

September 24, 2025

DELIVERED BY EMAIL

Wes Shoemaker
Chair, BC Vegetable Marketing Commission
#207 - 15252 32nd Ave,
Surrey BC, V3Z 0R7
[REDACTED]

Dear Wes:

**RE: BC VEGETABLE MARKETING COMMISSION REQUEST FOR APPROVAL OF A
CONDITIONAL DECISION TO DESIGNATE VILLAGE FRESH CANADA ULC AS AN
AGENCY**

On September 8, 2025, the British Columbia Vegetable Marketing Commission (“Commission”) issued a decision conditionally designating Village Fresh Canada ULC (“Village Fresh”) as an agency (“Decision”), contingent upon Village Fresh meeting several conditions.

Pursuant to section 8 of the *Natural Products Marketing (BC) Act Regulations* (NPMA Regulations), the Commission forwarded the Decision to the British Columbia Farm Industry Review Board (“BCFIRB”) seeking BCFIRB’s approval of its Decision to conditionally designate Village Fresh as an agency.

The Decision provides as follows:

17. Having regard to the circumstances, the Commission is prepared to conditionally designate Village Fresh as an agency, subject to the written approval of the BCFIRB, as required by section 8 of the *Natural Products Marketing (BC) Act Regulations*, (B.C. Reg. 328/75), in the interest of maintaining orderly marketing. The “conditional” nature of the Commission’s designation is intended to achieve three main objectives. First, the interests of producers currently shipping to Village Farms must be protected. Second, the extraordinary nature of the Commission’s decision to designate Village Fresh as an agency should not place Village Fresh in a better position than it would have been in had it made a proper agency application. Third, the ability of the Commission to scrutinize Village Fresh with the benefit of input from industry stakeholders (albeit after the fact) should not be impaired. Thus, the agency designation is subject to the following express conditions:

(a) Upon receiving the written approval of the BCFIRB:

(i) Village Fresh must continue to honour all Grower Marketing Agreements entered into by Village Farms with B.C. producers;

(ii) Village Fresh must continue to market B.C. production consistent with the business and marketing plan of Village Farms as approved by the Commission, until such time as the Commission has approved any new business and marketing plan submitted by Village Fresh;

(iii) The agency licence issued to Village Farms shall terminate without further order; and

(iv) Village Fresh will be made the subject of an immediate agency review in accordance with section 10 of the General Order. Existing industry stakeholders will be provided with an opportunity to be heard on the matter of whether its agency status should be maintained.

Background

On June 20, 2025, the Commission received a request to “transfer” a license from VF Operations Canada Inc. (“Village Farms”), an existing designated agency, to a new entity, Village Fresh, due to a complex restructuring of their global company. Section 7(1) of the Commission’s General Order of January 2, 2025 (“General Order”) provides that licenses are not transferable.

In Village Farms’ written request to transfer its license, Michael Minerva, Senior Vice President of Grower Relations, explained that the restructuring would provide growth capital and new resources to enhance facilities, and improve quality, and innovation for customers. He confirmed there would be no change to any of the existing agencies’ marketing plans and no disruption to the orderly marketing of BC vegetables.

The Commission was unaware of any changes to the business structure of Village Farms prior to receiving the June 20, 2025 “transfer” request. The Commission determined that the restructuring went beyond a simple transfer of the marketing license from Village Farms to Village Fresh as the transaction included new stakeholders and equity partners. The Commission concluded that in these circumstances, Village Fresh should have applied for a new agency designation in accordance with section 8 of the General Order. Furthermore, even if the restructuring had not resulted in a new corporate entity, the Commission observed that Village Farms would still have needed to seek approval for any change in ownership or control, as required by section 7(2) of the General Order which requires prior approval from the Commission for any sale of assets or shares, or any significant change to the business plan of an agency.

In this case, neither Village Fresh nor Village Farms followed the required process. There was no formal application for an agency license by Village Fresh, nor did Village Farms seek the Commission’s approval before the restructuring, as required by the General Order. The Commission acknowledged it was in a difficult position as Village Fresh appeared to be operating as the *de facto* agency and it had to move swiftly to maintain orderly marketing and avoid disruption to BC producers.

As a result, while the Commission was unwilling to permit a “transfer” of the agency licence, it approved Village Fresh as a designated agency on a conditional and temporary basis and sought written approval from BCFIRB. Upon receiving BCFIRB approval, Village Fresh would be required to honour Village Farms’ existing Grower Marketing Agreements (“GMAs”) and their business and marketing plans and be subjected to an immediate agency review under section 10 of the General Order to give existing stakeholders an opportunity to be heard on whether Village Fresh should maintain agency status. To ensure that Village Fresh did not benefit from its failure to comply with the General Order, the Commission imposed a charge of

\$20,000 against Village Fresh and Village Farms, jointly, consistent with and in lieu of the \$20,000 fee applicable in a normal agency designation application process.

The Commission seeks BCFIRB's approval of the designation of Village Fresh as a temporary agency, until such a time as the Commission has completed an agency review under section 10 of its General Order.

Analysis

I agree with the Commission that the failure of existing agency Village Farms and its successor, Village Fresh to seek Commission approval for the corporate restructuring as required or alternatively, to apply for an agency designation before completing its corporate restructuring, created an "extraordinary circumstance". I also agree that the Commission was required to act swiftly to find a creative solution to maintain orderly marketing while not unfairly benefiting those parties who contravened and/or disregarded regulatory requirements.

Where I disagree with the Commission, is with its decision to designate Village Fresh as an agency in circumstances where Village Fresh has not applied for an agency licence or demonstrated how it meets the requirements of section 8 of the General Order. The Commission has not conducted a section 9 review of the merits of Village Fresh being designated as an agency nor has there been engagement with industry stakeholders. Similarly, BCFIRB is being asked to approve Village Fresh, with limited process and without the considered views of the first instance regulator on the merits of such an approval, due to the extraordinary circumstances of Village Fresh's own making. While I acknowledge that the Commission has committed to conducting an agency review of Village Fresh to provide a mechanism for stakeholder engagement, that, in my view, would not remedy the fact that Village Fresh would receive an agency licence without application or transparent due process. That is a dangerous precedent.

Designation of an agency is not a rubber stamp. It is a comprehensive process designed to determine whether an applicant can fulfill the fiduciary obligations of an agency and act in accordance with the regulatory framework as a constructive participant. These applications are highly contentious and, in the past, have resulted in appeals and judicial review to determine whether the Commission and/or BCFIRB has struck the proper balance in support of sound marketing policy. To bypass the process altogether to address extraordinary circumstances will only lead to more disruption and uncertainty in the industry.

Mr. Minerva represented that no changes to the marketing plan, functions, or personnel related to the agency activities of Village Farms have occurred in the transition to Village Fresh. In my view, the least disruptive way to ensure orderly marketing and protect the interests of producers, while respecting the scheme for agency designations, is to authorize a limited transfer of the Village Farms' licence to Village Fresh, and allow Village Fresh to operate under the terms of that licence until April 30, 2026. During that time, Village Fresh must expeditiously pursue an application for agency designation pursuant to section 8 of the General Order.

What I am authorizing is a time-limited exception to the prohibition on transfers of licenses in the Commission's General Order for Village Farms and Village Fresh. I consider that this direction is within BCFIRB's supervisory authority in s. 7.1 of the *Natural Products Marketing (BC) Act* ("NPMA"), which affords BCFIRB a broad supervisory authority that it can exercise at any time,

with or without a hearing. I also note that BCFIRB has the authority to, at any time, amend, vary or cancel an order or rule made by the Commission pursuant to s. 11(2) of the NPMA.

Supervisory Order and Direction

I am prepared to allow Village Fresh to step into the shoes of Village Farms and operate under the terms of that licence until April 30, 2026, as long as Village Fresh can satisfy the Commission that it continues to honour all GMAs entered into by Village Farms with BC producers and continues to market BC production consistent with the business and marketing plan of Village Farms as approved by the Commission, as set out in Schedule A.

During the balance of the Village Farms' licence term, Village Fresh is to apply for and diligently pursue an agency designation pursuant to section 8 of the General Order. The application fee of \$20,000 is due no later than September 30, 2025.

In the event that Village Fresh cannot fulfill any of these terms, or if the Commission anticipates that it cannot complete its agency designation process prior to April 30, 2026, BCFIRB is to be notified, and I will consider what further orders are necessary in the circumstances to promote orderly marketing, pursuant to section 7.1(2) of the NPMA.

If the Commission issues a decision approving the agency designation application, BCFIRB will proceed with an approval pursuant to section 8 of the NPMA Regulations.

This decision should not be viewed as precedent setting, rather it is made in response to an extraordinary situation caused by the failure of an agency to conduct itself in accordance with the Commission's General Order and the conditions of its agency licence. My priority is to preserve orderly marketing, protect the interests of producers with GMAs with Village Farms and ensure a consistent supply of produce for consumers until such time as Village Fresh can make its application and the Commission can complete its review of that an agency designation application with a transparent process involving industry stakeholders as contemplated by the General Order.

Sincerely,



Gunta Vitins
Chair, BCFIRB

cc: Andre Solymosi, General Manager, BC Vegetable Marketing Commission
Robert Hrabinsky, Affleck Hrabinsky Burgoyne LLP
Martha Anslow, Executive Director, BCFIRB
BCFIRB Website

Schedule A

Whereas:

BCFIRB has the authority pursuant to section 7.1(2) of the NPMA to exercise its supervisory powers at any time, with or without a hearing, and in the manner it considers appropriate in the circumstances,

I order the temporary transfer of the agency license from Village Farms to Village Fresh commencing immediately and continuing until the licensing period ending April 30, 2026, or further order of BCFIRB, on the following conditions:

- (i) Village Fresh must comply with all orders, rules and requirements applicable to licensed agencies as described in the General Order;
- (ii) Village Fresh must remit its application fee to the Commission in accordance with section 8 of the General Order, no later than September 30, 2025;
- (iii) Village Fresh must comply with all the terms of the licence issued to Village Farms for the term ending April 30, 2026, unless it receives prior permission to vary any such terms from the Commission;
- (iv) Village Fresh is to honour all GMAs entered into by Village Farms, unless it receives prior permission to vary such Agreements from the Commission;
- (v) Village Fresh is to cooperate and provide swift compliance with any requests made by the Commission in their review of the agency application in accordance with section 9 of the General Order;
- (vi) The Commission is to conduct its agency designation application review in accordance with section 9 of the General Order as expeditiously as possible while still ensuring appropriate stakeholder consultation and if Village Fresh is designated as an agency, the Commission will submit its decision to BCFIRB for approval.
