



Quota Assessment Tools Evaluation

April 4, 2017





Agenda

1. Opening Remarks
2. History of Quota Assessment Tools
3. Purpose of the Evaluation
4. Evaluation Process
5. Evaluation Timeline
6. Discussion Questions
7. BC FIRB's Expectations
8. Closing Remarks





History

2005 Specialty Review

1. 2 year review process

- Review specialty products and markets in the supply managed commodities

2. Assessed submissions based on:

- Registration
- Designation of specialty product markets
- Allocation
- Production and Marketing Quota
- Quota Transfer
- Levies
- New Entrants
- Representation

3. Provided Boards with policy directions





Purpose

Quota Assessment Tools Evaluation

To determine if industry and public interest policy outcomes are still being achieved and if there are unintended consequences

1. Policy Objectives

- Quota is intended to be produced
- Quota is transferrable
- Producers are actively engaged and committed to the industry
- Quota is available to commodity boards to support policy objectives, including the development of specialty markets and providing for new entrants in the supply management system

2. Areas of Focus

- Transfer Assessment Structure
- Industry Entry, including transfer assessment exemptions





Process

Quota Assessment Tools Evaluation

1. 2 Stakeholder Consultations

1. Provide an evaluation on whether the 2005 Specialty Review policy objectives related to transfer assessments and industry entry are being fulfilled
2. Identify what, if any, changes are requested and how they:
 - Meet with the 2005 policy objectives
 - Are supported by industry
 - Reflect the 2004 Ministry of Agriculture Regulated Marketing Economic Policy
 - Fulfill Sound Marketing Policy
 - Fulfill the public interest

2. Summarize Current State of the Industry

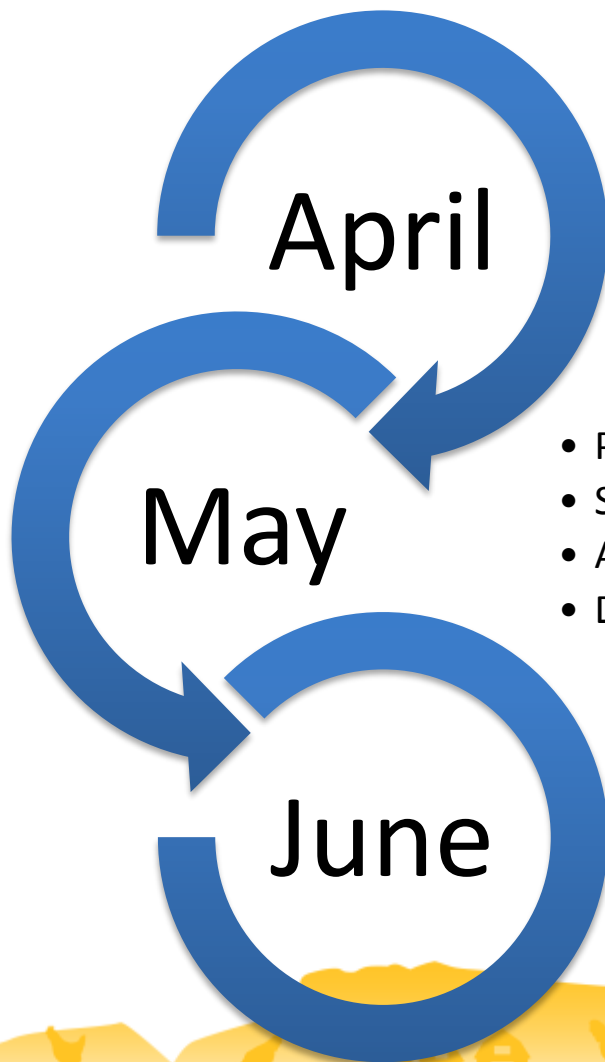
- All current quota distribution, transfer and assessment policies and practices
- Illustrate the state of quota movement, assessment and industry entry between 2005 and 2016





Timeline

Quota Assessment Tools Evaluation



April

- Launch Quota Assessment Website
- Producer Consultation #1
- Survey Producers
- Analyze Results

May

- Producer Consultation #2
- Survey Producers
- Analyze Results
- Discuss Change Impact with Bank

June

- Create Recommendation Document
- Legal Counsel Review
- Final Submission to BCFIRB





Discussion Questions

Quota Assessment Tools Evaluation

1. Have transfer assessments limited the transfer of quota, if so, to what extent?
 - Do you think this is contributing to increases in the price of quota?





Discussion Questions

Quota Assessment Tools Evaluation

2. Do transfer assessments impact new entrants, specialty and conventional producers differently, and if so, how?





Discussion Questions

Quota Assessment Tools Evaluation

3. Are there changes to quota transfer assessments, or other tools, that could further reduce barriers to entry and increase quota availability?





Discussion Questions

Quota Assessment Tools Evaluation

4. Are there other ways in which new people are entering the industry, what are they and how prevalent are they?





Discussion Questions

Quota Assessment Tools Evaluation

5. Do current transfer assessments and exemptions enable producers to sell/transfer their farms sufficiently intact to remain financially or operationally viable?
 - Are whole farm transfers still important for succession or industry health?





Discussion Questions

Quota Assessment Tools Evaluation

6. Is the traditional family farm approach to succession changing?
 - If so, what succession changes do you see upcoming that are current?





Discussion Questions

Quota Assessment Tools Evaluation

7. Are non-family succession structures important for industry success going forward?
 - If so, are there related quota management tools that could support this approach to farm succession in addition to, or in place of, transfer assessment exemptions?





Discussion Questions

Quota Assessment Tools Evaluation

8. Have you transferred quota between 2005 and now?





Discussion Questions

Quota Assessment Tools Evaluation

9. How have quota assessment tools affected you?
 - Tell us your story.





Discussion Questions

Quota Assessment Tools Evaluation

10. What, if anything, would you like to change?





BCFIRB's Expectations

Quota Assessment Tools Evaluation

1. Summary of quota distribution policies

- Assist BCFIRB with evaluating any proposed changes to transfer assessments and industry entry

2. State of Quota movement, assessments and industry entry between 2005 and 2016

- Qualitative – year over year allocations, production split, quota transferred, quota assessed, industry entry statistics
- **Quantitative** – case studies **from producers** and value chain members on transfer assessments and industry entry

3. Consultation Questions

- As presented by BCFIRB and stated previously

4. Recommended Changes

- Supported by industry, meet 2005 objectives, SAFETI and Regulated Marketing Economic Policy, fulfill the public interest.



SAFETI Principles

- 1. Strategic** - Identify key opportunities and systemic challenges, and plan for actions to effectively manage risks and take advantage of future opportunities.
- 2. Accountable** - Maintain legitimacy and integrity through understanding and discharging responsibilities and reporting performance.
- 3. Fair** - Ensure procedural fairness in processes and decision-making.
- 4. Effective** - A clearly defined outcome with appropriate processes and measures.
- 5. Transparent** - Ensure that processes, practices, procedures & reporting on exercise of mandate are open, accessible and fully informed.
- 6. Inclusive** - Ensure that appropriate interests, including the public interest, are considered.



Regulated Marketing Economic Policy

- 1. Public Interest** – operates in the interests of all British Columbians
- 2. National Systems** – BC government supports the participation of BC producers in national supply managed systems when the provisions of the national agreements are consistent with the growth and prosperity of the agri-food industry.
- 3. Maintaining and Gaining Markets, and serving BC demand** - supports the development of new markets identified at the production, marketing, and processing level to facilitate industry growth and competitiveness.
- 4. Entry of New Producers** - facilitates the entry of new producers to sustain and renew regulated industries in new and existing markets.



Regulated Marketing Economic Policy

- 5. The Value Chain** – facilitates cooperation among producers, marketing agencies, input industries, processors, and retailers, with a view to achieving efficiencies throughout the entire system, and enhancing value in the marketplace.
- 6. Safety and Quality** – builds consumer preference for British Columbia product by encouraging the production of high quality, safe food.
- 7. Recognition of Standards** - recognize, and encourage producers to participate in, the voluntary standards programs sanctioned by the Province and national standards sanctioned by the Federal Government as standards for identifying and labelling specialty products.
- 8. Regional Industries** - contributes to economic activity and stability in all regions of British Columbia.





Questions?

