



BC FARM INDUSTRY REVIEW BOARD

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DELIVERED BY EMAIL

Janice Comeau
Chair, BC Milk Marketing Board
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Dear Chair Comeau:

RE: BC MILK MARKETING BOARD REGULATION 2025 REVIEW OF POWERS AND DUTIES COMPLETED

Thank you for the December 12, 2025 submission of the BC Milk Marketing Board's 2025 Powers and Duties Report to the BC Farm Industry Review Board (BCFIRB). Under the [BC Milk Marketing Board Regulation](#) (Regulation) s. 9(1), the BC Milk Marketing Board (MMB) must conduct a review every three years of the continued appropriateness and adequacy of its powers and duties under s. 7 of the Regulation, and report its findings to BCFIRB. Section 9(2) of the Regulation requires that the review be conducted in consultation with the Milk Industry Advisory Committee, BCFIRB, and the Ministry of Agriculture and Food (Ministry).

BCFIRB has reviewed MMB's 2025 Report and confirms that MMB has undertaken the 2025 review of its powers and duties as contemplated by the Regulation. To support the requirements within the Regulation, BCFIRB had instructed MMB to submit a consultation plan for the 2025 review, which MMB developed in discussion with BCFIRB and Ministry staff and submitted to BCFIRB in November 2024. BCFIRB wishes to recognize MMB's efforts in additionally undertaking consultation with British Columbia milk producers and industry stakeholders and including consultation findings in MMB's 2025 Report.

MMB's 2025 Report draws conclusions and identifies potential solutions regarding MMB's powers and duties, including with respect to BCFIRB's supervisory role. Given this, BCFIRB is taking the step of providing supervisor comments to MMB, and also conveying these comments, with MMB's 2025 Report, to the Ministry.

Supervisor Comments – MMB's 2025 Powers and Duties Report

Appropriateness and adequacy of MMB's powers and duties

Different from previous MMB powers and duties review reports (e.g., 2018; 2021), MMB's 2025 Report identifies initiatives over the past six years that it sought to participate in at the national and western regional levels but which BCFIRB found to be outside MMB's authority/jurisdiction.

MMB's 2025 Report describes related challenges, including the separate, different role and capacity of the BC Dairy Association (through Dairy Industry Development Council funding) in national and western regional initiatives, and MMB concerns as BC's regulator in not being at the table in these instances, with other provincial milk boards that, in their roles as provincial regulators, also have the capacity to fund industry initiatives.

MMB's Statutory Authority

BCFIRB notes that in 2019, MMB began participating in several western region milk industry initiatives, which BCFIRB, as provincial supervisor, reviewed and found to be outside the authorities MMB had identified as the basis for its participation. BCFIRB has corresponded with MMB extensively about these matters, particularly with respect to MMB's participation in Dairy Innovation West (DIW), and the Western Milk Pool Transformation Initiative. Beginning in July 2019¹, BCFIRB issued specific decisions and direction to MMB concerning DIW and MMB's authority. On September 25, 2025, BCFIRB issued its decision in response to a June 5, 2025 MMB submission seeking approval to participate in a DIW cost-sharing agreement (CSA). In that decision, BCFIRB confirmed MMB had again not identified an appropriate authority as the basis for MMB participation, and noted that BCFIRB and MMB "differed in their understanding of [MMB's] statutory authority":

"BCMMB provided an analysis of its regulatory authority that was once again grounded in its authority to "promote" milk...BCFIRB remained concerned that BCMMB had not found a proper source for its regulatory authority to enter into the CSA. BCFIRB undertook its own analysis. As set out in more detail below, BCFIRB has determined that BCMMB has the authority to make payments pursuant to the CSA as part of its delegated federal authority with respect to the operation of pools...It is notable that in both 2019 and 2025, BCMMB and BCFIRB differed in their understanding of BCMMB's statutory authority."

Given the challenges and concerns identified in MMB's 2025 Report that pertain to MMB's powers and duties, and given MMB's important role as first instance regulator of BC's milk industry, BCFIRB advises in our conveyance letter to the Ministry that the Ministry may find value in considering how British Columbia's milk industry currently participates in national and western regional initiatives and decision-making to ensure appropriate and adequate roles and representation for British Columbia at these tables.

Quota Policy

MMB's 2025 Report identifies current quota-related issues and concludes that MMB's "power to manage milk production (including quota) creatively and quickly in response to rapid industry shifts must be enhanced". The 2025 Report notes that MMB can seek adjustments from BCFIRB to specific production policy directives further to BCFIRB's [2018 Quota Assessment Tools Supervisory Review](#) Decision, which MMB did in 2018 and which were [approved](#) by BCFIRB.

¹ See BCFIRB's correspondence with MMB from [November 22, 2019](#) (July 2019 letter as appendix), [April 23, 2020](#), [May 1, 2024](#), and [September 25, 2025](#), which were also copied to the Ministry. Related correspondence from BCFIRB to MMB can also be found on the BCFIRB [website](#).

BCFIRB advises in our conveyance letter to the Ministry that other than the 2018 adjustments requested by MMB, no further requests for changes to MMB production, quota management, or new entrant policies have been received by BCFIRB. Since 2018, BCFIRB has received requests for adjustments from other supply managed boards and commissions. BCFIRB understands that several may seek BCFIRB approval in 2026 for further unique adjustments, including MMB regarding the quota issues raised in its 2025 Report.

BCFIRB also notes in our conveyance letter to the Ministry that in BCFIRB's view, the supervisory role in quota management is critical to ensuring sound marketing policy across British Columbia's supply managed sector. The establishment, maintenance, and application of provincial quota principles and rules that can be considered and adjusted to meet the unique needs of each commodity ensures appropriate regulatory oversight of this core pillar of supply management. As BCFIRB noted in its 2018 QATR Decision:

25. Quota is a license to produce. It sets a specified amount of production to be achieved in a fixed time period. It is used to remove variability in production and related marketplace instability by limiting overproduction and helping ensure a minimum level of production. As a production control tool it forms one of the three pillars of supply management. The other two regulatory pillars are price setting and import restrictions. Taken together, the three pillars are intended to support a fair return for efficient farmers and a safe, continuous supply of regulated product for consumers.

26. Quota provides producers who hold it with the privilege of a stable market for commodity production at a price intended to provide a fair return. With that privilege comes specific responsibilities. A licence to produce requires producers to produce the quota they hold and operate within the legislation, regulations, policies and rules established by federal and provincial governments, BCFIRB and the provincial commodity boards. Legislation, policies and rules are intended to balance industry considerations with the public interest.

As MMB is aware, BCFIRB comprehensively considered and established quota management principles and rules for all British Columbia supply managed boards and commissions in its 2005 Specialty Market and New Entrant Submissions Policy, Analysis, Principles and Directions and subsequently in its 2018 QATR Decision. BCFIRB remains of the strong view that supervisory oversight ensures that British Columbia has a fair, transparent, principled, and defensible approach to quota management while being responsive to the unique needs of each supply managed commodity.

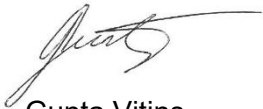
Process considerations

BCFIRB notes in our conveyance letter to the Ministry that we are encouraged by MMB's acknowledgement in its 2025 Report that its review and findings are a starting point only to a process that, should the Ministry wish to undertake it, would require more fulsome review and engagement through to 2030.

BCFIRB also notes and recognizes the significant effort such a process would entail and shares with the Ministry that should it wish to discuss the 2025 Report findings or undertake a review, BCFIRB would welcome the opportunity to participate within its supervisory mandate.

Thank you again for MMB's significant effort in undertaking its 2025 Review and in reporting its findings to BCFIRB for the Ministry's consideration.

Sincerely,



Gunta Vitins
Chair, BC Farm Industry Review Board

Cc: Rob Delage, General Manager, MMB
Leah Sheffield, Executive Director, MMB
Michelle Koski, Deputy Minister, Ministry of Agriculture and Food (AF)
Martha Anslow, Executive Director, BCFIRB
Emma Strazhnik, A/Senior Manager, Sector Policy & Planning, BCFIRB
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