

**BC Milk Marketing Board - Powers and Duties Review**  
**BC Dairy Council Engagement Session**  
**April 8, 2014, Abbotsford**  
**“As it was Heard” Report**

**Participants:**

BC Dairy Council Members

- Jeff Zonneveld
- Gaye Hahn
- Catherine Tokarz
- Rahim Talib
- Dan Wong
- Mike Dick
- Phil Vanderpol
- Doug Luder
- Ann Landers

BC Milk Marketing Board

- Jim Byrne
- Garth Green
- Tom Hoogendoorn
- Bob Ingratta

**Purpose of the Session:**

- To engage industry stakeholders in the Review with the intent of securing comments and views on the continued appropriateness and adequacy of the current powers and duties of the BC Milk Marketing Board (Milk Board) and what if any additional powers were required to realize the strategic vision of the BC dairy industry.

**Format of the Session:**

- The Session started with a description of the scope and objectives of Powers and Duties Review, providing background context on past reviews and indicating that this was the “first dedicated review”.
- A summary of the Industry Engagement strategy being employed in the Review.
- An outline of the source of the Milk Board’s powers and duties.
- A summary of the existing strategic vision for the dairy industry was presented to provide a point of reference for the Review. Participants were advised that this relationship was important from a BC Farm Industry Review Board (FIRB) governance perspective as well as taking into account the SAFETI principles.
- The evolution of the promotion and marketing duties was provided.
- Participants were asked to
  - Consider the strategic vision, mission and pillars in their assessment of the current powers and duties of the Milk Board.
  - Share their views on the appropriateness of continued “delegation” of the promotion and marketing duties of the Board.
  - Consider any additional powers or duties needed by the Milk Board to realize the strategic vision of the industry.

## **Summary of Participant Views and Comments:**

### Board Composition

- May be outside scope but the general feeling was that the current Milk Board representation was not reflective of the industry. If the Milk Board's powers and duties relate to the entire milk industry, then representation on the Milk Board should better reflect the industry, with the addition of processors. Representation should be on the Milk Board itself, not limited to advisory committees.
- There should be a greater effort to dialogue between the Milk Board and the processors, with the Milk Board should be seeking greater processor involvement and engagement.
- There is a general feeling that the role of the Milk Board is to protect producers.
- It was pointed out that most corporate boards have a broader scope of experience to contribute to informed decision making and strategic direction.

### Committees

- It was pointed out that producer representation on MIAC outnumbered processor representation, which makes it very difficult to gain acceptance/recommendation of any processor-led initiatives.
- There is a lack of evidence to support whether the Milk Board has given due consideration to processor concerns. Explanation of decisions would help improve the Milk Board's credibility.
- SPAC representation is more balanced and provides a more refreshing environment of collaboration between processors and producers however, concern was expressed over not receiving an explanation or rationale when recommendations of the Committee were not accepted in the Milk Board's final decisions.
- Views were expressed that MIAC needed its mandate to be refreshed. In particular, it provides an industry-wide forum for discussion of broader strategic direction of the industry in BC; why constrain the value and contribution of the committee to pricing and levies.

### Strategic Role/Policy Direction

- There appears to be a disconnection between the strategic plan pillars and the powers and duties of the Milk Board. It was cited that the pillars refer to managing milk supply however the processors operate in response to consumer demand.
- It was expressed that there is an underlying tension between the Milk Board operating under its regulatory powers and duties and the need to recognize the competitive environment in which the processing sector operates. The issue being the regulatory based powers and duties do not match the competitive market environment in which the processors operate.
- From a philosophical view it was questioned as to whether the regulator should have the full span and scope through to the market place or should it back away to the producer level.

### Innovation

- Some members felt that things were working well; it was a matter of a producer working with a processor to implement new products.

### Marketing and Promotion

- Processors no longer contribute to the promotional fund and now focus on “brand” promotion. As such, the general feeling was that it would not be appropriate for BCDC to comment on promotional powers and duties.
- With respect to marketing however, the general view was that the Milk Board was a regulator and should not be involved in marketing. They do not provide the tools to enable processors to be responsive to markets.
- Concern was expressed with respect to the current powers related to marketing “in any or all respects”. More specifically, is it appropriate for the Milk Board to have such broad based authority from production to retail markets such that the Milk Board has the authority to market milk and essentially compete with processors.
- If the Milk Board is going to be in “marketing and promotion” then be all the way in, otherwise, if not, then move to exclude those powers and duties from its mandate; consider an option to delete these as powers and duties in the future.

Prepared by:

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