



August 17th 2018

Lana Popham, Minister of Agriculture

01 Enclosed please find a copy of my letter to the Minister of Health concerning the legality of raw drinking milk. In the hierarchy of provincial statutes, the Minister of Agriculture is responsible for the *Natural Products Marketing Act*. Thus, my complaint to Adrian Dix about the bribe paid by the Milk Marketing Board will eventually wind up on your desk. I'm sending this material to you directly so you can prepare to deal with it.

02 My letter to Minister Dix requests a meeting in order to address de-criminalization of REAL MILK. In the material which I've come by via Freedom of Information demands, I find her colleagues referring to Daphne Sidaway-Wolfe as "the expert on this topic". Yet, obvious from briefing notes given to Ministers and others over the years, Miss Sidaway Wolfe has not done the minimum investigation of the issue required at this level : the policy of the government regarding fresh raw milk for drinking is half a century stale-dated. What comes across, is = a dismissive attitude to the wisdom we have accumulated in the 25-year Campaign for REAL MILK. Herbert Spencer famously said

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Thus, whoever shows up at such a meeting ought to first familiarize themselves with the information available on the website at < www.realmilk.com >. At this website

<http://bcherdshare.org/events/mark-mcafee-on-raw-milk-atUic/>

is video of the presentation made by Mark McAfee at the University of Victoria, in September 2014. It is a masterful treatment of all issues to do with raw drinking milk. Very important, is the information, enclosed, from the Food Standard Agency in England. Over there, and in New Zealand, officials are finished studying the risk of harm to public health from raw milk. They've decided that - like all the rest of the foods of animal origin - any such risk is manageable.

03 Over the last 2 decades, I've been involved in four little cowshares. The term "cowshare" describes an artisanal-scale dairy operation, in which members jointly-own the cows. We hire an agister to do all the work of looking after our herd, doing the milking and making it ready for us to pick up. Enclosed please find copies of letters from officials, responding to my requests for clarification of the legal situation around "cowsharing". I took them as indicating that the government of the day understood that we have the right to employ our own private property for feeding ourselves. This model of dairying is strictly a private enterprise. Its products do NOT enter in to Commerce. The letters acknowledge that what we were doing was not illegal. Or so I was led to believe. Unhappily, contrary to the spirit of those Letters of Comfort, there is a regulation under the *Public Health Act* targeting me / my associates in the Campaign for REAL MILK, which sends us to gaol for simply asserting our right to use and enjoy the product of our own private property.

04 I am almost ready to Petition a Justice of the Supreme Court of British Columbia for Declarations to do with us having the Right to use and enjoy our own property ... that being ; milk / products made from milk which we obtain from cows we own in a co-operative dairy farm. I would much rather NOT go to court. I'd rather people from your administration sit down with us and discuss how to go about normalizing fresh raw drinking milk in British Columbia.

05 I go back so far I remember jovial old Dave Barrett and the Waffle Manifesto. Half a century later I wonder what the policy of the New Democratic Party is, now, vis-à-vis private property. Does your administration admit that we, individually and / or as an ad hoc association of people who want raw milk for ourselves, do we have the right to use and enjoy our own personal property?^{Copyright}

06 We originated the Home on the Range cowshare in early May 2007. The thing “took off” ... becoming very successful in delivering raw milk to those who wanted it, while getting tremendous media coverage. In the summer of 2008, all of a sudden, Fraser Health Authority slapped a cease-and-desist order on us. Only years later, via Freedom of Information demands, did I discover who it was had made the complaint which triggered that Order = the man across the street from the farm we were then renting. No mere co-incidence he was a holder of milk quota. There never was any evidence of anyone getting sick from our milk. His complaint was made out of sheer covetousness ... because he got about a dollar and half per gallon for his milk at the farm gate, whereas I had set the price of REAL MILK at \$12 per gallon. Our milk was genuinely organic, delivered in recycled glass jars, to households 60 miles away in the Big City within 48 hours of it being milked. A very different model from his situation, staying on the farm while marketing / delivery of his product is done for him. Milk in the quota system can sit on a retail shelf for up to 30 days. See the difference? Let me assure you, our members can *taste* the difference!

07 at the time that Cease+Desist Order was made, the old **Health Act** was in place. Under that Act, I had the right to appeal the Order to the Supreme Court of British Columbia. Which I did immediately. Then, the last word on ‘what constitutes a hazard to the public health?’ relevant to an Order under the **Health Act**, was ; the decision in the Supreme Court of B. C. case of **Sechelt and Western Forest Products**. In that one, Mister Justice Butler had ruled that

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08 The appeal I made of the Order under the old **Health Act**, never was heard. The reason it did not come on before a Justice, is, because my appeal involved a Constitutional Question. The lawyer for the Legal Services Branch who was in charge of the Constitutional Question aspect, namely Nina Sharma, deliberately delayed her Response. At the time, I was content to let the thing just drift along, nothing happening in Court, since our REAL MILK was flowing. Every day Miss Sharma didn’t respond was another day substantiating “bureaucratic indifference”. Meaning ; by doing nothing, officialdom tacitly acknowledged there was no real ‘threat to the public health’ after all. All that time, no one got sick from drinking milk from our cowshare.

09 What I didn’t know ‘til years later, was : within hours of me originating my appeal of the Cease+Desist Order, people in the upper echelon of government started concocting a Regulation whereby raw milk for drinking would be outlawed. They realized I’d win on appeal so a work-around was cobbled-together to get out from under the burden of coming up with the hard evidence as to the numbers of people made people ill from drinking raw milk in B. C. **Of which there was none**. Contrary to section 139 of the Criminal Code, Nina Sharma wittingly interfered with my right to due process of law. She obstructed Justice while a law was framed in mischief, so the government could imprison me for my political activity. And if that sounds too far-fetched, read the documentation in the contempt of Court case, wherein one of the counts against me, was : that I had held a ‘raw milk information night’. Believe it or not : I was charged with having convened a public meeting for explaining my political opinion!

10 in mid-December 2009, Fraser Health and Vancouver Coastal Health Authorities embargoed hundreds of gallons of perfectly good milk at our depots around Greater Vancouver – that being, our private property – on the pretext that it was contaminated thus unfit for human consumption. When I got the results from the tests done on samples taken from that batch, I pointed out they were invalid because Vancouver Health had not followed its own in-house protocol stipulating how samples of foodstuffs are to be handled if such may be evidence in a potential legal proceeding. The people who supposed they knew how to tell us how to handle our own food, couldn't get their act together to the minimal standard of their own protocol. Telling! that those test results were NOT used in the court case they brought on the next month. Fraser Health /Vancouver Health Authorities never did have evidence of anyone ever getting sick from drinking our milk. In that episode, what was particularly galling was, Provincial health Officer Perry Kendall, going on national tv, braying like a jackass about “a child lying in hospital after drinking raw milk from Home on the Range dairy” That urban myth is trotted-out every time, all over North America, whenever there's a hint of anyone getting ill from raw milk. In fact, that never happened with our cowshare. Ignoramuses wasted our property for no good reason : it was all a made-for-media propaganda exercise to suit the dairy cartel.

11 In 2010, Fraser Health Authority originated a Petition * against Home on the Range cowshare. At the end of her oral submission in Response, Alice Jongerden asked Madame Justice Gropper “*when did private become public?*” Gropper J never did answer that query. It is important that all-concerned notice, in that matter Judge Gropper appointed me as one representing the class of people who want raw milk for ourselves. * file S 124618 in the New Westminster Registry of the Supreme Court of British Columbia *Fraser Health Authority and Alice Jongerden ; John Doe ; Jane Doe*

12 As a farmer yourself, you are no doubt aware that in the same time-frame as this regulation was cooked-up, i.e. 2008-2009 ... meetings were being held around British Columbia to do with slaughter and handling of red meat, particularly, from small farmers and ranchers. That information was then used for composing new rules. Yet when it came to the issue of fresh raw drinking milk, the administration of the day studiously evaded their duty to consult with those of us who were affected by the Regulation they had in mind. That didn't happen by mistake nor sheer in-competence. It was a secret intelligent, long-running plan pulled off by vested interests. As I explain in paragraph 14 the bribe was influence peddling contrary to section 121 of the Criminal Code.

13 Enclosed please find a page printed-out from the official website of the Statutory Instruments website in the United Kingdom of Great Britain. Notice that the ***Food Safety Act*** under which that Regulation operates REQUIRES that the Minister of Agriculture must consult representatives of interests (that'd be, *people*) who are ‘likely to be substantially affected by the Regulations’. What a concept, eh?! ...going back into the mists of time in British common law ... the notion that ‘those who govern do so only with the consent of the governed’. If I am compelled to go to Court, the primary argument I'll be making will be : section 2 (a) of the Health Hazard Regulation is invalid ab initio because it was imposed not only contrary to a foundational tenet of the constitution of our country, but **maliciously**.

14 I draw your attention to the fact that the BC Milk Marketing Board made a contribution of \$2000 to the constituency association of a sitting MLA very shortly after the ***Public Health Act*** Transitional Regulation came in to effect by way of O.I.C 128/2009. As a seasoned politician, you will of course recognize that that payment was quid pro quo for the Liberal Party pleasing its friends who hold quota in the dairy supply scheme ... people whom MLA John van Dongen had grown up with and worked with, all his life, around Chilliwack. Ironically, those

dairy farmers have no problem drinking raw milk from their own bulk tanks!! The quantity of milk produced by all the little cowshares in British Columbia isn't a drop in the bucket compared to what's produced by Confined Animal Feedlot Operations with quota under their dairy cartel. So why would they worry about us carrying on dairying just to feed ourselves? Why did they involve themselves in this crime? Answer: because they know that people who taste a glass of REAL MILK for the first time suddenly understand what milk truly is. It dawns on a consumer that the stuff they've been buying at retailers is a pale, denatured imitation with the life cooked out of it. Informed consumers then reject the Pasteur-ized dreck and go looking for the good stuff. Part of that learning curve is: realizing how the commercial processors cheated us out of nutrition, by falsely advertising their ersatz white-ish fluid as "homo milk".

15 Enclosed find a print-out of the Cornucopia Institute's press release concerning FRAUD in the food system. It is NOT about fresh raw milk for drinking. Rather, its focus is = criminal activity in the marketplace in the US of A, ruining the term "organic". In 1985-86, I started selling raw fruit juices to health food stores in the Greater Vancouver area. After about a year, I handed the tiny enterprise over to s.22

s.22 Running it off her kitchen table, she built it over the next 15 years, to the level where she was billing ~\$1,000,000 per annum brokering fruits/ vegetables. Eventually, becoming a consultant to a major supermarket chain as the 'organics' sector went from being a hippy-dippy curiosity, to 15% of all food sales. We watched cheaters simply tell outright lies, taking advantage of consumer ignorance, in order to mis-appropriate the premium for truly organic products. Same thing is happening now with the milk industry; people who pioneered organic dairying ... worked their hearts out on the farm and in town, educating the public so as to establish this specialty niche market ... find themselves marginalized/ bankrupt, by cheaters. Similarly: the BC Milk Marketing Board conspired to have REAL MILK outlawed here for no good reason but to perpetuate the generation-long fraud carried on with the standard of identity regarding milk sold in this province.

16 The Transitional Regulation of 2009, later, section 2 (a) of the Health Hazard Regulation were contrived for no good purpose, but ONLY as a tactic in a criminal conspiracy for keeping British Columbians ignorant of what milk really is, so that the CAFO industry is protected from embarrassment. That conspiracy to restrain trade contravenes the **Competition Act** Revised Statutes of Canada. Since the Milk Marketing Board has all power of a natural person, then as a corporation, it can commit a crime. The Minister of Agriculture MUST call in the Criminal Justice Branch to investigate and if my allegation is substantiated, prosecute the Board along with the directors who arranged that bribe.

17 At the end of the last round of the raw milk thing, in the Court of Appeal, Madame Justice Levine described me as "a long-time political activist" which I take as a compliment. Part of that 30-years' activity, was = laying criminal charges. In one instance, Judge David Ramsay wound up in Dorchester Penitentiary consequent from a private Information. I boast that in another instance " *I lit the fuse on the stick of dynamite which blew the doors off*" the Nanaimo Commonwealth Holding Society. A couple of years ago, I was walking by the Wosk Centre on Granville Street when it occurred to me that the Legislative committee was meeting there that day, to hear from the public on the **Freedom of Information & Protection of Privacy Act**. So I arranged for 20 minutes to have my say. I told them that British Columbians were more than a little bit disgusted with the "triple delete scandal" then in the news. I told them that I was one of Canada's lay experts on laying criminal charges. I do not run to court for my own aggrandizement. I do it when the authorities ought to act, but won't. I distinctly recall NDP MLA David Eby getting all huffy when I mentioned what I'd done with the N. C. H. S. I finished by pronouncing that if we didn't see charges against those involved in the Liberal govt.

breaking the FoI&PoP Act I'd go lay a charge myself. Shortly after, one of the minor actors was "thrown under the bus" ... taking the rap for the outrageous corruption going on right to the very top of the government, even now!

18 I say that the BC Milk Marketing Board conveyed a bribe as reward for having a Regulation put on the books which targeted me / my associates in our private endeavor ... our cowshare, as tiny as it was, being seen by the dairy quota holders as contradicting the myths they spin for keeping their racket going. Successive Ministers of Health are given lots of space in newspapers, advertising that "health policy is evidence-based" In 2013, I defended myself against the charge brought by Fraser Health Authority, of 'contempt of Court', because I had been part of the directing mind of Home on the Range cowshare. In that proceeding, George Rice took the witness stand for the Prosecution. He had been a Health Inspector in the Fraser Valley for 33 years. Cross-examining him, I asked *'out of your career of 33 years, do you have any evidence of anyone ever getting sick from drinking raw milk?'*, to which he replied "no". Beyond argument, the Regulation at issue was imposed utterly contrary to the evidence. It was imposed because my political activity was raising the consciousness of the public as to how communism has been insinuated into our society by stealth, particularly : the sacrosanct dairy quota racket.

s.22

August 7th 2018

The Honourable Adrian Dix
Minister of Health
Room 337 Parliament Buildings Victoria British Columbia V8V 1X4

I write to inform your Ministry on an issue where there is a disconnect in the understanding of officials who deal with public policy regarding specific foods, versus facts readily available. Particularly : fresh raw milk for drinking.

A handy example of that mistake being : in 2017, over 400 people got sick from a disease outbreak caused by them having eaten B. C. oysters. Forty more people have been made ill this year, that we know of. It is not unusual that shellfish consumption results in illness -- the Centres for Disease Control has recorded 400 outbreaks caused by oysters, resulting in 2,982 illnesses, 82 hospitalizations, and 3 deaths. In absolute terms, given that few people eat raw oysters, this sounds very much like a "health hazard." Yet with this evidence before it, the policy of Ministry of Health government of B. C. is : such risk of harm to the public health is manageable.

Clause 2(a) of the *Health Hazards Regulation* categorizes raw milk as a "health hazard" but raw oysters are not. Farmers who distribute milk for people to drink without par-boiling it first - even those whose milk tests entirely free of pathogens - are prosecuted. At the same time B.C. Government provides funds to encourage the shellfish industry. Recently, Agriculture Minister Popham met with members of the BC Shellfish Growers Association and expressed support for shellfish farmers in BC. She said she met with them:

"to talk about how our Government can support the people behind this important industry. As the Minister of Agriculture, I'm excited to work with BC's shellfish growers to support their production of internationally renowned seafood products."

Raw milk is legal for distribution in 43 of the United States of America, France, Germany and many other nations world-wide. In England, the conclusion of a major review of its policy on raw drinking milk by the Food Safety Agency, was : to maintain the status quo whereby 100 or so artisanal dairies provide raw milk to anyone who wants it, perfectly legally. Same in New Zealand. But here in B.C., farmers and consumers are under threat of up to three million dollar fines or three years jail under the **Public Health Act** RSBC. Hundreds of raw milk consumers have written to the Ministry of Health over the last several years to ask for the law to be changed, with most receiving no responses to their letters. The few people who did receive replies got dismissive form-letters citing outdated outbreak statistics (prior to 2012).

Public health policy staff will cite outbreak statistics to argue that raw milk can't be legalized, but do they tell you:

- 1. How many of those outbreaks were caused by farmers who were producing milk using methods intended for pasteurization, not methods intended for direct consumption?
- 2. How many farmers were RAWMI-trained?
- 3. How many farmers were testing their milk?
- 4. How many farmers had on-farm food safety plans?

When there is a raw milk outbreak, the Center for Disease Control in the U.S. does not gather this information. Instead, it treats all raw milk as if it is the same. This is not true.

Note that – unlike in Europe - training in how to produce raw milk safely only became generally available in North America after 2011 when the Raw Milk Institute (RAWMI) was established. Despite asking governments for the same kind of support in developing on-farm food safety system as has been available since the mid-1990s to other agricultural sectors such as meat processors, the raw milk sector has been consistently refused, and had to develop its own system.

Since the Milk Marketing Board refused to discharge its mandate to accommodate demand for REAL MILK – by which I mean whole fresh pure raw un-adulterated milk from grass-fed cows, raised humanely - we turned to the model of dairying known as “cowsharing”. In the court case where Fraser Health Authority prosecuted agister Alice Jongerden, Madam Justice Gropper designated me representative for people who want REAL MILK for ourselves. We’re not asking for raw milk to be available via commercial sales. Rather, we want your administration simply to acknowledge that we have the right to use and enjoy our own property ... milk from our cows we own.

When Commissioner J V Clyne wrote the report upon which the *Milk Industry Act* was predicated he said there should always be a way for people who want raw milk to get it. As a raw milk consumer in B.C. – one of thousands – I want your government to start treating producers and consumers of all foods fairly. I urge your advisers to repeal Clause 2(a) of the *Health Hazards Regulation*. Let regulation of raw drinking milk be under the Ministry of Agriculture, where it started and where it properly belongs.

I've been involved in the Campaign for REAL MILK since 1999. I know quite a bit more about it than people in your ministry, apparently, do. I would appreciate an appointment to meet with you or your staff at your convenience, in order for me to educate all-concerned. One of the things that needs to be dealt with, is = the fact that the BC Milk Marketing Board paid \$2000 to the constituency association of a certain MLA, in 2009. Never before nor since, has the Milk Marketing Board contributed to a political party. Coming mere months after the regulation at issue was imposed, there is no other, more logical explanation for that transaction but that it was a payoff for the Liberals making sure that quota-holders in the dairy supply racket do not get embarrassed by consumers finding out how much better REAL MILK is, than what's found on the shelves of retail stores, mislabelled “homo milk”. It doesn't take a degree in political science to figure out that that kickback was in order to give color of law to ‘restraint of trade’. I suspect that that bribe is fungible to the \$100 million dollar fund maintained by the Dairy Farmers of Canada for lobbying. Since the ‘raw milk’ file is your responsibility, then it is incumbent upon you to investigate why that money was payed to a political party. If a crime was committed, then call in the Criminal Justice Branch to prosecute those responsible for breach of section 121 of the Criminal Code : influence peddling.

Since I started paying attention to this issue, the state of Washington has gone from a one-cow, raw milk producer, to 43 licenced dairies. Point being – that demonstrates consumer demand and that officials there found a way to accommodate it. Same with California, where Organic Pastures Dairy produces and delivers 70,000 portions per week, of wonderful wholesome REAL MILK, perfectly legally. And no one gets sick. Thus proving there is a way to collaborate towards a solution which benefits everyone.

s.22

Registering to Sell Raw Drinking Milk (RDM)? What You Should Know

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Health warning labelling

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Further information can be found on our website at:
<http://www.food.gov.uk/enforcement/monitoring/dhi#toc->
with more specific information on RDM at:
<http://www.food.gov.uk/business-industry/farmingfood/dairy-guidance/rawmilkcream>

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THE CORNUCOPIA NEWS RELEASE

**USDA-Backed "Factory Farms" Take Over
Organic Milk Production Crushing Family-
Scale Organic Farmers and Forcing Them
Out of Business!**

August 8th, 2018

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OCT 26 2018

File: 0280-30

Ref: 188975

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Dear s.22

Thank you for your email and the information you have provided regarding the legality of drinking raw milk and the dairy regulations.

In B.C. the Ministry of Health is the provincial lead on the issue of raw milk. Raw milk has been provincially designated as a "health hazard" and distribution is prohibited under B.C.'s *Public Health Act* and Health Hazards Regulation. Raw milk cannot be supplied unless produced on a provincially-certified dairy farm, sold directly to the Milk Marketing Board and transported by a licensed bulk-tank milk grader.

My understanding is that you have reached out to the Ministry of Health. The Ministry of Agriculture is only responsible for the B.C.'s *Milk Industry Act* and Regulations which regulates the industry. As such, the Ministry does not have jurisdiction over the issue of raw milk.

At this time, Health Canada has not indicated an interest in a more permissive regulation of raw milk in Canada. Should Health Canada decide to allow the sale and distribution of raw milk to consumers, the Province would need to revisit B.C.'s legislation and regulations where the Ministry of Health is the lead on regulating raw milk and designating it a health hazard in B.C.

Thank you for bringing your concerns to my attention.

Sincerely,

Lana Popham
Minister

pc: The Honourable Adrian Dix, Minister of Health

RE: On-farm raw milk sales?

From: Shyng, Sion [BCCDC] <Sion.Shyng@bccdc.ca>
To: Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>, Daphne.SidawayWolf@gov.bc.ca [EXT] <Daphne.SidawayWolf@gov.bc.ca>, Droppo, Tom AFF:EX <Tom.Droppo@gov.bc.ca>, Sidaway-Wolf, Daphne HLTH:EX <Daphne.SidawayWolf@gov.bc.ca>
Sent: March 4, 2020 11:29:15 AM PST

Hi Tom,

Yes, we have many cheese makers producing raw milk cheese. The minimum 60-day aging period is part of their food safety and operational programs. For the types of cheese that they are making, they will typically age 90 days to over a year to get their desired product characteristics.

In the event that the cheese failed to meet the minimum 60 day aging period. The first public health step would be a product recall, along with follow up actions and investigations. Findings from the inspection/investigation would inform the severity of progressive enforcement actions considered. In addition, if the product was distributed to food stores and delis where further cross contamination could have taken place, then additional public health actions would need to be considered at the retail/food service level.

As you can see, there is no incentive to violate the minimum aging requirements.

Hope this answers your question.

Cheers,

Si

Sion Shyng

Food Safety Specialist

Environmental Health Services

Tel 604.707.2451 | Fax 604.707.2441

I respectfully acknowledge that I live, work, and play on unceded Coast Salish Territory, the traditional territories of the xmkwym (Musqueam), Skwxwú7mesh (Squamish), and Slilwta (Tsleil-Waututh) Nations.

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-----Original Message-----

From: Droppo, Tom AGRI:EX [mailto:Tom.Droppo@gov.bc.ca]
Sent: Wednesday, March 04, 2020 11:08 AM
To: Shyng, Sion [BCCDC]; Daphne.SidawayWolf@gov.bc.ca [EXT]
Subject: RE: On-farm raw milk sales?

Tkx Si:

So you are aware of B.C. (artisan) cheese makers who are making raw milk cheeses & have them as part of a routine inspection/sampling/reporting/auditing protocol that includes the minimum 60-day aging period? What are the consequences if someone makes a raw milk cheese, doesn't follow the aging process minimum requirements & sells such a cheese? If detected, do they receive a fine & have their license suspended? Sorry, but I want to make sure I

am very clear on this. Thank you Si.

Tom

-----Original Message-----

From: Shyng, Sion [BCCDC] <Sion.Shyng@bccdc.ca>

Sent: March 4, 2020 11:04 AM

To: Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>; Sidaway-Wolf, Daphne HLTH:EX <Daphne.SidawayWolf@gov.bc.ca>

Subject: RE: On-farm raw milk sales?

Hi Tom,

Raw milk cheeses must be aged for a minimum of 60 days as per the Food and Drug Act (Canada). As part of the dairy plant licensing process, we do assess where and how dairy products are made and how cross contamination and other hazards are controlled. I mention this because a processor wanting to make both raw milk and pasteurized products in a small facility may not be able to control cross contamination risks and would be advised/not allowed to make both.

Cheers,

Si

Sion Shyng

Food Safety Specialist

Environmental Health Services

Tel 604.707.2451 | Fax 604.707.2441

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-----Original Message-----

From: Droppo, Tom AGRI:EX [mailto:Tom.Droppo@gov.bc.ca]

Sent: Wednesday, March 04, 2020 10:56 AM

To: Shyng, Sion [BCCDC]; Daphne.SidawayWolf@gov.bc.ca [EXT]

Subject: RE: On-farm raw milk sales?

Thank you Si & Daphne;

The email trail below explains how this question came about? It was a prominent local artisan cheese producer from Duncan who was asking me whether or not there was any truth to this. I told him I'd be very surprised if there was any validity to his question, but that I'd checked it out to be sure.

If neither of you have any awareness of such a 'small trial' in BC, then I guess this is an example of another grapevine rumor. My 2nd one I've had to deal w/ in a week. The other involved a different topic.

While I have your attn & on another topic, but still with dairy, what knowledge do you have of any raw milk (unpasteurized) cheeses being made & sold in B.C.? My understanding is that it's allowed BUT under very strict processing & aging conditions. Can you please shed any light on the legality & acceptance of this practice in BC (i.e., making raw milk aged cheese for sale in BC)?

Daphne - glad to see your name surface. It's been a while since we last worked together but w/n BC AGRI. Hope you're doing well in your Director's position of Food safety in Health.

Best regards.

Tom

Tom Droppo, M.Sc., P.Ag.,
Dairy / Swine Industry Specialist
BC AGRI, Duncan & Abbotsford
Cell: 604.852.2008

-----Original Message-----

From: Shyng, Sion [BCCDC] <Sion.Shyng@bccdc.ca>
Sent: March 4, 2020 10:23 AM
To: Pritchard, Jane AGRI:EX <Jane.Pritchard@gov.bc.ca>; Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>
Cc: Sidaway-Wolf, Daphne HLTH:EX <Daphne.SidawayWolf@gov.bc.ca>
Subject: RE: On-farm raw milk sales?

Hi Jane and Tom,
I have not heard anything about this. I have copied Daphne to loop her in.
Cheers,
Si
Sion Shyng
Food Safety Specialist
Environmental Health Services
Tel 604.707.2451 | Fax 604.707.2441

I respectfully acknowledge that I live, work, and play on unceded Coast Salish Territory, the traditional territories of the xmkwym (Musqueam), Skwxwú7mesh (Squamish), and Slilwta (Tsleil-Waututh) Nations.

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-----Original Message-----

From: Pritchard, Jane AGRI:EX [mailto:Jane.Pritchard@gov.bc.ca]
Sent: Wednesday, March 04, 2020 10:18 AM
To: Droppo, Tom AGRI:EX
Cc: Shyng, Sion [BCCDC]
Subject: Re: On-farm raw milk sales?

Tom, raw milk sales come up under the jurisdiction of Health. Sion would be the person to ask about this.

Agriculture could not over look the legislative authority of Health in this.

Jane

Sent from my iPhone

On Mar 4, 2020, at 9:58 AM, Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca> wrote:

Hi Jane:

I received the email below from one of our licensed BC artisan cheese makers. They produce a really high quality goat cheese. Farm is located near Duncan. I worked w/ them last summer and the new BCACA (BC Artisan Cheese Association) to send one of their (Haltwhistle cheese makers) to the Annual American Cheese Society Meeting in Richmond, Virginia, US and attend talks & short courses there.

I find their question very odd below & it's not something I have heard any mention of, and I suspect is not true or just a rumour.

Jane - can you shed any light on their question & whether or not there is any truth to this 'grapevine' impression that something (e.g., a trial) is being considered wrt raw milk sales in BC? My gut feeling is I highly doubt, but I can't confirm w/ 100% accuracy.

Tkx Jane.

Tom

-----Original Message-----

From: Cory Spencer <cspencer@haltwhistlecheese.com>

Sent: March 3, 2020 2:53 PM

To: Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>

Subject: On-farm raw milk sales?

Hi Tom -

I had heard through the grapevine that the province was possibly considering doing a small trial of on-farm raw milk sales. Do you know anything about that? If so, who who I contact to be considered for being part of the trial?

Best regards,

—

Cory Spencer

Haltwhistle Cheese Co.

(250) 701-7533

RE: BC Milk Marketing Board and Dairy Innovation West Initiative

From: Anderson, Arlene AGRI:EX <Arlene.Anderson@gov.bc.ca>
To: Lalani, Arif AGRI:EX <Arif.Lalani@gov.bc.ca>, Ethier, Tom AGRI:EX <Tom.Ethier@gov.bc.ca>
Cc: Travia, David V AGRI:EX <David.Travia@gov.bc.ca>, McGuire, Jennifer AGRI:EX <Jennifer.Mcguire@gov.bc.ca>, Zachary, Dawnae AGRI:EX <Dawnae.Zachary@gov.bc.ca>
Sent: May 15, 2020 1:27:26 PM PDT
Attachments: BND DIDC investment in concentration plant.docx

This was the BN that was prepared for MLP on DIDC's investment in the milk concentration plant initiative.

From: Lalani, Arif AGRI:EX <Arif.Lalani@gov.bc.ca>
Sent: May 15, 2020 11:54 AM
To: Ethier, Tom AGRI:EX <Tom.Ethier@gov.bc.ca>
Cc: Anderson, Arlene AGRI:EX <Arlene.Anderson@gov.bc.ca>; Travia, David V AGRI:EX <David.Travia@gov.bc.ca>; McGuire, Jennifer AGRI:EX <Jennifer.Mcguire@gov.bc.ca>; Zachary, Dawnae AGRI:EX <Dawnae.Zachary@gov.bc.ca>
Subject: FW: BC Milk Marketing Board and Dairy Innovation West Initiative
Tom not sure if you have been briefed on this but we should soon.

From: Rob Delage <RDelage@bcmilk.com>
Sent: May 15, 2020 11:37 AM
To: FIRB AGRI:EX <FIRB@gov.bc.ca>; Ben Janzen <BJanzen@bcmilk.com>
Cc: Lalani, Arif AGRI:EX <Arif.Lalani@gov.bc.ca>; Holger Schwichtenberg <s.22@bcmilk.com>; Pedersen, Kirsten AGRI:EX <Kirsten.Pedersen@gov.bc.ca>; Jeremy Dunn <jdunn@bcdairy.ca>; Ethier, Tom AGRI:EX <Tom.Ethier@gov.bc.ca>; Robert Hrabinsky <RHrabinsky@ahb-law.com>
Subject: RE: BC Milk Marketing Board and Dairy Innovation West Initiative
Please see the attached letter from BC Milk Marketing Board Chair Ben Janzen.
Regards,
Robert Delage, CPA, CMA
General Manager

From: FIRB AGRI:EX <FIRB@gov.bc.ca>
Sent: April 23, 2020 8:32 AM
To: Ben Janzen <BJanzen@bcmilk.com>
Cc: Shoemaker, Wes AGRI:EX <Wes.Shoemaker@gov.bc.ca>; Lalani, Arif AGRI:EX <Arif.Lalani@gov.bc.ca>; BC Dairy Association <contactus@bcdairy.ca>; Rob Delage <RDelage@bcmilk.com>
Subject: BC Milk Marketing Board and Dairy Innovation West Initiative
Dear Sir,
Please see attached regarding the above noted subject matter.
BC Farm Industry Review Board

***This email message, including attachments, is intended for the addressee(s) only and may contain legally privileged information. Any unauthorized use, distribution, disclosure, or reproduction is strictly prohibited. If you have received this email in error please notify sender by return email and delete all copies.**

Ministry of Agriculture
BRIEFING NOTE FOR MINISTER FOR DECISION

Ref: 192086

Date: April 21, 2020

Title: Dairy Industry Development Council Investment in Dairy Industry West

Issue: Considerations for approving investment by the Dairy Industry Development Council in Dairy Industry West's proposed dairy concentration facility.

Background:

The Dairy Industry Development Council (DIDC) was created under the *Farming and Fishing Industries Development Act* (Act) in 2002. Under its plan, approved by the minister in accordance with s.2 of the Act, the DIDC manages a levy fund for the promotion, education, research and policy activities on behalf of milk producers that pay the levy.

DIDC has proposed using a portion of the fund to invest in Dairy Industry West (the Facility), a first-of-its kind in Canada dairy concentration facility planned for construction in central Alberta. The Facility would remove most of the water from milk used for cheeses, yogurts and other products, thereby reducing its volume and the number of trucks required to transport it from the Facility to other processing plants.

It is proposed that DIDC will have a shareholder interest in the Facility as represented through a shareholder agreement that is not yet drafted. Section 3(3) of the Act requires the DIDC to obtain approval of the Minister before entering into an agreement with organizations such as the Facility.

The DIDC does not anticipate any changes to the levy amount, which would require an Order in Council to bring into effect.

The DIDC has asked the Ministry of Agriculture (Ministry) what would be required to amend its approved plan to invest in the Facility.

Discussion:

s.13

CONFIDENTIAL

Page 021 of 120

Withheld pursuant to/removed as

s.13

s.13

Approved / Not Approved

Honourable Lana Popham, Minister

Date Signed

Contact: Simon Rasmussen, Senior Legislation Analyst, 778-698-3262
Arlene Anderson, Director of Legislation, 778-698-5170

ED

ADM

DM

CONFIDENTIAL

APPENDIX

Policy on Levy Amendments

There are nine industry councils operating in BC, and from time to time councils request levy changes. Changes to a levy must be approved by the Lieutenant Governor in Council (LGIC). Prior to drafting an Order in Council for a levy change, the ministry and the minister of Agriculture must have assurances that the increase is sufficiently supported. A plebiscite process has been used to determine the level of support. Over time, councils have adopted a variety of approaches for holding plebiscites and determining plebiscite outcome. At times, the processes used and the information presented have been unclear, making it difficult for staff to advise executive and the minister. The ministry has determined that a consistent approach is needed. A plebiscite process that can be consistently applied across various commodities will better serve the councils, membership and the ministry.

1. Voting on Proposed Amendments

The council must permit all voting membersⁱ to participate in a plebiscite. The council must ensure that, as part of the plebiscite process, all voting members are provided with complete information concerning the general nature and specific wording of the amendment being proposed. A plebiscite must remain open for voting for a minimum period of four weeks from the time of commencement as declared by the council of plebiscite voting. During the period a plebiscite is open for voting, the council must ensure that reasonable effortsⁱⁱ are undertaken to regularly remind voting members of the ongoing plebiscite and to encourage submission of ballots. The council must allow voting members to vote by proxy and to submit plebiscite ballots to the council by the method of their choice, including by post, courier, facsimile or electronically, so long as the ballot is received by the council prior to the close of the voting period.

2. More than one proposed amendment

For greater certainty, more than one proposed amendment may be put to voting members as part of the same plebiscite, but voting members must be allowed to vote on each proposed amendment separately.

3. Approval of a Proposed Amendment

A proposed amendment is considered to have been approved if:

- At least 25% of the voting members vote;
- At least 65% of members voting are approving members; , and,
- Approving members produce at least 50% of the total lbs (total acres?) reported by all members voting, during the immediately preceding harvest year.

For the purposes of these approval thresholds, “members voting” means, all voting members that vote in a given plebiscite regarding a proposed amendment, and “approving members” means those members voting that have voted in favour of the proposed amendment.

4. Information to be submitted to the Ministry

The ministry will require the following documentation:

- The specific plebiscite question put to the membership
- The date that voting commenced and how people were informed of the start date
- The date(s) reminders were provided and the form of the reminders
- The closing date for voting
- Total number of all voting members
- Total amount of production for the commodity (litres acres) by all voting members
- Number of members voting and the percentage they represent
- Number of, and percentage of, votes for and against the motion

- Verification that the production of the approving members is at least 50 % of the members voting.

5. Example using Development Councils numbers

Example using voting membership of 100

- Voting members must equal 25
- Approving members must equal 16.25
- Approving members (16.25) must produce 50% of the yield produced by the 25.

6. List of councils

- 226/89 - Blueberry Industry Development Fund Regulation
- 302/91 - British Columbia Salmon Marketing Council Regulation
- 272/2006 - British Columbia Wine Grape Council Regulation
- 240/94 - Cattle Industry Development Council Regulation
- 14/2003 - Dairy Industry Development Council Regulation
- 236/90 - Grain Industry Development Fund Regulation
- 44/2002 - New Tree Fruit Varieties Development Council Regulation
- 484/98 - Raspberry Industry Development Council Regulation
- 305/98 - Woodlot Product Development Council Regulation

ⁱ Voting members are either defined in the individual regulations or in the original plan submitted. For the purposes of the New Tree Fruit Varieties Development Council (Ambrosia council) a voting member is any commercial ambrosia grower.

ⁱⁱ "Reasonable effort" is more than 2 e-mail reminders, any combination of 3 or more mail outs, newspaper ad, and annual general meeting following the initial announcement of a plebiscite.

Dairy Industry Development Council 2020 DIDC Plan Update Plebiscite Report

Prepared by BC Council of Marketing Boards

June 2020

Summary

The existing DIDC plan has not been formally updated since its approval by government in 2002. The updated DIDC plan has seen a number of updates, which bring it up to date with the 2020 industry. The purpose of updating the plan was to enable the DIDC to invest funds collected from BC dairy producers in processing initiatives that increase processing capacity in Western Canada, for the benefit of BC producers.

s.13; s.16

The BCDA board, which serves jointly as DIDC council members, has carefully reviewed the updated DIDC Plan and unanimously support the changes.

Purpose

The purpose of this plebiscite is to see your support of the amended plan and the addition of adding processing investments as an option within the plan. Doing so ensures that BC dairy producer funds can be invested in projects and initiatives that directly increase the market in BC while maintaining the viability of the industry long-term.

The legislative process requires that a plebiscite be conducted through a qualified third party. BCDA has selected the BC Council of Marketing Boards as the Independent Elections Officer to conduct this vote.

The legislative process requires at least 25% of BC dairy producers to vote, with at least 65% percent of votes cast to be in favour of the updated plan. Those who vote in favour of the updated plan must collectively produce at **least 50% of the total volume of milk reported by all members who voted**, during the immediately preceding harvest year.

Following is the question on which the BC Dairy Producers were asked to vote.

Do you, as a BC dairy producer, support the 2020 Updated Plan of the Dairy Industry Development Council (DIDC), which includes authorization for the DIDC to invest funds directly in dairy processing initiatives for the benefit of all BC dairy producers? *Do you agree?*

Introduction

This report has been prepared using data collected 12:00 p.m. PST May 5, 2020 to 4:00 p.m. PST June 2, 2020. An on-line and paper ballot vote was distributed to 465 BC Dairy Producers.

The invitation to participate and reminder notices were distributed as follows:

Date	Purpose	Method of Distribution
May 5, 2020	Initial Invitation to Vote/Ballots	Email and Xpresspost Mail
May 12, 2020	1 st Reminder	Email
May 19, 2020	2 nd Reminder	Email
May 26, 2020	3 rd Reminder	Email
June 1, 2020	4 th & Final Reminder	Email

The following is a summary of completed responses after receipt of email invitation and reminders.

Date	Purpose	Completed responses after receipt of email
May 5, 2020	Initial Invitation to Vote/Ballots	68
May 12, 2020	1 st Reminder	39
May 19, 2020	2 nd Reminder	32
May 26, 2020	3 rd Reminder	62
June 1, 2020	4 th & Final Reminder	29
	Total	230

Results

Plebiscite Ballot Summary & Results		
Total Number of Ballots Distributed	465	
Number of votes received	230	49.46% of possible votes
Yes Votes	205	89.13% of votes received
No Votes	25	10.87% of votes received
Spoiled	5	*Not counted as a vote received

Based on the numbers shown here above 49.46% or 230 votes cleared the first hurdle of 25% participation in this process.

The Milk Marketing Board, calculated, based on the **YES** and **NO** votes (shown above) corresponding IRMA number, the annual volume of milk produced by these respondents.

There findings were as follows:

Total volume of milk produced in 2018/2019 based on <u>465 producers</u>	8,266,937 hectolitres
Total volume of milk produced in 2018/2019 based on <u>230 producers who voted</u>	4,890,262 hectolitres
Total volume of milk produced by 'YES' producers	4,011,927 hectolitres or 82.04%
Total volume milk produced by 'NO' producers	878,335 hectolitres or 17.96%

Note: 5 producers started production AFTER the last dairy year. Therefore, they have no volume in the 2018-2019 year. As such a pro-rated volume for their current YTD production was used as their current year volume.

Based on the Milk Marketing Board's calculation, 82.04% of the total volume of milk produced by all who voted, is produced by BC dairy producers that support the DIDC 2020 Plan Update.

Respectfully submitted,



Della Oberhoffner, Independent Elections Officer
BC Council of Marketing Boards

June 3, 2020

RE: AGRIServiceBC Inquiry FW: Organic milk

From: Sakalauskas, Karina AGRI:EX <Karina.Sakalauskas@gov.bc.ca>, Sakalauskas, Karina AFF:EX <Karina.Sakalauskas@gov.bc.ca>
To: AGRIServiceBC AGRI:EX <AgriServiceBC@gov.bc.ca>, Friesen, Elsie AGRI:EX <Elsie.Friesen@gov.bc.ca>, Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>, AGRIServiceBC AFF:EX <AgriServiceBC@gov.bc.ca>, Droppo, Tom AFF:EX <Tom.Droppo@gov.bc.ca>, Friesen, Elsie AFF:EX <Elsie.Friesen@gov.bc.ca>
Cc: Street, James AGRI:EX <James.Street@gov.bc.ca>, Street, James AFF:EX <James.Street@gov.bc.ca>
Sent: July 16, 2020 2:58:57 PM PDT

Thanks to all for your prompt answers.

Any kind of milk (grass feed, organic or conventional) must be pasteurized in order to be sold in Canada.

Milk Industry Act: https://www.bclaws.ca/civix/document/id/complete/statreg/96289_01#section6

Karina

-----Original Message-----

From: AGRIServiceBC AGRI:EX <AgriServiceBC@gov.bc.ca>
Sent: July 16, 2020 2:38 PM
To: Friesen, Elsie AGRI:EX <Elsie.Friesen@gov.bc.ca>; Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>
Cc: Sakalauskas, Karina AGRI:EX <Karina.Sakalauskas@gov.bc.ca>; Street, James AGRI:EX <James.Street@gov.bc.ca>
Subject: RE: AGRIServiceBC Inquiry FW: Organic milk

Thank you guys!

I have sent the information provided from BOTH of you to Robert.

HAPPY THURSDAY! Have a GREAT rest of the day!

Dana Coupal
Administrative Support Clerk
1767 Angus Campbell Rd
Abbotsford, B.C., V3G 2M3
Phone (778) 666-0595 Fax: (604) 556-3030

-----Original Message-----

From: Friesen, Elsie AGRI:EX <Elsie.Friesen@gov.bc.ca>
Sent: July 16, 2020 2:17 PM
To: Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>; AGRIServiceBC AGRI:EX <AgriServiceBC@gov.bc.ca>; Coupal, Dana AGRI:EX <Dana.Coupal@gov.bc.ca>
Cc: Sakalauskas, Karina AGRI:EX <Karina.Sakalauskas@gov.bc.ca>; Street, James AGRI:EX <James.Street@gov.bc.ca>
Subject: RE: AGRIServiceBC Inquiry FW: Organic milk

Hi Tom and Dana;

Here is the BCCDC contact for any Dairy processing questions: Sion.Shyng@bccdc.ca (604) 707-2451

Regarding UHT - it is a pasteurizing method, here are the definitions for the two types of pasteurization for liquids

(dairy or non-dairy).

HTST (high temperature short time) pasteurization heats the milk to 161 degrees Fahrenheit for 15 seconds and then rapidly cools it to 39 degrees. For UHT, raw milk is heated to approximately 280 degrees Fahrenheit for just 2 seconds and is then rapidly chilled back to 39 degrees. Both methods result in milk that is 99.9% free of bacteria.

UHT when pasteurized in a sealed container, makes it possible to non-refrigerate prior to opening the container (once opened it will require refrigeration). Most liquid products sent/exported to the semi-tropical and tropical countries now require UHT processing as then the 'control and monitoring of cold-chain temperatures during transportation is not required'.

HTST liquids still require refrigeration before opening (e.g. milk, juices, baby formula in cartons).

The reason for the difference is that HTST of 161 degrees F does not kill all anaerobic toxin forming bacteria, whereas UHT at 280 degrees F does kill anaerobic toxin formers.

Hope this answers your questions.

Elsie Friesen
Food Safety & Education Specialist
NEW: 778-666-0577

-----Original Message-----

From: Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>

Sent: July 16, 2020 1:50 PM

To: AGRIServiceBC AGRI:EX <AgriServiceBC@gov.bc.ca>; Coupal, Dana AGRI:EX <Dana.Coupal@gov.bc.ca>

Cc: Sakalauskas, Karina AGRI:EX <Karina.Sakalauskas@gov.bc.ca>; Street, James AGRI:EX

<James.Street@gov.bc.ca>; Friesen, Elsie AGRI:EX <Elsie.Friesen@gov.bc.ca>

Subject: RE: AGRIServiceBC Inquiry FW: Organic milk

Importance: High

Hi Dana:

The question posed by Mr. Blair on July 16, 2020 (below) are best addressed by Karina Sakalauskas (organic milk regulations) and James Street or Elise Friesen (when comes to the question of UHT organic milk). However, what I do know is this:

Q#1: YES, organic milk is regulated in exactly the same manner as commercial milk in BC, and all milk for fluid consumption to the best of my knowledge must be pasteurized before it is acceptable for sale to the public (i.e., consumers).

Q#2: UNAWARE of organic milk being treated & sold as UHT (Ultra-High Temperature) organic milk anywhere in Canada. This would be a question best answer by the BC Centre for Disease Control (BCCDC) who are responsible for the regulatory side of milk processing & sampling/testing of processed dairy products. I am not saying there isn't any UHT organic milk in Canada - I just haven't heard or seen it.

(PS - Elsie, is this a question that Si from BCCDC would know & best to answer? I don't have Si's email if you could please share it here. Thank you Elsie.)

Tom

-----Original Message-----

From: AGRIServiceBC AGRI:EX <AgriServiceBC@gov.bc.ca>

Sent: July 16, 2020 11:36 AM

To: Droppo, Tom AGRI:EX <Tom.Droppo@gov.bc.ca>

Cc: AGRIServiceBC AGR!EX <AgriServiceBC@gov.bc.ca>

Subject: AGRIServiceBC Inquiry FW: Organic milk

Good Morning Tom

Hope you are doing well out there in your new location!

Would you be able to respond to the email below or direct me to the appropriate contact person for this inquiry?

Thank you,

Happy Thursday & Have a GREAT day!

Dana Coupal

Administrative Support Clerk

1767 Angus Campbell Rd

Abbotsford, B.C., V3G 2M3

Phone (778) 666-0595 Fax: (604) 556-3030

-----Original Message-----

From: Blair, Robert <blair@mail.ubc.ca>

Sent: July 16, 2020 10:40 AM

To: AGRIServiceBC AGR!EX <AgriServiceBC@gov.bc.ca>

Subject: Organic milk

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I would appreciate advice from the dairy foods specialist on my queries below.

1. Is organic milk regulated in the same way as regular milk in Canada in that it has to be pasteurized before sale to the public?

2. Much of the organic milk in the USA is reported to be UHT so that it has a longer shelf life and can be distributed widely within the country. What is the situation in BC and other parts of Canada on this processing method?

Thank you.

Robert Blair PhD

Faculty of Land & Food Systems

UBC

FW: Letter requesting approval of new DIDC Plan

From: Travia, David V AGRI:EX <David.Travia@gov.bc.ca>
To: Whittington, Elissa AGRI:EX <Elissa.Whittington@gov.bc.ca>
Sent: August 6, 2020 3:38:19 PM PDT
Attachments: DIDC Consultation log May 2020.pdf,
DIDC_2020_Plan_Update_Consultation_MAY6-FINAL.pdf,
2020_DIDC_Plan_Update-FINAL.pdf,
DIDC_Letter_MLP_NewPlanPlebiscite_June15-2020.pdf,
DIDC_NewPlan_Resolution_APR22_2020.pdf, DIDC Plan Update Plebiscite Report.pdf

FYI only – went to Arlene

David Travia

Executive Director

Corporate Governance, Policy and Legislation Branch | Ministry of Agriculture

Ph: 778 974-3764

From: Raymond, Mark AGRI:EX <Mark.Raymond@gov.bc.ca>

Sent: August 6, 2020 1:31 PM

To: Anderson, Arlene AGRI:EX <Arlene.Anderson@gov.bc.ca>

Cc: Travia, David V AGRI:EX <David.Travia@gov.bc.ca>

Subject: FW: Letter requesting approval of new DIDC Plan

Hi Arlene – Just sharing as an FYI

From: Jeremy Dunn <jdunn@bcdairy.ca>

Sent: June 15, 2020 6:49 AM

To: Minister, AGRI AGRI:EX <AGR.Minister@gov.bc.ca>

Cc: Lalani, Arif AGRI:EX <Arif.Lalani@gov.bc.ca>; Ethier, Tom AGRI:EX <Tom.Ethier@gov.bc.ca>; S.22

Subject: Letter requesting approval of new DIDC Plan

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Minister Popham,

Thank you for the support of your staff to assist the Dairy Industry Development Council in conducting an open and transparent process with BC dairy producers to update its Plan.

As per the requirements set out in the Farming and Fishing Industries Development Act, the DIDC conducted an online plebiscite through an Independent Elections Officer (IEO) from the Council of Marketing Boards. The online vote was conducted over a four-week period from May 5, 2020 to June 2, 2020. BC dairy producers have shown strong support for the updated DIDC plan. The board asks for Ministerial approval of this plan to finalize the process. Please find a letter outlining the request attached along with a number of important documents including the report of the IEO on the recently concluded plebiscite.

Attachments:

DIDC 2020 Updated Plan

DIDC Plan Update Plebiscite Report

DIDC Consultation Log

DIDC Resolution

Consultation presentation

Jeremy Dunn

General Manager

BC Dairy Association

P. 604.726.8350 (mobile)

E. jdunn@bcdairy.ca

Toll Free in BC 1.800.242.6455

bcdairy.ca

DIDC Consultation log - May 2020

May 5 – Mainland Milk Producers Directors Zoom

Attendees: s.22

s.22

Notes:

Overview of DIDC and s.13 (s.22

This meeting is to share information on the proposed DIDC and s.13 plans. Dairy Industry Development Council – a corporation that allows the dairy industry to have levy supported marketing programs and regional association funding.

Processing challenges in the west:

- There continue to be several processor challenges in the west including concentration and size of plants; high cost of hauling milk; a demand for butter fat that exceeds SMP; unable to fully allocate quota; CUSMA; and outdated dryers.
- More processing capacity is projected to be needed in the west in the future

Addressing the challenges and projected capacity shortage - the Milk Board and the boards of the BCDA and DIDC all agree that investments in processing are needed and will greatly benefit BC producers.

s.13; s.16; s.17; s.21

- DIDC plan and proposed updated plan
 - The current plan outlines activities that can be funded by DIDC levies – marketing and promotion of dairy products and funding industry associations. The plan does not include funds being used to fund processing initiatives.
 - The updated plan would include an overview of council, the council structure, an industry overview, levy and administration, and the activities that can be funded.
 - New to the plan will be the ability to use DIDC funds to invest in building processing capacity to benefit BC producers as part of Western Milk Pool.
- s.13
- The 2020 plan does not include a levy increase. If levies are changed, the same process that was used in the levy holidays vote will be used.

- The government requires demonstrated producer support, which is why the plebiscite is required.

Plebiscite question:

- "Do you, as a BC dairy producer, support the 2020 Updated Plan of the Dairy Industry Development Council (DIDC), which includes authorization for the DIDC to invest funds directly in dairy processing initiatives for the benefit of BC dairy producers?"
- Producers must vote yes to support the changed plan in the plebiscite in order for the DIDC to be able to invest funds in any processing initiative.
- The Ag Minister must provide the final approval for the project to go ahead

Q&A

s.13; s.16; s.21

Page 036 of 120

Withheld pursuant to/removed as

s.13 ; s.16 ; s.21

s.13; s.21

May 11 – Mainland regional zoom

Attendees: s.22

s.22

Notes:

s.22 welcomed everyone to the Mainland information session. He started with some housekeeping by identifying everyone, and noted that s.22 will be keeping attendance, and Aimee would be taking notes. He said to add questions into the chat so as to answer them all at the end.

s.22 started with two logos, the one on the right was familiar, the BC Dairy Association logo, the one on the left in the DIDC logo, which was new to most people. He thanked everyone joining the session as it is an important process to go through with producers across BC.

s.22

Welcomed and said good evening to everyone, and said if producers were at the BCMMB meeting in the fall then this information would be familiar but there will be some new details.

Discussed processor challenges in the western provinces:

- Have a few large plants and are hauling large distances and hauling is paid for by producers
- Fluid and skim milk doesn't drive the market and there is a huge cost in skimming to get the valuable fat with no return for the skim to BC dairy producers
- We have a lack of processing capacity

There is a solid export limit coming into place with CUSMA as of July 1, with the second dairy year starting August 1, so we see a large decrease 1 month in. All of the dryers across Canada are outdated except for 1 in Manitoba and 1 in Ontario. We need a new capacity for dryers to get high quality dry products and the products produced would be outside the export cap with CUSMA.

The WMP has looked at solutions to these issues over the past three years. They consulted with many medium/large processors to attract increased processing. Abbotsford, Alberta, Saskatoon, and Manitoba all processing an increase of 350 million liters.

New supply policy with allocation of milk in the West means

- Ability to track processing
- Other provinces help provide milk/take milk where there is lack or surplus
- Creating new products equals more processing, A2 milk is a new product coming to BC and starting up in a few weeks, want to attract more processing in the West

Alberta has more milk than processing capacity. This means they are shipping to BC/SK/MB at a huge cost of \$7.2 million/year. The WMP needs more processing capacity to match the market increase over the next 10 years.

s.22

Stated that DIDC/MMB/BCDA have agreed that more processing capacity is needed and it would benefit BC producers.

DIDC was formed in 2002 and is a cooperation under BC Farming and Fishing that collects levies from farmers to support producers and programs that support producers. It is governed by dairy farmers and government. The DIDC plan currently lists initiatives such as advertising and promotion, nutrition education etc. Processing is not on the list even though it would benefit BC producers. No investment can be made without updating the plan.

It will now include:

- An overview of the council
- Council structure
- Description of the industry
- Details of the BC Dairy Foundation change to BCDA
- Update levies (there will be no increase in levies to dairy producers, there hasn't been one since 2012 but the plan had not been updated)
- Include new activities to be funded such as Dairy Processing

If we want to change the Levy structure (example the Levy Holiday in 2020):

- 25% of producers must vote
- 65% must vote "yes"
- The members that vote "yes" must produce at least 50% of the milk out of all voters.

Investments into dairy processing can be done through DIDC, must benefit BC Dairy Producers, and investment in the DIDC is considered beneficial to BC Dairy producers.

s.13; s.16; s.21

Producers were first notified via email May 4, 2020 about the new DIDC plan, and on May 5, 2020 producers were emailed the plebiscite to vote online which is being run by the BC Council of Marketing Boards.

s.13; s.21

s.22

s.13; s.16; s.17; s.21

Milk movement in the WMP over the past 3 dairy years has increased significantly:

- 2017: 33 million liters
- 2018: 47 million liters
- 2019: 77 million liters

There was a dramatic increase from 2018 to 2019 with much of it being from Alberta to BC.

s.13; s.16; s.17; s.21

s.13; s.16; s.17; s.21; s.22

In summary, producers have until June 2, 2020 to vote, and 25% of producers must vote, 65% must vote "yes", and the members that vote "yes" must produce at least 50% of the milk out of all voters. DIDC is not changing funding to other programs, there will be

s.13; s.16; s.17; s.21

s.22

Thanked everyone for participating, and now we have time for questions

Q&A:

s.13; s.16; s.17; s.21

Q: Why does AB have excess milk?

A: There are a lot of reasons. The main reason is that they have an insufficient amount of processing. We've done a good job working in BC to expand processing capacity. When processors have existing plants, they make decisions on expansion – we've had some luck here in BC.

Q: How much quota is not allocated in BC due to lack of processing?

A: Currently 2% in BC.

s.13; s.16; s.17; s.21

s.13; s.16; s.21

Q: There's no preferential deal with the east or the west?

A: The best deal we have is 10-90. Quota should be based on the population – it determines the market.

s.13; s.16; s.21

s.13; s.16; s.21

Q: We spent 7.2 million on transporting milk – is that the cost of moving to BC only?

A: That is the cost in the WMP. Most is moved from AB to BC, and from AB to SK and MB. Sometimes we end up moving milk out of BC into AB. 77 million litres, 7.2 million dollars.

s.13; s.16; s.17; s.21

s.13; s.16; s.17; s.21

May 12 – KODA informational zoom

Attendees: s.22

s.22

Notes:

s.22 started meeting by greeting everyone and stating this is an information meeting, introduced BC Milk Marketing Board

s.22 introduced DIDC, its plan and the need for the plan to include processing.

s.22 spoke to processing challenges in the west. Processor concentration has resulted in fewer but larger plants, occurring across Canada. This requires us to haul greater volumes across provincial boundaries.

When we agreed to share our milk as a pool, we could haul milk long distances. We've had significant growth in quota. This hasn't translated into skim milk growth. Skim milk is costly; we're currently under allocated in quota because we don't have enough processing capacity. Results in lost revenue.

We are additionally challenged now b/c of CUSMA agreement coming into affect on July 1. The challenge is new cap on skim milk powder exports. Processors have had to re-evaluate investments they've made.

Dryers are outdated, lack capacity to make milk protein isolate. There are some solutions to deal with this; we started talking to processors over the last 2-3 years, we saw increases in capacity in Alberta, Saskatoon and Manitoba. That's 350 million litres of growth.

2% of quota is not allocated because we don't have the capacity to process it. We created a traditional allocation supply agreement; other provinces would agree to transport milk to BC, for example. In the western milk pool, Alberta has an excess of milk, is causing us to move milk to other provinces. We move milk out of AB into BC.

Projected growth is about 60 million litres over next several years. We don't know what impact COVID might have on this yet. Our new reality is we will be moving milk greater distances, if we don't work together in the west we will lose out to eastern provinces.

s.22

What is the DIDC? It is a corporation created under BC Farming and Fishing Industries Development act.

The DIDC plan, allowed in 2002 levy's to be collected from producers. DIDC collects money and forwards it to BCDA and DFC to carry out programs. Directors of BCDA are also directors of DIDC. When it was set up, the government had requested a plan.

Processing initiatives are not on that list, and to have them on that list, DIDC has had to update the plan. No investment can be made in any processing initiative without it first being in the plan and having appropriate signatures, including support of producers. The plan has been updated to reflect the overview of the council and it's structure.

There is no increase to the levies that producers pay, in updating this plan. The activities to be funded have been updated to match what BCDA is actively undertaking, such as updating Canadian Quality Milk to proAction within the plan.

Initial investment consideration is being given to joining producers in Alberta, Saskatchewan and Manitoba. We have updated council meetings and procedures in the plan as well.

25% of voting members must cast a vote, and 65% must vote to pass change. Without a yes vote, the plan will not be updated. Producers were emailed a plan on May 4, please reach out to s.22 to have it re-sent if needed. If you vote yes then it enables the DIDC to consider investments.

s.22

s.13; s.16; s.17; s.21

s.13; s.16; s.17; s.21; s.22

The DIDC plan requires any investment in processing to be to the “benefit of BC producers.”

s.13; s.16; s.17; s.21

Timeline:

s.13; s.16; s.17; s.21

Producers have until June 2 to vote online. At least 25% must cast a vote and at least 65% must vote yes.

Q&A

s.13; s.16; s.17; s.21

s.13; s.16; s.17; s.21

Q: The plebiscite will leave producers out of future decisions regarding processing investments, is that correct?

A: That is one way of looking at it but we do have criteria that will be considered. The Board of the DIDC is producers; producers choose that board. Every year at the AGM we will go through finances and invite producer feedback into those discussions.

s.13; s.16; s.17; s.21

s.13; s.16; s.17; s.21

Q: Has there been any discussion on DIDC board becoming separate from the BCDA board?

A: That isn't something the province is looking to do. It was the intention to have the producer association board run the DIDC when the DIDC plan was formed and there is an intention to keep it that way.

s.13; s.16; s.17; s.21

Q: You had growth in the market in your report. Who put the projection together and where is the growth coming from?

A: Growth is difficult to project. In the last couple of years, the CDC predicts it and its been reviewed by all the provinces. It is based on 2% growth nationally on industrial. When the west gets quota on the industrial side, if its 2% nationally, it will be 2.8% on our quota share, after the trade deals. It wont be equal – when CUSMA comes into effect, it won't quite be at 2%, but over 10 years it will average out and be about 3% in the west.

A lot of it does come from per capita growth. COVID could slow it down. Mostly coming from population growth but there's also growth in cheese and butter in the last number of years. We still are seeing per capita growth.

s.13; s.16; s.17; s.21

s.13; s.16; s.21

May 13 – VIMPO informational zoom

Attendees: s.22

s.22

Notes:

s.22 welcomed everyone to the Island information session, and handed it off to s.22

s.22 started with two logos, the one on the right was familiar, the BC Dairy Association logo, the one on the left in the DIDC logo, which was new to most people.

Thanked everyone joining the call as it is an important process to go through with producers across BC.

s.22 welcomed and said good evening to everyone, and told producers if they were at the BCMMB meeting in the fall then this information would be familiar but there will be some new details.

Discussed processor challenges in the western provinces, like that we have a few large plants and are hauling large distances (sometimes across provincial borders) and hauling is paid for by producers, and that fluid and skim milk doesn't drive the market and there is a huge cost in skimming to get the valuable fat with no return for the skim to BC dairy producers. Excess skim milk is very costly.

There is a solid export limit coming into place with CUSMA as of July 1, with the second dairy year starting August 1, so we see a large decrease 1 month in:

- 55,000 tonnes in the first "year" – one month
- 35,000 tonnes in the second "year"

All of the dryers across Canada are outdated except for 1 in Manitoba and 1 in Ontario and they can't make the higher quality product. We need new dryers to get high quality dry products and the products produced would be outside the export cap with CUSMA.

The WMP has looked at solutions to these issues over the past three years, and has learned we have to work together as a pool to attract processing. We have consulted with many medium/large processors to attract increased processing. Abbotsford, Alberta, Saskatoon, and Manitoba all processing an increase of 350 million liters. Under allocated quota to producers in the WMP by 2% due to lack of processing. New supply policy with allocation of milk in the West means ability to track processing, other provinces help provide milk/take milk where there is lack or surplus, creating new products equals more processing, A2 milk is a new product coming to BC and starting

up in a few weeks, want to attract more processing in the West. Alberta has more milk than processing capacity, and ships to BC/SK/MB at a huge cost of \$7.2 million/year. WMP needs more processing capacity to match the market increase (2% nationally, more like 3% to the WMP) over the next 10 years, and will have to work harder to attract processors and move milk further distances.

s.22

Stated that DIDC/MMB/BCDA have agreed that more processing capacity is needed and it would benefit BC producers. DIDC was formed in 2002 and is a cooperation under BC Farming and Fishing that collects levies from farmers to support producers and programs that support producers. Allows levies to be collected and to be used for marketing and promotions. It is governed by dairy farmers and government. The DIDC plan currently lists initiatives such as advertising and promotion, nutrition education, youth based programs, community awareness, proaction etc. Processing is not on the list even though it would benefit BC producers. No investment can be made without updating the plan.

It will now include:

- An overview of the council
- Council structure
- Description of the industry
- Details of the BC Dairy Foundation change to BCDA
- Update levies (there will be no increase in levies to dairy producers, there hasn't been one since 2012 but the plan had not been updated)
- New activities to be funded such as Dairy Processing

If we want to change the Levy structure (example the Levy Holiday in 2020), 25% of producers must vote, 65% must vote "yes", and the members that vote "yes" must produce at least 50% of the milk out of all voters.

Want to create a new facility, Dairy Innovation West, to reduce cost of transporting raw milk. Government says for the DIDC plan to be updated producers must vote.

Need producer support to update the plan, thus the creation of the online plebiscite
Producers were first notified via email May 4, 2020 about the new DIDC plan
May 5, 2020 producers were emailed the plebiscite to vote online which is being run by the BC Council of Marketing Boards. If you vote "yes" you are voting to consider investments such as DIW (but not limited to just this one project).

s.13; s.16; s.17; s.21; s.22

s.13; s.16; s.17; s.21

Milk movement in the WMP over the past 3 dairy years has increased significantly:

- 2017: 33 million liters
- 2018: 47 million liters
- 2019: 77 million liters

There was a dramatic increase from 2018 to 2019 with much of it being from Alberta to BC.

Benefits include reducing product by 50% and receive large savings on transportation costs, providing a long-term solution to processing, a strategy for the next 15-20 years, giving producers increased stake in the value chain, first of its kind in Canada (although they are popular and proven in the US), and as per the DFC website it will aid to decreasing Canada's dairy greenhouse gas emissions which are already half that of the global average. It will save 3,750 loads of milk per year from being hauled which will result in a 1% decrease in greenhouse gas emissions.

s.13; s.16; s.21

s.13; s.16; s.17; s.21

s.22

DIDC requires that investments must be beneficial to BC producers. There will be benefits for BC producers, including transportation savings thus contributing to producer revenue increase/cost reduction, no direct quota growth but will ensure future growth, resolve skimming issues, investment opportunities and potential to attract large processors to the West which will grow the market, and potential to grow with ultra-filtered milk as it is the first of its kind in Canada. DIDC likes to invest in projects owned by BC producers, s.13; s.16; s.21

s.13; s.16; s.21

s.13; s.16; s.17; s.21

In summary, producers have until June 2, 2020 to vote in the plebiscite, and 25% of producers must vote, 65% must vote "yes, and the members that vote "yes" must produce at least 50% of the milk out of all voters. DIDC is not changing funding to other programs to make investments in processing. There will be no increase in levies, and s.13; s.16; s.17; s.21 The Minister must also approve before proceeding.

s.22_ thanked everyone for participating, and we now have time for questions.

Q&A

Q: We've seen a shift in milk product usage in the last couple of months. We hope we will get back to normal in needing lots of fat and getting our cream users back.

s.13; s.16; s.21

A: It would be a guess – we have no history to tell us what might happen. If there is a vaccine and things go back to normal, things will be relatively the same. If people don't go back to restaurants in full force the same way they did prior to the pandemic, it may have an affect.

Q: Are we still disposing of cream?

A: We have recently managed to stop disposing of cream. It took a lot of work and collaboration with processors – we lack cream processing capacity in BC. We have a strong class one cream market. Now that market is temporarily gone due to COVID – we don't have the ability to make butter like other provinces do.

s.13; s.16; s.17; s.21

Q: You said you cant answer the question but what is the industry going to look like 6 months from now? Between COVID and imports?

A: In the short term, it's going to be unpredictable, we won't see the market completely come back until there is a vaccine. We expect imports to come in over the next 6 months – 3.5% that the Americans have now, and that will come in. For the next year, we won't see much growth at all. The work the CDC has done on COVID – early work was doom and gloom, but now the CDC has relaxed on that. They initially were pessimistic and now are making more moderate projections. We don't have a playbook for this, or data to tell us what is going to happen.

Q: Class 7 ends on July 1st, so the P10 agreement is gone? If you have a calculation in the change in the pool costs? From P10 to P4?

A: Class 7 ends on June 1.

Q: We have a couple of producer processors on the island, and there may be more. You have a new program – would you consider something for those producer processors who take volumes out of major processors?

A: We have some flexibility in the new program – contact Woody at our office. We want to help small guys build up their market.

s.13; s.16; s.17; s.21

s.13; s.16; s.21

Q: Why does AB not have processing?

A: There's lots of reasons for that – one of the things that we've really seen over the last five years is that processors are looking to build bigger plants. They want to build a big plant in one province. The only way we can provide milk in the volumes processors need is to work together. It's a project that can provide long term benefits.

Comment: The cost recovery – I feel that is an avenue that has to be stressed and pursued. We are adding value to processors and they need to pay for that. We need to deal with that today to receive firm benefits from them.

s.13; s.16; s.21

Q: What do plants in the Valley use in a year?

A: I can't say.

s.13; s.16; s.21

Comment: What we are asking is for Island producers to approve the DIDC plan so that we can move forward and invest in processing initiatives. Feel free to ask us questions and we will help you with information to make a vote – call your Board members.

May 14 – BV/KO/North/PR zoom

Attendees s.22
s.22

Notes:

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s.22 thanked everyone for participating, and we now have time for questions.

Q&A

s.13; s.16; s.17; s.21

s.13; s.16; s.17; s.21

Q: Is the DIDC subject to the Freedom of Information Act?

A: No

s.13; s.16; s.17; s.21

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Withheld pursuant to/removed as

s.13 ; s.16 ; s.17 ; s.21

s.13; s.16; s.17; s.21

May 20 – BC-wide informational zoom

Attendees:s.22

s.22

Notes:

s.22 started meeting by greeting everyone and stating this is the fifth and final DIDC information meeting.

s.22 introduced DIDC, its plan and the need for the plan to include processing. Desire by board to invest in processing initiatives.

s.22 spoke to processing challenges in the west. Processor concentration has resulted in fewer but larger plants, occurring across Canada. This requires us to haul greater volumes across provincial boundaries.

When we agreed to share our milk as a pool, we could haul milk long distances. We've had significant growth in quota. This has translated into skimmed milk growth. Skimmed milk is costly; we're currently under allocated in quota because we don't have enough processing capacity. This results in lost revenue and significant cost undertaken by producers.

We are additionally challenged now because of CUSMA agreement coming into affect on July 1. The challenge is new cap on skim milk powder exports. Processors have had to re-evaluate investments they've made.

Dryers are outdated, lack capacity to make milk protein isolate. There are some solutions to deal with this; we started talking to processors over the last 2-3 years, we saw increases in capacity in Alberta, Saskatoon and Manitoba. That's 350 million litres of growth.

2% of quota is not allocated because we don't have the capacity to process it. We created a traditional allocation supply agreement; other provinces would agree to transport milk to BC, for example. In the western milk pool, Alberta has an excess of milk, which is causing us to move milk to other provinces. We move milk out of AB into BC.

Projected growth is about 60 million litres over next several years. We don't know what impact COVID might have on this yet. Our new reality is we will be moving more milk greater distances, if we don't work together in the west we will lose out to eastern provinces.

What has the Western milk pool done to address this? Western milk pool has met with processors to attract processing solutions to the west to ensure growth. They've created a supply agreement, with western provinces to attract the creation of a plant.

Current state of WMP, AB has a significant excess of milk produced vs. processing capacity. The cost of interprovincial milk haul is costing \$2.5M to BC. New reality is that we will have to move more milk greater distances, as processors want to establish large capacity plants.

s.22

What is the DIDC? It is a corporation created under BC Farming and Fishing Industries Development act.

The DIDC plan, created in 2002, allowed levies to be collected from producers. DIDC collects money and forwards it to BCDA and DFC to carry out programs. Directors of BCDA are also directors of DIDC. When it was set up, the government had requested a plan.

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s.22
s.13; s.16; s.17; s.21

s.22

The DIDC plan requires any investment in processing to be to the “benefit of BC producers.”

s.13; s.16; s.17; s.21

Producers have until June 2 to vote online. At least 25% must cast a vote and at least 65% must vote yes.

We now have time for questions.

Q&A:

s.13; s.16; s.17; s.21; s.22

Q: Wondering if there is discussion on supporting smaller on farm processors?

A: DIW isn't the complete solution. We can't process the milk we have today, we need a number of solutions moving forward – it all adds to incremental growth. The BCMMB has programs and policies in place to support on farm processing, talk to Woody Siemens at our office for more on that. It takes a number of processing initiatives to support processing of milk. The plebiscite asks whether DIDC can invest in any processing initiatives, small or large.

Q: With COVID-19, and lack of transportation capacity to outlying areas, would there be consideration to getting smaller or medium sized processors established in outlying areas?

A: We will support any processors' attempt to set up shop in BC or in the WMP. We find that for large amounts of milk, they want to streamline operations and set up where there are existing plants. We've offered incentives to help them set up in outlying areas, but there's no appetite for them to branch out regionally. They set up in large regions. We will leave no stone unturned to get smaller or medium sized processors running.

s.13; s.16; s.17; s.21

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Dairy Producer Consultation May 2020



Processing Challenges in the West

- Processor concentration has resulted in fewer but larger plants, requiring greater volumes of milk that crosses provincial boundaries.
- High cost of hauling milk inter-provincially. Paid by producers.
- Significant growth and demand for butterfat - but not SMP.
- Issues dealing with surplus skim milk = costly skimming.
- Quota not fully issued = loss of revenue and equity to producers.



Processing Challenges in the West

- CUSMA Cap on SNF Exports – Processors re-evaluated investment.
- Dryers for SNF in Western Milk Pool (WMP) are outdated and lack capacity, new capability for higher-quality powders (MPI) is needed.
- Importation of diafiltered (or ultra-filtered) milk that are used in manufacturing of cheese and yogurt has created a significant surplus of skim milk in Canada.



Processing Solutions

- Work has been done by Western Milk Pool over the past 3+ years.
- Provinces collaborated to attract processing to the west to ensure growth.
- Met with all medium and large-sized processors
 - Achieved plant expansions in each WMP province
 - Capacity growth exceeding 350M litres
- Created WMP traditional allocation supply agreement.
- Revised 1c/4c Innovation agreement to attract new products to WMP.



Current State in WMP

- Alberta has a significant volume of excess milk produced versus processing capacity → excess moved to BC /SK /MB.
- 2018/19 cost of interprovincial milk haul = \$7.2M (WMP)
- Projected WMP growth of 600M litres over next 10 years.

New and Future Reality

- we will move more milk greater distances



BCMMB and DIDC Working Together

- The BC Milk Marketing Board and Board of the Dairy Industry Development Council / BC Dairy Association collectively agree that investments in processing innovation and capacity in Western Canada are needed and will greatly benefit BC producers.
- The Board of DIDC believes it is important and appropriate for funds generated by producer levies to be invested in processing initiatives that benefit BC dairy producers.



What Is the DIDC?

- The Dairy Industry Development Council (DIDC) is a corporation created under the BC Farming and Fishing Industries Development Act.
- The DIDC was created in 2002 to allow for levies to be collected from producers to fund the marketing and promotion of dairy products and fund industry associations.
- Today. The DIDC collects producer levies and forwards them to the BC Dairy Association (BCDA) and DFC (Dairy Farmers of Canada) to carry out programs to benefit dairy producers.
- The DIDC is governed by dairy producers. Directors of the BCDA are also Members/Directors of the DIDC.



What Is the DIDC?

- When the DIDC was created in 2002, government approved it to collect levies based on a plan submitted by the board.
- The plan outlines activities to be funded by DIDC funds:
 - Advertising and Promotion
 - Nutrition Education
 - School Milk
 - Youth Based Programs
 - Community Awareness
 - Industry Representation (government advocacy / spokesperson)
 - Canadian Quality Milk (proAction)
 - Producer Communications
 - Industry Organizations



DIDC Plan

- The 2002 DIDC Plan remains very relevant for the needs of BC dairy producers.
- The 2002 DIDC Plan does not contemplate funds being invested in processing initiatives.
- No investment can be made without updating the DIDC Plan.
- The Board of Directors has unanimously supported an updated plan which includes “Dairy Processing” as an activity that may be funded.
- Plan has also been updated to match current industry.



Summary of DIDC 2020 Plan Updates

- **Overview of the Council:** Updated to tell the story of how the DIDC came to existence and the transformation of BCMPPA/BCDF to BCDA.
- **Council Structure:** Directors serve dual roles on DIDC/BCDA. Plan updated to match BCDA bylaws.
- **Description of the Industry:** Updated from 2002 to 2020.
- **Industry Organizational Overview:** Updated from 2002 to 2020.



Summary of DIDC 2020 Plan Updates

- **The Levy and Administration:** Updated to current levies paid by BC producers.
 - **There is no increase to levies paid.**
- **Activities to be Funded:** Updated to match current BCDA activities and inclusion of investments in Dairy Processing.
- Direct investments of funds generated through producer levies in Dairy Processing would be new for the DIDC.



Summary of DIDC 2020 Plan Updates

Dairy Processing:

- Direct investments can be made through DIDC Fund in building processing capacity that will benefit BC producers.
- Investments must benefit BC Producers.
- To benefit BC producers, as part of Western Milk Pool, investments across Western Canada will be considered.



Summary of DIDC 2020 Plan Updates

Dairy Processing:

- **Initial investment consideration** is being given to joining with dairy producer entities in Alberta, Saskatchewan, and Manitoba to create a corporation to develop, build, and operate a milk concentration facility in Alberta.
- The facility (Dairy Innovation West) is intended to take in raw milk and create concentrated components required by dairy processors, in order to reduce costs of transporting raw milk from producers to processors.



Summary of DIDC 2020 Plan Updates

- **Council Meetings & Procedures:** Updated to aligning AGM with BCDA and removing specific month for meeting. (previously stated January).
- **Changes to the Levy Structure:** Updates to advice received by government during Levy Holiday process. For future levy change to occur, the Minister requires all of the following thresholds to be met:
 1. At least 25% of voting members must cast a vote;
 2. At least 65% of the votes cast must approve the proposed change; and
 3. Members who vote to approve the change must produce at least 50% of the total volume of milk reported by all members who voted, during the immediately preceding harvest (dairy) year.

There is no levy change included in the 2020 Plan Update.



Producer Plebiscite

- The DIDC Board unanimously supports the updated Plan. Government requires demonstrated producer support to finalize the Plan update.
- Demonstrated producer support = online producer plebiscite. Producers must vote YES to change.
- Producers were emailed the new plan on Monday May 4th. Any who did not receive, please reach out to ^{s.22} to have it re-sent.
- Online plebiscite is being conducted by BC Council of Marketing Boards. You received that email on Tuesday May 5th.



Producer Plebiscite

“Do you, as a BC dairy producer, support the 2020 Updated Plan of the Dairy Industry Development Council (DIDC), which includes authorization for the DIDC to invest funds directly in dairy processing initiatives for the benefit of BC dairy producers?”

- If you vote YES then it enables the DIDC Council to consider direct investments in processing initiatives, evaluated by strict criteria.
- You are voting on updating the plan, with the changes that have been outlined.



Dairy Innovation West



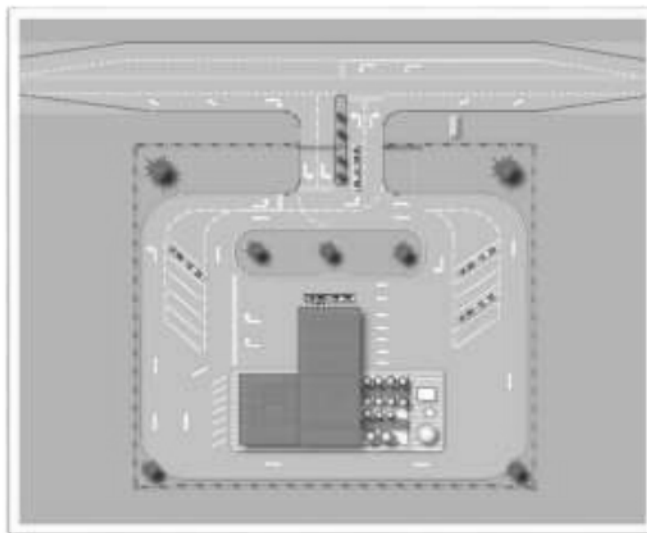
Dairy Innovation West

- DIW is a pre-competitive milk concentration facility to be located in Alberta. It will receive raw milk from the Western Milk Pool and concentrate it via Reverse Osmosis (RO) and Ultra-Filtration (UF). Concentrated milk components will be shipped to processors.
- The BC Milk Marketing Board consulted with producers on this project in the Fall of 2019 and received strong producer support for proceeding.
- BCMMB is unable to take an ownership position in Dairy Innovation West due to its role as the regulator of milk supply in BC. DIDC will become the shareholder on behalf of BC producers.





Dairy Innovation West



- Receive off-farm raw milk.
 - Remove water through concentration (reverse osmosis).
 - Reduces volume to 50% or less and ship to BC/ SK/ MB.
- Capacity to accommodate **300M litres** of milk per year.
 - No end-use products – does not add processing capacity for WMP.



Dairy Innovation West

- DIW will not be operated directly by producers, but rather through an operating agreement with an established processor – Vitalus.
- DIW is a milk concentration facility ... **to be owned by the 1400+ dairy producers of the four Western Canadian Provinces via Provincial Organizations based on provincial quota shares.**
- **Part of the transportation infrastructure.**
- **No direct producer ownership.**
- Located in Central Alberta.



Dairy Innovation West - structure

- DIW will have four Members. DIDC, Alberta Milk, SaskMilk, DFM.
- DIW board of Directors comprised as follows:
 - **Four producer Directors** with voting rights (one rep from each Member).
 - An independent chair as selected and appointed by the DIW Directors.
 - Up to four non-voting participants at Board meetings (BCMMLB, Vitalus, technical representatives).
- Only the four producer Directors and the chair will have a vote.



Dairy Innovation West - Structure

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DIW Design & Build Costs (estimated)

Project Build, Equipment, Mechanical, etc.	\$47,505,000
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Land (12.04 acres) - estimate	<u>\$ 3,000,000</u>
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Total Project Costs:	\$50,505,000
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Plus:

Design Develop. Engineering Fee & Exp.	\$ 1,641,000
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Site Selection Consultation Fee & Exp.	<u>\$ 96,000</u>
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Total Fees & Consultation Costs:	\$ 1,737,000
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Grand Total: \$52,242,000



WMP Freight Cost Savings

(DIW at full capacity & 50% concentration rate)

Projected Annual WMP Freight Costs	\$ 36,500,000
Cost of Concentration to 50% volume	\$(11,700,000)
Freight Cost on 50% volume	<u>\$(17,800,000)</u>
Projected Annual Freight Savings:	\$ 7,000,000

Additional Benefits:

- Seek opportunities to maximize returns on DIW outputs – Value added UF users.
- Ability to skim milk for WMP.



DIW Economics – 10 Year Projections

Net Savings / (Cost)

1. Cash Basis - After operating costs, principal and interest...

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
\$'000	(471)	(841)	(1,363)	(637)	(952)	509	1,925	3,800	3,793	3,783
\$ /HL – DIW volume only	(0.42)	(0.58)	(0.73)	(0.29)	(0.44)	0.21	0.72	1.28	1.28	1.28
\$ /HL – WMP volume	(0.02)	(0.03)	(0.05)	(0.02)	(0.04)	0.02	0.07	0.14	0.14	0.14

2. Cost Basis - After operating costs and interest... (principal excluded)

\$'000	(471)	790	1,898	2,625	2,309	3,771	5,187	7,061	7,054	7,044
\$ /HL – DIW volume only	(0.42)	0.54	1.02	1.22	1.07	1.56	1.95	2.39	2.38	2.38
\$ /HL – WMP volume	(0.02)	0.03	0.07	0.10	0.09	0.14	0.19	0.26	0.26	0.26



Milk Movement in Western Canada

Month	Year	BC to AB	AB to BC	AB to SK	SK to AB	AB to MB	MB to SK	SK to MB	Totals
August	2019	-	1,247,475	402,781	-	1,486,030	-	2,412,022	5,548,308
September	2019	-	1,348,596	-	-	1,646,243	-	pending	2,994,839
Total		-	2,596,071	402,781	-	3,132,273	-	2,412,022	8,543,147

Historical Interprovincial Milk Movement									
		BC to AB	AB to BC	AB to SK	SK to AB	AB to MB	MB to SK	SK to MB	Totals
16-17 Total		0	16,938,488	352,402	11,139,360	0	5,027,686	0	33,457,936
17-18 Total		5,047,182	6,949,194	13,278,705	145,007	13,728,412	0	8,239,672	47,388,172
18-19 Total		3,390,752	18,041,132	4,280,526	372,349	20,885,152	0	30,141,819	77,111,730

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- Milk Movement and Transportation costs within the WMP are significant and increasing
- WMP Interprovincial Milk Movement



DIW Benefits

- Reduces the volume of product by just over 50% on average = significant transportation savings.
- Provides a long-term strategy for western producers over the next 15 to 20 years.
- Gives producers an increased stake in the value chain via ownership of DIW.
- Concentration facilities are common in the US and other countries. The technology is known but this is a first of its kind in Canada.



DIW + Sustainability

- Producing one litre of milk in Canada emits less than half the greenhouse gas (GHG) emissions (0.94 kg CO₂/L milk) as compared to the global average (2.5 kg CO₂/L milk).
- Once DIW is operating at full capacity it will, at a minimum, remove 3,750 annual loads of milk transported an average distance of 2,080 km per trip.
- This would result in a 3,042,000 kg per year reduction in CO₂ emission, equal to about a 1% reduction in the GHG impact from concentrating milk before transportation.



How are risks mitigated?

- Engaging with highly professional and experienced partners – Vitalus, Pacific Process, corporate legal assistance.
- WMP MOU WG/DIW Board: Provides producer and board staff oversight and engagement throughout project completion and operation.
- A clear target (to optimize transportation saving as key to ROI).
- Established users of DIW outputs.
- Broad demand from processors for plant's customized products.
- State-of-the-art facility, using tried and true technology.
- Keeping Provincial governments and governing councils apprised of progress.



Additional Considerations

- DIW will operate in a non-competitive manner with processors in Canada.
- The WMP Marketing Boards will supply concentrated milk to processors in the same manner as raw milk is provided today – processors will be billed on components received.
- In keeping with the BC Milk Marketing Board Regulation, no provincial regulator, nor the facility will take ownership of the milk. Milk received for concentration is allocated to other processors who have agreed to accept their allocation (or parts thereof) in a concentrated form.
- This facility will reduce transportation costs by an estimated \$134.4M over 10 years. These funds will more than cover the cost of the facility.
- The facility will reduce the need for PLR arrangements (skimming of milk and disposal of skim).



DIDC Consideration of DIW

The DIDC Plan requires any investment in processing to be to the “benefit to BC producers”



- Response: The DIDC investment in DIW will allow BC to participate in a project by the WMP to reduce the cost of transporting milk within the WMP.
- All producers in the WMP share in the cost of inter-provincial transportation costs. Reducing these costs will benefit all WMP producers including all BC producers.
- The DIW project is also strategic in that it will allow producers and processors in the WMP to work together to grow the market for dairy products by making this facility available to all processors for value added products.



DIDC Consideration of DIW

Quota growth



- Response: While the operation of this facility will not directly add processing capacity or result directly in quota growth, it is a critical component to manage excess skim milk.
- With the restrictions on Canada's ability to export SMP and MPC under CUSMA, the WMP needs a sustainable way to deal with the excess of skim milk. The MPI's made at Vitalus provides the WMP with a sustainable way to market skim milk, which is typically surplus to domestic requirements.
- Quota growth in BC is unlikely without a solution to manage the excess skim milk.



DIDC Consideration of DIW

Producer revenue increase, or producer cost reduction.



- Response: Condensing milk through DIW is projected to reduce transportation costs paid by producers in the WMP by an estimated \$134.4M over 10 years
- All producers in the WMP share in the cost of inter-provincial transportation costs, reducing these costs will benefit all WMP producers including all BC producers.
- Inter-provincial transportation is deducted from every milk cheque. P9/WMP



DIDC Consideration of DIW

Investment opportunities will be large enough in scale to add meaningful processing capacity in Western Canada.



- Response: This facility would have the capacity to concentrate up to 300M litres of milk per year. Outputs from the plant include: Concentrated whole milk, concentrated skim-milk, cream, UF milk, and permeate.
- While this does not directly add to processing capacity in Western Canada, the size and scope of the project is such that it will allow producers and processors in the WMP to work together to grow the market for dairy products by making this facility available to all processors for value added products.



DIDC Consideration of DIW

Incremental to investments that would otherwise be made by established processors and/or producers.



- Response: DIW, which will concentrate raw milk to reduce transportation costs, will be the first of its kind in Canada. The facility will be innovative in that it will provide the additional benefits of providing service to the industry to supply processors with ingredients to grow the market for dairy products.
- An opportunity for growth is expected through providing ultra-filtered (UF) milk to processors who otherwise might not have the ability to manufacture UF milk. Those processors could use the source of UF milk to make new fluid products which would increase WMP quotas and blend price.



DIDC Consideration of DIW

Ideally in projects/facilities owned by dairy producers.



- Response: The DIDC will be a 35% owner of DIW through shareholder agreement with Alberta Milk, SaskMilk, and Dairy Farmers of Manitoba. The ownership shares held by DIDC will be for the benefit of all BC producers.
- Dairy producer organizations in Alberta, Saskatchewan and Manitoba support the project.



DIW Decision & Investment

- If the updated DIDC plan is supported by producers it will allow the DIDC board to consider a final investment decision on DIW.
- Producers must vote YES in the on-line plebiscite for the Board to act. Voting YES does not guarantee that DIW will proceed.
- The DIDC is actively participating in discussions with WMP partners, many things must come into place for DIW to proceed as a sound investment.
- The DIDC Board will undertake due diligence on the DIW project. If the board chooses to proceed with joining DIW, Minister Popham must approve for the DIDC to proceed.
- The DIDC investment in DIW would be approximately \$1.8M.
- Further costs paid by the users of the facility (WMP Milk Boards).



Tentative Timeline

- **May 2020** – DIDC producer consultations regarding new DIDC plan and DIW.
- **June/July 2020** – DIDC agreements negotiated. Board & Minister signoff.

Minister Popham must give final approval to DIW agreement for BC investment to proceed.

- **August 2020** – Project go ahead and order of equipment.
- **March 2021** – Completion of equipment procurement and building.
- **July 2021** – Site installation complete.
- **November 2021** – Commissioning and process handover.



Online Plebiscite Summary

- Producers have until June 2, 2020 to vote in the online plebiscite.
- For the 2020 DIDC Plan Update to be approved, the Minister requires all of the following to be met:
 1. At least 25% of voting members must cast a vote;
 2. At least 65% of the votes cast must approve the proposed change; and
 3. Members who vote to approve the change must produce at least 50% of the total volume of milk reported by all members who voted, during the immediately preceding harvest year.



Summary & Questions

- BC Dairy Industry Development Council is seeking producer support of its updated Operating Plan, which will allow it to invest funds collected through producer levies in processing initiatives.
- DIDC is not cancelling or changing any funded activities (BCDA / DFC) to make investments in processing.
- No increase to producer levies paid to DIDC.
- DIDC board is considering investment in DIW. Will require further Minister approval of the shareholder agreement before proceeding.

Producers must vote **YES** in plebiscite for DIDC to be able to invest funds in any processing initiative.

QUESTIONS?



DIDC Statement of Financial Position

(unaudited)

As at	March 31, 2020	December 31, 2019
CURRENT ASSETS		
Cash	\$ 1,980,363	\$ 1,234,945
GIC - short term deposit	\$ 1,500,000	1,500,000
Accounts receivable	1,398,821	1,339,578
	\$ 4,879,185	\$ 4,074,523
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,819,923	\$ 1,172,062
NET ASSETS		
Unrestricted net assets	2,059,262	2,902,461
	\$ 4,879,185	\$ 4,074,523



DIDC Statement of Financial Position

(unaudited)

	March 31, 2020	2019
REVENUES		
Contributions from dairy producers	\$ 2,552,523	\$ 15,022,878
Interest	23,013	43,182
	<u>2,575,536</u>	<u>15,066,060</u>
EXPENSES		
Fluid milk products promotion	1,833,919	7,275,179
Industrial milk products promotion (DFC Levy)	1,248,000	4,670,609
Industry activities	307,420	1,219,539
Penalties	29,397	157,568
Administration and audit		25,663
Legal and professional fees	-	-
	<u>3,418,736</u>	<u>13,348,557</u>
Excess (deficiency) of revenues over expenses	(843,200)	1,717,503
Unrestricted net assets, beginning of period	2,902,461	1,184,959
Unrestricted net assets, end of period	\$ 2,059,262	\$ 2,902,461

Dairy Industry Development Council

Plan. 2020 Update

Overview of the Council

The Dairy Industry Development Council (DIDC, or Council) was established November 14, 2002 under the authority of the *Farming and Fishing Industries Development Act*. BC Agriculture Minister John van Dongen established the DIDC, and approved the “Plan to Establish a Dairy Industry Development Council” (Plan) that was submitted by the industry through the BC Milk Producers Association (BCMPA). In creating the Council and approving its Plan, Minister van Dongen named the directorship of the BCMPA as the Council, noting that beginning in 2003, the directors of the BCMPA will be elected for the dual roles of BCMPA directors and DIDC members.

Prior to 2003, BC dairy producers had contributed to the Dairy Products Promotional Fund through levies collected under the *Milk Industry Act* and the *Milk Industry Standards Regulation*. That Act and Regulation were replaced in 2003 with new regulations governing on-farm and dairy plant food safety under the new *Food Safety Act*. The BCMPA members had supported the Dairy Products Promotional Fund in the past, and endorsed the establishment of the Council to continue this work.

The Minister’s approval of the DIDC stated that the levy to be paid by the milk producers, as set out in the Plan, would be mandatory and non-refundable. The BC Milk Marketing Board, as first point of sale, would collect the levy on behalf of the Council.

In 2011, the BC Dairy Association (BCDA) was formed, replacing the BCMPA and the BC Dairy Foundation (BCDF). Directors of the BCDA are elected for dual roles of BCDA directors and DIDC members. The BCDA has continued to carry out activities described below, funded through levies collected by the DIDC.

Composition of the Council

The Council shall be composed from time to time of Producers, whether natural persons, partnerships, corporations or societies, who then have a current and subsisting licence issued by the British Columbia Milk Marketing Board, for the purposes of operating as a Producer (a “Valid Licence”), pursuant to the provisions of the *Natural Products Marketing (BC) Act*, as amended, and regulations promulgated thereunder. A “Producer” is a person who produces milk obtained from dairy cows in British Columbia.

Council Structure

The Council shall have between eight and eleven Members.

Seven Council Members shall be appointed by the regional associations as follows:

- Three (3) Eligible Persons from the Mainland Region will be elected by the members from such region;

- Two (2) Eligible Persons from the Southern Region will be elected by the members from such region;
- One (1) Eligible Persons from the Island Region will be elected by the members from such region;
- One (1) Eligible Persons from the Northern Region will be elected by the members from such region.

Up to one non-producer Independent Member will be appointed by the Council Members for up to a three-year term.

One to three Council Members, who are Eligible Persons, will be elected at large.

“Eligible Person” means a natural person who is:

- (a) a member of BCDA;
- (b) an employee of a member of BCDA;
- (c) a partner in a partnership that is a member of BCDA;
- (d) a shareholder of a corporation that is a member of BCDA; or
- (e) a member of a society that is a member of BCDA;

The Council will follow the exact timeline of the BCDA Board of Directors and will have staggered terms. Regional and at-large Members will have three-year terms.

Description of the Industry

With nearly 39 per cent of the province’s total livestock receipts and more than 18 per cent of the province’s total farm cash receipts, the British Columbia dairy sector accounts for the largest share of provincial farm cash receipts.

A joint report released in 2018 by BC’s Dairy, Egg and Poultry Industries indicated that the BC dairy value chain (in 2015) generated approximately \$1.5 billion to Canada’s Gross Domestic Product (GDP), \$241 million in tax revenues, and provided 14,759 jobs in BC.

While milk production in British Columbia is concentrated primarily in the Lower Mainland, dairying is also one of the most regionally diverse sectors of BC agriculture. It is important to the local economies of Vancouver Island, the Okanagan region, Cariboo, Kootenays, the Bulkley Valley and the Peace River regions.

Milk production in British Columbia has been consistently expanding for many years, gradually increasing from just over 350 million litres per year in 1965 to the current production of approximately 830 million litres. These increases have

come about almost entirely as a result of increased efficiencies, as the number of dairy cows in BC has remained relatively constant during this time period. On average, each cow in BC now produces over 9,500 litres of milk per year.

Milk Production by Region in BC 2018-19 (litres/yr)	
Fraser Valley	646,952,332
Vancouver Island	52,390,182
Okanagan	97,608,171
Cariboo	11,994,799
Bulkley Valley	7,003,188
Kootenays	12,814,060
Peace River	1,621,387
Total	830,384,119

Dairy Industry Organizational Overview

There are a number of organizations that contribute to the British Columbia dairy industry. The primary ones are as follows:

1. BC Dairy Association (BCDA)

BCDA is a not-for-profit organization representing British Columbia's dairy farmers. BCDA is dedicated to educating British Columbians about milk, dairy farming, and nutrition through school programs and community outreach. The association also advocates for and supports BC dairy farmers through initiatives that promote a vibrant and sustainable industry that supplies high quality milk to consumers.

2. BC Milk Marketing Board (BCMMB)

The BCMMB is a producer- and processor-funded regulatory board with authority pursuant to federal and provincial legislation to promote, control and regulate the production, transportation, packing, storing and marketing of milk, fluid milk and manufactured milk products within British Columbia.

3. Western Dairy Council

The Western Dairy Council is a processor funded organization representing the interests of the dairy processing sector of BC, Alberta, Saskatchewan and Manitoba.

4. Dairy Farmers of Canada

Dairy Farmers of Canada is the national policy, advocacy and promotional organization representing Canadian dairy producers. It strives to create stable conditions for the dairy sector in our country. It also seeks to maintain policies that promote the sustainability of Canadian dairy production and promote dairy products and their health benefits.

The Levy and Administration

The *Dairy Industry Development Council Regulation* under the *Farming and Fishing Industries Development Act* authorizes the collection of levies from BC producers. The DIDC levies on production are calculated on each producer's qualifying milk production and an additional amount on the production deemed delivered for processing into a manufactured milk product at the rates summarized below.

The levies are mandatory and non-refundable. They have been adjusted numerous times since the DIDC was established in 2002. Each levy change has been approved by the Minister of the day and Cabinet through an Order in Council. This 2020 Plan Update does not result in a change in the current levies which were set in 2012.

Milk producers currently pay the following levies:

- **\$1.054 per hectolitre on an all-milk basis:** These funds are collected to fund the activities and programs described in this Plan, typically executed by the BCDA. Specific expenditures are authorized and overseen by the producers serving the dual role of BCDA Director and DIDC Member.
- **\$1.170 per hectolitre additional on milk used for manufactured milk products (MSQ):** This levy is collected to contribute to the funding of the activities of the Dairy Farmers of Canada.

The BCMMB, as the first receiver of milk, collects the levies on behalf of the Council and forwards the funds to the Council no later than 30 days from receipt.

A small portion of the levies are used for administrative purpose. The Council has established per diem, honoraria and expense guidelines for its Members.

Over time, funds generated by levies but not fully utilized in programs have been retained in the DIDC Fund. The DIDC Fund is reported annually to producers through the audited financial statements distributed at the Annual General Meeting.

Activities to be Funded

The levies shall be used to fund initiatives deemed by producers to be in the best interests of sustainable growth of the dairy sector in B.C including; promotion, education, research and development, and policy activities on behalf of the levy payers in the province. The Council may collaborate with organizations, such as the BC Dairy Association and Dairy Farmers of Canada, to deliver the programs, but will retain full accountability to the levy payers and the Minister for the use of the funds. Specific funding activities may include the following:

- **Advertising and Promotion:** Through extensive and focused advertising and promotion campaigns, raise awareness of milk to increase per capita consumption. The main target group is youth and young adults.
- **Nutrition Education:** Deliver broad nutritional messages, including Canada's Food Guide, to students in schools. Programs to increase the awareness of the nutritional values and health benefits of milk are included. Other initiatives are aimed at youth both in and out of schools.
- **School Milk:** Programs such as the Elementary School Milk Program encourage the in-school consumption of milk by offering incentives.
- **Youth Based Programs:** Organized sport, both in-school and out of schools encourage youth to think of and consume milk.
- **Community Awareness:** Support many community events, particularly agriculture fairs, to raise awareness of milk.
- **Industry Organizations:** Cooperate with organizations in other provinces to share knowledge and programs. Also act as an affiliate of DFC to cooperate on the marketing and nutrition of dairy products.
- **Dairy Farmers of Canada:** The board of the BCDA elects one of its producer directors as the BC representative on the board of directors of the DFC.
- **DFC National Promotion Programs:** Funding the national promotion of dairy products activities undertaken by Dairy Farmers of Canada.
- **Industry Representation:** To ensure funding of a central producer organization to act as the spokesperson for BC dairy producers to the general public, governments and other organizations and to provide a forum for BC milk producer representatives to discuss common issues and develop and pursue policies and programs beneficial to the industry.
- **Research and Extension:** To support academic research, extension and programming that advance dairy farm best management practices, environmental sustainability, and product innovation.
- **proAction:** Support the BCDA in implementation and administration of DFC's proAction Initiative, which establishes standards through a national framework that allows Canada's dairy industry to continue its business leadership.
- **Producer Communications:** Support timely communication to all dairy producers on policy issues affecting their industry.
- **Industry Organizations:** On behalf of BC dairy producers, ensure membership and participation in organizations such as the Dairy Farmers of Canada, the BC Agriculture Council and the Canadian Federation of Agriculture are retained.
- **Regional Associations:** Ensure funding for its regional member associations is provided for to ensure effective communications with, and input from producers in all regions.

- **Dairy Processing:** The DIDC Fund may be used to make direct investments in building processing capacity that will benefit BC producers. Benefit is measured by quota growth, producer revenue increase, or producer cost reduction. Furthermore, investment opportunities will be large enough in scale to add meaningful processing capacity in western Canada, incremental to investments that would otherwise be made by established processors and/or producers, and ideally in projects/facilities owned by dairy producers. As BC participates in the Western Milk Pool, processing opportunities across western Canada (B.C, Alberta, Saskatchewan, Manitoba) will be considered (ie, investments are not restricted to the province of BC). Initial investment consideration is being given to joining with dairy producer entities in Alberta, Saskatchewan, and Manitoba to create a corporation to develop, build, and operate a milk concentration facility in Alberta. The facility is intended to take in raw milk and create concentrated components required by dairy processors, in order to reduce costs of transporting raw milk from producers to processors.

Council Meetings and Procedures

The Council will meet approximately on a quarterly basis, and will hold an Annual Meeting each year. The Annual Meeting date will be set by Council Members, and held in conjunction with the AGM of the BCDA. Notice of the date will be given to all producers in accordance with the bylaws of the BCDA.

The Members will be elected by each of the regional association members of the BCDA (in accordance with the Council Structure stated at the outset of this Plan) prior to the Annual Meeting, and will serve the dual role of BCDA Directors and DIDC Members.

The BCDA may appoint interim Members to fill any vacancies that may arise between scheduled elections, to give member organizations time to hold an election for the vacant position.

Officers will be elected by the Council as part of the Annual Meeting.

Changes to the Levy Structure

From time to time it may be necessary to adjust the size or calculation methodology of the various levies. The procedure for adjustment of the levies will be as follows:

- Proposals for changes in levies will be brought to the Council for preliminary approval.
- Council Members will consult with the membership through a variety of channels including at regional meetings.
- DIDC will engage an outside organization to conduct a plebiscite, allowing all members an opportunity to vote.

- For a levy change to occur, the Minister requires all of the following thresholds to be met:
 1. At least 25% of voting members must cast a vote;
 2. At least 65% of the votes cast must approve the proposed change; and
 3. Members who vote to approve the change must produce at least 50% of the total volume of milk reported by all members who voted, during the immediately preceding harvest year.

The plebiscite shall be promoted widely to members, and the voting period must be a minimum of four (4) weeks.

- Following the plebiscite, if the membership has met all three tests set out above and has approved a change to the levy, the DIDC Members will convene a meeting and pass a resolution requesting that the Minister issue an Order in Council to change the levy in accordance with the plebiscite results.



June 15, 2020

The Honourable Lana Popham
Minister of Agriculture
Room 325, Parliament Buildings
Victoria, BC V8V 1X4

Dear Minister Popham,

The Members of the Dairy Industry Development Council (DIDC) have concluded a process to update the Plan of the DIDC.

As per the requirements set out in the Farming and Fishing Industries Development Act, the DIDC conducted an online plebiscite through an Independent Elections Officer (IEO) from the Council of Marketing Boards. The online vote was conducted over a four-week period from May 5, 2020 to June 2, 2020. Please see the attached plebiscite report for more detail.

The IEO emailed and mailed ballots to all 465 dairy producers in British Columbia with individual codes for voting on May 5, 2020. Reminder emails were sent weekly over the following four weeks. The results of the plebiscite are as follows:

465 ballots were distributed to all BC dairy producers		
Number of votes received	230	49.46% of possible votes
Yes Votes	205	89.13% of votes received
No Votes	25	10.87% of votes received
Spoiled	5	*Not counted as vote received

After the vote closed, the IEO solicited the assistance of the BC Milk Marketing Board to calculate the percentage of milk produced by those voting Yes versus the volume of all producers who cast a ballot. Overall producers voting Yes produced 82.04% of the milk of all voting producers during the previous harvest year.

DAIRY INDUSTRY DEVELOPMENT COUNCIL

3236 Beta Avenue, Burnaby, BC V5G 4K4 | P. 604-294-3775 | F. 604-294-3775

The unanimous resolution of the Dairy Industry Development Council to update its Plan has received strong support from BC dairy producers. The DIDC Members request Ministerial approval of the 2020 updated DIDC Plan.

We look forward to hearing back from you on this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Schwichtenberg', with a large, stylized loop at the end.

Holger Schwichtenberg
Chair

cc: Tom Ethier, Deputy Minister of Agriculture

cc: Arif Lalani, ADM, Business Development Division, Ministry of Agriculture

Attachments:

DIDC 2020 Updated Plan

DIDC Plan Update Plebiscite Report

DIDC Consultation Log

DIDC Resolution

Consultation presentation



April 22, 2020

Dairy Industry Development Council Resolution

Members of the DIDC reviewed and considered the updated Plan on April 22, 2020.

MOTION BY: Phil Owen

MOVED: To accept the DIDC Plan. 2020 Update as the new operating plan of the DIDC and to initiate a plebiscite to confirm producer support for the plan.

SECONDED: Casey Pruim
AND CARRIED

MOTION BY: Mickey Aylard

MOVED: Should producers support the DIDC Plan. 2020 Update, to forward the plan, as well as detailed plebiscite results, to the BC Minister of Agriculture, asking for her to approve the plan.

SECONDED: John Kerkhoven
AND CARRIED

Holger Schwichtenberg, Chair



File: 0280-30

Ref: 188975

s.22

s.22

Dear s.22

Thank you for your email and the information you have provided regarding the legality of drinking raw milk and the dairy regulations.

In B.C. the Ministry of Health is the provincial lead on the issue of raw milk. Raw milk has been provincially designated as a “health hazard” and distribution is prohibited under B.C.’s *Public Health Act* and Health Hazards Regulation. Raw milk cannot be supplied unless produced on a provincially-certified dairy farm, sold directly to the Milk Marketing Board and transported by a licensed bulk-tank milk grader.

My understanding is that you have reached out to the Ministry of Health. The Ministry of Agriculture is only responsible for the B.C.’s *Milk Industry Act* and Regulations which regulates the industry. As such, the Ministry does not have jurisdiction over the issue of raw milk.

At this time, Health Canada has not indicated an interest in a more permissive regulation of raw milk in Canada. Should Health Canada decide to allow the sale and distribution of raw milk to consumers, the Province would need to revisit B.C.’s legislation and regulations where the Ministry of Health is the lead on regulating raw milk and designating it a health hazard in B.C.

Thank you for bringing your concerns to my attention.

Sincerely,

Lana Popham
Minister

pc: The Honourable Adrian Dix
Minister of Health

FW: Salmonella Dublin

From: Himsworth, Chelsea AGRI:EX <Chelsea.Himsworth@gov.bc.ca>, Himsworth, Chelsea AFF:EX <Chelsea.Himsworth@gov.bc.ca>
To: Dr. Brent Fawcett <bfawcett@agwestvet.com>
Cc: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>, Joseph, Tomy AGRI:EX <Tomy.Joseph@gov.bc.ca>, Ghosh, Kazal AGRI:EX <Kazal.Ghosh@gov.bc.ca>, Coombe, Michelle AGRI:EX <Michelle.Coombe@gov.bc.ca>, Yemen, Roberta AGRI:EX <Roberta.Yemen@gov.bc.ca>, McGregor, Glenna AGRI:EX <Glenna.McGregor@gov.bc.ca>, Viney, Ursula E AGRI:EX <Ursula.Viney@gov.bc.ca>, Coombe, Michelle AFF:EX <Michelle.Coombe@gov.bc.ca>, McGregor, Glenna AFF:EX <Glenna.McGregor@gov.bc.ca>, Viney, Ursula E AFF:EX <Ursula.Viney@gov.bc.ca>, Yemen, Roberta AFF:EX <Roberta.Yemen@gov.bc.ca>, Joseph, Tomy AFF:EX <Tomy.Joseph@gov.bc.ca>, Ghosh, Kazal AFF:EX <Kazal.Ghosh@gov.bc.ca>, Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Sent: November 5, 2020 1:18:28 PM PST
Attach ments: AHC Bovine Salmonella Dublin Positive.docx, Salmonella Dublin_CAHSSDairy_April62020_Miltenburg.pdf, Présentation_Salmonella_Dublin_conférence_téléphonique_groupe_surveillance_bovin_laitier_CAHSS_6_avril_2020_Bergeron.pdf

Hi Brent,

Attached is the information we have on S. Dublin in BC. As you can see, it has been circulating in the valley for number of years, but the Ministry does not currently have a plan to monitor or address it. I have also attached info from Ontario and Quebec that has resource links that you may find helpful.

Our Chief Vet and head of the Regulatory Unit, Rayna Gunvaldsen, has expressed interest in working on the file and has considerable skill and expertise in this area. She is currently dealing with the EU dairy audit, but will be an incredibly valuable resource going forward. In the meantime, our epidemiologist, Michelle Coombe, may be able to assist with your immediate needs.

I also wanted to let you know that^{s.22} Tomy Joseph. Tomy, as well as bacteriologist Kazal Gosh, will be able to assist you with the bacteriology and serology testing. Please note that the kits are in and we are ready to test, although it would be good to coordinate your testing plan with Kazal prior to submission. Pathologist Glenna McGregor is willing to provide any diagnostic support or advice that you need.

Finally, I am looping in our Executive Director should you wish to discuss with her the Ministry's response to this risk.

Sincerely,

Chelsea

Chelsea G. Himsworth DVM MVetSc PhD Dipl ACVP

Leader for Veterinary Science and Diagnostics, British Columbia Ministry of Agriculture

British Columbia Regional Director, Canadian Wildlife Health Cooperative

Assistant Professor, School of Population and Public Health, University of British Columbia

Salmonella Dublin Report- Quick Review

Note- this is a draft based on counts available in CNPHI Animal Health Syndromics Database. On another project, Dr. Radke found some cases that were in the VADDS system but were missing from CNPHI.

Also, these are passive surveillance data, so factors other than disease might drive submissions (eg changes in practitioner or producer interest, new practitioner that is very keen, changes in animal value, changes in AHC fees etc.)

There are 62 cases since 2014.

Year	Number of cases were S. Dublin was isolated	Bovine submissions*
2014	4	588
2015	15	592
2016	5	442
2017	7	391
2018	9	398
2019	17	535
2020	5	415

*Excludes serum and environmental samples, includes feces and milk

All were from bovine, except for one domestic cat (2018- case 182237-tissue small intestine) and one domestic dog (2019- case ID 198196- tissue ileum). Four cases included positive results only from feces, the others had S. Dublin isolated from various tissues. Age results were included for 17 cases- all were young animals (days to months- 8/17are listed as age '0 days'- these may be abortions but not sure).

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s.21

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***Salmonella* Dublin in Ontario**

Copyright

Page 06 of 33 to/à Page 08 of 33

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Copyright

Cynthia Miltenburg, DVM, DVSc.
Lead Veterinarian Animal Health and Welfare
Veterinary Science Unit
Animal Health and Welfare Branch
Ministry of Agriculture, Food and Rural Affairs
1 Stone Road West, 5th Floor NW
Guelph, ON N1G 4Y2
519-400-2763
cynthia.miltenburg@ontario.ca

Salmonella Dublin

Dr Luc Bergeron
Direction de la santé animale, MAPAQ

**Canadian Animal Health Surveillance System
Dairy Network**

April 6, 2020

Page 11 of 33 to/à Page 16 of 33

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Copyright

D^r Luc Bergeron

Responsable du Réseau bovin

Direction de la santé animale

Sous-ministériat à la santé animale et à l'inspection des aliments

Ministère de l'Agriculture, des Pêcheries et de l'Alimentation

200, chemin Sainte-Foy, 11^e étage

Québec (Québec) G1R 4X6

Téléphone : 418 380-2100, poste 3106

Cellulaire : 418 558-5827

Télécopieur : 418 380-2169

luc.bergeron@mapaq.gouv.qc.ca

FW: Pesticide residue in milk

From: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
To: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>
Sent: December 18, 2020 6:57:57 PM PST

I think this is CFIA for sure, is that right?

From: Shyng, Sion [BCCDC] <Sion.Shyng@bccdc.ca>
Sent: December 18, 2020 3:25 PM
To: Carla Soutar <csoutar@bcdairy.ca>
Cc: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>; 'Serban, Radu (CFIA/ACIA)' <radu.serban@canada.ca>
Subject: RE: Pesticide residue in milk

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi Carla,

Our agency is not directly with pesticide testing in raw milk. The BC Ministry of Agriculture and the CFIA may have some involvement as part of their surveillance programs.

I have copied Dr. Rayna Gunvaldsen (AGRI, Chief Veterinary Officer) and Radu Serban (CFIA, Acting Dairy Supervisor) for their response or referral.

Regards,

Sion

Sion Shyng

Food Safety Specialist
Environmental Health Services
Tel 604.707.2451 | Fax 604.707.2441

I respectfully acknowledge that I live, work, and play on unceded Coast Salish Territory, the traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and Səlilwataʔ (Tsleil-Waututh) Nations.

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From: Carla Soutar [mailto:csoutar@bcdairy.ca]
Sent: Thursday, December 17, 2020 2:09 PM
To: Shyng, Sion [BCCDC]
Subject: Pesticide residue in milk

EXTERNAL SENDER. If you suspect this message is malicious, please forward to spam@phsa.ca and **do not** open attachments or click on links.

Hi Sion,

Hope you are keeping well! We received, at BC Dairy, a consumer query about pesticides in milk. This is a topic that neither ourselves, nor our colleagues at the BC Milk Marketing Board, monitor or know much about. It was suggested that we reach out to you to find out more information.

Can you please share how pesticide residues are monitored in dairy? Is the raw product tested, before processing? Is there ever any testing in the completed, processed product?

Thank you!
Carla

Carla Soutar
Producer Services Manager
BC Dairy Association

C. 604.217.2052 | **F.** 1.866.873.7720 | **Toll Free in BC** 1.800.242.6455

bcdairy.ca

RE: Pesticide residue in milk

From: Serban, Radu (CFIA/ACIA) <radu.serban@canada.ca>
To: Carla Soutar <csoutar@bcdairy.ca>, Shyng, Sion [BCCDC] <Sion.Shyng@bccdc.ca>
Cc: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>, Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Sent: December 21, 2020 10:59:14 AM PST
Attachments: image001.jpg

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hello Carla:

The CFIA has in place a raw milk testing monitoring program conducted in conjunction with the BC Ministry of Agriculture (BC MOA). Provincial Inspectors collect raw milk samples at various farms, throughout the year, and submit them to CFIA for testing. The raw milk samples are tested in CFIA laboratories for pesticides, veterinary drugs, metals, mycotoxins and other contaminants, to ensure compliance with MRLs.

Finished product is tested on a random basis by CFIA, for various indicators, but not specifically for pesticide residues.

For more details about milk testing, please refer to the following links:

<https://www.inspection.gc.ca/inspection-and-enforcement/guidance-for-food-inspection-activities/commodity-inspection/dairy-product-inspection/eng/1541002659841/1541002660069>

and

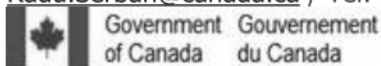
<https://www.inspection.gc.ca/food-safety-for-industry/archived-food-guidance/dairy-products/manuals-inspection-procedures/sampling-and-testing/eng/1379686932447/1379687081819>

Regards

Radu Serban, M.Sc.

Supervisor (Acting), British Columbia Animal and Food Directorate
Canadian Food Inspection Agency / Government of Canada
Radu.Serban@canada.ca / Tel : 604-292-5720

Superviseur (intérimaire), Direction des Animaux et Aliments- Colombie Britannique
Agence canadienne d'inspection des aliments / Gouvernement du Canada
Radu.Serban@canada.ca / Tél: 604-292-5720



Have a regulatory question? Ask CFIA

<http://www.inspection.gc.ca/AskCFIA>

Vous avez une question réglementaire? Demandez à l'ACIA

<http://www.inspection.gc.ca/DemandezACIA>

From: Carla Soutar <csoutar@bcdairy.ca>
Sent: 2020-12-21 10:00 AM

To: Shyng, Sion [BCCDC] <Sion.Shyng@bccdc.ca>
Cc: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>; Serban, Radu (CFIA/ACIA) <radu.serban@canada.ca>
Subject: Re: Pesticide residue in milk

Thanks, Sion. I appreciate the response.

I hope Dr Gunvaldsen or Radu can share some insight.
Happy Holidays,
Carla

Carla Soutar
Producer Services Manager
BC Dairy Association

C. 604.217.2052 | **F.** 1.866.873.7720 | **Toll Free in BC** 1.800.242.6455

bcdairy.ca

On Fri, 18 Dec 2020 at 15:25, Shyng, Sion [BCCDC] <Sion.Shyng@bccdc.ca> wrote:

Hi Carla,
Our agency is not directly with pesticide testing in raw milk. The BC Ministry of Agriculture and the CFIA may have some involvement as part of their surveillance programs.

I have copied Dr. Rayna Gunvaldsen (AGRI, Chief Veterinary Officer) and Radu Serban (CFIA, Acting Dairy Supervisor) for their response or referral.

Regards,
Sion
Sion Shyng
Food Safety Specialist
Environmental Health Services
Tel 604.707.2451 | Fax 604.707.2441

I respectfully acknowledge that I live, work, and play on unceded Coast Salish Territory, the traditional territories of the xʷməθkwəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and Səlilwətaʔ (Tsleil-Waututh) Nations.

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From: Carla Soutar [mailto:csoutar@bcdairy.ca]
Sent: Thursday, December 17, 2020 2:09 PM
To: Shyng, Sion [BCCDC]
Subject: Pesticide residue in milk

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Hi Sion,

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Can you please share how pesticide residues are monitored in dairy? Is the raw product tested, before processing? Is there ever any testing in the completed, processed product?

Thank you!

Carla

Carla Soutar
Producer Services Manager
BC Dairy Association

C. 604.217.2052 | **F.** 1.866.873.7720 | **Toll Free in BC** 1.800.242.6455

bcdairy.ca

Raw milk question

From: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
To: Anderson, Arlene AFF:EX <Arlene.Anderson@gov.bc.ca>
Cc: Viney, Ursula E AFF:EX <Ursula.Viney@gov.bc.ca>
Sent: January 22, 2021 11:25:37 AM PST

Arlene, I've received a question from the Milk Marketing Board regarding what we would do if we suspected that a licensed or non-licensed producer or processor was selling raw milk or cream.

s.13

Thank you,
Rayna

Rayna E. Gunvaldsen BSA DVM MSc

Chief Veterinarian

Animal Welfare and Dairy Program Veterinarian

BC Ministry of Agriculture, Food, and Fisheries

Raw Milk Laws in BC - British Columbia Herdshare Association

From: Pannett, Roger AGRI:EX <Roger.Pannett@gov.bc.ca>, Pannett, Roger AFF:EX <Roger.Pannett@gov.bc.ca>
To: Harris Kelly <KHarris@milk-bc.com>
Cc: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>, Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>, Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>, Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>
Sent: January 22, 2021 12:51:37 PM PST

Good afternoon Kelly.

FYI ,please see attached link.

As you probably know, Herd share in B.c continues to be a concern. I believe Environmental Health Officers still become involved if they receive information concerning alleged raw milk sales from unlicensed Dairy operations.

You did mention the Licensed dissident producers.

s.22

Special thanks to Rayna for her excellent comments.

Stay safe & healthy.

Sincerely.

Roger.

<http://bcherdshare.org/information/raw-milk-laws-bc/>

Sent from my iPhone

FW: Raw Milk Sales....

From: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
To: Viney, Ursula E AFF:EX <Ursula.Viney@gov.bc.ca>
Sent: March 8, 2021 3:37:17 PM PST

Is this what we should be doing? Is this an Arlene question?

-----Original Message-----

From: Pannett, Roger AFF:EX <Roger.Pannett@gov.bc.ca>
Sent: March 8, 2021 3:27 PM
To: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Cc: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>; Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>
Subject: Re: Raw Milk Sales....

Hi Rayna.

In past decades, public health initiated the raw milk alleged investigations and if felt needed they would ask me to assist.

Sincerely.

Roger

Sent from my iPhone

On Mar 8, 2021, at 3:04 PM, Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca> wrote:

They're also under the Milk Industry Act. I agree that public health has responsibilities too, so I'm not sure when we would initiate an inspection or when we would work with public health. Thoughts?

-----Original Message-----

From: Pannett, Roger AFF:EX <Roger.Pannett@gov.bc.ca>
Sent: March 8, 2021 1:35 PM
To: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Cc: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>; Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>
Subject: Re: Raw Milk Sales....

Hi Rayna.

Raw milk issues/sales are under the Public health, 'umbrella' / responsibilities.

I.e. cow shares etc.

Thanks.

Sincerely.

Roger.

Sent from my iPhone

On Mar 8, 2021, at 1:26 PM, Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca> wrote:

Thank you Roger. Why is that?

-----Original Message-----

From: Pannett, Roger AFF:EX <Roger.Pannett@gov.bc.ca>
Sent: March 8, 2021 11:00 AM
To: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Cc: Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>;
Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>
Subject: Re: Raw Milk Sales....

Good Morning.

In past decades initially all alleged Raw Milk issues are referred to the the Ministry of Health, Environmental Health Officers.

In a nutshell,I only became involved if joint investigations were requested.

Hope that helps.

Sincerely.

Roger.

Sent from my iPhone

On Mar 8, 2021, at 10:50 AM, Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca> wrote:

Thank you Julie.

How do we generally respond to these situations? Advise they should be reported to us, then go out and do an inspection?

-----Original Message-----

From: Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>
Sent: March 8, 2021 8:16 AM
To: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>; Pannett, Roger AFF:EX <Roger.Pannett@gov.bc.ca>
Cc: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Subject: FW: Raw Milk Sales....

Good morning,

FYI

Julie

(Marie) Julie Hughes
Compliance, Operations and Data Officer British Columbia Ministry of
Agriculture, Food and Fisheries
1767 Angus Campbell Road, Abbotsford, BC V3G 2M3
Tel: 778-666-0560
Mariejulie.hughes@gov.bc.ca
www.gov.bc.ca/animalhealthcentre

-----Original Message-----

From:s.22
Sent: March 7, 2021 1:40 PM
To: Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>
Subject: Raw Milk Sales....

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Hi there....

Can you tell me if I should report people on Facebook requesting and selling raw milk? I think it is still illegal but don't know who I should report it to?

Thanks so much.

Kind regards

s.22

Sent from my iPhone

RE: MMB investigation

From: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>
To: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Sent: April 8, 2021 8:50:52 AM PDT

Makes sense. Of course they didn't want to... But I guess if they want to take the producer to court then they have to do things on the sly. These cases don't pop up very often, but when they do they are always interesting in some form or another.

From: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Sent: April 7, 2021 7:25 PM
To: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>
Subject: RE: MMB investigation

It shouldn't. It should still be an inspection. It sounded like the MMB didn't want to 'tip off' the farmer, but really we can only inspect or not...

From: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>
Sent: April 1, 2021 8:59 AM
To: Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Subject: MMB investigation

Hi Rayna,

Thank you for the information. That makes sense and I will keep it in mind. Rob hasn't gotten in touch with me.

If the investigated farm is licensed, would that change our role? I.e. We would inspect the farm to determine if they were selling raw milk illegally? Or alternatively, review the evidence against the farm provided by the milk board to determine compliance?

Have a great long weekend :)

Erin

Sent from Workspace ONE Boxer

On Apr. 1, 2021 8:44 a.m., "Gunvaldsen, Rayna AFF:EX" <Rayna.Gunvaldsen@gov.bc.ca> wrote:
I've been trying to reach Rob for a couple of days but have not been successful. The short answer to what we talked about is that we cannot use our powers of inspection to further an investigation. The purpose of those powers is to verify and ensure regulatory compliance. It seems to me that if we did anything other than inspect as we would normally do for any complaint, it may actually hinder any case that could be made against this farmer. FYI in case Rob reaches out to you directly. Happy to chat if you like. Thanks Erin.

Rayna E. Gunvaldsen BSA DVM MSc
Chief Veterinarian
Animal Welfare and Dairy Program Veterinarian
BC Ministry of Agriculture, Food, and Fisheries

Conversation with Hughes, Marie Julie AFF:EX

From: Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>
To: Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>, Gunvaldsen, Rayna AFF:EX <Rayna.Gunvaldsen@gov.bc.ca>
Sent: May 5, 2021 1:44:45 PM PDT

Hughes, Marie Julie AFF:EX 1:32 PM:

Hi Dr. Rayna, Kelly Harris sent you an email at 10:36 this morning - she needs you to forward it to truenorthvet - apparently true north vet insists that a veterinarian send in the application. MMB is needing to use this lab to test for Alkaline Phosphatase.

Hughes, Marie Julie AFF:EX 1:33 PM:

Kelly is asking if this could be done today. Thank you.

Gunvaldsen, Rayna AFF:EX 1:36 PM:

I just got to work at noon and then was in a meeting until 1:00. Did this just come up today?

Hughes, Marie Julie AFF:EX 1:37 PM:

She phoned at 4:00 yesterday and sent the email today.

Gunvaldsen, Rayna AFF:EX 1:37 PM:

why do we need to test for ALP?

Gunvaldsen, Rayna AFF:EX 1:38 PM:

Was my out of office not working?

Hughes, Marie Julie AFF:EX 1:38 PM:

According to her email - it is the only lab that can test for Alkaline Phosphatase, a marker for raw milk detection and only veterinarians can set up the account. The MMB will do the sampling and make the payments.

Gunvaldsen, Rayna AFF:EX 1:41 PM:

there's no way this is going to happen today, if I can even do it.

Hughes, Marie Julie AFF:EX 1:42 PM:

ok

FW: Sale of Raw Milk

From: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>
To: Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>
Sent: August 25, 2021 9:51:37 PM PDT

From: Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>
Sent: February 9, 2021 4:14 PM
To: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>
Subject: RE: Sale of Raw Milk

Hi,

Thank you for information! I will keep that in mind as the issue surfaces from time to time.

Erin

Sent from Workspace ONE Boxer

On Feb. 9, 2021 4:08 p.m., "Gunvaldsen, Rayna AGRI:EX" <Rayna.Gunvaldsen@gov.bc.ca> wrote:

So, for external advice, we can only advise people to look at the Act and talk to their own lawyer about implications, but for our own edification the Act doesn't say anything about sale or supply being prohibited for only human consumption. Doesn't look like using it for pet food would be allowed.

The Public Health Act only talks about unpasteurized milk for human consumption so it probably wouldn't be an offence under that Act.

Rayna

From: Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>
Sent: February 9, 2021 8:14 AM
To: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>
Subject: RE: Sale of Raw Milk

That would be great thank you!

From: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>
Sent: February 8, 2021 1:28 PM
To: Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>
Subject: RE: Sale of Raw Milk

Thank you Erin. That didn't come up, but it's an interesting question! I'll try to ask it again.

Rayna

From: Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>
Sent: February 8, 2021 8:11 AM
To: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>
Subject: RE: Sale of Raw Milk

Hi Rayna,

I have been following along with the email thread, but haven't replied to Kelly as I think we have it covered.

I did have a question concerning the sale of raw milk for pet food? It has come up in the past but I never received a decisive answer from our legal team. There was a small goat farmer who wanted to sell her excess raw milk for dog food, but I wasn't sure if the Milk Act referred specifically to raw milk for human consumption only, or raw milk consumption across the board.

Not sure if this is something that came up in your search.

Thanks,

Erin

From: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>
Sent: February 6, 2021 3:14 PM
To: 'Kelly Harris' <KHarris@bcmilk.com>; Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>; Pannett, Roger AGRI:EX <Roger.Pannett@gov.bc.ca>
Subject: RE: Sale of Raw Milk

Kelly, I looked into this a little more and yes, the Milk Industry Act does indeed prohibit the sale of raw milk by anyone. If the Ministry of Agriculture, Food, and Fisheries suspects a person is selling raw milk, the Ministry may collaborate with its government partners to investigate the matter and seek a prosecution under the Milk Industry Act or related legislation. In addition, producers or processors who hold certificates or licences under the Milk Industry Act may be subject to the suspension or cancellation of those certificates or licences due to the failure to comply with requirements of the Milk Industry Act if they partake in the sale of raw milk.

Please let me know if there's anything else I can help with on this
Rayna

From: Gunvaldsen, Rayna AGRI:EX

Sent: January 22, 2021 11:21 AM

To: 'Kelly Harris' <KHarris@bcmilk.com>; Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>; Pannett, Roger AGRI:EX <Roger.Pannett@gov.bc.ca>

Subject: RE: Sale of Raw Milk

Thank you for your patience, Kelly. My understanding of the Act is that the sale of unpasteurized dairy products is not permitted in BC. I believe the consequences of contravening the Act can include seizure by an inspector of dairy products, along with the monetary penalties for offences if prosecution was successful. Under the Reg, I think a farm's certificate could also be canceled or suspended if they are in contravention of the Act, but I would have to check into this more. The sale of unpasteurized milk is also prohibited by federal regulations, so CFIA should have more information on the federal consequences as well. It seems that dairy plants are also covered under our Act and Regs, but I don't see any additional consequences over and above monetary for them.

I hope Erin and Roger can weigh in as well; I also haven't had first hand experience with this so I am basing the information on my interpretation of the Act.

Please let me know if there's anything else I can provide.

Rayna

From: Kelly Harris <KHarris@bcmilk.com>

Sent: January 18, 2021 2:30 PM

To: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>; Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>; Pannett, Roger AGRI:EX <Roger.Pannett@gov.bc.ca>

Subject: Sale of Raw Milk

Importance: High

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good afternoon:

We have had another province reach out to us for information with regard to illegal raw milk sales (including cream). What would we do in BC if we suspected that a licensed producer and/or a non-licensed producer was selling raw milk or cream?

I guess this could even apply to a processor; especially if cream sales. I don't think that processors fall under your umbrella; therefore, if you can help me with the producer/individual side I can research the processor side.

Can I request any information that you can add to this? It can be from any source. If you could point me to all applicable sources of information; I would appreciate it.

I found sections 5-8 of the Milk Industry Act.

Is section 37 and 38 the only information that pertains to penalties?

What if the farm was not a licensed dairy farm (Individual)?

Does the Milk Board have any jurisdiction over this? Just thinking back before my time; but I am well aware of the dissident producers from the 1980's and the court case that resulted.

I know the Milk Board was involved with that. Those were licensed producers, I believe.

Thank you in advance. My apologies if the answers to this seems obvious; I haven't looked into Raw Milk Sales previously and I want to make sure that I dot my I's and cross my t's.

I appreciate any information that you can provide.

Regards,

Kelly Harris

Milk Quality Coordinator

BC Milk Marketing Board

Direct: (604) 854-4479

FW: Raw milk for pet food

From: Cuthbert, Erin AFF:EX <Erin.Cuthbert@gov.bc.ca>
To: Hughes, Marie Julie AFF:EX <MarieJulie.Hughes@gov.bc.ca>
Sent: August 25, 2021 9:52:39 PM PDT

From: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>
Sent: December 14, 2020 12:35 PM
To: Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>
Subject: RE: Raw milk for pet food
Thanks Erin!

From: Cuthbert, Erin AGRI:EX <Erin.Cuthbert@gov.bc.ca>
Sent: December 14, 2020 12:11 PM
To: alexander.leger@ontario.ca
Cc: Gunvaldsen, Rayna AGRI:EX <Rayna.Gunvaldsen@gov.bc.ca>
Subject: Raw milk for pet food

Hi Alex,

I sent my inquiry to the CFIA and BCCDC in April of this year, and sent an additional inquiry to our legal team to determine if our Milk Act differentiated between raw milk for human consumption and consumption by animals. I did not hear back from the legal team, but my contact at the CFIA sent me the following information:

Regarding the issue described below: likewise, CFIA does not regulate/ oversee Pet Foods. As far as I know, Pet Foods are regulated by Industry Canada. Pet Food manufacturers must comply with the Consumer Packaging and Labeling Act and the Competition Act, administered by I.C. More guidance about labelling of pet foods can be found on their website:

<https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/01229.html>

The only concern we (CFIA) might have (and we have seen this before) is Pet Food not clearly labelled as Pet Food, leaving room for interpretation, or leaving the impression that it might be for human consumption. Sometimes, even sold at retail, next to human food.... This is why the manufacturers of Pet Food have to clearly state, on their front panel of the product that the product is for Pet consumption. Also (and we have seen this too), their nutrition facts panel must not resemble the ones for human foods. There is a specific format, for pet foods

My BCCDC contact followed up with me regarding a few questions I had pertaining to Happy Days processing, and the product they were selling for pets was a raw milk fermented product. From my understanding, as long as the licensed processing plant was purchasing milk from licensed dairy farms, and had SOPs etc., for processing the milk and maintaining a separate processing system for raw milk vs pasteurized milk products, they were meeting the processing requirements in our Milk Act and Milk Regs.

Hope that helps!

Have a great rest of your day,

Erin

Erin Cuthbert

Provincial Dairy Technologist

BC Ministry of Agriculture, Food, and Fisheries

604.226.1405