

Quebec Farmers'

Advocate



Vol. 27, No.11

December 2007

\$50 per year (plus taxes)

CLAUDE JOYAL inc.
 Repaireville Ste-Anne-de-la-Croix Saint-Gabriel Saint-Denis
 (514) 748-3388 (514) 794-6211 (514) 386-2141 (514) 707-2382
OUR DECEMBER SPECIAL
 on ALL our used MAGNUM
 Waiver of Interests until June 2008
 or low rate starting at 4.5%
 MK 485 - Front suspension
 50 years of 4,000 hrs - coming soon



CAIS gets replaced as ag policy grows forward



Just in time for Christmas, provincial and federal governments have a new "suite" of farm support programs in the works intended to replace the Canadian Agricultural Insurance Stabilization program and ensure more predictable payments for producers. Let's just hope it doesn't leave farmers struggling like a chicken waddling through the snow!

What's Inside...

- Another award for the Advocate!... p.3
- UPA election results... p. 3
- The WTO and "free" trade... p. 4
- QFA on safety committee... p. 12
- Paul Meldrum's "Devotion to Dairy"... p. 15
- RENEW YOUR QFA MEMBERSHIP FOR 2008... p. 2

www.quebecfarmers.org



www.quebecfarmers.org

Publication Mail No. 40035723

Andrew McClelland
Advocate Staff Reporter

Federal and provincial policy makers met last month to talk over the basics of a new income stabilization program for Canada's farmers. While many of the details of the newly created agricultural policy framework are yet to be sketched in, one thing is clear—the Canadian Agricultural Income Stabilization (CAIS) program will be done away with and a new set of programs will be ushered in under the heading 'Growing Forward.'

Canadian Minister of Agriculture Gerry Ritz held discussions with his provincial counterparts in early November and agreed to a policy statement that will "respond to farmer demands for more responsive, predictable and bankable programs." Among other things,

governments are hoping that the new policy framework will create a thriving agricultural industry that is more profitable while better managing the risks involved in farm business.

"Farmers didn't like CAIS," says Ellen Funk, manager of the new set of programs for Agriculture Canada. "They said that it wasn't responsive or timely and that it wasn't predictable—they couldn't count on the amount of money that would be given to them. In developing the business risk management programs we held consultations with farmers to see what they would like."

The new 'business risk management programs' (BRM) are designed to respond to different degrees of financial loss that can be suffered by agricultural producers. Running the gamut from compensating for minor loss of funds to providing insurance in

case of widespread natural disaster, the four new programs are titled, AgriInvest, AgriStability, AgriRecovery and AgriInsurance.

AgriInvest is being described as a savings account for producers that will provide flexible coverage for small income declines. It will replace the coverage under CAIS for margin losses of 15 per cent or less. The program will work through farmer contributions to the savings account, which will then be matched by contributions from government. The federal government has announced that it has already contributed a \$600 million "Kickstart" to AgriInvest.

"AgriStability and AgriInvest will involve the same amount of paperwork as CAIS did," said Funk when asked if the new program will add

even more paperwork for producers. "Nearly all of the information needed will come from existing forms already used in the CAIS program, so farmers should not see an increase in the paperwork they have to complete to obtain their payments."

For farmers suffering larger losses of income in a year there is AgriStability. The aptly named program provides financial security for a drop of more than 15 per cent in a producer's average income from previous years. When a farm business's program margin (the allowable income minus the allowable

CONTINUED ON PAGE 2

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



A happy childhood has spoiled many a promising life.
—Robertson Davies

WTO: the tail wagging the dog

Gib Drury
QFA President

The World Trade Organization is the rule making body that sets the terms of international trade. It has been deadlocked since the Doha Round of negotiations began in 2002 over the terms of trade in agricultural goods. The impasse is due to the reluctance of the exporting nations to abandon their export subsidies and internal support programs.

When a new agreement is reached, the new rules will apply to all countries and will override any national programs. Here's where the tail is trying to wag the dog. Only ten per cent of all agricultural goods are traded internationally, the other 90 per cent are consumed domestically. Why should the terms of trade for the ten per cent exported overrule the national policies developed for the 90 per cent that are consumed domestically?

A fine example of this irrationality is the threat to Canada's supply managed commodities in these negotiations. The WTO wants us to remove our import restrictions (high tariffs and limited access) on milk, chicken and eggs and "open" the Canadian marketplace to a flood of cheaper imports. This would send whole sectors of our agriculture industry into a tail spin, not just the production sector but the processing and manufacturing sectors as well.

Surely it makes sense to preserve and protect an agricultural policy (supply management) that has served us well since its inception. It has required no government subsidies, it has supplied the processors and consumers with as much top quality product as they want and need at fair prices and it has no waste or surpluses requiring dumping on the international market.

Let us not be naïve when negotiating a new WTO agreement. The Americans will not abandon their highly successful Farm Bill that has served their farmers so well, nor will the Europeans give up their common agricultural policy that protects the common market farmers. In this context why is the Canadian government considering sacrificing our supply managed industries in the negotiations for a new agreement? Why should we be the sacrificial lambs on the altar of free trade?

The mantra of free trade is bandied about as a basis for the negotiations but few of the negotiators seem to be concerned with making trade fair. There is a major difference between fair trade and free trade. In a fair trade each party gets their just share of the benefits, but in free trade there are no notions of equity. It is a no-holds barred contest and to the victor goes all the spoils. The only "free" thing in free trade is your right to withdraw from the trade. But when we are talking about food products and one party is starving, it is hard to walk away from an offer no matter how unfair it is.

Let's hope that the deadlock continues long enough for a new concept called "food sovereignty" to take solid root as the basis for international trade. Each country would be permitted to set its own domestic agricultural policy to feed its own people allowing it to have complete control, not only over quality and quantity, but also safety and security, no matter what! Any surplus production would trade internationally on a "fair trade" basis with no subsidies or dumping allowed. Now that would please everyone and the dog would wag its tail, not the other way around!

CAIS gets replaced as ag policy grows forward

Andrew McClelland
Advocate Staff Reporter

Federal and provincial policy makers met last month to talk over the basics of a new income stabilization program for Canada's farmers. While many of the details of the newly created agricultural policy framework are yet to be sketched in, one thing is clear—the Canadian Agricultural Income Stabilization (CAIS) program will be done away with and a new set of programs will be ushered in under the heading 'Growing Forward.'

Canadian Minister of Agriculture Gerry Ritz held discussions with his provincial counterparts in early November and agreed to a policy statement that will “respond to farmer demands for more responsive, predictable and bankable programs.” Among other things, governments are hoping that the new policy framework will create a thriving agricultural industry that is more profitable while better managing the risks involved in farm business.

“Farmers didn't like CAIS,” says Ellen Funk, manager of the new set of programs for Agriculture Canada. “They said that it wasn't responsive or timely and that it wasn't predictable—they couldn't count on the amount of money that would be given to them. In developing the business risk management programs we held consultations with farmers to see what they would like.”

The new 'business risk management programs' (BRM) are designed to respond to different degrees of financial loss that can be suffered by agricultural producers. Running the gamut from compensating for minor loss of funds to providing insurance in case of widespread natural disaster, the four new programs are titled, AgriInvest, AgriStability, AgriRecovery and AgriInsurance.

AgriInvest is being described as a savings account for producers that will provide flexible coverage for small income declines. It will replace the coverage under CAIS for margin losses of 15 per cent or less. The program will work through farmer contributions to the savings account, which will then be matched by contributions from government. The federal government has announced that it has already contributed a \$600 million kickstart to AgriInvest.

“AgriStability and AgriInvest will involve the same amount of paperwork as CAIS did,” said Funk when asked if the new program will add even more paperwork for producers. “Nearly all of the information needed will come from existing forms already used in the CAIS program, so farmers should not see an increase in the paperwork they have to complete to obtain their payments.”

For farmers suffering larger losses of income in a year there is AgriStability. The aptly named program provides financial security for a drop of more than 15 per cent in a producer's average income from previous years. When a farm business's program margin (the allowable income minus the allowable expenses in a given year) falls below 85 per cent of the reference margin (the business's average program margin for three of the past five years), the producer will

receive a program payment. Along with AgriInvest, AgriStability replaces the coverage previously offered by CAIS. Agriculture Canada says that it has structured the program this way to “respond to the long-standing desire of producers for programming that allows them to better predict their government contribution in a given year.”

“The Growing Forward program is a little improvement,” says *Union des producteurs agricoles* (UPA) President and Canadian Federation of Agriculture (CFA) Vice-president Laurent Pellerin. “It’s not entirely what we—the UPA and the CFA—wanted and asked our governments for, but it definitely will benefit producers.”

“The modifications, such as having a personal account, will be a help to producers,” said Pellerin. “The horticulture sector was particularly asking for this.”

In addition to these business risk management schemes, ministers also spoke of AgriRecovery and AgriInsurance, two programs intended to grant disaster relief protection and funds. AgriRecovery will provide assistance for producers hit by smaller natural disasters that affect a region and have a relatively small impact on the Canadian agriculture industry. At their November meeting, ministers agreed to supply disaster relief funds on a 60/40 federal/provincial basis.

“In Quebec, producers will apply through *La Financière Agricole* when participating with AgriStability,” said Funk “Regarding AgriInvest, we are still seeking authorities and agreeing on the details but hope to have them in place before Christmas.”

While the AgriInsurance program is already offering insurance against production losses caused by “specified perils” such as weather, pests and disease, ministers said that they are looking to expand the types of insurance provided to better meet the needs of producers.

Minister Ritz and provincial ministers of agriculture also spoke of how their governments would respond to larger, widespread disasters that could cost their territories billions of dollars and potentially impact the health of the Canadian population. The federal and provincial governments committed themselves to work quickly at both levels of government to ensure that such disasters do not affect trade and the health of the farming industry.

Although many details still need to be fleshed out, industry leaders say that the new farm support programs are a step in the right direction.

“Years ago, before the Agricultural Policy Framework, we didn’t even have anything that resembled a real agricultural policy,” said Pellerin. “And we still need something as strong as, say, the US Farm Bill. When the APF started, we said that it was something we can build upon, and that is finally happening.”

Armchair access to information from *La Financière Agricole*

Ivan Hale
QFA Executive Director

Instead of getting into your truck to drive an hour or more to an office, imagine slipping into your slippers pouring yourself a cup of coffee, sitting down to your computer and being able to review your entire file with *La Financière Agricole*. Sound too good to be true? No longer! Since November 12, farmers who participate in programs with *La Financière Agricole* can have complete on-line access to their files 24 hours a day, seven days a week.

The day after its launch I took it for a “test drive”. Here’s my first experience.

Visiting the newly revised website was easy. It is attractive and loaded quickly on my system, although I must confess I have high-speed internet access, which is a rare treat if you are a rural resident. It will definitely be slower for someone with a dial up connection—but it will still save driving to their office. I had no difficulty entering the section of the website called “Access,” using the temporary user name and password sent to me by mail. After changing them so as to ensure my privacy I was quickly able to explore the information they have about my farm operation. Everything was in order.

Then one very interesting feature attracted me. I was able to view a map of my farm showing all the fields and the size of each. I could even zoom in on the aerial map to calculate the area of a specific section of my property in either hectares or acres, and I could view road names, contour lines showing elevation and many other features. And there’s more. It’s even possible to print out maps. Unfortunately the option to download a “pdf” version of the file did not work but this is probably just a bug in the system that will be resolved shortly.

Next I viewed the details of my cow-calf income stabilization program. I could see the insured number of animals going back to 2004. There was information on the amount I paid in premiums and the amount paid out. I checked the latest status of my file to see if there was missing documentation needing up-dated.

I do not participate in crop insurance so I will have to leave that to someone else to check out, but presumably it is equally useful and impressive.

The website also contains a very handy document library where you can consult every information pamphlet or brochure or general mailing that you have been sent by *La Financière* over the past five years.

Lastly, you can declare your production volumes online, and even start the process for filing an application for funding without leaving your coffee to get cold!

Sadly, the only drawback about the whole experience is that it is only available in French. Even when I checked the English side of their website there was no news releases in English and a very interesting new economic tool called *l'Agroindicateur* could only be accessed in French. I left a message asking when it will be offered in English. Within a week I received a phone call. I explained that farmers who are not comfortable reading or writing French would be unable to access this valuable tool. The customer service agent explained that *La Financière Agricole* must comply with the official language laws. I responded that this section of *La Financière*’s website is not communicating with the general public. It is restricted to clientele of *La Financière* and that they should be able to communicate in English. On December 5 the QFA met with *La Financière* staff to discuss services to their English clients. We discussed a number of ways that services can be enhanced, including providing sample forms in English for farmers

to compare—much like that done on the web site of Quebec’s Ministry of Revenue. We agreed that *La Financière* will review their options and will officially respond to QFA’s concerns in writing. More news to follow.

A beef production centre of expertise

Pierre Réhaume

Communications and Liaison Officer

FPBQ-CCP-CCRBQ Interim Committee

A centre of expertise is a place of excellence and convergence. For the beef sector, it grants control over the management of genetic improvement programs and technological transfer activities. This new organization was created after extensive consultations in 2006 with both producers and their many partners. The centre will be an efficient, simple and flexible institution, which will create a vision for the development of beef production in Quebec and revitalize the entire industry. That won’t be accomplished quickly, as there are a number of steps to be taken one at a time. But soon, through a cooperative effort, beef producers and their representatives will be sure to get the job done.

Until recently, genetic improvement services for purebred and commercial beef breeders in Quebec were under the stewardship of the *Ministère de l’Agriculture, des Pêcheries et de l’Alimentation* (MAPAQ). However, MAPAQ has announced its intention to give more responsibility to the beef industry, as has already been done for several other sectors of livestock production (pigs, lambs and sheep).

A broad consultation

A feasibility study was conducted in several stages. One of the high points was the consultation of 21 associations and/or coalitions of associations, MAPAQ, Agriculture and Agri-Food Canada (AAFC), the *Comité consultatif provincial en génétique bovine*, research centres, universities, beef production financial cooperatives, genetic evaluation stations, and all organizations concerned with the question.

The consultation was an opportunity to sound people out, to build awareness and to mobilize the sector regarding the importance of services for the improvement of beef production, particularly services adapted to the needs of purebred and commercial beef breeders in Quebec.

Given the tough economic situation for Quebec’s beef producers, the discussion and consultation process was essential for the needed changes to take place in a spirit of partnership and open-mindedness.

Agreement for the centre

The various players involved in genetic improvement in the beef sector participated in the consultation enthusiastically and seriously, agreeing with the creation of a centre of expertise in beef production. The centre will not be limited to genetics, however, but will also deal with other aspects of production such as health and feeding. In other words, the centre's mission will be to contribute its expertise toward improving the profitability, efficiency and sustainability of purebred beef production in Quebec.

With techno-economic tools adapted to their needs, and the setting up of a structure to improve the efficiency of the beef industry as a whole, new opportunities will be opening up for beef producers. In the next issue, we'll talk about the stages to come in creating the beef production centre of expertise.

Advance Payments Program

Jean-François Thiffault, B.Sc.
Project Officer, APP
FPBQ

For several decades now, the Advance Payments Program, better known by the acronym APP, has been offered to producers of crops like cereal grains, truck crops, apples, potatoes and even maple products. Not long ago, Agriculture and Agri-Food Canada (AAFC), which administers the APP, expanded access to include livestock production.

In Quebec, the relevant producer federations act as program delivery agents for AAFC. They perform the financial operations, see to the reimbursement of cash advances and represent producers' interests with AAFC.

In concrete terms, the APP lets producers obtain a cash advance on future production. The maximum advance is \$400,000, of which the first \$100,000 is interest-free. The remaining \$300,000 carries interest at a very attractive rate, less than the prime rate (currently 6.25 per cent).

The funding mechanisms of the APP are governed by the Agricultural Marketing Programs Act (AMPA). This act therefore provides the framework under which the *Fédération des producteurs de bovins du Québec* (FPBQ) must administer the APP. It is important to note that for each producer, the amount of the advance is tied to the anticipated value of that producer's inventory, as determined by the current reference price for each agricultural product, which is jointly set by the federation and Agriculture Canada.

There are two possible repayment formulas; which one is applied depends on the production method in use. The producer who operates under the continuous production method will have to repay the advance according to a predetermined schedule. For producers operating in “all-in-all-out” mode, APP repayments will be made when livestock are sold.

In its constant search for ways to improve its services, the FPBQ is currently working in close collaboration with other livestock federations that will also be administering the APP, so as to offer a program that is attractive and accessible to as many producers as possible. The program launch is set for spring 2008.

The federation is also working to ensure that all of its members receive, in a timely fashion, useful information needed to understand the APP. Publications and other information are therefore on the way, as both the FPBQ and the producers it represents are eager to see the program up and running.

A guide for preconditioning and backgrounding feeder calves

Guy Lapointe, agronome
Beef production and agri-environmental advisor
MAPAQ – Outaouais sector

As is the case for many farm productions, the beef sector must adapt to both the needs of consumers and to changes imposed by the industry. They must look to increasing their productivity, by producing more meat per square foot of building area.

Feedlots are high-production units. Operators do not always have enough time to tend to sick animals, and in addition, the cost of medication is constantly rising. As a result, one of the trends that can be observed is the purchase of animals in the 700 to 800 pound range, which have been preconditioned or backgrounded. The added advantage of this type of animal is that they are rarely sick and start growing rapidly. For the past several years, many Quebec feedlots have been buying Manitoba steers that fit this description.

To meet buyers’ demands, preconditioning and backgrounding have become unavoidable production techniques for the cow-calf sector. In particular, since the calves do not move to a new location, the weaning process is much less stressful. Furthermore, animals that have been vaccinated, weaned and become accustomed to eating solid food (like excellent quality forage, for example) are much less likely to be sick on their arrival at the feedlot.

A working committee, composed of a beef producer and personnel from the *Fédération des producteurs de bovins* and MAPAQ, have put together valuable information to produce a “Feeder Calf Preconditioning and Backgrounding Guide.” In it, the techniques of producing this type of calf are detailed excellently. However, in order to increase your chances of success with preconditioning and backgrounding, it is highly recommended that you also rely on the advice of

a beef advisor you can have confidence in. Preconditioning, as well as backgrounding, is considered an art that must be mastered in order to achieve good results.

Preconditioning and backgrounding can indeed increase the profitability of your operation, but it can also increase production costs—without any guaranteed return on your investment—if the final product does not meet the buyer’s requirements. The best way to determine what buyers want is to examine the data from specialized auctions in Quebec, where demand for calves weighing over 750 pounds is increasing rapidly. During the period between 2002 and 2006, an average of 900 calves in the 801-900 pound category were sold per month through these auctions, while feedlot buyers were purchasing an average of 5,600 head, with an average weight of 860 pounds. In other words, interested buyers had to look to other markets than the specialized auctions, resulting in a large number of their livestock being purchased from Western Canada.

As shown in the table below, for the 2001-2006 period, the average price of calves decreased by about five cents for each 100-pound increment in weight. Consequently, a 600-pound calf (\$1.25 x 600) sold for \$80 more, on the average, than a 500-pound calf (\$1.30 x 500). As for extra feeding costs, they vary depending on the forage quality—but on the average, the cost per pound of gain is about 85 cents per pound. However, for steer calves over 605 pounds, this extra cost is normally compensated by income stabilization insurance (ASRA—certain norms must be respected—consult with a *Financière agricole du Québec* representative). In 2006, the net ASRA compensation for steers was 33 cents per pound of gain.

Table – Income from the sale of feeder calves at Quebec specialized auctions, in 100-pound weight increments (average of 2001 - 2006)

| | From 450 to 549 lb. | From 550 to 649 lb. | From 650 to 749 lb. | From 750 to 849 lb. |
|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Price paid (\$/lb.) | | | | |
| Steers | \$1.30 | \$1.25 | \$1.20 | \$1.13 |
| Females | \$1.13 | \$1.09 | \$1.06 | \$1.01 |
| Average income (\$/head) | | | | |
| Steers | \$651 | \$752 | \$837 | \$904 |
| Females | \$564 | \$657 | \$740 | \$805 |

Reference: *Centre de référence en agriculture et agroalimentaire du Québec (CRAAQ)* – Cow-calf production, 2007.

Therefore, from a financial perspective, backgrounding can be profitable for the feeder calf producer. In addition, these calves are more apt to meet the needs of the buyers. This type of production also makes it possible for producers to sell animals at a relatively heavy weight, between 700 and 850 pounds. By selling the calves at different periods during the year, there is a better chance of attaining the average annual price, compared with selling them at a single auction. It is important to plan production cycles in order to be able to sell the backgrounded steers during periods where demand is highest, namely early in the fall or during the winter to

spring period. It is even possible to do backgrounding on pasture, but only if the pasture is of excellent quality and if the animals are sold at the end of August or beginning of September.

However, before starting any backgrounding, you must be sure that you have all of the ingredients for success. For example, both the quality and quantity of your forage must meet the requirements of your livestock. The “Feeder Calf Preconditioning and Backgrounding Guide” describes everything you will need and the steps you should take to optimize your backgrounding or preconditioning experience. It also includes examples of feed rations and methods to ensure the good health of your animals, etc. A copy of the guide is available at all MAPAQ offices, as well as from the *Syndicat des producteurs de bovins*.

Finally, do not hesitate to contact a beef production advisor, who can certainly help you plan this type of production.

The imaginary forest

Laurent Pellerin
UPA President

Imagine a forest near you. A forest where, over the past thirty years, government-supported development and replanting efforts have increased coniferous tree production by 33 per cent, a forest so productive that, according to experts it could even double again its yield per hectare.

Such a forest could help solve the forestry companies’ current and future supply problems— they would no longer have to move farther and farther north to cut smaller and smaller trees. Of course, this ideal forest would be near the sawmills and pulp and paper plants it supplies.

Imagine this forest farmed by tens of thousands of small woodlot owners who, with the proper support, would lovingly make it grow and prosper. People who would know how to grow trees as well as the Brazilians and the Swedish, experts in the field. Woodlot owners who would produce forests that can be harvested at least every 20 years because of their savoir-faire in genetics and silviculture. Imagine, also, that this forest would be at the heart of our rural communities, that it would contribute actively to their socioeconomic vitality, not only because of the wood it produces but also due to maple syrup production, hunting and fishing, outdoor sports, and more.

Imagine that this forest would be managed in a way that would reflect the values that are becoming more and more dominant in Quebec society and throughout the Western World. Trees would be harvested selectively while maintaining permanent forest cover. Cutting and silviculture practices would have a positive environmental impact, ensuring the development of a variety of woodlot resources and providing revenue for thousands of rural families. Imagine that this forest would be a sustainable alternative to commercial exploitation of an ever-diminishing boreal forest resource.

Imagine that, because of all these advantages, a principle of “residuality” were enshrined in law, which would require large forestry companies to buy wood from private woodlots before harvesting forests on Crown land. Imagine that the government would enforce this principle, thus preventing forestry companies from using their privileged access to “public” land to bring down the price of wood. Imagine that forestry royalties on wood from Crown lands were set at a level that would prevent unfair competition, competition that sometimes results in wood from that “other” forest accumulating and rotting alongside the logging roads.

This forest is not imaginary, it exists—except, it seems, in the eyes of the current provincial government, which refuses to listen to the thousands of private woodlot owners in Quebec. Woodlot owners who have asked in vain that the government make the forestry companies respect the residuality principle. Who have received very little from the government’s economic revival plan for the forestry sector to help them survive the crisis that has affected them as much as the big companies. Who watch, as currently is the case in Abitibi, the power games of the big forest companies who refuse to buy from private woodlot owners unless they bring down their prices. Who fear the tabling, by Minister Béchard, of a bill that would lower forestry royalties, an idea that the *Parti Québécois* is also considering. Who were told by Mr. Charest during the last election campaign: “I’ve heard your proposals, and I’m ready to sit down with the *Fédération des producteurs de bois du Québec* to discuss them.”

Or did I imagine that?

LTCN 2007-11-15

The beef market in crisis

The steer market is facing major difficulties, which are qualified by some observers as worse than during the mad cow crisis.

“In any case, the situation is not any better. The last four or five months have not been easy, but it has become even worse with the rising exchange rate,” confirmed Marc Grimard, vice-president of the *Association nationale des engraisseurs* (ANE) and co-owner of *Ferme Rompré*, the largest beef feedlot in Quebec. The price of steers went from \$1.80/lb. (carcass weight) in April to \$1.50/lb. in July and is currently at \$1.15/lb. “This is a drop of 40 to 50 per cent. The last time we saw these kinds of prices was during the mad cow crisis, but during that period, we had government programs and we could buy feeder calves at prices correlated to the price of steers,” Grimard explained.

To add to their difficulties, Canadian feedlots must now compete with their American counterparts when buying their young stock. “There is a shortage of feeder calves in the U.S. and they come here to buy our calves,” affirmed Grimard. “There is a distortion in the market. We are selling our animals at the same price that we bought them. But in the supermarkets, the price of beef has not budged,” he added.

Grimard and other feedlot operators are now facing serious cash flow problems. The ANE has lobbied the federal government on several occasions to inject some money as soon as possible. “At this time of year, we have to buy corn, grain and calves. We need cash now,” emphasised Grimard.

The picture is no brighter for feeder-calf producers, where Quebec specialized auction prices are \$0.15/lb. lower than in 2006. In the rest of Canada, in early November, calves were selling at \$0.23/lb. less than in November 2003, at the peak of the mad cow crisis.

The situation in the beef sector brings to mind the difficulties that pork producers are facing. “The problems we are seeing in beef are the same as those for pork. We are just following a few weeks behind them,” said Grimard.

The cost of feed and the skyrocketing dollar are the main culprits. The fact that Canadian packing plants, like Cargill and Tyson, are American-owned does not help matters. Presently, it is much easier for these companies to import meat into Canada than to process it here, because of the “super dollar” and the regulations regarding the elimination of specified risk materials (SRM). Following a decrease of about 1,500 head/week in their slaughtering volume, rumours are rampant about a possible closure of Better Beef - Cargill’s Ontario packing plant.

Senate Committee

Last November 22, the *Fédération des producteurs de bovins du Québec* (FPBQ) and the Canadian Cattlemen’s Association spoke before the Senate Standing Committee on Agriculture and Forestry, concerning the income crisis presently ravaging Canadian pork and beef producers. Several days later, on November 26, the FPBQ appeared before the House of Commons Standing Committee on Agriculture and Agri-Food to again discuss the crisis that is shaking the industry.

Julie Mercier
LTCN 2007-11-29

Charest asked to intervene on forestry

Is Claude Béchard, the young cabinet minister responsible for forests, simply overwhelmed by the forestry crisis? That’s the question being asked by industry representatives, as well as by private woodlot operators. Undoubtedly tired of waiting for action by the Minister of Natural Resources to help wood producers, the president of the *Union des producteurs*, Laurent Pellerin, recently sent a letter directly to the Premier of Quebec, Jean Charest. On the other hand, industry representatives, angered at the possibility of losing their monopoly on public forests, have been threatening to boycott the upcoming Summit on the Future of the Quebec Forest Sector, which is supposed to open within the next ten days.

In a letter that he recently sent to Premier Charest, Pellerin described the situation of Abitibi wood producers, who have not been able to sell their logs since last March. Referring to a text published in the newspaper *La Terre de chez nous*, the UPA president declared that the major sawmills have refused to buy wood from private woodlots. He underscored that they are ignoring the “residuality principle” in order to exert pressure to lower prices, a situation that is being felt right across the province.

He also referred to a recent editorial that he signed on this topic. “I thought it important to include a copy of this editorial,” he wrote, “to reiterate the urgency to include the private forests at the centre of a renewal plan for the Quebec forestry industry. As shown in the Coulombe report, I cannot overemphasize the important strategic role played by the private forest in the local and regional economic development.”

The UPA has received a letter of acknowledgement, dated November 8, but until now, no other official response.

Questioned on the topic of residuality, Minister B  chard stated that he would soon be tabling a series of propositions concerning a new forestry regime, following the Summit on the Future of the Quebec Forest Sector. If the event fails to take place, the new *Parti qu  b  cois* leader, Pauline Marois, may have to follow up on her threat and bring down the minority Charest government.

The *Conseil de l’industrie foresti  re*, a partner in the summit, is now warning that it may not attend. The *Conseil* president, Guy Chevette, is worried about the intention of the Quebec government to auction off 20 per cent of the annual allowable cut—wood made available through the closing of sawmills.

Residuality

The *F  d  ration des producteurs de bois du Qu  bec* (FPBQ) also has certain concerns regarding the tabling of Bill 39, amending the Forestry Act. The FPBQ’s general manager, Jean-Pierre Dansereau, has learned of the intention of the Minister of Natural Resources to accord greater flexibility to the short-term allotment of wood. “This worries us,” he admitted. “We would like to see more control kept in the hands of the minister, to ensure that the residuality principle is respected.”

Bill 39 would, among other things, reduce the delay from a year and a half to six months, after which the minister may announce his intention to terminate a company’s contract if they have ceased activity over the time period. The bill also allows the minister to require holders of cutting rights to undergo certification for sustainable forestry practices. Furthermore, it makes provision for the minister to introduce support programs for the certification process.

“We do not agree with that,” declared Dansereau. “Certification is a market-driven initiative and it should be voluntary. This bill is going to cause problems for the private forest sector. The minister must also introduce ways to assist the private woodlot owners.”

Pierre-Yvon B  gin
LTCN 2007-11-29

Producers not recognized in veterinary law

The recent changes to the *Loi sur les médecins vétérinaires* allow animal health technicians and veterinary students who have completed their first year of studies to perform specific veterinary acts. Although producers had asked for the legal right to carry out certain veterinary procedures on their own animals, their requests were completely ignored.

Although many producers commonly trim hooves or dehorn and castrate their own animals, these acts constitute an infringement of the *Loi sur les médecins vétérinaires* if they are performed by non-veterinarians. Knowing that the law was about to be changed, in October, 2006 the *Union des producteurs agricoles* (UPA) proposed that producers should be included in the list of persons allowed to perform certain veterinary procedures. “We lobbied the *Ordre des médecins vétérinaires du Québec* and the *Ordres des professions du Québec*,” said UPA 2nd Vice-president Denis Bilodeau. “But we realized last August that they had not at all taken into account the competence and responsibilities of producers. We find this extremely distressing, and it puts us in a very ambiguous position.”

The UPA is calling for a law equivalent to that which is in place in the rest of Canada. “In the other provinces, producers are authorized to carry out certain veterinary procedures,” Bilodeau explained. In fact, everywhere in Canada—except in Quebec, the Yukon and Nunavut, the owner of an animal can take blood samples, castrate calves, piglets and lambs before weaning, dehorn cattle, amputate lambs tails, trim hooves, caponize poultry, and perform artificial insemination and non-surgical implantation of embryos.

“We’re not asking to treat diseases—we’re not competent to do that,” Bilodeau recognizes. He worries about possible legal action that could be brought against producers if they contravene the *Loi sur les médecins vétérinaires*. “The way things are, we are at the mercy of the good will of veterinarians,” he adds. In his opinion, authorizing farmers to perform these procedures would also ease the effect of the shortage of veterinary services in certain regions and increase the competitiveness of animal production farms.

Delegated Acts

According to the interim president of the *Ordre des médecins vétérinaires du Québec*, Dr. Yves Gagnon, the change in the *Loi sur les médecins vétérinaires* has only one objective: to recognize the right of animal health technicians to perform delegated acts under the supervision of a veterinary. “The objective of the changes is not to authorize illegal acts, it’s to ensure that the procedures are done properly. Not everyone is competent to do them, and if we change the law to allow anyone to perform the procedures, it will be chaos.”

Nevertheless, the UPA continues to lobby. It recently sent a letter to the Justice Minister Jacques Dupuis and is still waiting for a response.

Julie Mercier
LTCN 2007-11-22

Pork federation develops a new business model

On November 16, the *Fédération des producteurs de porc du Québec* (FPPQ) presented its “new business model” to Guy Coulombe, who is mandated to find ways to revive the Quebec pork industry.

“We presented the basic principles of a new business model and Mr. Coulombe showed great interest,” declared Jean-Guy Vincent, president of the FPPQ. According to Vincent, the proposal was developed jointly by the board and a working group of 20 producers.” We have some interesting ideas to follow up,” said Vincent, who couldn’t reveal any more for the time being.

However, the project seems to be well advanced. “We think that everything should be finished by the end of December, but we can’t second-guess Mr. Coulombe,” added Vincent, who went on to say that it was not certain that the FPPQ would be able to go into any more detail at its semi-annual meeting on November 29 and 30 in Quebec City. Indeed, the FPPQ’s new proposal ends “within the framework of Mr. Coulombe’s work.”

Unfortunately, the French-language newspaper *La Terre de Chez Nous* couldn’t get an interview or even a photograph of Coulombe.

Urgent call

Although medium-term solutions are on the horizon, the current situation in the pork sector is still deteriorating. The FPPQ is disappointed in the decision handed down by the *Régie des marches agricoles*, to refuse the federation’s request to set the price of pork and to suspend pork auctions. “We’ve realized that the *Régie* has listened to the slaughterhouses, and that’s got us worried,” said Vincent.

Pork prices continue to fall (less than \$80 per ckg, index 100), asserted the FPPQ president, and the number of hogs waiting to be slaughtered has recently gone back up to 44,000 head, particularly because no hogs have been slaughtered on Saturdays.

“The *Régie* asked us to negotiate, but the *FPPQ* doesn’t have the necessary powers. In light of the catastrophic situation (prices, number of hogs waiting to be slaughtered, hogs from outside Quebec), we are calling on the agriculture minister to intervene immediately and bring together the various industry stakeholders,” said Vincent. The backlog of unslaughtered hogs, which is not being resolved quickly, could become even more serious after the Christmas and New Year’s Day holidays in the slaughterhouses.

Thierry Larivière
LTCN 2007-11-22

UPA urges government to deal with the rising loonie

“In order to avoid the destruction of its agriculture and forestry sectors...it is essential that the federal government develop a strategy and programs that are adapted to the realities of the various regions,” declared Laurent Pellerin while speaking to members of the Standing Committee on Finance in Ottawa on November 22.

The committee was holding its third hearing on the impact of the rising Canadian dollar. About 30 representatives from all economic sectors presented their views. The *Union des producteurs agricoles* (UPA) was invited to speak about the effects on the agricultural and forestry sectors. The UPA president began by explaining how the increase has affected the price of agricultural commodities, which are based on American reference prices. For example, he explained that in the Quebec pork industry, the 30 per cent rise in the value of the loonie, when compared to the American dollar, “represents a net loss of about \$200 million for 2007. At the Canadian level, that impact is in the order of \$600 million.”

Also, a significant increase in the importation of American pork, replacing the Canadian product, has resulted in lost sales for our farmers. Furthermore, through a projection of the results of an American study, he demonstrated how the rising Canadian dollar would cause Canadian agri-food exports to decrease by \$1.5 billion in the near future and by \$4 billion in the long term.

For the forestry sector, mill closures have practically eliminated the market for private woodlot owners, who supply about 20 per cent of the total demand.

In order to reduce the damaging impacts on the agricultural and forestry sectors, the UPA asked that an emergency action plan be implemented.

Current programs are insufficient

Pellerin told the members of the Standing Committee on Finance that the present federal programs are not sufficient to permit producers to weather the crisis. Some provincial governments have reacted by implementing their own programs. For Quebec, “that has meant \$1 billion in extra expenses since 2001.” Consequently, the UPA is demanding that the Canadian government provide funding to help the provinces run their own programs.

Richelle Fortin
LTCN 2007-11-29

High-speed internet service for only \$50 per year!

In Nouvelle, a small community with a population of about 1950 in the Baie-des-Chaleurs region of the Gaspésie, the municipal council will be proposing to its citizens within the next several weeks, the possibility of obtaining high-speed internet for the low price of \$50 a year.

In the weeks to come, three communication towers will be built at strategic locations within the municipality, along with two repeaters, one of which will be installed on a building in Dalhousie, New Brunswick, located directly across from Nouvelle. “We are presently working on our 2008 budget, and it should cost between \$50 and \$60 per year for a residence with an average municipal evaluation,” explained the community’s mayor, Luc Leblanc.

This new option is in sharp contrast to that of a well-known internet provider in the region, who is offering high-speed internet at a promotional price of between \$24.95 and \$29.95 per month in certain municipalities.

In order to receive the signal, property owners will have to install a small wave amplifier on their house (costing between \$250 and \$500), which will redistribute the internet signal throughout the building.

Two-tier technology will be used: wireless Wi-Fi and wireless Wi-Max. “This technology (mixed) is now common around the world and allows the transmission of wireless internet signals just about anywhere, in spite of geographic obstacles. Furthermore, it is a very reliable service,” explained mayor Leblanc.

The system’s installation cost will be only \$135,000 for the municipality of Nouvelle, who will administer the service for the next several years. This cost will be covered, to a large extent, by an \$80,000 subsidy from the Quebec government and a \$15,000 grant from the *Caisse Populaire Tracadieche*, located in the Baie-des-Chaleurs area.

The annual operating costs will be in the order of \$40,000 to \$50,000, which will be included in the municipality’s general administration budget. The community is presently analysing two systems, including *Réseau collectif/Telus*, in order to rent wideband capacity on the fibre optic cable that encompasses the Gaspésie region.

In addition to this system, the municipality intends to install two “hot spots” over the next several months that will permit visitors and tourists to get their e-mail and to surf the internet. Also next summer, they hope to add telephone services over the net.

Other municipalities in the Gaspésie region, such as Mont-Saint-Pierre and Percé, are also interested in similar projects for their citizens.

It is interesting to note that the Nouvelle municipal council approached a well-known internet provider during the past year to obtain this service, but the provider required too many subscribers before they would offer the service. Also, a Baie-des-Chaleurs company would have

offered these services, but was blocked by a competitor who would not lease its fibre optic cable capacity.

Alain Lavoie
LTCN 2007-11-29

Quebec gets the flexibility it needs

The Agricultural Policy Framework (APF) has been renewed for one year to allow programs in a new agreement called “Growing Forward” to be worked out. Agricultural producers should have access to a savings account before the end of the year or by the beginning of 2008. This will replace the Canadian Agricultural Income Stabilisation (CAIS) program, which has been strongly criticized by the industry.

Federal and provincial ministers meeting in Toronto last month said they had made great progress on business risk management programs (BRM). They agreed on the terms of a regional disaster relief program, AgriRecovery, establishing for the first time on paper how the cost of the program would be shared: 60 per cent by the federal government and 40 per cent by the provinces. As for serious national disasters, the ministers agreed on basic principles, but the details still need to be worked out.

“There is an agreement in principle on the risk management programs,” according to the Quebec Minister of Agriculture Laurent Lessard, who co-chaired the Toronto meetings. He added that savings accounts will be created, and Quebec producers will receive from \$62 to 66 billion start-up money out of the \$600 billion announced by Ottawa. Pork producers will receive \$30 billion, the rest already having been advanced by the *La Financière agricole du Québec*.

“The last time, we were divided when we came out of the meeting,” said Lessard. “Some provinces wanted a trigger, but we didn’t want that. Now, we will be able to set up the savings accounts, and we can tell producers that there’ll be no delay.”

In the case of more serious losses, agricultural producers can now depend on the AgriStability program, which replaces the protection formerly provided by CAIS. Producers will be compensated when their annual margin decreases by more than 15 per cent relative to the reference margin. Those who participated in the 2006 CAIS program will automatically receive a notice of fees payable. The due date for registration and payment is December 31. Producers who are not registered with the CAIS program should contact *La Financière agricole*.

Laurent Lessard admits that the new Growing Forward framework is not perfect, saying that Quebec has gained “two or three things” compared to the previous program. First, supply management and its three pillars are explicitly recognized in the agreement. Quebec also officially gets the flexibility it needs for its own programs. A good illustration of this flexibility, according to Minister Lessard, is the recognition of institutions such as *Agri-traçabilité* and *La Financière agricole du Québec*.

“It’s the first time that we find the concept of flexibility in government texts,” asserts Laurent Lessard. “This will allow us to establish our individuality within a global approach.”

Cattle and hogs

Agriculture ministers took advantage of the meeting to discuss the disastrous situation in the beef and pork industries. They agreed to put an action plan in place in the medium and short term, recognizing that there is an imbalance between supply and demand. According to Laurent Lessard, signals from the industry indicate that the crisis will last longer than the Canadian dollar cycle. Quebec is the first province to hire a consultant (Guy Coulombe) to develop ways to revive the pork industry.

“The rest of Canada has understood that the work must go faster,” Laurent Lessard declared, adding “this will give Guy Coulombe another basis for comparison.”

Pierre-Yvon Begin
LTCN 2007-11-22

Office québécois de la langue...anglaise?

Andrew McClelland
Advocate Staff Reporter

A newly established advocacy group has started turning some heads in Quebec. The cleverly-named *Office québécois de la langue anglaise* (OQLA)—which takes its name from the *Office québécois de la langue française*, the province’s official bureau responsible for overseeing the use of the French language—was established last month, and reported that its membership grew to 250 in the first three days of its existence.

“English is not taboo,” says OQLA founder Gary Shapiro. “This is a French province, I think we have all accepted that, but we’re just saying ‘English is okay, too.’”

The OQLA states that it is mostly concerned with what it calls “the slow and methodical disappearance of the English language in Quebec.” Citing a lack of businesses who identify themselves in English, or include English signage in the stores, the OQLA maintains that its mission is about preserving English identity, not insulting Quebec’s status as a French-speaking province.

“We are not concerned with a business’s name—Home Depot and Second Cup should be allowed to call themselves what they wish—but when a person cannot go into a place of business and read safety signage in English, or a menu, that’s a problem,” says Shapiro.

The OQLA fully respects Quebec law as stated in Bill 101, says Shapiro, and does not encourage businesses to disrespect rules stipulating that French be written twice as large as English on

commercial signs in the province. But, says the OQLA founder, the pendulum has swung too far and English is at risk of being extinct in Quebec.

“We Anglophones have stayed quiet in Quebec, and that’s how we bought our social peace,” says Shapiro. “We said, ‘No, stay, don’t separate,’ but now it’s gone too far. English is being threatened by the five per cent of *québécois* who have nothing better to do than dump on the English, and these people are radicals, they’re extremists.”

However, says Shapiro, French-speaking Quebeckers should stand up against those who give Francophones a “bad reputation” in Quebec.

“What bothers me is that the silent majority of French Quebeckers don’t do anything to silence the extremists in their midst.”

Those interested in learning more about the Office québécois de la langue anglaise can visit their website at www.oqla.org