provision of access for new entrants.
 - C) The desire to create and maintain long-term, sustainable, food safe, farming and greenhouse operations.
 - D) The provision of opportunity for industry growth.
 - E) The provision of an orderly marketing system.
2. In the event a Producer or any other Person realizes a benefit or advantage in regard to the application of the Procedures contained in Part XVII and Part XVIII, or the utilization of or access to Delivery or Production Allocations, that are not consistent with the object and purpose of these Procedures, the Commission may deny such Producer or Person that benefit or advantage and may interpret these Procedures in a manner consistent with the object and purpose of the policy as articulated in section 1 of this Part.
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 9. Designated Agencies having the authority to market storage crops are to use each individual producer's assigned Delivery Allocation for the purpose of determining the Producer's delivery opportunity in accordance with the established Delivery Allocation period.

PART XV MARKETING OF "NEW" OR ADDITIONAL REGULATED PRODUCT BY EXISTING AGENCIES & PRODUCER-SHIPPERS

1. No new or additional Regulated Product shall be marketed by existing Agencies or Producer-Shippers without Commission approval.
2. An Agency or Producer-Shipper seeking to market new or additional Regulated Product shall submit a Business Plan covering a period of time specified by the Commission which addresses matters relating to promotion, market development

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and planned expansion. In the case of agencies marketing regulated greenhouse crops, this requirement will occur within the Procedures outlined under General Orders Part XVI and XVIII.

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PART XVII PROCEDURE FOR DETERMINING DELIVERY ALLOCATION FOR STORAGE CROPS

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2. *Only Regulated Product shipped through an Agency or Producer-Shipper of the Commission shall be used for the calculation of Delivery Allocation levels or adjustments for Crops under this Part.*

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4. Subject to section 5 and 6 in this Part, no Producer shall ship a quantity of Storage Crops in excess of their Delivery Allocation, unless otherwise authorized by the Commission.
5. Delivery Allocation within a period does not commence until supply exceeds demand. Any shipments made within a Delivery Allocation period prior to commencement of Delivery Allocation will count towards the building of Delivery Allocation.
6. After one round (100 percent) of all Delivery Allocations has been shipped for any Storage Crop in any Delivery Allocation period, Delivery Allocations shall be awarded equally to each registered producer. For the purposes of this section registered Producers operating as a Family Unit may be grouped together and in those instances the Family Unit will receive the Delivery Allocation of only one registered Producer.
7. Where a Producer is called to provide Regulated Product and cannot or will not supply the Regulated Product demanded by the market, that Producer will be bypassed and will be deemed to have shipped the quantity of Regulated Product requested, and other Producers will be contacted. Producers holding a Delivery Allocation will be contacted first and new Producers will be contacted if Producers holding a Delivery Allocation cannot supply the Regulated Products requested.

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