

September 25, 2014

Mr. Jeff Zonneveld
BC Dairy Council
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Vancouver, BC V5Y 1N5
Email: dwong@righthookstrategies.com

(sent via email)

Re: Amending Order for a Mandatory Code of Practice for the Care and Handling of Dairy Cattle (Code)

Dear Jeff,

Thank you for your letter of September 23, 2014 regarding the BC Milk Marketing Board's (Board) consultation for a Mandatory Code of Practice for the Care and Handling of Dairy Cattle in BC. With reference to the Board's Industry Notice on September 4, 2014, the Board is completing a consultative process consistent with the input from processors and other industry stakeholders at the June 26, 2014 industry consultation meeting to provide a mechanism for a mandatory Code for animal care as soon as possible. One purpose of the Amending Order is to ensure that orderly marketing is maintained whenever animal welfare issues arise, which may vary in severity. In addition, the Amending Order for a mandatory code reflects a best balance of producer and processor responsibilities to ensure orderly marketing and sound marketing policy while reflecting our governance values of fair, equitable, responsive, transparent and accountable.

With respect to BCDC concern that financial risk from animal care infractions may be transferred to processors, this has been addressed by the Board's regulatory authority to impose non-compliance actions on an offending producer up to and including suspension or cancellation of a producer license. If a producer license is suspended or cancelled then there is no milk from that farm to be delivered to any processor and thus there is no order refusal surcharge of milk.

BCDC raised a concern that processors may be penalized for other circumstances, in the opinion of the processor, that may require a refusal of milk from a particular farm. It should be noted that under a pooled milk system, milk from any given farm could end up at any number of different processors' facilities in the province and normally processors do not have any influence over which producer's milk they receive. However, the Amending Order has the same Board discretionary power to waive all or any part of the order for both producers and processors on a case by case basis, which would include other circumstances beyond animal care.

Your letter stated that BCDC processor members insist that the processor responsibilities, clauses 50(5) and 50(6), be removed from the Amending Order while the producer responsibilities remain. The Board had considered - Would it be fair, equitable, and accountable to not provide a balanced responsibility to both processors and producers?

It is incumbent on the Board to regulate in a manner that promotes orderly marketing and if the Board were to provide the kind of assurances sought by your members, it would be fettering its discretion and abdicating its responsibility to take appropriate action, on a case by case basis, having regard to the unique circumstances of each case.

Please keep in mind that a processor will have an opportunity to appeal any "orderly marketing" decision that might be made by the Board on a case by case basis. We respectfully suggest that this course of action is more sensible than appealing the general framework of the proposed amending order (which merely preserves the Board's discretion to deal with each matter on a case by case basis, and without improperly fettering its discretion).

After careful consideration, the Board believes that the Amending Order should have a balance of producer and processor responsibilities to ensure orderly marketing. The Amending Order is also consistent with the MIAC input.

The Board has approved the Amending Order 16 for a mandatory Code effective October 1, 2014. Under section 8 of the *NPMA*, processors have the right to appeal the Board decision of September 24, 2014 within 30 days of the Board decision.

If you have any questions, please feel free to contact me.

Yours truly,



Bob Ingratta
CEO

cc: Dan Wong, BC Dairy Council