

November 7, 2018

New Entrant Program (NEP) Application Form & User Guide Now Available

NEP Program:

On August 10, 2018, the BC Milk Marketing Board (the Board) announced its New Entrant Program.¹

The policy objective of a New Entrant Program (NEP) is simply to encourage and facilitate people to enter the dairy industry as new producers. The other higher-level objectives that the Board looks to achieve through a new entrant program include:

- renewal—promoting innovation and new ideas within the industry (a natural outcome of the diversification of the producer base);
- sustainability—ensuring the ongoing milk supply in BC; and
- addressing the consolidation of farms in the province

An effective NEP will thereby support the sustainability of the dairy industry, by facilitating the entry of new producers to the system.

NEP Application Form, User Guide and Application Deadline:

The NEP Application Form & User Guide are attached to this Notice, and in the next few weeks they will be posted to the homepage for download as well.

For detailed information about the NEP program, its components, the eligibility requirements and the application process, please see the **NEP User Guide**. We recommend that you download and read the guide in its entirety before applying to participate in the program.

However, here are some key points for your quick reference:

- 1) **The application deadline date for the first intake of the new program is February 1, 2019.** This is the last date to mail in or drop off your completed three-page application form and \$250 non-refundable administration fee.
- 2) The Board is running a transition program the first year, with applications and a selection process in 2019 with production starts for three new entrants in 2020.

¹ From October 2017 to April 2018, the Board undertook a public consultation process, to assist in the development of a New Entrant Program (NEP) to replace its current Graduated Entry Program (GEP), which welcomes its final GEP producer starts by January 2019.

For background on the Board's public consultation on the NEP, which took place in 2017/18, please refer to the NEP Consultation and Policy Decision Paper, August 2018: [click link here](#)

If you have any questions regarding this *Notice*, please contact vcrites@bcmilk.com

New Entrant Program(NEP)

| User Guide



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How to use this guide



This guide is intended as a quick reference for those who may be interested in applying to the Board's New Entrant Program because they want to enter the dairy industry in BC.

The guide contains some direct excerpts and several references to **Schedule 1.1 –New Entrant Program Rules**, as well as additional details and an overview of the NEP application process (p.5). The guide also contains an application form, which is required to be completed if you are applying for the program.

Schedule 1.1—New Entrant Program Rules was added to the BC Milk Marketing Board's Consolidated Order with *Amending Order 77*, on August 10, 2018. You can read the Notice to Industry plus the complete Schedule 1.1 on the BCMMB website: [Notice to Industry-NEP Announcement – AO77](#)

In the case of any conflict between Schedule 1.1 and this guide, Schedule 1.1 shall be deemed correct.

We recommend that you read the guide in its entirety before completing an application form and paying the \$250.00 non-refundable application fee.

If you have any additional questions about this guide or the NEP program or if you spot any errors or improvements that can be made to the guide, please contact vcrites@bcmilk.com

What is the New Entrant Program (NEP)?



On August 10, 2018, the BC Milk Marketing Board (the Board) announced its New Entrant Program.¹

The policy objective of a New Entrant Program (NEP) is simply to encourage and facilitate people to enter the dairy industry as new producers. The other higher-level objectives that the Board looks to achieve through a new entrant program include:

- renewal—promoting innovation and new ideas within the industry (a natural outcome of the diversification of the producer base);
- sustainability—ensuring the ongoing milk supply in BC; and
- addressing the consolidation of farms in the province

An effective NEP will thereby support the sustainability of the dairy industry, by facilitating the entry of new producers to the system.

The main **Program Components** of the NEP include:

- 1) **Incentive Quota:** Successful applicants will receive an initial allocation of 15kgs of Continuous Daily Quota (CDQ) as incentive quota to start production.
- 2) **Matching Quota:** Successful applicants will be given the opportunity to purchase up to 8kgs of CDQ and receive from the Board up to a maximum of 8kgs of CDQ of additional incentive quota on a 1:1 ratio basis during the 10 years of the program.
- 3) **Priority on the Quota Exchange:** Successful applicants will be granted priority access on the Quota Exchange for the first five years of the program, or until they have purchased 8kgs of CDQ, whichever occurs first.
- 4) **Number of New Entrants:** The Board will approve a minimum of three new entrants per year.² The Board may use its discretion to invite more than the minimum number of new entrants in any given application cycle.

¹ From October 2017 to April 2018, the Board undertook a public consultation process, to assist in the development of a New Entrant Program (NEP) to replace its current Graduated Entry Program (GEP), which welcomes its final GEP producer starts by January 2019.

² This assumes that the Board will receive a minimum of three qualified applicants for the first intake of the program and a minimum of six candidates every two years subsequently.

What are the requirements to become a participant in the NEP?



(1) The Board may from time to time call for applications to participate in the New Entrant Program, and in that event only, a Person may apply to participate in the New Entrant Program by filing with the Board:

- a) an application form, obtainable from the Board, completed in full and signed by the applicant; and
- b) a non-refundable application fee of \$250.00.

(2) A Person seeking to participate in the program must have the following qualifications:¹

- a) a genuine intention to be actively engaged in milk production;
- b) be a Canadian citizen or permanent resident of Canada;
- c) be a permanent resident of the Province of British Columbia;
- d) be at least 19 years of age at the time of application;
- e) have a minimum of two years' on-farm dairy experience (paid or volunteer), or have completed the Dairypro² Program or equivalent course³; and
- f) neither the applicant nor the Spouse of the applicant may have, or have had at any time, any financial interest in Continuous Daily Quota, or any other quota issued, allotted or granted by any other supply management commodity board or commission in Canada, whether directly or indirectly, or through any organization or entity.

(3) An applicant for the New Entrant Program may be a spousal partnership in which case each spousal partner must qualify under subsection (2).

(4) Spouses may submit only one application.

¹ These requirements are also outlined on the BCMMB website in "Schedule 1.1—New Entrant Program Rules," of the Consolidated Order of September 1, 2013.

² [Dairypro](#)

³ The Selection Committee, with the support of BCMMB staff will determine if a candidate's "equivalent" coursework has met this requirement. Generally, consideration will be given to the completion of most agriculture-related programs in Canada.

What are the important dates?



February 1, 2019: **Final deadline date** to submit by mail or in-person to the BCMMB a completed NEP Application Form along with the non-refundable \$250 administration fee.

Transition Year –2019

The Board will run a transition program in the first year of the program, with applications and a selection process in 2019 – the goal being production starts for a minimum of three new entrants in 2020.

Year 2020 and beyond

Going forward, the Board will run the intake selection process (choosing six new entrants) only *every two years*, thus giving new entrants a two-year time horizon to start production.

See reference chart below:

NEP Selection Process Year	Minimum number of approved NEP starts	For NEP production start years
2019 (transition year)	3	2020
2020	6	2021 and 2022
2022	6	2023 and 2024
2024 (and every two years thereafter)	6	2025 and 2026...

Note that an updated user guide will be published to the Board’s website well in advance of the 2020 application process.

Application Review Procedure



1. All applications submitted will be reviewed by BC Milk Marketing Board staff to ensure that each of the applicants, and their applications, meet the requirements of the NEP.
2. Only those applications that appear to meet the NEP requirements as outlined in Schedule 1.1 – New Entrant Program Rules of the BCMMB Consolidated Order September 1, 2013 will be included in the **Random Draw**.
3. The Random Draw of eight applications will be carried out by an independent audit firm as chosen by the BCMMB.
4. BCMMB staff will notify the eight applicants who have been selected for review by the Selection Committee.
5. Once notified, applicants will have **four months** to provide all supporting documentation¹ as outlined in Schedule 1.1 – New Entrant Program Rules of the BCMMB Consolidated Order. After that date, candidates who have demonstrated that they meet the minimum NEP requirements, will be notified of an interview date and time.
6. The Selection Committee will review the applications provided to them and will interview the associated applicants. Candidates should be prepared to answer questions about themselves and their applications and should be prepared to provide additional information about their proposed farms.
7. After interviewing these candidates, the Selection Committee will make decisions as to which applicants are accepted into this program (if any) and which applicants are not accepted (if any). The Committee will provide the list to the Board, for its final approval. The Board will accept the decision of the Committee but ultimately has discretion and the ability to “veto” a committee recommendation if warranted.
8. Once the successful new entrants are determined, all applicants will be contacted by phone by BC Milk Marketing Board staff regarding the outcome of their application. A formal letter will be sent to the successful new entrants that will outline the next steps to take towards becoming a licensed dairy producer in British Columbia.
9. Unsuccessful applicants who wish to apply for the program again in future years need to submit a new application each year that they apply. **The Board will NOT hold a waitlist for the program.**

¹ Please see “**When your application is selected—required documentation**” for a detailed list of documents to send in to the Board.

When your application is selected for review: Required documentation



Applicants will be notified when their applications have been selected by random draw for review by the Selection Committee. Those applicants will have four months from the date of such notification to provide the following to the Selection Committee:

- (a) a copy of the applicant's birth certificate or other proof of age acceptable to the Board;
- (b) proof of Canadian citizenship or permanent resident status;
- (c) proof of permanent resident status in the Province of British Columbia;
- (d) information concerning the proposed farm location;
- (e) a 5-year detailed business plan;
- (f) a 10-year general business plan;
- (g) two letters of reference, at least one of which speaks to the applicant's dairy farm experience and/or education; a copy of a diploma/degree or certificate would serve in lieu of one of these reference letters;
- (h) **a brief essay (approximately 500-1,000 words)**, which answers the question: *"Why do you want to be a dairy farmer and how will this program assist you to enter the dairy industry?"*

Is there a waitlist?



Is there a waitlist?

No.

The NEP differs from the previous Graduated Entrant Program (GEP) in some key ways:

1. The Board will not hold an NEP waitlist; rather, applicants who are not successful for an intake are eligible to apply in the next (or any subsequent) program intake.
2. Applicants will be subject first to a random draw to narrow the number of candidates; then, they will be subject to review by an independent selection committee.
3. Qualifications for new entrants include a minimum of two years' dairy on-farm experience or the completion of the Dairypro¹ Program or equivalent.²

¹ [Dairypro](#)

² The Selection Committee, with the support of BCMMB staff will determine if a candidate's "equivalent" coursework has met this requirement. Generally, consideration will be given to the completion of most agriculture-related programs in Canada.

Who is on the Selection Committee & how does it work?



Selection Committee: The committee will consist of the following six Board-appointees:

- i. Two agri-business representatives
- ii. One financial services representative
- iii. One BCDA nominated current producer
- iv. One BCMMB appointed NEP producer
- v. One BCMMB staff member
- vi. One Board-appointed Chair

With each NEP application cycle, the Board will review the composition of the committee.

How does the final selection process/interview work?

One of the required documents¹ for NEP candidates is a brief essay, which answers the question: *Why do you want to be a dairy farmer and how will the New Entrant Program assist you to enter the dairy industry?*

The essay will not be judged by BCMMB Board or staff, but rather it will be provided to the Selection Committee as background for the interview stage. Provided that their documentation meets the eligibility requirements of the program, all candidates will be interviewed by the Selection Committee. The committee will grade candidates based on a standard application review scorecard. Candidates should be prepared to answer questions about themselves and their applications and should be prepared to provide additional information about their proposed farms.

The candidates will then be ranked based on their numerical scores and the top three (2019) will be recommended to be invited by the Board to start production as New Entrants. The Board does not anticipate deviating from these recommendations, but ultimately has discretion and holds the ability to “veto” a committee decision. The Board would provide the rationale if it were to do so, however.

If not enough qualified applicants are found through the Selection Process, the Board reserves the right to run a second Random Draw during the same year.

¹ Please see “When your application is selected—required documentation” for a detailed list of documents to send in to the Board.

Entry into Program



Entry into the New Entrant Program

- (1) Having regard to the recommendations made by the Selection Committee, the Board:
 - (a) will invite a minimum of three applicants to enter the New Entrant Program each year;
 - (b) may establish a maximum number of applicants who will be invited to enter the New Entrant Program in a year and that maximum number may vary from year to year; and
 - (c) may, in its sole discretion, preferentially invite an applicant to enter the New Entrant Program where that applicant has a genuine intention to fulfil a **niche demand**¹.

- (2) Where an applicant is invited by the Board to become an entrant to the New Entrant Program, the following provisions apply:
 - (a) the entrant shall pay to the Board a **non-refundable deposit of \$1,000.00**, which may be used by the entrant when the entrant first participates on the quota exchange;
 - (b) if the entrant withdraws from the New Entrant Program, the deposit is forfeit to the Board;
 - (c) the entrant shall obtain a Producer license from the Board of the appropriate class;
 - (d) the entrant must commence production by the end of calendar year 2020, failing which the entrant's participation in the program shall be terminated;
 - (e) upon receipt of the production of a qualifying entrant by a Vendor, the Board will allot to the entrant 15 kgs of Continuous Daily Quota.

¹ If you have an intention to start a niche/specialty demand production, such as organic or grass-fed, please indicate this on your NEP Application Form. You may want to contact Wsiemens@bcmilk.com to discuss market requirements for any specialty production if your application is selected for review.

Special Restrictions on Allotments: Obligations of New Entrants



Special Restrictions on Allotments under the Program

- (1) Continuous Daily Quota allotted by the Board under the program may be held for production by the entrant only for so long as the entrant:
 - (a) Permits Board audits of the Independent Production Unit operation to ensure compliance with Board orders and all applicable legislation, including all terms and conditions of the program;
 - (b) Is in good standing with all applicable Board orders and all applicable legislation, including all terms and conditions of the program;
 - (c) Is actively engaged in milk production;
 - (d) Is compliant with all applicable requirements under the proAction program and; in addition, attends personally for an **annual proAction validation** in each of the **first five years** of the entrant's participation in the program;
 - (e) Attends at least **one regional producer meeting annually** and provides an update on the progress/challenges as a new farmer during the first five years of the entrant's participation in the program; failing which the Continuous Daily Quota so allotted shall thereupon be subject to immediate cancellation on notice by the Board to the entrant.

- (2) The special restrictions on allotments described in subsection (1) shall apply for a period of ten years commencing with the entrant's entry in the program. Upon expiry of that ten-year period, the special restrictions will no longer apply to the entrant.

Matching Allotment of Continuous Daily Quota



Matching Allotment of CDQ

- (1) Where an entrant purchases or acquires Continuous Daily Quota (other than by a general allotment of new Continuous Daily Quota) within ten years from the date that the entrant commences production, the Board will allot to the entrant an equivalent amount of Continuous Daily Quota, up to a maximum of 8 kgs of Continuous Daily Quota.

- (2) Matching allotments of Continuous Daily Quota made by the Board under subsection (1) are subject to the special restrictions described in Section 5 of Schedule 1.1 – New Entrant Program Rules.

Actively Engaged in Milk Production



Determination as to Whether the Entrant is Actively Engaged in Milk Production

- (1) The Board will determine, in its sole discretion, whether an entrant is actively engaged in milk production for the purposes of the program. Without limiting the generality of the foregoing, the Board will have regard to the following factors:
 - (a) whether the Continuous Dairy Quota allotted under the program is being used for the benefit of the entrant;
 - (b) whether the entrant is active in the day-to-day affairs of the Independent Production Unit, including matters animal husbandry;
 - (c) whether the entrant operates and controls the Independent Production Unit;
 - (d) whether the entrant owns, leases or rents the Independent Production Unit;
 - (e) whether the entrant pays for feed and other farm supplies utilized on the Independent Production Unit; and
 - (f) whether the entrant enjoys the chance of profit and bears the risk of loss in relation to the operations of the Independent Production Unit.

Reference & Quick links:



[BC Milk Marketing Board](#)

[BC Dairy Association](#)

[proAction®](#)

[Consolidated Order – September 2013](#)

[Amending Order 77 – Notice to Industry NEP](#)

[Ministry of Agriculture: Agri-business development](#)

NEP Application Form (page 1 of 3)



Please print legibly, complete all details, and note that questions apply to all signatories.

Particulars of Applicant:

Mr. ___ Mrs. _____ Ms. ___ _____
(Last Name / First Name / Middle Name)

Particulars of Co-Applicant (if any):

Mr. ___ Mrs. _____ Ms. ___ _____
(Last Name / First Name / Middle Name)

Residential Address:

House No./Street/Route No.:

Town/City:

Province:

Postal Code:

Telephone/Cell.:

Email: _____

Mailing Address (if different from above):

House No. / Street/ Route No.:

Town/City:

Province:

Postal Code:

Do you have any intention/interest of starting specialty milk production, such as organic or grass-fed milk? Please note that there is no guarantee of the ability to enter a niche market, since it is dependent on market demand.

Yes _____ No _____

If yes, please provide some detail here:

NEP Application Form (page 2 of 3)



Please confirm that your application meets the application requirements:	Yes	No
1) Do all the applicants have a genuine interest to be actively engaged in dairy farming?		
2) Are all the applicants' Canadian citizens or permanent residents?		
3) Have all the applicants been residents of British Columbia for at least one year prior to the application deadline?		
4) Are all the applicants at least 19 years of age?		
5) Do all the applicants have a minimum of two years' on-farm dairy experience OR have they completed the Dairypro Program or an equivalent agricultural program? (If your application is selected through the random draw, you will be asked to provide supporting documents.)		
<p>6) Do any of the applicants (or their spouses) have (<i>or have they had at any time</i>) any financial interest in quota granted by any supply management commodity board or commission in Canada, whether directly or indirectly or through any organization or entity? (This would include, for example, any interest in quota through a family trust or similar instrument.)</p> <p>**Important Note: If the answer to this question is "yes," you will NOT qualify for the New Entrant Program. If you are uncertain about this question, please contact the BC Milk Marketing Board.</p>		

Declaration:

The undersigned certify the information contained in this application is complete, true, and correct in all respects.

Name _____ Signature _____ Date _____

Name _____ Signature _____ Date _____