



## NEP Committee Meeting of October 24, 2017

### Summary Notes

Members in Attendance: Jeremy Wiebe, Chair of the NEP Committee; Cornelis Hertgers, BCMMB, Rob Delage, Vicki Crites, BCMMB staff; Elizabeth Schouten, BCDA staff; Dave Taylor, BCDA; Phil Owen, BCDA; Sarah Sache, MMPA; Gord Ferguson, KODA; Ben Cuthbert, IMPO (via TCC); Mike Duncan, MYMP; Nathan Klein Geltink, GEP producer; Paul Davidson, Bulkley Valley (via TCC).

Regrets: Matt Schmidt, GEP producer

A reminder that the committee is providing recommendations only for the Board to consider in its deliberations. The committee met for three hours, during which time it reviewed the Terms of Reference for the new committee, reviewed the results of the NEP Stakeholder Survey, and discussed the goals of a new entrant program for the dairy industry in BC. Subsequently, three breakout groups considered the following questions to guide their discussions:

1. What should be the eligibility requirements for candidates?
2. What amount of incentive quota, if any, should be provided?
3. Should the quota be transferable? If yes, how much (%) and on what timeline, if any? If not, why not?
4. How should the candidates be administered? (eg. annually? 3/4/5-year staged entry timeline? How many per year? Outside selection committee? Lottery of pre-qualified candidates? Regional considerations?)

### Goals of NEP:

Broadly stated, the committee agreed that the fundamental goals of a new entrant program, which provides incentives to begin (and remain) dairy farming in BC, are:

1. To encourage **sustainability**/maintain dairy farm numbers/ensure future milk supply for BC
2. **Renewal** of the industry—to bring in the new ideas and innovation that often accompany new farmers
3. Help provide **access** to the dairy system (through incentives and support, as well as guidelines) for those eager and able to become responsible contributors to the dairy industry and thus **reinforce the industry's social license**

## Recommendations/Options:

After discussions, the breakout groups reconvened as a whole and committee agreed on the following (except where differences amongst the groups are noted):

Regarding Question 1: ***What should be the eligibility requirements for candidates?***

- 19 years of age
- Canadian citizen
- BC resident
- No previous quota held or any previous interest in quota for dairy or ANY supply-managed commodity
- Must have an adequate business plan (one group said a minimum 10-year plan)
- Must be legitimate farmers (intentions to farm on a regular basis—not through a manager or other arrangements)
- Must adhere to all industry requirements (ministry approvals, proAction training requirements, etc.)
- Two of the three groups suggested a \$10,000 deposit be required from the candidate, once accepted by the program

Regarding Questions 2 and 3: ***What amount of incentive quota, if any, should be provided? And should the quota be transferable? Terms?***

### Group 1:

- Buy 15 kgs; receive 35 kgs “loan”
- The 35 kgs is non-transferable; non-saleable; no family transfers and no mergers—BUT you keep any/all the growth on top
- All of the 35 kgs goes back to the Board in year 21.

### Group 2:

- Buy 13.7 kgs; receive 13.7 kgs
- With this saleable format:
  - 0-10 years: 100% non-saleable
  - 10 - 15 yrs: 25% non-saleable
  - 15 – 20 yrs: 10% non-saleable
  - 20 years +: 5% non-saleable

**Group 3 - Offered two options for consideration:**

1. 40 kgs grant  
Initial grant quota non-saleable forever, but growth saleable  
**Family transfers ok**, but it continues to be “production-only” quota
2. 20-25 kgs grant; with up to 12.5 kgs additional matching allocation on a kilo-for-kilo basis  
Initial grant quota (could be up to 37.5 kgs) non-saleable forever; but growth on that saleable  
**Family transfers ok**, but it continues to be “production-only” quota

Regarding Question 4: ***How should the candidates be administered? (eg. annually? 3/4/5-year staged entry timeline? How many per year? Outside selection committee? Lottery of pre-qualified candidates? Regional considerations?)***

**All three groups agreed on the following minimums:**

- Canadian citizen
- No previous quota or interest in quota (any supply-managed commodity)
- Independent panel should recommend candidates

**Group 2:**

- Min. three entrants per year
- Regional priorities if/when the Board determines there is a need
- No lottery; should be criteria-based selection only

**Group 3:**

- Staged entry of successful candidates; 3-4 per year; looking at 3-5-year timeline
- YES, lottery system, in addition to criteria-based screening

After discussing the various options/issues on the table, some initial policy considerations for a New Entrant Program that the committee has put forward from their October 24<sup>th</sup> meeting are stated below:

### **Initial Suggested Policy Considerations from NEP Committee**

- Buy 15 kgs quota; receive 35 kgs incentive quota grant
- Initial incentive quota grant (35 kgs) non-saleable forever; but growth is saleable
- No mergers
- Exempt family transfers by the existing NEP producer (to sons, daughters, nieces, nephews) of the incentive quota grant OK
- Create a “high bar” for initial qualifications (eg. mandatory proAction® training; agricultural experience/education components; 5-10-year business plan; recommendation dependent on interview with an independent selection committee)
- A lottery if enough qualified candidates (from above rigorous screening process)
- No regional priorities
- Annual audits
- Board decides number of entrants based on market opportunities