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CASE II

No agreement on what's in cheese



Cheese manufacturers Saputo Inc. and Kraft say they will fight a Federal Court of Appeal ruling that reinforces stricter guidelines regarding the use of milk solids in products marketed as cheese. Meanwhile, smaller, local cheese makers are left with a higher cost of production.

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Andrew McClelland
Advocate Staff Reporter

Canada's two giants of cheese manufacturing have decided they aren't happy with a recent Federal Court ruling on what can fairly be called "cheese" in grocery stores.

Both Saputo and Kraft want the Federal Court of Appeal to overturn an October decision that dismissed their objections to rules regarding the content of both domestic and imported cheese.

"The new regulations will hurt both cheese makers and dairy farmers," the companies said in a joint press release. "They will increase the price of

cheese to consumers, may reduce cheese consumption and threaten the viability of Canada as a cheese-making nation."

The clash between Canada's largest cheese makers and the country's dairy farmers began over new regulatory changes to the Food and Drugs Act and the Canadian Agricultural Products Act. In December 2007, the federal government first informed the industry that more stringent guidelines would be imposed regarding the ingredients of cheese.

In October of 2008, Kraft, Parmalat and Saputo jointly filed an application with the Federal Court of Canada, challenging the new regulations. At

that time, the companies' spokesman, Yvan Loubier, told reporters: "There are other ways to support dairy producers' incomes in Canada than to destabilize all of the industry."

But dairy producers like John McCart, who milks a herd of 35 dairy cattle in Argenteuil, aren't entirely convinced that cheese manufacturers' motives spring from supporting farmers' incomes.

"The only reason they're still fighting this is because using modified milk ingredients is a lot cheaper than using real milk," said McCart.

"Companies have gotten used to making an inferior product with milk ingredients and saying that it's as good as the real thing. And they do it at our expense."

McCart, who sits on the QFA executive committee as vice-president, also stated that dairy giants like Kraft and Saputo are undermining efforts made by industry representatives in Canada.

"At a time when we're trying to protect supply management for dairy and keep products that don't meet Canada's food stan-

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Season's Greetings to all from
the Quebec Farmers' Association!



At Christmas play and make good cheer, for Christmas comes but once a year.
—Thomas Tusser

Choices!

Chris Judd

QFA President

Should I propose to her this Christmas or not? Well, we all make choices in our lives. So did our parents. Without their choice to act and take a chance, we might be truckers instead of dairy farmers. Or accountants instead of beef farmers—or simply not here at all!

For many of us, our parents decided to band together and collectively market their produce (like eggs or milk), and form a kind of marketing board to negotiate prices and volumes so as not to oversupply the market. At the time, this control on production was not too popular with some. But with these marketing boards came regulations on the quality of agricultural products and when those products had to be delivered.

Many of our parents opted to make it their own individual decision when to sell, how much to sell, and to whom. It was their choice not to let a marketing board tell them what to do. When our parents (or, in many cases, *grandparents*) made these choices, there were many buyers of grain, cattle, beef, hogs, or even plants to buy milk or cream. Little did they know that in 50 years or so only a handful of multinationals would end up buying, processing, or marketing the majority of all the food we eat. Of course, this is legal and accepted in what we call a “free market economy.”

Now some of us are only left with the choice to sell, or not to sell—and we don’t have much control on price. In today’s economy, commodities like grain and meat are traded worldwide, with many of the eventual buyers not only taking our produce but also grain from, say, Brazil and beef from Argentina. Suddenly, we are being offered “world prices,” which don’t seem to bear any relation to our production costs.

Prices like these could be more accurately described as “world dumping prices,” as the governments of many countries subsidize production of a wide array of agricultural products. In a final twist, these products are speculated upon and traded at the stock exchanges—with speculators making more money on the commodity than the farmer who grew it.

This is where our federal and or provincial governments get to make their choices. They can either subsidize the farmer’s cost of production and keep their nation’s more efficient farmers in business, or they can let the global free market run its course. (Quebec Minister of Agriculture Claude Bécharard faced such a decision this fall. And the province’s agricultural producers are thanking their lucky stars that he chose to put \$630 million into *La Financière agricole du Québec* over the next five years.)

But we have to ask ourselves how many more years and how many more millions will our governments pay out in the future? Can time (and money) be on our side with our political voice dwindling with each passing year? With other taxpayers complaining about high taxes? And with the “expert” Pronovost and Saint-Pierre reports advising them not to?

We as farmers have a very serious choice to make, and it's going to come very soon. We have to decide collectively to take back control of our agricultural commodities. That means producers, provinces and countries must agree on volumes and prices based on the cost of production. Our governments also have to decide whether to back the farmers' decision by controlling imports that are dumped on our markets, or subsidizing farmers with millions of dollars to produce at a price far below the cost of production.

The farming generations before us made some extremely important choices in their time. Those choices have had an impact greater than they ever imagined. Today's agricultural producers will have to make just as difficult and far-reaching choices. I'm glad that the biggest choice I'll have to make this season will be to back away from the dinner table, or to eat my fill of stuffing and turkey and put up with the consequences!

MERRY CHRISTMAS and HAPPY NEW YEAR!

No agreement on what's in cheese

Andrew McClelland

Advocate Staff Reporter

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McCart, who sits on the QFA executive committee as vice-president, also stated that dairy giants like Kraft and Saputo are undermining efforts made by industry representatives in Canada.

“At a time when we’re trying to protect supply management for dairy and keep products that don’t meet Canada’s food standards out of our markets, it rubs me the wrong way to see Canadian companies threatening dairy here at home,” said McCart.

Saputo unhappy

As of December of last year, cheese makers are now limited in their use of milk solids—also called “modified milk” and “milk protein”—when it comes to making cheese. The new amendments specifically call for cheese manufacturers to use more full-fat milk and whole milk.

“The regulations are bad for everybody,” said Saputo Inc.’s chief executive officer, Lino Saputo Jr. in an interview earlier this year. “They make no sense.”

While Saputo and Kraft have acknowledged that Canada’s dairy producers would initially earn an extra \$185 million from the new standards, they argue that the long-term effects would not be so rosy.

“There may be some gains in the short term,” Saputo said. “But if consumption goes down because of price increases, cheese makers will be buying less milk. We’re not against dairy farmers, we’re for cheese.”

Quebec producers frustrated

While Parmalat—who was originally part of the coalition to oppose the federal ruling—has decided not to take part in the appeal, cheese manufacturers insist that using milk solids allows them to compete with international brands. Saputo and Kraft have argued in court that using modified milk ingredients allows cheese makers to make a more consistent product than cheeses made with full-fat milk.

But *Fédération des producteurs de lait du Québec* President Marcel Groleau argues that it is Kraft and Saputo’s insistence of fighting a fight they’ve clearly lost that is hurting the country’s dairy industry.

“It’s hard to sit down with them and work together to develop plans for the development and commercialization of new products if they are still fighting the new rules,” Groleau says.

But as Kraft and Saputo hold that a higher court could still overturn the issue, it's unlikely that anything will be resolved soon. The companies are yet to file their arguments to the Court of Appeal explaining why a judicial review is necessary. A hearing is expected to take place in late spring or early fall. That, says Groleau, isn't helping Canada's dairy farmers.

"Their appeal risks stopping our efforts to commercialize our (full-fat milk) surpluses," Groleau says, adding they could generate as much as \$40 million in revenues. "We need to stop arguing and move forward."

Quebec agricultural students tour southern Ontario

Wendy Jones

Advocate Staff Reporter

Sitting in a yellow bus headed from Saint-Hyacinthe to Toronto, I wondered how I'd managed to survive all those years of bumpy bus-riding and noisy students. We had pulled out of the school parking lot at 5:30 a.m. on the morning of November 11 and no one was even thinking about going back to sleep.

A three-day school trip to southern Ontario and the Royal Agricultural Winter Fair with my graduating Animal Productions Technology classmates at the *Institut de technologie agroalimentaire in Saint-Hyacinthe* turned out to be a lot more than we bargained for. Between farm visits, hotel rooms, bus rides and downtown Toronto, this group of 25 agricultural students hardly had time to sit down!

Day one started off with a visit to *Ferme Gillette Inc.* in Embrun where we were dazzled by several lovely dairy show girls. Herdsman Alain Leduc guided us around the farm and gave us a detailed history of each cow and her career, an obvious sign of his passion and interest for dairy production.

The day continued with another visit to a renowned Canadian dairy producer. Breeze Hill Holsteins is owned and run by Glenn and Larry MacDonald and their families. They are the sixth generation of MacDonald's to work the farm and they are clearly doing great work as we were once again treated to high class cattle and a beautiful setting. Breeze Hill's impressive herd classification includes 33 Excellent, 34 Very Good, and 6 Good Plus—something the brothers have been working hard for over the past few decades.

As students of agriculture, this first day of visits was definitely a reminder of how important it is to be passionate about farming and to love what you do.

After a sleepless night, we somehow managed to board the yellow bus again, and head out towards Niagara where we entered wine country. We passed vineyard after vineyard until we

finally stopped at Hillebrand Estates Winery in Niagara-on-the-Lake. After a whirlwind tour of the vineyard and the winemaking process, we take a few minutes to learn the art of wine tasting. Our host explains and demonstrates how to smell, swirl and sip a glass of wine while giving us the opportunity to appreciate each sip of wine as an individual experience. I never thought I would swirl and smell wine, but interestingly, these elements did seem to enhance the drinking experience...

Sleepless night number two is catching up with us as we head to the CNE Centre for a day at the Royal Agricultural Winter Fair on Friday morning. Coffee is the definitely drink of choice as we enter into the world of agricultural bliss. The Royal Winter Fair is a lot like any County Fair, only much, much bigger and completely indoors! Between cows, horses, sheep, goats, super dogs, crafts, horticultural displays and much more, one day just wasn't enough to see everything.

Spirits were high as the Holstein judging wound down during the late afternoon, and it was finally time for the championship. As a dozen of the most beautiful dairy cows of the day paraded around the ring for a final judgement, we looked on in awe. "If only I had a cow like that in my barn..." murmured a friend sitting next to me as we watched Thrulane James Rose, owned by Pierre Boulet, take the Grand Champion title yet again.

At the end of the day, all had to agree that Southern Ontario agriculture and a fair in the middle of Canada's largest city were well worth seeing. No matter where you're from, what you farm, where you go, or what you visit, you can always learn and appreciate something new.

In a land of giants

Vincent Cloutier

Assistant Secretary

FPBQ

Cargill: about 39,000 head per day. Tyson: 29,000 head. Perhaps you have heard of Marfrig, the world's fourth largest player in the cattle-slaughter business, with 21,000 head per day. Would you believe me if I told you that the largest company in the world in this activity sector slaughters more animals than these three put together? I am talking about JBS, who have a slaughter capacity in excess of 90,000 head per day! (In comparison, Levinoff-Colbex has a capacity of about 1,000 head per day). Recognizing the marketing advantages of economy-of-scale, JBS is also planning to enter the poultry industry.

The growth of this giant, as for many others, is not just horizontal. In fact, aside from the market share that it has amassed in the slaughter sector, it has diversified vertically by acquiring well-positioned businesses in the meat processing and distribution sectors. Elementary business strategies: reduce the risk by diversifying activities and create economic synergies that can maximize the performance of the business.

The meat industry, like many others, is dominated by a declining number of companies, each with an increasing control of the market. Since this is apparently the key to success, so be it. It is not necessarily a bad thing. I have never heard a farmer complaining that his cattle buyer was in too good a financial situation to pay him. However, it is worrisome to see that farmers are dealing with bigger and bigger players, with ever-increasing control—with regard to their own interests, of course.

If, for the moment, we can put aside the fear of this giant scale, let's remember that the success of an industry's value chain is through the creation of added value. This can most easily be maximized through increased collaboration between the various links of the chain. Buyers of agricultural products, no matter what their size, remain as key players in the promotion and development of agricultural production and as such, the business relationships generated between producers and processors are bound to improve. In fact, the recent marketing agreement signed in the pork sector is an example of this and should be applauded. So, no matter what its form, vertical coordination seems to be the path to take.

We can only hope that, in spite of the size of some of the players, the value chain will keep listening to its most essential link, the customer. We cannot overstate this fact. The value chain must be formed around the needs and demands of the consumer. Ill-placed pride and disregard to market signals have toppled even giants: the American automobile industry is a prime example.

A strong agrifood value chain needs a strong farm production sector. Fortunately, our predecessors fought to obtain solid legislation, giving producers the right to group together to negotiate more effectively, while our present leaders continue to fight in order to maintain and strengthen this right. Of course, strength will not be enough to achieve our objectives. It will also take creativity, to determine the best ways to distribute the consumer-dollars throughout the value chain. Producers would like nothing better than to free themselves from government aid and to receive a decent income directly from the marketplace.

A plan to help young farmers

Perhaps it could be for you?

Isabelle McComeau, agronome

MAPAQ – Outaouais

During the 2009-2010 fiscal year, the MAPAQ regional directorate for the Outaouais provided technical and financial assistance for 17 projects submitted by young agricultural entrepreneurs, through its program *Support for Investments by Young Agricultural Enterprises*.

The projects were quite diverse. Because of the flexibility of the program, it was possible to support such varied investments as the purchase of breeding stock, specialized equipment, fruit trees, irrigation systems and the construction of animal facilities. In addition, the program

allowed four young enterprises to proceed with farm drainage and the improvement of unused farmland.

Check out the program!

The program contains three components, notably:

- Support for investments concerning the start-up of an agricultural enterprise
- Support for the improvement of buildings and unused farmland
- Support for the diversification of agricultural activities

In order to benefit from the financial assistance provided by this program, young entrepreneurs in their start-up phase must meet certain requirements, including:

- Must be at least 18 but under 40 years old
- Must have obtained a professional studies diploma (DEP) in agriculture or a recognized equivalent
- Depending on the program component, must be established less than five or 10 years and be the owner of more than 50 per cent of the shares in the business.

Other conditions may apply, depending on the program component and the type of project.

Notice to those who wish to take advantage of the program in 2010:

You must register and submit your complete business plan to your local Agricultural Service Centre (CSA) during the period from February 15 to April 15, 2010. After this deadline, it will be too late!

Therefore, do not hesitate to contact the Young Farmer Advisor at your local Agricultural Service Centre! He or she will be happy to answer your questions, verify your eligibility and register your enterprise in the program. You may also visit the MAPAQ website at www.mapaq.gouv.qc.ca for further information.

Something new in the Outaouais bull test stations

Linda Larocque, agronome
MAPAQ-Outaouais

Again this year the *Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec* have granted a financial assistance of \$250 per bull tested in a Quebec bull test stations. The Outaouais region will receive their fair share because on last October 15 and 16 a total of 175 bulls entered the Quyon and Vinoy stations.

The distribution of bulls in the two stations is shown by the table below. As you can see the Hereford breed is making a come back after missing many years.

Breed	Quyón	Vinoy
Angus	27	32
Charolais	24	13
Hereford	--	15
Limousin	15	--
Simmental	--	49
Total number	66	109

After a difficult pre-test, the 172 bulls are off to a good start on test and now are in the process of proving their genetic potential. You will be able to follow the bulls' performance by consulting the reports on the web site of *Agri-Réseau* where the weigh reports will be deposited every 28 days. You can find *Agri-Réseau* at www.agrireseau.qc.ca/bovinsboucherie

Like the two last years, the majority of Charolais and Limousin bulls have had the Merial multi-analyse sampling to specifically identify the tenderness gene. A bull with a score of 4 and more is required to sire calves recognized for *Viandes Sélectionnées des Cantons* (VSC).

The end of test is planned for the beginning of March 2010. Consequently, the date selected for the sale is **Saturday, March 20** at 1:00 p.m. rain or shine. The Gagnon Farms Inc. located at 426 Highway 315 Nord in Chénéville will be the host of the event.

The 100 bulls which will be presented at the sale will need to achieve the following criteria: a global value of 96 and more, a minimal weight of 1000 lbs and a docile temperament. These obligatory criteria were tabled by the breeders in spring 2009 during the annual general meeting of the Outaouais Bull Test association.

Purchasing a bull is not unlike buying a pick-up. It is not only based on the appearance i.e. the conformation. You have to open the hood to know what's under the hide. For young bulls, an individual performance sheet produced at the end of test will inform you on what you can't see with your eyes.

This sheet will inform you on the bull's pedigree, their performances on their farm of origin, at the station, the conformation and the Expected Progeny Difference (EPD) of PATBQ. As for EPDs, you have to remember that you look for a positive value for all the traits except for the birth weight which must be low even negative.

A WINNING FORMULA THAT SECURES AND BUILDS THE FUTURE OF QUÉBEC AGRICULTURE

The biggest commitment to farm risk management by a Canadian province

Last November 19, Claude Béchar, MNA for Kamouraska-Témiscouata, Minister of Agriculture, Fisheries and Food, Minister responsible for Canadian Intergovernmental Affairs and the Reform of Democratic Institutions, Deputy House Leader and Minister responsible for the Bas-Saint-Laurent region, made public the government action recovery plan for agricultural risk management. This far-reaching plan, which comes with a thicker budget, takes the current and future needs of Québec's agriculture and agri-food sector into account. The new measures will provide tangible support for developing agriculture.

"The proposed measures are a concrete and budget-conscious response to the needs expressed by all sector stakeholders further to the commission on the future of Québec agriculture and agri-food, the Michel R. Saint-Pierre report, and the bipartite UPA-Government committee," said Minister Béchar.

An annual budget of \$650 million for five years

This plan is the government's way of reiterating the strategic importance of bolstering agriculture by increasing its annual allocation to *La Financière agricole du Québec* from \$305 million to \$630 million for the next five years. Added to this is an annual amount of \$20 million to enable MAPAQ to establish measures for agri-businesses adaptability and to back initiatives aimed at acknowledging that agriculture is multipurposed. Under the plan, the government will take over *La Financière agricole du Québec*'s accumulated deficit of \$1.03 billion.

A farm income stabilization program tailored to today

➤ Reference models adjusted to 2010

The recovery plan provides for adjustment of the farm income stabilization program so that the reference models used reflect what farms have become over the years. This means that compensations will be calculated differently, based on the financial results of effective agri-businesses.

➤ A cap on the number of insured units in all sectors and new bases for support for production

Measures to set a ceiling on assistance will also be introduced. Exemptions for enterprises owned by young farmers will be included.

➤ **More balanced cost-sharing of insurance premiums**

Cost-sharing of insurance premiums by the government and farm producers will be modified so that big agri-businesses pay a larger share.

A winning formula for emerging sectors and for recognition of agriculture as multipurposed

➤ **Broader added protection to support development for all agri-businesses**

Added protection, managed by the businesses themselves, will be expanded to include all production activities, including commercial aquaculture and horticulture, but excluding supply-managed commodities. The idea is to support the growth and development potential of all sectors on a new footing. The government knows that farm producers are the people best able to make the right decisions for their businesses and is therefore giving them the opportunity to be more involved in risk management. The government will deposit the equivalent of three per cent of allowable net sales into an individual account managed by each agri-business. The program is designed to complement the federal AgriInvest program.

➤ **Support for agricultural adaptation and agriculture as a multipurpose activity**

Adaptive measures will be proposed to support farm producers pending completion of these changes. The measures are aimed at improving management capability and at stepping up the investments required for enhancing business effectiveness. Sector-based analyses are also planned. In addition, the measures will make it possible to have multipurpose agriculture pilot projects for farm producers that take part in land-use planning initiatives. Implementation is slated for sometime in 2010.

Special measures for the swine sector

In the past, farm income stabilization program payments to the swine sector have strained *La Financière agricole du Québec* budget, and, thus, the need for special measures for this industry. *La Financière agricole du Québec* will implement measures to reduce the number of hogs covered under the farm income stabilization program.

Given the difficult conditions that have prevailed in this sector in recent years, it will be possible for hog producers to be paid compensation should they decide to give up hog farming.

A plan that works for existing and aspiring farm producers

By earmarking **\$650 million a year for five years** and by maintaining a production cost-based support system, the Government of Québec has responded to the demands of farm producers and shown its will to secure and build the future of Québec agriculture.

The government wants to be able to provide agri-businesses with a clear, predictable and stable business environment, three qualities that are vital to development, along with an environment in which aspiring farmers can make their business projects happen. The recovery plan offers a renewed vision and new ways of working so that risk is better managed and kept in check in all forms of agricultural production in Québec.

In the coming weeks, *La Financière agricole du Québec* will inform its clients about how the measures of the recovery plan will be implemented.

“The ability to feed ourselves”

Editor’s Note: Instead of an editorial, this week we are publishing extracts from the speech presented by Union des producteurs agricoles (UPA) President Christian Lacasse at the 85th General Congress of the UPA.

“First of all, I would like to thank the producers who played a very important role in the various actions that we undertook throughout the past year.”

That was how UPA President Christian Lacasse began his traditional speech before the general congress, by indicating the extent to which the efforts of farmers have been crucial during a year of mobilization, which he described as exceptional.

Lacasse emphasized that the sum of the actions taken by Quebec’s agricultural producers, both locally and regionally, has made all the difference. “The future of agriculture is not only in the hands of the minister of agriculture, the government and the leaders of the UPA,” he asserted. “It also depends on each one of you.”

According to Lacasse, the UPA’s new slogan, “No food without agriculture,” was by far the most important action in 2009.

“How many Quebeckers saw it? One million, two million? Maybe more. It was huge!” he declared. “A genuine awareness by the population, who do not always understand to what extent the issues affecting us also affect them.”

These issues have also resonated around the globe, said Lacasse, since the world now has over one billion people who are suffering from hunger, “of whom 70 per cent are farmers like us.”

“How can we succeed in feeding all these people, with trade regulations that have the effect of reducing our incomes and discouraging the younger generation?” he decried, while at the same time criticizing the World Trade Organization (WTO) rhetoric regarding free trade and the double standard of the United Nations’ Food and Agriculture Organization (FAO), which after denouncing the situation, proceeded immediately to recommend falling into line with the WTO agreements.

It is for this reason, Lacasse continued, that the UPA has been calling for unity from partners around the world, to ensure that all international trade agreements are “coherent” in a way that respects the “right to food” and the ability of populations to be fed, and to get rid of the WTO rules that “are leading us to a dead end.”

For the UPA president, the theme “No food without agriculture” also added resonance and reinforcement to UPA’s voice this year when it questioned governments and their elected officials regarding the major issues that Quebec farmers are presently facing.

“No agriculture without an agricultural zone!” Lacasse hammered to illustrate his point. “No agriculture without fair trade agreements! No agriculture without adequate support for farmers! No sustainable forestry regime, unless there is also one for the private forests in Quebec!”

In his opinion, there is no doubt that the outlook for the future of Quebec’s agriculture and its rural regions would not be the same if farmers had not mobilized as they did in 2009.

“Do you think that the minister of agriculture and the premier would have so formally committed themselves to defend our collective marketing tools and our rights with regard to the labelling and composition of foods?” he asked.

“Do you think that the government would have felt obliged to create a bipartite (UPA/government) committee to determine the needs of farmers with regard to income security; and in the absence of this committee, that we would have obtained the announcement that was made public ten days ago?”, he continued.

Lacasse believes that the answer is “no”—and with good reason. He pointed out that in February 2008, the Commission sur l’avenir de l’agriculture et de l’agroalimentaire québécois (CAAAQ, aka the Pronovost report) proposed to maintain the budget of *La Financière agricole* at \$305 million, and after the Saint-Pierre report one year later, the government believed that \$450 million would be sufficient.

Lacasse then noted that, at the end of the bipartite committee’s work, the real amount presented by the UPA with regard to income security (and acknowledged by the Treasury Board and by MAPAQ) was evaluated at \$650 million.

“What made the difference?” he asked. “What caused it to go from \$305 million in May 2008 to \$650 million less than two years later?” According to him, the answer is simple: it was collective action. “The fact that everyone, every group, pulled together in the same direction.”

Collective action also led to the materialization of a historic demand by the UPA: the broadening of the income security program to include all productions. It also contributed in obtaining the elimination of *La Financière agricole*’s accumulated deficit, leading the government to acknowledge its share of responsibility in this matter and the fact that producers had paid their part.

“But that is not all” he continued, describing the budget-tightening measures proposed for ASRA regarding the calculation of the cost-of-production models. “Do you really believe that they can once again require producers to improve their efficiency?” he asked. “In fact, there is no other sector of our society where that level of performance has been imposed.”

“You can be sure; we will not accept more demands that will lead to the failure of agricultural enterprises in our regions. There is a limit,” he exclaimed, while inviting the delegates not to miss the opportunity to explain this reality to the Minister of Agriculture Claude Béchar, who attended the final day of the congress.

The UPA President then went on to discuss the project “*UPA of the future*,” an exercise initiated during the year which included a survey of the UPA’s elected representatives and the general membership on their views and expectations regarding their union organization. The most important thing, according to Lacasse, is that any changes that are made must ensure that all farmers see the UPA as their own and feel that they are well represented. “This is our first responsibility,” he insisted.

It is also important, Lacasse continued, that the UPA is able to arouse the interest and active participation of its members and motivate young farmers to become leaders within the union movement, while at the same time improving cohesion between various groups, in order to generate a strong consensus when the time comes to “mobilize the troops.”

The UPA president reserved the high point of his speech until the end. “The time has come for farmers to make their own proposals on a vision for the future, which will help form the upcoming Agriculture and Agrifood Policy for Quebec.

Entitled “*Le pouvoir de se nourrir*” [The ability to feed ourselves], this vision will be a logical follow-up to food sovereignty. He explained that the vision must include a willingness by the agricultural community to listen to its fellow citizens and should lead to a genuine synergy between the model of agriculture as proposed by producers and the needs and expectations of the general population, stakeholders in the agrifood value chain and government. Lacasse then proceeded to deal with each of the four objectives of this policy: autonomy, fairness, sustainable development and health, as well as with several measures that will aid in their realization.

More specifically, he spoke of the creation of development plans for agriculture and forestry for all the regions, improvements to the Youth Policy for Agriculture, including a “patient capital” fund and a farm transfer savings plan, a federal bureau to ensure regulation reciprocity, a secretariat to promote an exception for agriculture, a UPA fund for social solidarity, etc.

By way of conclusion, the president emphasized the importance of placing this vision in perspective with regard to last year’s food crisis, which was a reminder to the whole world of the importance of ensuring a strong agricultural base and to preserve, as a society, the ability to feed ourselves.

Still some flexibility regarding *La Financière* for pork

“There is still a bit of room for discussion on that (the adjustments to the ASRA program),” declared Norman Johnston, the Ministry of Agriculture’s (MAPAQ’s) deputy minister, appearing as an invited speaker at the semi-annual meeting of the *Fédération des producteurs de porcs du Québec* (FPPQ) in Quebec City on November 27. (Recall that Johnston was still a senior executive of *La Financière agricole du Québec* (FADQ) at the beginning of November.) This openness towards new ideas seemed to create a bit of cautious hope, although many producers remain nervous. More detailed analyses will follow but producers have a strong feeling that the impact will be very real for many of them and they hope to be able to show that some modifications are necessary.

In particular, the question of excluding piglets produced outside of Quebec from the income stabilization insurance (ASRA) worries producers, who believe that the figure of 400,000 is very conservative and that Quebec farrowing operators will not be able to meet the demand of the grower-finishers overnight.

“I am putting my place up for sale,” exclaimed René Leblanc, a big producer who obtains his piglets from Ontario, discouraged by the announcement regarding the FADQ adjustments. The federation’s president, Jean-Guy Vincent, is of the opinion that it is important for the FADQ to distinguish between piglets bought at dumping prices and those that are bought on a regular basis at normal prices.

Other worrisome issues also surfaced at the FPPQ meeting.

“It is not the \$600 million that worries us; it is wondering whether or not we will receive a cheque,” asserted Jean-Guy Hamelin to the deputy-minister. Hamelin detailed a series of current or proposed measures that will have the effect of reducing production costs and thus reduce the ASRA coverage. He was referring specifically to the \$6 per hog reduction in the cost of production already in effect, to the premium adjustments once a farm attains three times the model used by ASRA in its annual cost of production calculations, to the obligation to participate in the cost of production study, plus a series of administrative measures that will tend to reduce the cost of production. The question of the \$700 million deficit in the ASRA pork fund was also discussed, since this debt will not be absorbed by the government.

“We presume that the government is aware of our business plan,” declared Jean-Guy Vincent outside the meeting. The plan is based on a new marketing agreement, on a future scheme for balanced production management, a reduction in production costs, a domestic and export marketing plan, as well as a respect for the environment and social acceptability.

A production ceiling

“We do not accept the ceiling,” declared Bernard Verret, the FPPQ’s director-general, while explaining a resolution that calls for a revision of various aspects of the recent FADQ adjustment plan. Setting a seven million head ceiling on the number of insured hogs also worries abattoir operators.

“At 7.8 million hogs, the wheel turns smoothly—if you upset the wheel, there will be consequences,” declared René Trahan of *l’Entreprise Trahan*, in one of his rare public statements. According to him, there are no mechanisms in the new agreement to deal with such a radical production decrease, while abattoirs must function as near as possible to their full capacity in order to be able to pay American prices, as stated in the marketing agreement.

Sobeys innovates to sell Quebec pork

One solution to regain local market share from American producers could come from retailers. In fact, a presentation by the Pierre Thérour, marketing director for Sobeys Quebec, garnered much enthusiasm from pork producers at their November 27 meeting.

Thérour explained that 10 per cent of pork cuts have historically generated 50 per cent of sales and his company is attempting to reactivate the old saying that “everything on a pig can be eaten.” This means giving pork “a new look,” improving the cuts and suggesting new recipes to stimulate sales.

“Pork ribs are now the number one item in pork sales” declared Thérour, describing how the ribs are now longer and some are precooked and seasoned in different ways. Sobeys soon intends to advertise Quebec ribs on the front page of its flyer, which would not have been possible just a few years ago.

Thicker pork chops have brought pork back to barbeque enthusiasts, where the traditional beef T-bone steak has lost ground during the economic crisis. Pork hocks have also shown an increase in sales, ever since *osso-buco* recipes have been revamped, using pork rather than the traditional veal hocks, which are three times more expensive. This has shown positive results over the past few months.

Extra-lean ground pork, also available for the past several months, is expected to show significant increases in sales, since it is cheaper than the equivalent ground beef, the most popular meat in Quebecers’ grocery baskets.

“The future of pork is very promising,” concluded Thérour, as he spoke of an “obvious partnership” with the FPPQ, which shows up quite clearly in the IGA flyer. Furthermore, the marketing director refuted the argument advanced by some that Quebec pork will not always be available.

Thierry Larivière
LTCN 2009-12-03

Bécharard to put a freeze on redrawing electoral zones

In the most recent project to revise Quebec's electoral map, rural regions risk losing three counties. However, Agriculture Minister and Minister responsible for the Reform of Democratic Institutions Claude Bécharard is proposing to freeze the number of electoral districts in each region in order to preserve their political weight, in spite of the decrease in their number of eligible voters. The opposition is vehemently opposed, accusing the minister of not taking the matter seriously and of "blowing his own horn."

"He seems more preoccupied with saving his own county than conducting a genuine reflection on the electoral map," complained Stéphane Bédard, MNA for Chicoutimi and opposition critic for the reform of democratic institutions. Bédard is pressing the minister to first split Bill 178 in two, in order to deal separately with electoral representation and the financing of political parties. Bécharard wants to tighten the rules for provincial and municipal parties by eliminating secret funding. Thus, anonymous donations would henceforth be forbidden, with each donation requiring the production of a receipt.

Bédard is also pressing the government to make public a report compiled by the Director-General of Elections, fearing that the number of MNAs in some rapidly-growing regions may explode. According to various scenarios, the National Assembly could eventually grow by an additional 25 members, to a total of 150.

"It is literally an open bar, leaving it to the discretion of the Director-General of Elections," declared the MNA from Chicoutimi. According to him, if the Director-General's report is not tabled within the next few days, his recommendations will be forgotten, along with the thousands of witness accounts collected in rural regions. It would also mean that taxpayers' money, to the tune of a million dollars, would effectively be thrown out the window by not hearing some important modifications proposed by the Director-General regarding his initial report.

Bill 178 has been strongly criticized by the rural population, who would lose at least three electoral districts in Gaspésie, Bas-Saint-Laurent and Chaudière-Appalaches. Specifically, the counties of Beauce-Nord, Gaspé and Kamouraska-Témiscouata would effectively be wiped off the map, in order to create three new districts in the Montreal area.

"This Bill is being presented in the same way that I give pills to my children—by coating them with jam," exclaimed Sylvie Roy, the leader of the ADQ who, along with the official opposition and Amir Khadir of *Québec solidaire*, is demanding that Minister Bécharard divide his bill into two parts.

An increase in voter numbers

While tabling Bill 178, Minister Bécharard stated that Quebec has one million more voters than in 1989. The average number of voters per county is about 45,900. He would like to introduce new criteria for determining the minimum number of electoral districts in each region, as well as for determining their boundaries. He is willing to recognize three exceptions, notably Iles-de-la-Madeleine, Ungava and Nunavik.

Bécharard would also like to henceforth give the Director-General of Elections the responsibility of revising the electoral map every 10 years, following Ottawa's example. Furthermore, he is proposing that the Director-General should take into account certain elements contained in judicial rulings regarding effective representation, notably that an electoral district should represent a naturally-established community, based on geographic, demographic and social considerations. Among these considerations would be population density, accessibility, size and configuration of the regions, as well as the territorial boundaries of municipalities, school boards and administrative regions.

When asked if he made these decisions in order to save his own county of Kamouraska-Témiscouata, Bécharard retorted, "We made this decision to protect rural regions."

Pierre-Yvon Bégin
LTCN 2009-12-03

Poultry industry calls for interprovincial moratorium

On November 25, Quebec chicken producers and processors asked the *Régie des marchés agricoles et alimentaires du Québec* (RMAAQ) to declare a moratorium to fix a maximum on the number of live chickens destined for interprovincial trade during the production period beginning March 28, 2010 (A-97). In so doing, the poultry industry stakeholders hope to counterbalance the moratorium adopted by Ontario on October 1, which will come into effect on February 1, 2010 (A-96). During these moratoria, the volume of live chickens authorized for sale between Quebec and Ontario will be limited to that specified in the agreements made for the December 2009 and the January 2010 production periods.

"We wish to re-establish an equitable balance of opportunity between Quebec and Ontario buyers," declared the director-general of the *Éleveurs de volailles du Québec* (EVQ), Pierre Frechette, in an interview with the newspaper *La Terre de chez nous* on November 26. "If we do nothing, Quebec would be the only province in Eastern Canada where any buyer could come in and obtain chickens, which would place Quebec buyers in a vulnerable position. It is in the EVQ's interest to maintain a sufficient number of buyers and a healthy processing industry."

Market share

For the past several months, abattoirs have been fighting over chickens. Of course, the marketing agreement does ensure the Quebec abattoirs of guaranteed supply volumes (VAG). However, these volumes are calculated after subtracting the birds destined for interprovincial trade. Moreover, the volumes moving between Quebec and Ontario have grown significantly over the past several years, which have forced buyers to pilfer from neighbouring stockpiles in order to maintain their slaughter levels and meet client demand.

In 2008, 30 million chickens were shipped from their place of origin, to be slaughtered in the neighbouring province. In 2009, a similar situation still exists. Furthermore, the reappearance in June 2009 of *Volailles de Mirabel* among the buyers intensified competition. And finally, the New Brunswick abattoir, *Nadeau Ferme avicole* must get its supply in Quebec and Ontario since it has lost the 140,000 chickens it used to obtain each week from the Westco Group. These birds are now being slaughtered in Quebec at the Olymel plant, until a new abattoir being built by Olymel and Westco in New Brunswick is in operation. According to Frechette, the production allocations over the past few months have been insufficient to meet market demand and this explains why buyers are chasing after chickens.

Solutions

“A moratorium would allow us to concentrate on finding a more permanent solution,” added Frechette. EVQ and Chicken Farmers of Ontario have been engaged in some serious discussions on how to respect the agreement made last September, at a meeting of the National Association of Agricultural Supervisory Agencies (NAASA), to stabilize interprovincial trade of live poultry and to bring it to a more reasonable level. The introduction of guaranteed supply volumes (*VAG*) covering central Canada (Quebec and Ontario) is part of the solution being studied, confirmed Frechette.

Jean-Charles Gagné
LTCN 2009-12-03

A collective approach for the agricultural zone

While the *Commission de la protection du territoire agricole du Québec* (CPTAQ) has been registering record levels of requests from public utilities, the pressure regarding residential usage seems to be decreasing, according to its annual report.

In 2008-2009, the CPTAQ rendered almost twice as many decisions concerning exclusions as in 2007-2008. The authorized area totalled 1293 hectares, the second largest area in the past 10 years. With regard to requests for public utility use, the numbers were the highest since the year 2000. The requested (1071 ha) and authorized (1001 ha) areas also hit a peak during the same period.

The “Saint-Laurent Pipeline” project alone, submitted by Ultramar, represented 75 per cent of the authorized hectares. This type of land use has always been widely approved by the commission, with an average authorization rate of 94 per cent over the past 10 years. As for industrial and commercial requests in 2008-2009, the CPTAQ rendered the second highest number of decisions recorded during the past decade.

For residential projects in 2008-2009, the CPTAQ dealt with the lowest number of requests for the past 10 years. It also registered a record low in requested area. Furthermore, over the years,

these requests have been refused in the majority of cases, with an average authorization rate of 49 per cent. The commission favours a collective approach, in accordance with Article 59 of the *Act respecting the protection of agricultural land and activities* (LPTAA). The article confers the management of new residences in the green zone to the municipalities, after obtaining consensus with agricultural leaders.

As of March 31, 2009, 19 collective applications are in effect within 16 regional municipal counties (RMCs). They represent an area of 453,145 hectares, with a potential of 7,643 residences, of which more than half are situated in parts of the green zone already used mostly for non-agricultural activities (destructured blocks). Thus, almost 25 per cent of the agricultural zone will henceforth be administered locally regarding new residential projects. The CPTAQ hopes to increase this level to 40 per cent by 2010. As of March 31, 2009, nine additional collective applications are being studied.

General summary

In 2008-2009, the CPTAQ rendered 249 more decisions than in the previous year. The most significant case was a new or modified use with regard to a parcel of land with acquired rights. Specifically, it was in 2008 that the Boerboom case was finally resolved, concerning the addition of a second residence on a lot with acquired rights, without the authorization of the CPTAQ. Since 2000, the Commission has received 8857 requests for new main uses, representing 14,597 hectares. Of this number, it has authorized 9398 hectares.

Julie Mercier
LTCN 2009-12-03