



September 2, 2005

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DELIVERED BY FAX

Bruce Cook, Chair
British Columbia Broiler Hatching Egg Commission

Ron Kilmury, Chair
British Columbia Chicken Marketing Board

David Taylor, Chair
British Columbia Egg Marketing Board

Blaine Gorrell, Chair
British Columbia Milk Marketing Board

Ron Charles, Chair
British Columbia Turkey Marketing Board

Dear Sirs/Mesdames:

QUOTA TRANSFER

On September 1, 2005, the British Columbia Farm Industry Review Board ("FIRB") issued its directions concerning programs for new entrants and specialty production and marketing in the regulated marketing system.

Issues related to production and marketing quota were addressed by FIRB in those directions. The exclusive control of all quota, to which no monetary value is to be attached by a board, remains with the commodity board in accordance with the regulatory schemes governing each board.

FIRB Directions - New Entrant and Specialty Production and Marketing Quotas

FIRB directed that separate classes of quota are to be designated for specialty production; by which FIRB means that specialty classes of quota are to be distinct from the "mainstream" class or classes of quota. All classes of quota should be managed separately; however, commodity board policies for administering quota should be similar for all classes with exceptions only when necessary. FIRB requires that quota rules for the different classes of quota respect a general principle of reciprocity.

**British Columbia
Farm Industry Review Board**

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FIRB also directed terms and conditions for the transfer of new entrant and specialty quotas. These terms included the establishment of a declining transfer assessment schedule. This schedule requires an automatic retraction of 100% in the first year after issuance. Subsequently, the amount retracted declines by 10% per annum until it reaches a minimum assessment of 10% in year 10. The starting point for the assessment should be the date on which the new quota was issued or another date as reasonably established by the commodity board. A condition of transfer would be that the last quota issued by the board is the first quota to be authorized for transfer by a commodity board.

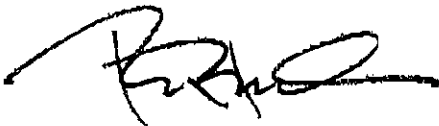
FIRB Directions – All Quotas

FIRB has carefully deliberated the issues that have arisen in the two years since it commenced its review of specialty production and marketing in September 2003. These deliberations included whether the same terms and conditions which now apply to the transfer of new entrant and specialty quotas should apply equally to the transfer of mainstream quota. For the reasons outlined above – all quota remains under the exclusive control of a commodity board and the management of all quota should respect a general principle of reciprocity – FIRB has concluded that the answer is in the affirmative.

Accordingly, your boards are directed to include in the draft Orders being prepared for the prior approval of FIRB, provision for a declining transfer assessment schedule for growth allocated in all classes of quota.

As noted in other correspondence with respect to new entrant and specialty production and marketing programs, FIRB recognizes that implementation questions regarding this direction will arise as the drafting process proceeds and expects ongoing discussion with the commodity boards during the drafting process.

Yours truly,



Richard Bullock
Chair

pc: Daphne Stancil, Assistant Deputy Minister
Strategy, Policy and Legislation
Ministry of Agriculture and Lands

Council of Marketing Boards of BC
BC Poultry Association
BC Broiler Hatching Egg Producers Association
BC Chicken Growers' Association
BC Egg Producers Association
BC Milk Producers Association
BC Turkey Association