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Commission calls for a more "open" agriculture



Commissioner of the Environment and Sustainable Development, Guy Lapointe, (left), Minister of Agriculture, Fisheries and Forestry, Jean Gauthier (center) and Deputy Minister of Agriculture, Fisheries and Forestry, Guy Gauthier (right) at the presentation of the report.

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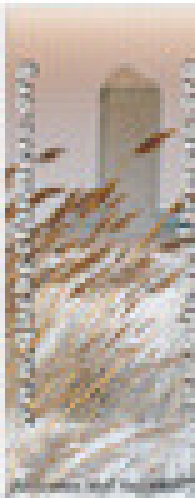
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Agri-Environment Network Still Growing

After hundreds of public consultations and presentations to agriculture groups and producers, the Agri-Environment Network (AEN) is now in its final stages. The report of the AEN's working group on "Agri-Environment Network" is expected to be released in the next few weeks. The report will outline the AEN's vision and mission, and will also include a list of recommendations for the government and the private sector.

The AEN's vision is to create a network of organizations that will work together to improve the environment and the quality of life in rural areas. The AEN's mission is to promote sustainable agriculture and to protect the environment. The AEN's working group has identified several key areas of focus, including: water quality, soil conservation, and wildlife protection.

"The AEN is a unique and important initiative that will help us to address the challenges of agriculture in a sustainable way," said Guy Gauthier, Deputy Minister of Agriculture, Fisheries and Forestry. "We are committed to supporting the AEN and to working with the private sector to achieve our common goals."

Working committees, that focus on agricultural subjects that are "cross-cutting and interdisciplinary," have already been set up for the various sectors. The working groups focus on "Agri-Environment Network" agricultural issues including: "Soil, Water, and Food Production" and "Water Quality and Environment".

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One of the main challenges of agriculture is the need to produce more food while protecting the environment. This is a complex task that requires a coordinated effort from all sectors of society. The AEN is a unique and important initiative that will help us to address these challenges in a sustainable way.

The AEN's working groups will be working closely with the government and the private sector to develop a plan of action for the AEN. This plan will outline the AEN's vision and mission, and will also include a list of recommendations for the government and the private sector.

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QFA

For young farmers there is support and agronomic government programs

— Bill Wells

Thank you, Laurent Pellerin

Gib Drury
QFA President

Pity that the UPA—Quebec's main farm organization—does not have a tradition of retaining their past presidents in their system: when you lose an election you are truly put out to pasture.

Laurent Pellerin, after 14 years of service as president of the UPA, lost his re-election bid last December and has been relegated to the back forty. The UPA has lost the services of a great leader. Laurent was one of the most persuasive, conciliatory and visionary presidents the UPA has had in its 76-year history. The best example of these abilities was his crucial leadership in the creation and presidency of *La Financière Agricole*, whereby the Quebec government, its provincial bureaucracy and the UPA entered into a three-way partnership to design and administer the financial programs available to Quebec's farmers. Laurent was able to persuade both politicians and bureaucrats to let farmers have the controlling voice in how their income security, crop insurance and agricultural programs would be developed and delivered—a very first in Canada if not in the world!

Laurent's influence extended far beyond the borders of Quebec. As president of *UPA Développement International* and of AgriCord (the 40-nation agricultural development agency headquartered in Europe), he has aided and abetted many farmers and farm organizations in Africa, Central America, and in the Far East. In addition, whenever there was World Trade Organization (WTO) negotiations with agriculture on the agenda, Laurent was there defending farmers' rights—not only our own system of supply management here in Canada, but also promoting the concept of food sovereignty for all nations. He always earned the respect of everyone around the table and around the world.

Back home in Canada, he was no less influential. As vice-president of the Canadian Federation of Agriculture (CFA), and as president of the *Conseil pour le Développement de l'Agriculture du Québec* (CDAQ), he championed the idea of a Canadian Farm Bill to counteract the negative effects of the American Farm Bill. Equipped with a keen understanding of how regional differences come into play in agriculture, Laurent was instrumental in getting the federal government to accept the principle of provincial flexibility in its former one-size-fits-all programs.

One of Laurent's greatest qualities was his knack for building consensus and unity. He presided over UPA's General Council, which consists of the 15 presidents of Quebec's 15 regions and the 25 presidents of the different production sectors. You have to be quite savvy and persuasive to get a broad consensus from these 40 presidents. Laurent was a master at obtaining one voice for Quebec's agricultural producers.

But what I will miss most about Laurent Pellerin will be his extraordinary oratorical abilities. To be always in a positive frame of mind, to be able to explain complex issues in understandable terms, to pause strategically during his presentations while allowing a good idea to sink in, to

have a sense of humour based on irony and not on the embarrassment of others, and his mastery of both official languages and his liberal use of English terms in his speeches. Laurent Pellerin was a role model. I wish we could all be like him.

Au revoir, Laurent, et merci mille fois.

Commission calls for a more “open” agriculture

Andrew McClelland

Advocate Staff Reporter

After hundreds of public consultations and presentations by agricultural groups and producers alike, the Commission on the Future of Quebec Agriculture and Agri-food (CAAAQ) has unveiled its final report, calling for a more open and pluralistic agriculture in the province and an end to the UPA’s monopoly as Quebec sole farmers’ union.

The commission’s long-awaited summary of recommendations was made public on February 12, as CAAAQ President Jean Provonost held a press conference at Quebec’s National Assembly. The commission was established in June of 2006 to examine the current state of agriculture in Quebec and make suggestions for its financial health and propose changes to the industry.

“Above all,” said Provonost, “Quebec’s agricultural system must become more open to let in the new realities emerging in our marketplace and society. It will be unable to successfully confront the challenges of the future by simply maintaining the status quo.”

For Provonost and his fellow CAAAQ commissioners, that means an agricultural industry that is more “pluralistic and multifunctional” than allowed for by the current system. Their 274-page report claims that Quebec’s “increasingly inward looking” agricultural sector is excluding key changes that could revitalize farming in the province.

“The systems in place create obstacles to new types of agriculture, to the development of innovative products, and the exploration of new commercial opportunities,” the report reads. “We [have] created a fortress for Quebec agriculture, which limits the sector’s capacity to explore its potential and constitutes an increasingly antiquated shield in a world of economic openness.”

Listeners were given an even greater surprise when Provonost spoke of the need to change Quebec’s agricultural unionization structure and break the UPA’s “union monopoly.” Calling the UPA’s status as the exclusive representative of farmers a “unique situation” in Canada, the CAAAQ report makes a recommendation that all producers be given a choice between a number of professional agricultural associations and that all farmers be made to re-affirm or change their membership periodically.

The issue of challenging the UPA’s status was by far the most controversial suggestion discussed by the commission. Taking questions in English, CAAAQ commissioner Pascale Tremblay

explained that many individuals and organizations that submitted memos to the commission felt their voices were not being heard in the UPA.

“There are all types of what we could call ‘emerging agriculture,’” noted Tremblay. “We have to create some space for people who want to produce differently on smaller farms, and who perhaps want to process their own food. That’s what we mean by opening up the system to those people.”

The UPA’s reaction to the commission’s findings was understandably mixed. While pleased that the CAAAQ had picked up on the concepts of food sovereignty and support for supply management, the producers’ union admitted its disappointment in the commission for recommending a change to unionization.

“It simply doesn’t make sense to lay out a vision of the future while calling into question the very tool that lets us plan for that future,” said UPA President Christian Lacasse. The UPA also argued that, with a voluntary membership rate of 94 per cent of Quebec’s farmers, the idea of establishing a competing producers’ union seems beside the point.

The CAAAQ also emphasized that both Quebec and Ottawa must maintain the current level of financial support of the industry, citing that other developed countries are bolstering their agricultural sectors to the same degree. Pronovost also spoke of the importance of making the *Assurance stabilisation des revenus agricoles* (ASRA) program available to all types of production, and that the government create a support program for organic products in order to meet consumer demands and offset Quebec’s revenue loss to organic imports.

Now that the CAAAQ has made its recommendations public, many will be calling for action to be taken in the near future. The commission’s report suggests that follow up should occur in two phases.

First, the report reads, MAPAQ “should bring together decision makers in the agriculture and agrifood sector to establish a post-Commission game plan and to agree on the order in which the work should be done.” Once that group—made up of industry representatives, consumers, environmental organizations and municipalities—is in dialogue with one another the process of changing the face of Quebec’s agriculture can begin.

The CAAAQ’s full report, “Agriculture and Agrifood: Securing and Building the Future,” is available in English at the commission’s official website. To read a PDF copy, go to www.caaaq.gouv.qc.ca and click on “Consultez le rapport de la Commission et ses annexes”. There you’ll find links to both French and English copies of the report.

Dung beetles: working for you!

Ivan Hale

QFA Executive Director

Nothing beats walking through the fields on a summer evening to check the cattle and pasture conditions. The pleasure is suddenly interrupted when you, or more likely your companion, blindly step in a semi-liquid cow patty. It oozes between the toes of your sandals or covers your white running shoes. You look down and see you have disturbed the ugly, pesky flies that make patties their home and you think no more of it. Been there? Done that?

A document I read last night has forever changed the way I look at cow patties on my farm. Here's some of what I learned from, "A Guide to Dung Beetles," published in 2005 by Fort Dodge Animal Health (a division of Wyeth, a research, development and manufacturer of animal healthcare products.) In case you think this is an early April Fool's joke, let me say that the paper cites no fewer than 11 scientific papers on the subject, most from studies conducted in the United States with one from Canada. Eight professors from prestigious universities in both countries assisted with the publication.

A single dung pat may have more than 1,000 insects on the surface and hiding inside! "Many of these will be fly species, such as horn flies or face flies, but only a small number are pests." But the most important insects are the dung beetles because they are the real workers. Studies have found that "under ideal conditions, dung beetles can bury more than 90 per cent of manure on pasture within one week."

"Undegraded dung on pastures reduces pasture productivity. A cow/calf pair may cover more than 1.2 acres per year with more than ten tons of wet manure. The breakdown of manure is very important to prevent smothering of the grass and eliminate the non-grazed area next to manure pats. Cattle producers use pastures on a rotational basis to provide nutritious forage for livestock, increasing plant diversity, pasture yield and utilizing animal manures efficiently. In the absence of dung beetles, manure can be slow to decompose and the benefits reduced. Dung beetles consume large amounts of dung as adults and larvae (brood). Their actions reduce pasture fouling, add nutrients to and aerate soil, and reduce internal parasites.

"They also compete for food resources with pests like the horn and face fly. The burying action also removes the manure from the soil surface, eliminating any additional emergence of flies and internal parasites".

There's more exciting stuff. No doubt you've noticed that manure patties older than one week typically will not attract many beetles. But have you ever noticed that there are more beetles often after a rain? "The number of beetles and the species present vary with the season, geographic location, soil type, precipitation and type of dung available. More than 90 species of dung beetles have been identified in North America. However, fewer than 12 species are likely to be found in dung at a given time and location".

The presence or absence of dung beetles can tell you a lot about the health of your soil. Under ideal summer conditions, dung beetles arrive within minutes of the manure being deposited, and patties may disappear almost completely within 48 hours.

Most producers probably don't realize that when they apply pesticides to cattle for parasite control, whether internal or external, the residues are excreted in the feces and can kill dung beetles and other dung-breeding insects. If farmers must use products that are toxic to beetles, the applications should be made during a period of low beetle activity.

Have you lost your dung beetle population? The good news is that they will gradually move back into certain areas. However, their natural migration could take several years. The pamphlet suggests a faster way is to collect and transplant beetles from neighbouring farms.

Anyone interested in getting the dirt on dung beetles can order a copy of "A Guide to Dung Beetles" by writing to the following address:

*Eldon Hartwick
Wyeth Animal Health
400 Michener
Road, Guelph, ON N1K 1E4*

You can also learn more about this industrious insect at Wyeth's website. Just go to www.wyethah.ca and type "dung beetles" into the site's search bar.

Provincial realities, federal frameworks

Barry Wilson
Special to the Advocate

For years, the goal of successive federal governments has been to design national agricultural programs and policies that treat farmers equally across the country.

It was a principle embedded in the 2001 Agricultural Policy Framework agreement which ended federal support for so-called "companion programs"—programs designed to meet the specific needs in a particular province.

This Conservative government, like its Liberal predecessors, has been adamant that it will not return to companion program funding despite pressure from some provinces and farm groups who insist one-size-fits-all programs do not work in a country as diverse as Canada.

The federal logic is simple and entirely defensible—provinces with deeper pockets can create programs or give support that distorts the Canadian market and hurts farmers in other provinces. Ottawa should not be a party to creating unequal farmer treatment.

Examples of that happening litter the history of agricultural policy making through the past few decades. There have been accusations that provincial subsidies have been used to “buy” industries by enticing hogs to Quebec or Manitoba, for example, or the cattle feeder industry to Alberta at Saskatchewan’s expense.

Conservative agriculture ministers Chuck Strahl and now Gerry Ritz have insisted there will be no return to the bad old days of unequal support for farmers across the country.

So it seems ironic to hear critics accuse the Conservatives of creating the conditions that are actually encouraging the proliferation of provincial support programs that are fracturing national standards for farm support.

But the accusation is credible. The evidence is obvious and visible.

Let Canadian Cattlemen’s Association vice-president Brad Wildeman from Saskatchewan explain it.

In an appearance before the House of Commons agriculture committee at the end of January, he lamented the fact that despite its claims of billions of dollars being available to livestock producers caught in a vice of high costs and low prices, the Conservatives have not delivered.

So provinces that can afford to have responded.

“Unfortunately because of this absence of (federal) action, we’ve seen both Alberta and Ontario move out on their own,” he told MPs. “We’ve seen Saskatchewan coming out with some limited assistance programs. We have some different programs in Quebec, so here we are again with some balkanization through our country and producers in different parts of the country being treated differently.”

Of course, farmers in different provinces always have had different levels of support, depending on their provincial government’s level of commitment.

Constitutionally, agriculture is a shared federal-provincial jurisdiction so provinces can spend what they want.

Quebec for more than three decades has spent significantly more proportionately than other provinces in supporting its farmers. In many parts of Canada’s farm community west of the Ottawa River and east of the Gaspé, there is palpable Quebec-envy over the fact that the provincial government routinely outspends the federal government in farm support.

Ontario Liberals, en route to re-election last year, also announced some unilateral support to grains and oilseeds producers, pleading with Ottawa to more than match the money.

And oil-rich Alberta has been announcing province-specific spending that most other provinces cannot match.

Wildeman said it is undermining a national approach. What he didn't say but believes is that international trade rules assume national standards and provincial spending can put Canada in violation of international support level obligations.

“I think it's a very sad statement to make when we have programs in place which were designed to work nationally,” he told MPs. “And unfortunately, because of (federal) inaction and inflexibility, it simply hasn't got the job done.”

This is not the farm-programming message the Conservative government would like to be sending.

A good workman checks his tools

Paul Meldrum
Dairy Supervisor
Macdonald Campus Farm

In the pursuit of producing quality milk, one of the things we tend to take for granted is our milking equipment. Every milking, we flip the switch and expect the vacuum pump to crank up and the pulsators to perform their usual steady rhythm. And that's usually what happens. In fact, it's always a shock and a lesson in frustration when the system doesn't work (and it's at times like these that we trot out words that are unprintable).

But more often than not, the reason for system failure is not a “sudden” breakdown—it's the culmination of a lengthy process where various components gradually wear out or go out of adjustment. I have often marvelled at how we will do regular maintenance on our tractors, combines and forage harvesters, but not on the milk harvesting equipment that we use twice, or on some farms, three times a day, 365 days of the year. It is without a doubt the most important machinery on your farm. Regular maintenance is key to keeping it running properly, which in turn will help keep the udders of your cows healthy and the milk quality high.

The system should be checked over by a trained technician at least once, preferably twice a year. But in between those visits, it is you or your employees who should be checking on daily basis from the moment you walk into the milk house. The first thing to look at is the temperature of the milk to make sure the bulk tank is functioning properly. This is also the last thing that should be done before shutting off the lights! The tank may be in good shape, but if someone forgets to turn it on at the first milking after pick-up and this is not caught, you are literally dumping milk and profits down the drain.

On pick-up days, it doesn't hurt to poke your head in the bulk tank to make sure the washer is doing its job. The milk house is a good place for the vacuum pressure gauge, so it is convenient to check at *every* milking. Once the first group of cows has been milked, the whole set up in the

milk house should be re-checked, preferably by someone other than the person who did the original set-up. It is human nature to overlook something more than once! That person should stay there long enough for milk to be pumped into the tank. This provides an opportunity to check that all valves on the pipeline are turned the right way, the transfer pump and plate cooler are functioning, and that the valve on the bottom of the tank is actually closed. This is also a good time to turn on the bulk tank and verify that the compressor is working. It may seem like a step that can slow down chores and be inconvenient, but it is a routine that helps you catch mistakes before they can cost you money.

Better to catch a problem at the beginning of milking and correct it, rather than at the end of milking when all you can do is kick your behind. It's the same with the wash system after milking. How many of us hook everything up, hit the switch and if the water starts filling in the sink, head out the door to do something else? It is a good habit to remain in the milk house and parlour area to verify that each unit is washing properly and that the system as a whole is functioning.

Periodically, the hot water temperature should be checked with a thermometer. I have seen cases where the water seemed hot because there was steam coming from the sink, yet milk residue eventually appeared in the claws and the incidence of mastitis rose. A thermometer revealed the water wasn't hot enough, and a subsequent check of the water heater turned up a couple of bad elements. Soap, acid and chlorine barrels should be checked regularly to make sure they don't go empty, and the feeder lines should be checked for blockages due to crystalization. And let's not forget regular inflation changes. I don't know anyone who likes this job, but old inflations get rough, hold bacteria, irritate teats and lose their ability to effectively milk the cows.

Ensuring udder health and milk quality through proper machine maintenance and cleaning is not rocket science—it's a matter of establishing habits and routines, to check and double check. It's a small investment in time that pays big dividends in udder health, milk quality, lower treatment costs and a higher bank balance.

Veterinary expertise **Castration techniques**

André Cécyre, Veterinarian
Veterinary Expertise Program
FPBQ

Since the castration of male calves intended for the meat market has become the norm in North America, our purpose is not to discuss its justification here. Instead, we would like to look at the methods currently used in castration, while keeping animal welfare concerns in mind.

The least painful method

Today, the least traumatic method of bovine castration for the animal—and certainly the least dangerous for the operator—remains the small rubber ring method. This is particularly true when dealing with young calves. Animal discomfort is minimal, and after several weeks the withered scrotum and testicles fall off. The only inconvenience with this method is that *you must verify twice instead of once that the two testicles are completely below the elastic ring*. If they are not, you must cut off the elastic and start again. If at the time of the castration, one of the two testicles has not yet descended into the scrotum—or through negligence, only one is located below the elastic ring—the result will be a testicle stuck to the abdomen (belly nut), which will have to be removed upon arrival in the feedlot. This can be a difficult and risky operation that only the care of the cow-calf producer can prevent.

The most radical method

Among the various methods for castration, the knife (scalpel) method has always been with us. This technique can be used from birth until finishing—however the risk of haemorrhaging and infection increases with age. As a matter of fact, veterinarians and some operators of large feedlots often prefer this method. A special knife (Newberry knife) or a simple scalpel is used. The sides of the scrotum are cut right to the bottom, in order to ensure good drainage, or the bottom of the scrotum can be completely removed. The spermatic cords are then pulled and crushed with an emasculator, or twisted until they break.

Alternative methods

Very popular over the past fifty years, Burdizzo pliers are still used in castrating calves today, especially for lightweight animals entering the feedlot. The Burdizzo method consists of crushing the spermatic cord of each testicle. Larger animals (over 300 kg or 650 lb) take some time to recover from the swelling and atrophy of the testicles that follows. In addition to causing pain to the animal, this method requires precision and physical force and can be somewhat dangerous for the operator, who must get behind the calf. Also, poorly adjusted or worn Burdizzos will squeeze with less force and may fail to break the spermatic cords. If placed too high, there is a risk of crushing the penis. If too low, the castration will fail (stag).

Finally, introduced about fifteen years ago, heavy-duty rubber bands (Eze Castrator and others) have become a popular solution for calves arriving intact at the feedlot. This technique has replaced Burdizzo pliers in many cases. Operators who limit its use to animals under 300 kg and who carefully follow the manufacturers instructions have been satisfied. However, a tetanus vaccination is recommended if you use this method.

Still, the preferred castration method seems to be the use of rubber bands at a young age. The Burdizzo pliers seem to be less popular now but still have their place for missed calves. As for the heavy-duty elastics, they are recommended for animals under 300 kg.

A thriving agri-food industry in the Outaouais

The Outaouais region is a blend of urban energy and rural peacefulness, with Gatineau and Ottawa bordering on farmland, dense forests and abundant lakes and rivers.

Located in southwest Quebec, the region spans 3,050,377 hectares and boasts a permanent agricultural zone of 313, 244 hectares and 1,010 farms. Agri-businesses are concentrated mainly where altitudes are lower and land is more fertile, in valleys and along the Outaouais, Gatineau, du Lièvre and Petite-Nation rivers. This area is blessed with a variety of soil types, a temperate climate, vast quantities of unspoiled water and, most importantly, affordable farmland.

Conditions like these meet the needs of the Outaouais' population of over one million inhabitants. The region's potential clientele—young, multicultural, active, educated, and relatively well-heeled—are predisposed to purchase fresh, new and added-value products. Then there are the many tourists who visit farms and local markets in various spots around the “vacation belt.” Agri-businesses play a leading role in galvanizing the region's agri-food industry, which generates a gross domestic product of \$350 million and 14,300 jobs.

Crops and livestock

The scale of forage crop production in the Outaouais region makes its environmental situation enviable, with some 875 farms and 74,000 hectares of forage accounting for 86 per cent of the region's total cropland. The region is especially known for its grasses, legumes, fodder corn and natural and improved pastureland.

Horticulture, which has posted steady growth since 2000, reaped a revenue of \$11.4 million in 2007, or 13 per cent of the region's farm revenue. A total of 1,175 hectares is used by more than 100 farms to grow potatoes, orchard crops, small fruit, sod, and greenhouse market garden and ornamental crops. Grain and protein crops are also important, covering 10,190 hectares primarily dedicated to producing animal feed, including 3,214 hectares of grain corn and 1,519 hectares of soybeans.

Cattle raising (nearly 675 farms and income of \$37.4 million, or 41 per cent of the region's farm cash receipts) is the top agricultural activity in the Outaouais. The cattle feedlot industry is enjoying sustained growth, and that the number of animals for backgrounding and finishing rose from 5,700 head in 2000 to 7,700 head in 2007. Dairy farming comes in at number two, with 4,850 dairy cows, 337,000 hectolitres a year in production, and on-farm sales of \$24.4 million, or 27 per cent of the region's farm revenue. It is the main activity for some 100 farms—ten per cent of the region's agri-businesses.

Going afield

Food processing in the Outaouais region consists mainly of meat (41 per cent), maple products (31 per cent) and dairy products (16 per cent). Given the demographic profile of the Gatineau-Ottawa area, development prospects are excellent.

The food services industry translates into 7,200 jobs (50 per cent of agri-food sector jobs) and annual receipts of \$400 million—that's a per capita spending of more than \$850 a year. Over 75 per cent of food establishments and nearly 80 per cent of food service and food retailing jobs are in Gatineau.

Agri-tourism also contributes to the regional economy. Agri-tourism businesses in the Outaouais are mostly based in maple syrup production and animal raising. Following the lead of the region's farmers, their focus is on cattle and sheep. The Outaouais also has three cheese factories that make speciality products. A treat that is just waiting to be discovered!

To find out more about the Outaouais region go to www.mapaq.gouv.qc.ca/outaouais

Federal advance payments due in April

The three major animal production federations that are not under supply management (pork, beef and lamb) should be able to offer their members access to federal Advance Payments Program by April.

According to Agriculture Canada, some provinces have already given their producers access to the program and Quebec is lagging behind. "We would have been ready last September," deploras Jean-Guy Vincent, president of the *Fédération des producteurs de porcs du Québec* (FPPQ), blaming complexities of negotiations with Ottawa for the delay. "We in Quebec are the ones that worked on this file," declared Vincent, speaking about the delay compared to other provinces.

It should be noted that certain production sectors have already been benefiting from the Advance Payments Program (APP) for quite a while, notably commercial crops and maple syrup. Last year Ottawa decided to open up the program to the animal production sector, offering interest free loans of up to \$100,000 per producer, to a maximum of \$400,000. In short, these are cash advances that must be reimbursed within 18 months, or when animals are sold.

The question of whether the stabilization insurance (ASRA) advance payments must be considered when reimbursing the APP was a subject of discussion between Ottawa and the involved federations. An agreement was reached during the past month. According to sources involved in the file, the federal government will claim 33 per cent of the ASRA payment as reimbursement. Details are still to come on whether this 33 per cent rule will apply to everyone and if it will be accepted by the producers of the affected sectors. As of press time, Agriculture Canada had not yet confirmed the reimbursement agreement.

The question of guarantees—and adapting the program to livestock production—have also resulted in long discussions. Ultrasounds for sows, to take one example, were not judged sufficient under the program.

These questions, along with administrative aspects and the computer technology requirements of the APP, mean that the program cannot be offered for at least two months, which brings it to the beginning of the federal government's new fiscal year.

For their part, the *Fédération des producteurs de bovines du Québec* has decided to adapt the computer software program used by the *Fédération des producteurs de grandes cultures du Québec*. On the other hand, the sheep and lamb producers are leaning towards using a federal software program.

"We are on the right track," confirmed Denis Dallaire, manager of the *Fédération des producteurs de porcs du Québec*, adding that an important decision from Ottawa arrived only in January 2008.

It should also be noted that cull animals and animals for reproduction are not eligible for the APP.

Thierry Larivière
LTCN 2008-02-07

Editorial

Governments can't see the forest for the trees

Pierre Lemieux
UPA 1st Vice-President

We know that something very serious is happening in this country's agricultural sector when two federal committees, one Parliamentary and the other Senatorial, are now studying the current state and the future outlook of Canadian agriculture and forestry. In fact, last Tuesday, the Standing Committee on Agriculture and Agri-Food was examining the high price of agricultural inputs. That same evening, the Senate Standing Committee on Agriculture and Forestry summoned Agriculture Minister Gerry Ritz on the subject of rural poverty in the country. Indeed, for some more than others in Ottawa, it is now evident—ill winds are blowing in the fields of agriculture.

Called upon to make a presentation to the House of Commons Standing Committee, the UPA emphasized that the high price of inputs can be likened to missing the forest for the trees. Behind these rising prices, it's easy to see flames of "black-gold." In other words, the skyrocketing price of crude oil has now contaminated the price of our inputs: agricultural fuels, fertilizers, pesticides and synthetic products with their energy-hungry manufacturing processes. Expensive oil has also sparked a demand for grain for ethanol production, spearheading George W. Bush's energy policy and dragging in its wake a worldwide increase in the cost of livestock feed.

As long as this phenomenon remains global, it should eventually be possible for our agricultural sector to adapt to these new conditions—if it weren't for its impact on the value of the Canadian dollar. In fact, because of Canada's vast oil reserves (second in importance only to Saudi Arabia), the increase in the price of oil has generated an unprecedented rise in the value of our currency, gaining 30 per cent on the American dollar. This fundamental and almost instantaneous change on the economic stage has resulted in a significant reduction of the profitability of the agricultural sector, rendering it even more vulnerable.

The high-flying loonie has caused our market prices to fall, since they are set in American dollars, thus hitting hard our pork, beef, market gardening and even our grain sectors. In addition, our agricultural export products are losing their markets because our prices are now much less attractive to foreign buyers. Our domestic markets are also affected because foreign imports are increasing, pushing our own products off the shelves.

We believe that the rising dollar and its repercussions merit the consideration of the Standing Committee on Agriculture and Agri-Food. That is why we brought the question before them.

As all agricultural organizations across the country have been saying for years now, TIME IS RUNNING OUT! Several provinces have already taken some initiatives—Alberta, Ontario and Quebec (as much as it can through *La Financière agricole*), for example. The seriousness of the situation calls for strong action on the part of the federal government. Certainly, this would include ensuring that the price of inputs reflects the new purchasing power of the Canadian dollar. But more importantly, “action” means putting into place a temporary emergency program to help farmers through the present crisis. It also means adding a new program containing measures to enable the agricultural sector to improve its profitability and efficiency. In fact, this is exactly what the federal and provincial ministers of agriculture asked for at their last meeting together. But in spite of this, we are still waiting.

LTCN 2008-02-07

Positions become entrenched amongst market gardeners

Heading into their final stretch, the *Régie des marchés agricoles et alimentaires du Québec* (RMAAQ) hearings on January 31 and February 1 saw tensions rising between all participants. Not surprisingly, discussions nearly reached a boiling point on February 1 when the *Fédération des producteurs maraîchers du Québec* (FPMQ) presented its arguments. The previous evening and part of that morning were devoted to the presentation of the FPMQ's final evidence, as well as that of the *Association des jardiniers maraîchers du Québec* (AJMQ) and submissions by the president of the UPA, the *Groupe Avenue Bio de l'Est* and the *Union biologique paysanne*.

The most relevant elements presented to the RMAAQ's directors by the parties dealt with the FPMQ's ability to mobilize producers. The RMAAQ will have its hands full sorting out all the

facts and figures regarding the number of producers, their cultivated areas, as well as the pros and cons of each argument.

Since the Act regarding the Marketing of Agricultural Products does not dictate strict criteria for the *RMAAQ* to follow in determining the credibility of a group applying for accreditation, the *FPMQ* based its analysis mostly on precedence. According to the federation, decisions handed down in the past have been based on criteria specific to each sector. The directors will have to determine which arguments hold the most weight. On one hand, Marie-Andre Hotte portrayed the *FPMQ* as a democratic organization, active in every region of Quebec, benefiting on many levels from its affiliation with the UPA. Among its 300 members, 242 cultivate approximately 60 per cent of the total area devoted to fresh field vegetables. Regarding the consultation process, the *FPMQ* emphasized that all possible means were employed to reach all producers affected by the project. In the end result, 269 producers support the project, representing 10,700 hectares, or slightly less than half of the total area devoted to this particular type of vegetable production. According to counsel, the involvement of the *FPMQ* in the specific areas of production techniques targeted by the accreditation application is sufficient to prove its qualifications.

The *AJMQ* does not have the same opinion regarding the *FPMQ*'s performance in the consultation process. "It does not pass the test," declared the lawyer for the association, Jean-Francois Longtin. Longtin emphasized that the Act that governs the approval of a joint marketing plan requires a two-thirds majority vote, involving at least 50 per cent of the affected producers. Using its own calculations, the *AJMQ* stated that support for the project represented only 42 per cent of the cropped area. "And the *RMAAQ* cannot ignore the fact that lettuce producers accounting for 85 per cent of that crop are against it," repeated Longtin. Along the same lines, he stated that in the case of about twenty types of vegetables, producers opposed to the project represent over 55 per cent of their respective cropped areas.

The *AJMQ* also questioned the real objective of the accreditation request. "The real objective is clearly to solve the *FPMQ*'s financial problems," asserted the association's counsel. He then went on to cite various public declarations and communications made by the federation, showing links between the financial problems and the Coordination Chamber project.

The *FPMQ* will have an opportunity to respond to these arguments on February 15, during a final hearing.

Richelle Fortin
LTCN 2008-02-07

First meeting between Lacasse and Lessard

The UPA is impatiently awaiting the report of the Commission on the Future of Agriculture and Agri-food in Quebec (CAAAQ), which should be presented any day now to Minister of Agriculture Laurent Lessard. For the UPA's new president, Christian Lacasse, it is imperative that the report leads to a concrete Agriculture and Agri-Food Policy that will be based upon the

concept of food sovereignty. “The Commission’s report is not an end in itself,” declared Lacasse, following his first meeting with Minister Lessard since his election last December. The UPA President called the meeting “constructive”, having discussed 13 major topics, including the Commission’s imminent report. The meeting was held Wednesday, January 23 in Longueuil where the two men talked for over six hours.

“The objective,” added Lacasse “is to come up with a genuine government policy that will call upon the participation of several ministries. The policy must be based on the mission of feeding our population. There must also be an implementation plan. During the Commission hearings, it seems to me that we heard a lot about the identification of Quebec products and how to facilitate their accessibility for consumers. This idea must be put into practice.”

Also, the question of renewing the seven-year agreement regarding *La Financière Agricole* was at the heart of the day’s discussions. Lacasse expressed his intention of obtaining an income security program that meets the expectations of producers.

“We really want to come up with a vision to generate agricultural development and to improve the net income of farmers,” he stated. Lacasse and the UPA are also looking for an adjustment to the \$305 million allocated to agriculture in the last budget to be in balance with income stabilization. According to Lacasse, the needs that were initially forecast are much higher today. He pressed Quebec to, first of all, correct this deficit. The shortfall, evaluated at \$251 million and resulting from several situations, including the BSE crisis, is an essential ingredient to putting *La Financière Agricole* back on track. The federal government must also increase its contribution and offer supplementary programs for sectors not already covered, such as goats, vegetables for processing and game farm production. The UPA is calling for separate funding for non-covered sectors such as these.

Other worries

The question of agricultural zoning was an important topic of discussion between the two men. Christian Lacasse said he has been detecting “certain signs that are worrisome to us” over the past two or three years, particularly regarding the issue of the extension of Highway 30, the Robaska methane port and recent declarations by Municipal Affairs Minister Nathalie Normandeau.

“We have not been receiving reassuring signals from the government,” declared Lacasse. “It is absolutely necessary to maintain the Act for the Protection of the Agricultural Zone, and we will fervently oppose any softening of the law. This law has all the necessary elements to take into consideration regional disparities, through its article 59. Our position is not to oppose development projects *per se*, but when there are alternative locations and they still want to put the projects inside the agricultural zone, that is when we get upset.”

Concerning matters of municipal taxation, Lacasse asserted “the concept of variable rates is not working” and demanded that Quebec intervene rapidly to stop the tax load from being shifted to farmers. Of the 438 municipalities where this shift has been observed, only seven have

incorporated variable tax measures. Lacasse also noted that the “\$8 of revenue per \$100 evaluation” criteria, which was “unilaterally introduced,” must be abolished.

Hogs

Among other subjects discussed, Lessard and Lacasse also examined the catastrophic situation in the pork sector. While recognizing the importance of establishing a restructuring plan for the industry, Lacasse also wants immediate financial support and a definitive payment schedule from *La Financière Agricole*. “The situation is extremely critical,” asserted the UPA president. “It is absolutely necessary to obtain federal money. With Minister Lessard’s help, we must ensure the involvement of the federal government.”

Pierre-Yvon Bégin
LTCN 2008-01-31

Quebec milk is not a loss leader

The increase of 4.6 cents per litre in the average price of milk in Quebec has caused a lot of controversy and has brought to light a significant price difference between Eastern and Western Canada. Sylvain Charlebois, a University of Regina researcher in Saskatchewan, recently told French-language newspaper, *La Presse*, that he pays 40 per cent less for his 2% milk than in Quebec. He added that Quebec was the only province that regulates the retail price of milk.

Upon verification, Quebec is not the only Canadian province to regulate the retail price of milk. In fact, the Manitoba Milk Prices Review Commission determines both the wholesale and retail price of fluid milk. Nova Scotia also fixes the minimum retail price for milk.

However, one thing is certain—the difference in the price of milk at the farm level between the East and West does not explain the 40 per cent difference that exists on the four-litre size only. “The price that the dairy producers receive for all classes of milk combined is about equal,” stated Alain Bourbeau, Economic Research Director with the *Fédération des producteurs de lait du Québec*. Considering fluid milk alone, the difference was only about seven cents per litre, as of August 1, 2007. Bourbeau indicated that in Quebec, milk is sold at its real price, compared to other provinces.

Two strategies

In fact, marketing strategies are very different between Eastern and Western Canada when it comes to fluid milk. Milk is a basic food that attracts customers, something large western food chains understand very well. They use milk as a “loss leader,” selling it at a loss to entice customers into their store. “Certainly, milk is a loss leader in the West,” acknowledged Charlebois on January 29, 2008. “But setting higher milk prices, as Quebec does, penalizes

certain categories of citizens, affects consumption and makes milk less competitive against milk substitutes.

According to Pierre-M. Nadeau, president of the *Conseil des industriels laitiers du Québec*, “on the grocery shelf, milk looks cheaper, but the supermarkets sell their other products at a higher price.” Vertical integration is also more prevalent in the West, where supermarket chains own the dairies (e.g. Loblaws/Nielson), and is perhaps another factor that would explain the marketing approach. “Selling milk at a loss is not a logical strategy for the marketing of milk, but is more a distributor’s strategy to maximize profits,” declared Daniel Mercier-Gouin, a Laval University professor.

The method of using loss leaders in Ontario is similar to that in Western Canada, but not quite so obvious. In Ontario, more than 70 per cent of fluid milk is sold in the four-litre format, which is about ten per cent cheaper than in Quebec. However, the two-litre format is about 20 per cent more expensive than in Quebec and the one-litre format is 40 per cent more expensive. In short, “the price differences between East and West would no doubt be less evident if we considered all the formats combined,” acknowledged Charlebois. “But the 2%, four-litre format is still the biggest seller,” he added.

Refusal

Certainly, Quebec does not want to get into a similar situation. There is agreement among principal industry players (producers, dairies, retailers and consumers) to maintain the regulation concerning the retail price of fluid milk. “Using milk as a loss leader is a major concern among industry stakeholders,” noted the *Régie des marchés agricoles et alimentaires du Québec*, in November 2007. Nadeau noted that “the regulation helps to prevent milk from becoming too much of a loss leader.” Supermarket chains in Quebec have been in a price war regarding milk for the past several years, but are fully permitted to sell the four-litre format at the minimum price fixed by the *Régie*.

The Quebec formula also has the advantage of providing consumers with greater price stability than in Western Canada, where it varies considerably. The Canadian Public Health Agency has already criticized that Saskatchewan citizens cannot all make healthy choices, since milk was five times more expensive in the northern part of the province as compared to the south.

Jean-Charles Gagné
LTCN 2008-01-31

Pork producers sound the alarm

“It is an unbearable situation for hog producers,” declared Jean-Guy Vincent, president of the *Fédération des producteurs de porcs du Québec* (FPPQ), sending cries of alarm at a time when many hog farms are finding themselves in a critical position.

The FPPQ is in the process of mounting a coalition to exert pressure on Ottawa to make available “immediate liquidities” to producers. Quebec Minister of Agriculture Laurent Lessard has been invited to join the movement, but at press time the minister had not yet responded to the call. However, his press secretary, Jack Roy, did state to French-language newspaper *La Terre de Chez Nous* that the provincial minister had met with his federal counterpart during the previous week and had demanded rapid intervention for the beef and pork sectors. Another meeting between the two ministers is expected soon, as well as a response from federal agriculture minister Gerry Ritz.

The announced federal programs are slow to come into effect. It is expected that the federal Advance Payments Program will become operational at the beginning of April. However, many farms are already beyond stretching their credit limit. “We admit that bankers and suppliers are being patient, but they are also nervous. They have to be reassured,” affirmed Vincent. Therefore, Ottawa is being asked to rapidly establish a guaranteed loan program or to cover interest payments presently assumed by producers. The FPPQ estimates that the current price of pork (\$85/100 kg at index 100) is about one-half the cost of production.

“Ottawa remains silent,” said Vincent, adding that if no answer is forthcoming from the federal government within three weeks, Quebec and Canadian hog producers are planning a demonstration on Parliament Hill. In addition, the Canadian Pork Council (CPC) and its president, Clare Schlegel, have sent a letter to Prime Minister Stephen Harper, demanding an “immediate” response to what they call “a catastrophic situation” caused by the rising Canadian dollar and increasing supply costs, coupled with a major decrease in pork prices. The CPC is asking for loans and improvements to current programs.

La Financière Agricole

The FPPQ is also looking towards *La Financière Agricole du Québec*. The federation wants find out when the final stabilization insurance payments will be made and are hoping that it will be before April or July. They are also demanding a monthly or bi-monthly payment schedule for 2008, in order to provide sufficient cash-flow at the farm level and to reassure suppliers. In addition, the FPPQ has observed some “inequities” towards certain producers in the *Financière Agricole’s* administration of federal programs. “We want this situation corrected,” insisted Vincent, referring to producers whose stabilization insurance was docked by the amount above what they received from Ottawa. The FPPQ is also asking the federal government to revise the ceilings in its Agri-Invest program, which penalizes some producers.

Thierry Larivière
LTCN 2008-01-31

Recycling farm plastics in the Townships

A pilot project that is recuperating plastic wrap from hay bales has recovered over nine tons of plastic—quite a success say the project’s coordinators of the Val-Saint-Francois MRC in the Eastern Townships. Next spring, *UPA-Estrie* will announce the second phase of their recuperation and recycling program.

Spearheaded by farmers like Michel Brien and Yves Coutu, the pilot project succeeded in recuperating 9.25 tons of plastic wrap during eight half-days in March and August of 2007. Luc Charest, agro-environmental officer for *UPA-Estrie*, estimated that between 35 and 40 per cent of the region’s farmers participated in the project, which he considered a success for a first attempt. According to him, about 60 tons of plastic wrap are used annually in the MRC.

The recuperated plastic from the Val-Saint-Francois MRC is transformed into capsules in Montreal and then shipped to Ontario, where they are re-used principally to make bags, benches and plastic containers. Currently, there is no recycling system in place for these products in Quebec. Some companies have indicated that it would take 10,000 tons to be profitable.

Phase two

Two options are being examined for phase two of the project: the installation of multi-service containers, or preferably, combining the collection of agricultural plastics with the regular collection of domestic wastes. This solution would require separate containers with collection bags to insert the plastic wrap.

The collection bag would facilitate handling in the sorting centres and would also help to meet cleanliness requirements. The presence of three to five per cent of foreign matter is enough to render the plastic unusable for recycling. “Farm plastics have a very bad reputation,” affirmed Janick Anctil of the company *Gestion Resources Richer*, which participated in the Val-Saint-Francois pilot project. China, which was a major client, suspended its imports because of contamination. There were also court cases, where the recuperators were held responsible.”

Including farm plastic with the regular collection of domestic garbage would be a cheaper solution, according to Michel Brien, president of the *UPA-Valcourt* local syndicate. However, tests will be necessary to determine the proper collection bag thickness. He is presently negotiating with two bag manufacturers. In addition, tests, research and the implementation of a recuperation system and an awareness campaign for farmers will require funding. “We don’t mind putting some money into it, but we shouldn’t be the only ones,” declared Brien. A government subsidy program would be appropriate, according to him.

Recuperation in Quebec

Across Quebec, the recuperation of farm plastics is at various stages and takes on several different forms. In the *MRC Kamouraska*, collection is done through eco-centres on a specific schedule. In some other areas, it is included with the domestic waste collection.

Last February, several UPA members participated in a workshop on collection methods put on by *Recyc-Québec*. “Certain aspects should be clarified,” claims Louis Ménard, head of UPA’s research and agricultural policies department. “For instance, there is a grey area regarding whether bale wrap can be classified in the domestic or residential category.” Farm plastics are not presently covered by the regulation concerning compensation for municipal services for the recuperation and re-use of waste products.

According to Menard, 3,000 metric tons of plastic are used annually to wrap hay bales in Quebec.

Denis Lord
LTCN 2008-01-31

Canada responds to WTO on sensitive products

The Government of Canada did not welcome one of the eight working documents dealing with market access submitted by Crawford Falconer, chairman of the World Trade Organization (WTO) agriculture negotiations on January 4, 2008.

“We have serious reserves concerning some of the document’s key elements dealing with sensitive products,” declared federal Minister of Agriculture Gerry Ritz. “Canada will continue to vigorously oppose all increases to tariff quotas or any tariff reductions applicable to sensitive products (Canadian milk, poultry, and eggs) and we will maintain a firm position on this issue. The government has shown leadership in supporting supply management and the advantages that it provides to farm families. We will continue to energetically defend the important interests of our industries that are operating under supply management during our negotiations at the WTO.” However, it seems that during the World Economic Forum in mid-January, Federal Minister of International Trade David Emerson did not succeed in obtaining any concrete measures demanded by the G05 coalition.

Sensitive products are farm products that some countries wish to give extra protection. Falconer has proposed a reduction of between 22 and 49 per cent on customs tariffs for products under supply management (milk, poultry, and eggs), as well as an increased access to their domestic markets of between three and six per cent. He did maintain a series of tariff lines that do not completely cover sensitive products—an option deemed unacceptable by producers under supply management and by both the federal and Quebec ministers of agriculture.

However, Ritz was happy with the reduction formula applicable to tariffs on non-sensitive products, an important measure for Canadian exporters. The Canadian Federation of Agriculture was pleased with the recommendation to completely eliminate tariffs applicable within the tariff quotas over a five-year period, as well as the transition period given to Canada to reduce its domestic subsidies.

Schedule

The Director-General of the WTO, Pascal Lamy, is still hoping for progress in the agricultural negotiations during the first three months of 2008 and for the conclusion of the Doha Round in 2008. However, the expiration of the American Trade Promotion Authority, which permits the U.S. President to negotiate trade agreements without requiring Congressional approval, and the upcoming presidential elections, will probably push this more towards 2009.

Jean-Charles Gagné
LTCN 2008-01-31