



GOVERNANCE UPDATE & ELECTION POLICY REVIEW

December 24, 2021

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The BCVMC (“Commission”) is diligently working to implement a new vision of governance for the regulated BC vegetable industry. Over the past few years, there has been extensive industry consultation initiated under the strategic review, agency review, and BCFIRB supervisory reviews. What we heard from stakeholders through these activities was that the governance structure and electoral model need to change. This notice will provide you with an update on the governance work that has been completed and the engagement process on the Election Rules Review that the Commission now needs to undertake as it continues to develop the governance framework. The engagement process activity schedule can be found on page 3 of this document. **The Commission is asking for your initial input on the Election Rules and independent member appointment process.**

Your written feedback is requested by January 13th, 2022.

GOVERNANCE UPDATE

Since the BCFIRB Vegetable Supervisory Review concluded in December 2020 and on completion of the Commission's strategic review in April of this year, the Commission has focussed its efforts on four strategic priorities¹:

1. Rebuild trust in the system
2. Regulatory improvements
3. Cultural shift
4. Continuity and consistency of Board and Management.

The workplan established by the Commission has accomplished the following:

- A review and update to the Commission's Conflict of Interest Rules, Conflict of Interest Disclosure Form, and the Commissioner Code of Conduct.
- An update to the 2021 Election Policy to include BCFIRB's supervisory directions that were issued in December 2020.
- Establishment of a Governance Committee.
- Finalized Terms of Reference (TOR) for the Governance Committee and a new Finance and Audit Committee that is to be established.
- Reviewing TOR and establishing work plans for the three established Advisory Committees (Storage Crop, Greenhouse, and Agency Advisory Committees).
- Development of a skills matrix to assess current Commission skills and experience gaps.
- Finalized an interim merit-based independent member appointment process that was prior approved by BCFRIB.
 - Appointment process is currently underway to fill two positions.
- Undertaking the development of a Board Calendar to support annual operational decision-making on a scheduled basis.

WHAT'S NEXT?

The 2020 directions issued by BCFIRB combined with the 2021 BC vegetable scheme amendment have significantly changed the structure of the Commission. Two non-producer members can now be appointed to the Commission and elections are limited to member positions that can only be filled by commercial producers who are not a director of an Agency. We now need industry stakeholder input to guide discussion on the Commission's election policy, and the permanent merit-based independent member appointment process. The election policy review engagement process has been developed to gather feedback on these topics and specifically the electoral model and election rules. We encourage all stakeholders to engage in the process and help shape the new Commission structure.

¹ Refer to the 2021 – 23 BCVMC Strategic Plan in the Appendix

INTRODUCTION TO ELECTION POLICY REVIEW ENGAGEMENT

The Commission is accountable to the BC Farm Industry Review Board (BCFIRB) for meeting its regulatory responsibilities using sound governance and decision-making. In 2021 the Commission amended its Election Policy to include BCFIRB’s supervisory direction that an individual is not eligible for election or office as an elected member if they hold a director position on a designated Agency of the Commission. BCFIRB approved this interim policy pending the completion of a full review of the election policy with industry. A complete copy of the Commission’s 2021 Interim Election Policy can be found on our website at <https://www.bcveg.com/the-commission.html>, and in the appendix to this document.

The Commission is now ready to commence a full election policy review engagement with industry. The objective of this review is to seek input from industry stakeholders on the following topics:

- 1. Election Policy** (Including the electoral model and election rules)
- 2. Development of a permanent Independent Member Appointment Process**

On completion of this review, the Commission will submit to BCFIRB a copy of the Election Policy and Independent Member Appointment Process for prior approval. The Election Policy and any recommended amendments, and the process for appointing independent Commission members will be reviewed and assessed by BCFIRB with a SAFETI² rationale.

Along with the changes made to the Commission structure, that have been addressed in this notice, the Commission is also recommending changes to the sector specific requirements tied to an elected member position. The Commission supports a grower-focused representation-based model that retains producer expertise of both the storage crop and greenhouse sectors. However, the Commission is proposing that any further sub-segmentation by crop and district should no longer be restricting factors tied to an elected member position. Crop and district restrictions are limiting the number of producers who can be nominated and elected. A description of the proposed changes to the grower-focused representation based electoral model is provided below. Discussion with industry will include attaining feedback on this proposed electoral model and any further amendments to be considered to modify the member position requirements.

Grower-Focused Representation-Based Model

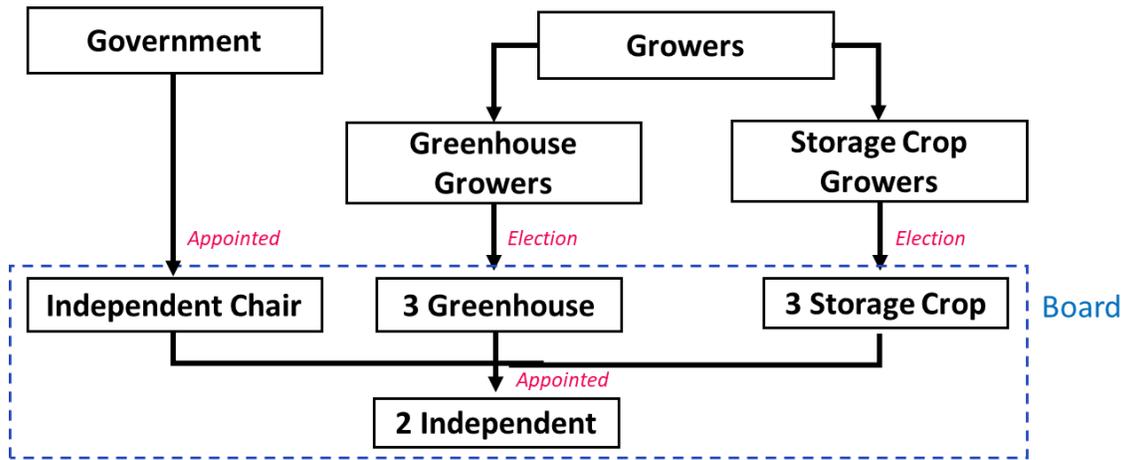
On July 31 2021, the BC Vegetable Scheme was amended to allow for the Commission to appoint two members who are not commercial producers³. The Commission consists of a Chair and up to eight (8) commissioners; the Chair is appointed by the Lieutenant Governor in Council, four (4) to six (6) members are licensed commercial vegetable producers elected by licensed commercial vegetable producers; and two independent members are appointed by the Commission.

² Strategic Accountable Fair Effective Transparent Inclusive

³ OIC 439 – Scheme amendment dated 2021-07-12

Table 1: Proposed Commission Structure

Grower-Focused Representation-Based



COUNT	POSITION	CATEGORY	ELECTION / APPOINTMENT TERM
1.	Appointed Chair	Independent	Appointed by Lieutenant Governor
2.	Producer Member	Greenhouse	2Yr Term – Odd
3.	Producer Member	Greenhouse	2Yr Term – Even
4.	Producer Member	Greenhouse	2Yr Term – Odd
5.	Producer Member	Storage Crops	2Yr Term – Even
6.	Producer Member	Storage Crops	2Yr Term – Odd
7.	Producer Member	Storage Crops	2Yr Term – Even
8.	Appointed Member	Independent	Appointed by Commission, Term TBD
9.	Appointed Member	Independent	Appointed by Commission, Term TBD

The Commission supports that a Grower-Focused Representation-Based composition of the Board be maintained but proposes the election of three (3) Commissioners by all registered Greenhouse Growers, and the election of three (3) Commissioners by all registered Storage Crop Growers. Together with the Independent Chair, the six (6) elected Commissioners from industry will appoint two (2) Independent Commissioners, for a total of nine (9) Board members. What this means for producer-member positions is that nominations and voting are not limited to specific production types. This allows for more nomination and election opportunities for commercial producer members. This model eliminates excess sub-segmentation of representation (e.g., tomato, cucumber, processing crops), ensures equal input into decision making by both sectors, and provides the opportunity for strong, diversified representation from industry.

HAVE YOUR SAY

We are asking industry stakeholders for written feedback on questions that will assist the Governance Committee with completing a working draft of the election policy and independent merit-based appointment process and structuring the facilitated discussion to be scheduled with the advisory groups. These questions are as follows:

- A. Do you find the Election Rules clear and simple to understand? If not, what changes do we need that will add greater clarity to the rules and the process?**
- B. What process steps and considerations do you think are important or most critical for appointing independent members to the Commission?**

(See appendix document ‘Interim Process to Appoint Independent Member’ on page 12)

Submissions are due: [THURSDAY, JANUARY 13th, 2022](#)

ENGAGEMENT PROCESS ACTIVITY SCHEDULE

The Governance Committee will review stakeholder submissions and draft working documents on the Election Policy and Independent Member Appointment Process. These working documents will be reviewed and discussed with the Advisory Groups for further feedback. Once the engagement process with the Advisory Groups is completed, industry stakeholders will have an opportunity to make submissions on the final working drafts of both documents. On completion of the stakeholder engagement process, the Governance Committee will present a final recommendation and a SAFETI-based rationale to the Commission for consideration.

DATE	PARTICIPANTS	ACTIVITY
2021-DEC-23	All Stakeholders	<ul style="list-style-type: none"> • Introduction to the election policy review and stakeholder engagement process
2022-JAN-13	All Stakeholders	<ul style="list-style-type: none"> • Written feedback due date on engagement questions.
2022-FEB	Governance Committee	<ul style="list-style-type: none"> • Consider any further revisions to the election policy, and specifically to its components - the electoral model, election Rules, and merit-based appointment process • Develop a working draft of both the election policy and the merit-based appointment process. • Bring forward the working draft documents to the advisory groups for review and discussion.
2022-FEB-21	Advisory Group Meetings	<ul style="list-style-type: none"> • Meetings scheduled the week of Feb 21-25.
2022-MAR-04	All Stakeholders	<ul style="list-style-type: none"> • Request written submission from industry stakeholders on final working drafts of the election policy and merit-based independent member appointment process.
2022-MAR-25	All Stakeholders	<ul style="list-style-type: none"> • Written submissions are due from industry stakeholders.

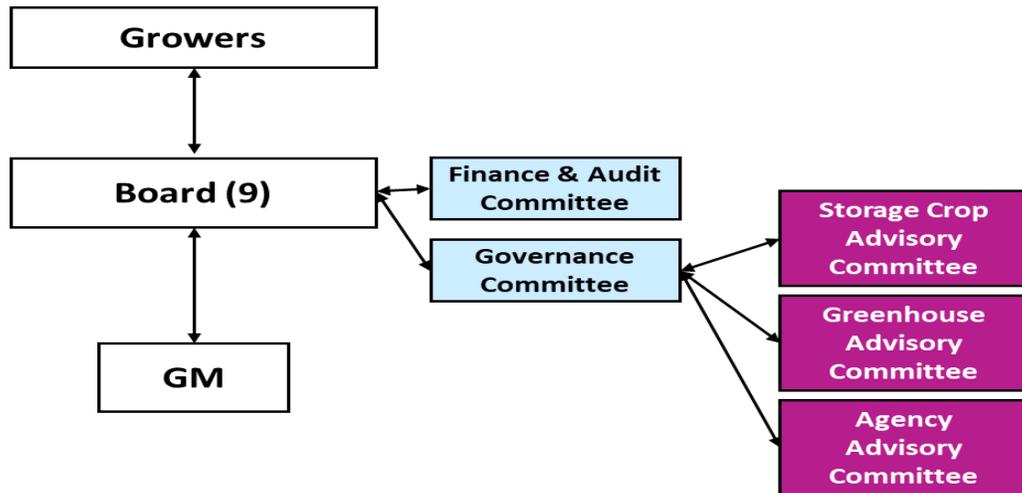
2022-APRIL	Governance Committee	<ul style="list-style-type: none"> • Governance Committee reviews submissions • Once the governance committee is satisfied that no further consultation is required, a recommendation on the proposed approach and a SAFETI based rationale is brought forward to the Commission on the: <ul style="list-style-type: none"> ○ Merit-based appointment process for independent member positions ○ Election Policy, and specifically the electoral model and Election Rules
2022-APRIL	BCVMC	<ul style="list-style-type: none"> • FINAL Election Policy and Merit-Based appointment process is submitted to BCFIRB for prior approval.
2022-MAY	BCFIRB	<ul style="list-style-type: none"> • BCFIRB prior approval of the Election Rules and merit-based appointment process.

GOVERNANCE COMMITTEE: NEWS & UPDATE

The Governance Committee oversees the workplan through meetings facilitated by Findlay & Associates and scheduled twice monthly since September 2021. Members of this committee consist of commissioners John Newell, Hugh Reynolds, Cory Gerrard, the BCVMC General Manager (ex-officio) and David Zirnhelt (BCFIRB advisor, ex-officio). Under the guidance of the Governance Committee, the Commission has developed a new Committee structure as part of the solution to address the issues identified in previous consultations with industry. The new Committee structure will consist of two Standing Committees (i.e., Finance & Audit and Governance) and three Advisory Committees (i.e., Storage Crop, Greenhouse, and Agency) reporting to the Governance Committee, each with the following membership:

Table 2: BCVMC Committee Structure

Finance & Audit Committee:	2 Commissioners (1 as Chair), GM (ex-officio); 2-year staggered terms
Governance Committee:	2 Commissioners, Board Vice-Chair (Committee chair), GM (ex-officio); 2-year staggered terms.
Advisory Committees:	2 Commissioners (1 as Chair), 5-7 Growers appointed by Commission, GM (ex-officio), staff and subject matter experts invited as required; 2-year staggered terms.



This structure supports strong governance at the Board level by establishing Sub-Committees with clear purposes, mandates, and calendars to address the detailed components of the Commission work and provide oversight in each area. The Committees will provide recommendations to the Commission allowing it to focus on high-level decision making and creating efficiencies in overall governance. The Governance Committee will provide oversight of stakeholder engagement and Advisory Committees to ensure industry knowledge and expertise informs decision making, and that engagement strategies are well defined, aligned with the BCVMC vision and strategic priorities, and reflect best practices. The Governance Committee shall provide streamlined communications back to the Commission.

On July 31, 2021 BC Vegetable Scheme was amended to allow for the Commission to appoint two members who are not commercial producers⁴. To fill the independent member positions in a timely way, the Commission established an interim merit-based process and will make temporary appointments until such time that a permanent merit-based process is developed, approved, and implemented. The process commenced on November 17, 2021 with a notice to all stakeholders that the Commission is seeking submissions from interested candidates to fill two (2) newly created independent member positions. Submissions were due December 1st.

The Commission has received expressions of interest from multiple candidates. Selected candidates have been interviewed by the Governance Committee and the BCVMC Chair. It is anticipated that the Commission will announce the appointments in January 2022.

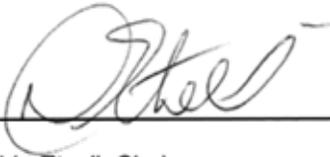
The term of the temporary interim appointments will be for a minimum of one year, and to a maximum of three years. On the establishment of a permanent merit-based process and the completion of the Election Policy review, the Commission will decide at that time on the term completion date.

⁴ OIC 439 – Scheme amendment dated 2021-07-12

Independent Member Appointment Process

A copy of the interim merit-based appointment process is provided in the appendix. Stakeholders can participate in the development of the permanent process as part of the election policy review engagement that is introduced on page 3. At this stage of the review engagement process, we are asking stakeholders for written submissions on what process steps and considerations are important or most critical for appointing independent members to the Commission.

Yours truly,



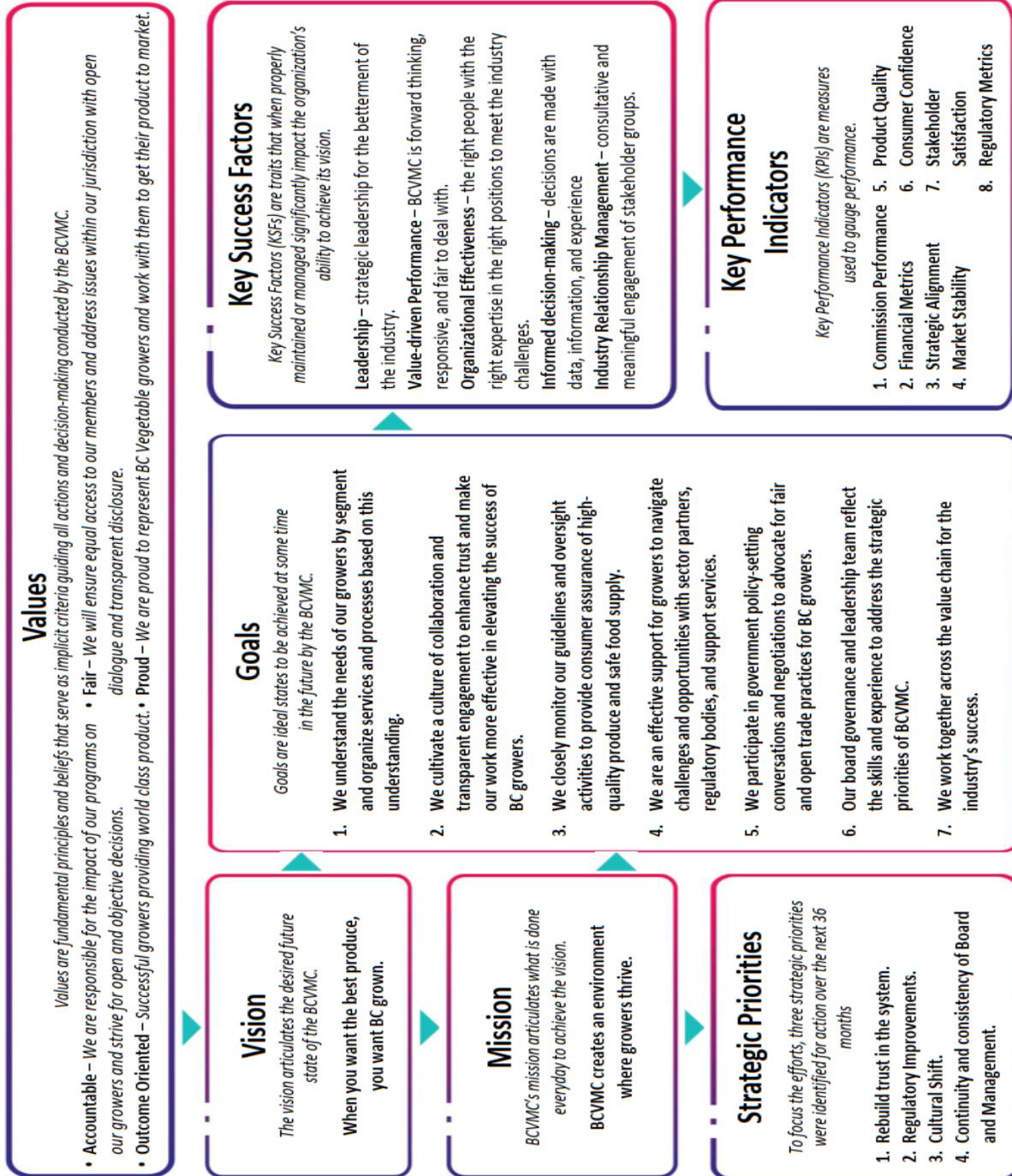
Debbie Etsell, Chair



Andre Solymosi, General Manager

APPENDIX

1. 2021 – 23 BCVMC Strategic Plan



2. BCVMC Actions to Address Issues Identified in Supervisory Reviews

With the implementation of the new Committee structure and the appointment of two independent members, the Commission is addressing the issues identified through extensive consultations.

A summary of the actions taken and how they address each issue is provided in Table 3 below.

Table 3: Identified Issues and Actions Taken

Issues Identified	BCVMC Actions Taken							
Through Supervisory Reviews (2016, 2021)	Annual Board Calendar	Skills Matrix	Governance Committee Established	Committee TORs	2 Independent Commissioners	Redesigned Board Orientation	Committee & Commission Work Plans	Subject Matter Experts to Advisory Committees
Trust			✓	✓	✓	✓		✓
<ul style="list-style-type: none"> • Need for regular communication and consultation between Commission and the sector. • Commission should clarify its rules and increase its enforcement activities. • Perception of bias/conflict of interest with Commission members (those who market through the same agency). <p><i>The Commission reviewed its member Conflict of Interest Rules, its disclosure form and its Code of Conduct, Feb 23, 2021.</i></p>								
Commission decision-making	✓	✓	✓	✓	✓	✓	✓	✓
<ul style="list-style-type: none"> • Commission operates in a tough decision-making environment. • Strong concern regarding perception of bias and conflict of interest improperly influencing decision-making. <p><i>The Commission reviewed its member Conflict of Interest Rules, its disclosure form and its Code of Conduct, Feb 23, 2021.</i></p> <ul style="list-style-type: none"> • Length of time to make decision (new entrant and DA applications). 								
Use of panels and advisory committees in Commission decision-making			✓	✓			✓	✓
<ul style="list-style-type: none"> • Use of panels and advisory committees help address perception of bias and conflict of interest issues with decision-making. • Advisory committees can introduce fresh insights and information to Commission decision-making. <p><i>Governance Committee has recommended to the Board, Commission and Advisory Committees structure, mandate, and Terms of Reference.</i></p>								

Issues Identified	BCVMC Actions Taken							
Through Supervisory Reviews (2016, 2021)	Annual Board Calendar	Skills Matrix	Governance Committee Established	Committee TORs	2 Independent Commissioners	Redesigned Board Orientation	Committee & Commission Work Plans	Subject Matter Experts to Advisory Committees
Commission Turnover		✓		✓		✓		✓
<ul style="list-style-type: none"> • Value of having members who know the history of industry issues and have experience on the Commission, balanced with the need for fresh ideas and outlooks. • Lack of Commission member turnover, and positions go uncontested during elections. 								
Commission Structure; Independent Members		✓	✓	✓	✓	✓	✓	
<ul style="list-style-type: none"> • Need to appoint additional independent Commissioner(s) (in addition to the appointed Chair) to ensure transparency in the decision-making process. <ul style="list-style-type: none"> ○ Main risk identified: a lack of agriculture/industry knowledge negatively impacting Commission decision-making. • Need some restructuring of the Commission Board of Directors that will provide additional transparency, eliminate the finger pointing, and move the industry forward with integrity. • <i>Commission and Advisory Committees structure, mandate, and Terms of Reference.</i> • <i>Appointment of interim independent members to the Commission, completion Dec 2021.</i> 								
BCVMC Governance	✓	✓	✓	✓	✓	✓	✓	✓
<ul style="list-style-type: none"> • Commission timelines were not met or enforced, some orders and decisions were enforced while others sat without compliance. • The current regulatory system with a fair and unbiased BCVMC would provide flexibility to service the existing and future retail environments. • BCVMC inconsistency to follow proper procedures and general orders. • BCVMC did not promptly follow through on FIRB recommendation following appeals. • Inconsistency at the BCVMC has led to disillusionment and uncertainty among growers. 								

3. Interim Process to Appoint Independent Member

INTRODUCTION

The July 31, 2021 BC Vegetable Scheme Amendment allows for the Commission appointment of two members who are not commercial producers. (ref: OIC 439 – Scheme amendment 2021-07-12).

To fill the independent member positions in a timely way, the Commission established an interim merit-based process and will make temporary appointments until such time that a permanent merit-based process is developed, approved, and implemented.

KEY COMPETENCIES

- a) Key competencies that provide the skill set / knowledge base that would be of value to the Commission at this time.
 - i. Understanding of agricultural sector
 - ii. Demonstrated leadership in agriculture and/or agri-food related activities
 - iii. Knowledge of regulated marketing
 - iv. Familiarity with governance and decision-making
 - v. Financial literacy
 - vi. Supply chain knowledge/expertise

MEMBER TERM

- a) The term of the temporary interim appointment will be for a minimum of one year, and to a maximum of three years. On the establishment of a permanent merit-based process and the completion of the Election Policy review, the Commission will make a decision at that time on the term completion date.

CANDIDATE APPOINTMENT PROCESS

The Governance Committee will consult with, and regularly update the BCFIRB Vegetable Liaison on each step of the appointment process.

- a) The Commission will advertise for two (2) independent Commissioner positions for a minimum duration of 10 working days and two weekends. Places are to be determined by the Governance Committee. With the deadline for submissions one week prior to interviews.
- b) Governance Committee and Commission Chair meet to assess applicants against the Notice of Position and determine shortlisted candidates to be interviewed.
- c) Require conflict of interest disclosure form to be completed by shortlisted candidates and reviewed by the Governance Committee and Commission Chair prior to conducting interviews.
- d) Interviews with the Governance Committee.

- e) Interviews with the Commission Chair and reference checks. Commission Chair reports back to the Committee on interview assessments and reference checks.
- f) After consulting with the Commission Chair, the Governance Committee develops a recommendation and ranking on independent member candidates to report to the Commission.
- g) The Governance Committee's recommendation and ranking on candidates is presented to the Commission.
- h) Commission issues a decision on the appointment(s).
- i) Submission of Commission final temporary appointment decision to BCFIRB for prior approval.

BC Vegetable Marketing Commission Approval: October 26, 2021

BC Farm Industry Review Board Approval: November 16, 2021

This Interim Appointment Process comes into effect on November 16, 2021.

4. 2021 Interim Election Policy

See attached file '2021 BCVMC Election Policy.pdf'