

Shoemaker, Wes AGRI:EX

From: Shoemaker, Wes AGRI:EX
Sent: Wednesday, October 24, 2018 5:35 PM
To: Denlinger, Becky EMBC:EX
Cc: Maley, Madeline L EMBC:EX; Lalani, Arif AGRI:EX (Arif.Lalani@gov.bc.ca)
Subject: Unofficial briefing note re: DFA and small business vs farms
Attachments: Briefing Note DFA3.docx

Welcome back Becky,

There are a number of issues that I want to catch up with you, some related to coverage while you were away, others are related to AGRI files. One issue relates to the City of Grand Forks.

s.13,s.16

s.13,s.16

Let me know if you are willing to be part of the meeting with Grand Forks and whether you and your key staff are available to meet with us prior to that.

Wes

From: Lalani, Arif AGRI:EX
Sent: October 24, 2018 4:17 PM
To: Shoemaker, Wes AGRI:EX <Wes.Shoemaker@gov.bc.ca>

Cc: Cameron, Sandra AGRI:EX <Sandra.Cameron@gov.bc.ca>
Subject: FW: Unofficial briefing note re: DFA and small business vs farms

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From: Roly Russell (RDKB) [<mailto:rrussell@rdkb.com>]
Sent: Wednesday, October 24, 2018 9:59 AM
To: Lalani, Arif AGRI:EX
Subject: Unofficial briefing note re: DFA and small business vs farms

Hi Arif,

We met in Whistler last month. In our conversation I think I had mentioned that I would send you a briefing note that was written by a constituent regarding the topic above. I don't think that was done, and apologise for the delay. Here it is.

s.13,s.16

Anyway, I do need to reiterate that this is not a briefing note that we have written as local government, nor have we condoned it. I asked this constituent to write it for us, as local government, to have a better sense of the issue. And I do share the concerns that are identified here, we just haven't had time to write our own and endorse it.

We are hoping to be in Victoria with a small delegation on Oct 30 ... would you and Wes potentially be available sometime?

Thanks,
Roly.

Roly Russell

Chair of the Board & Director for Rural Grand Forks : [RDKB](#)

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Issue: Emergency Management BC (EMBC) interprets DFAP contrary to the Compensation and Disaster Financial Assistance Regulation to deny access to legitimate farm operations

The Regulation

- The Disaster Financial Assistance Program (DFAP) is created under the Compensation and Disaster Financial Assistance Regulation (Regulation).¹
- The Regulation defines five distinct eligibility groups (homeowners, residential tenants, small business owners, farm operation owners and charitable/volunteer organizations).
- Section 10 provides a claimant can make any one or more claims for eligible personal, small business, farm operation, or charitable or volunteer expenses upon demonstration that without claimed assistance would be placed in jeopardy.
- One claimant may be eligible for up to five distinct claim types.

s.13

- s.13 DFAP acknowledge the five claim types.
- s.13 eligibility requirements of a **“farm operation”** found in the Regulation:

“farm operation” means an operation that

- (a) is identified in the current assessment of the British Columbia Assessment Authority as a developing or established agricultural operation,
- (b) is owned and operated by a person whose full-time employment is as a farmer, and
- (c) is the means by which the owner of the farm operation derives the majority of that person's income; [emphasis added]

- s.13

s.13 **“small business”** definition s.13

“small business” means a business

- (a) that is managed by the owner of the business on a day to day basis,

¹ Enacted pursuant to *Emergency Program Act*.

- (b) the income from which is the owner's major source of income,
- (c) the gross sales of which are less than \$1 million per year, and
- (d) that employs less than 50 employees at any one time.

- s.13
- Incorporated farms by virtue of this interpretation must meet the “**small business**” requirements of gross sales less than \$1 million/year and less than 50 employees.

Statutory Interpretation

- s.13
- Under the *Interpretation Act* "person" is defined to include a corporation.
- Further, s. 8 of the *Interpretation Act*, requires the Regulation to be “construed as being remedial, and must be given such fair, large and liberal construction and interpretation as best ensures the attainment of its objects.
- s.13

Public Policy Concerns

- s.13
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- Farming is land intensive with high input costs in relation to products sold; \$1 million in gross sales nets a far lower return to the farmer.
- s.13
- Programs like AgriRecovery and AgriStability consider these types of costs ineligible for compensation as they fall within DFA yet they are not being recognized as such.

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