

AMENDING ORDER 54

PART XIV DESIGNATED AGENCIES

Effective Date: **March 15, 2021**

INTRODUCTION	1
BACKGROUND	2
AMENDING ORDER	3
S.A.F.E.T.I. PRINCIPLE	3
APPENDIX A	3

INTRODUCTION

As the regulator of the BC Vegetable Scheme, the BC Vegetable Marketing Commission (the Commission) is responsible for establishing the regulatory environment and policy framework for the marketing of regulated vegetables and monitoring compliance.

Agencies are granted authority by the Commission to market regulated product. While they operate as businesses, designated agencies are not industry stakeholders akin to hatcheries or processors in other regulated commodities. In this respect, the vegetable industry is unique. Agencies licensed by the Commission are very much true “agents” of the Commission, and they exist to further the Commission’s objectives of orderly marketing, and the maximization of producer returns through coordinated marketing.

An agency must operate in accordance with the authority granted to it by the Commission. It is the Commission’s responsibility to ensure that designated agencies and agency applicants are provided with clear and understandable rules that reflect the Commission’s policy objectives. Furthermore, the Commission must ensure that its designated agencies are accountable to the Commission in order to ensure that the Commission’s policy objectives are served by their actions.

As a result of the agency review process that commenced in 2018, it became apparent to the Commission that its current orders regarding the designation of new agencies, and the review of existing agencies, are deficient. In the Commission’s view, the current orders do not clearly articulate the Commission’s policy objective of promoting the interests of the industry as a whole through coordinated marketing that will maximize the returns of all producers. Furthermore, it is the Commission’s view that the existing orders contain too many ambiguities

that could give rise to disputes that could otherwise be avoided if the orders were drafted with greater precision. Consequently, the Commission has been engaged in a re-write of these orders. One of the primary objectives is to develop new orders that clearly convey the Commission's objectives. This amending order to PART XIV DESINGATED AGENCIES will permit new agency applicants to submit applications that precisely address the relevant considerations.

BACKGROUND

The overarching mandate of an agency is to represent a group of licensed producers and carry out the marketing duties of regulated vegetables;

- i. in compliance of the Consolidated General Order;
- ii. in respect of the operating principles of the orderly marketing system;
- iii. for the benefit of all producers;
- iv. in a manner that promotes the interests of the industry as a whole.

In 2018 the Commission initiated an engaged process with agencies to conduct agency reviews. The project focus was to provide the Commission with a comprehensive understanding of agency corporate policy and procedures, and insight on how each agency performs in relation to regulatory compliance and expectations. Over the next few months the Commission staff was in contact with each agency's management team to introduce the auditor, the review process, determine who we will be working with, and establish a review schedule. In addition to identifying inadequacies in regulatory clarity, the information gathered through this process was used to establish a plan in cooperation with agency management to address immediate deficiencies in regulatory compliance as per the current General Orders.

On completion of the 2018 agency reviews, a report was presented to the Commission by the auditor in July 2020 and circulated with industry advisory groups for comment. Over the next few months meetings were held with each advisory group to discuss the report outcomes and solicit feedback. The meeting sessions culminated with a workshop that was held in October 2020 with all advisory groups in attendance, and facilitated by an independent consultant. The facilitator also submitted a report based on his own experience and observations.

Moving forward, further discussion, and evaluation will continue to be held with agency management to benchmark industry best practices and identify specific issues and opportunities that will enhance orderly marketing for the industry as a whole. An outcome of this process will eventually lead to the establishment of industry specific metrics and reports that provide sufficient transparency on an agency's performance in fulfilling its marketing obligations, and being held accountable to the authority delegated to it by the Commission.

This amending order takes into consideration all feedback from engagements with agencies and the advisory groups throughout this review process that commenced back in 2018.

AMENDING ORDER

Part XIV Designated Agencies of the Commission's General Order be replaced with the amended Part XIV that can be found in Appendix A of this document.

S.A.F.E.T.I. PRINCIPLE

This decision satisfies the S.A.F.E.T.I. principles that are a foundation of the BCFIRB accountability framework and guide decision making by the Commission. Commissioners are committed to be pro-active risk managers and applying principles-based decision making to achieve responsive governance. These decisions are determined to be in the best interest of sound, orderly marketing within British Columbia and reflects a principle-based approach to regulation. They are validated for the following reasons:

STRATEGIC	<ul style="list-style-type: none">• Takes action to address ambiguities in the existing order that will likely give rise to unnecessary disputes, and furthermore, do not reflect a policy approach that promotes the interests of the industry as a whole. PART XIV of the General Order is replaced with new orders that clearly convey the Commission's objectives, and permits new applicants to submit applications that squarely address the relevant considerations.
ACCOUNTABLE	<ul style="list-style-type: none">• Builds accountability in the system by providing clear and concise rules that reflect the true intentions and policy objectives of the Commission that best promote the interests of the industry as a whole.
FAIR	<ul style="list-style-type: none">• The pending applicants are able to have their applications revised or resubmitted so that they may be processed under orders that accurately reflect the Commission's true intentions and policy objectives. The revised rules apply to all potential applicants – not specifically to them.
EFFECTIVE	<ul style="list-style-type: none">• Clear and understandable rules that reflect the legitimate policy objective of promoting the interests of the industry as a whole.• Leads to enforceable regulation that ensures fair and equitable market access by producers and agencies.
TRANSPARENT	<ul style="list-style-type: none">• The reports generated through the agency review process clearly articulate the reasons on why the Commission needs to take this approach.
INCLUSIVE	<ul style="list-style-type: none">• Agency management, producer / agency advisory groups have been engaged in the process that commenced in 2018.• Information gathered through the Supervisory review processes (2015 / 2020) has also been taken into consideration.

Respectfully submitted on behalf of the BC Vegetable Marketing Commission,



Debbie Etsell, Chair