

B4 FRICTION IN FARMLAND

HOW UPA SEES IT

'A people that can't protect its own food production has no future'

The head of Quebec's powerful farmers' union has only harsh words for both Michel St. Pierre and his recommendation to scrap the province's existing revenue stabilization programs for agricultural producers.

"The words he uses to describe hard-working farmers are insulting and his findings are wrong at best, dishonest at worst," said Christian Lacasse, a dairy farmer and president of the Union des producteurs agricoles, which represents all 63,000 agricultural producers across the province, big and small.

"It is patently false to claim that farmers are not sensitive to market conditions. And it is also false to say that production is responsible for the problems in agriculture."

In the month since St. Pierre's report was made public, the UPA's own experts have gone over the numbers and their findings contradict almost every figure put forward by St. Pierre, Lacasse said.

For example, he said, the ASRA program has permitted Quebec producers in a dozen sectors, including pork and veal, to earn higher net profits than their counterparts in other provinces (21 per cent more) and the United States (12 per cent).

He also pointed to the beneficial impact the multibillion-dollar pork industry has had on Quebec's economy: "We've made huge gains that have been transferred to both industry and consumers."

As well, he said, farmers have invested money, time and effort to both improve productivity and reduce the environmental impact of agriculture, making Quebec a model for sustainable development in the world.

The ASRA program, he added, provides Quebec farmers some protection from the unexpected challenges that can arise from farming in a northern climate, and from volatile markets in which Quebec producers are often forced to compete against cheaper imported goods that are produced according to lower environmental standards than farmers here must respect.

"ASRA also offers farmers protection in times of crisis," added Lacasse. "When things like mad-cow hit, prices drop like stones. If there's no protection, farmers go bankrupt."

For Lacasse, ASRA is a cornerstone of Quebec's collective model of agriculture, which is unique in North America. For example, 90 per cent of farms in Quebec are family enterprises – by far the highest percentage on the continent – and the system allows small producers to earn a decent wage.

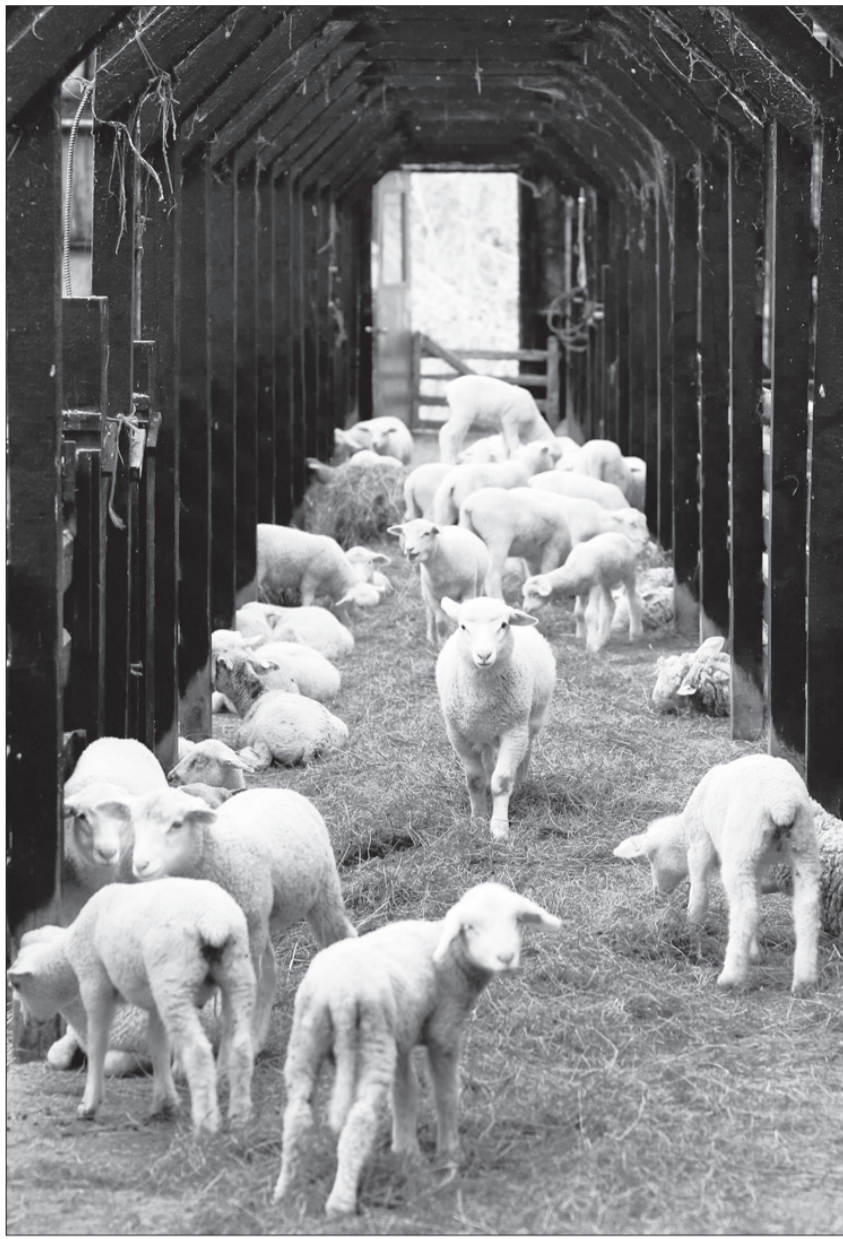
The UPA has succeeded in getting the Liberal government to agree to the creation of what it calls a bipartisan committee – made up of representatives of the government, the PQ and the ADQ, and the UPA – to discuss these issues.

Lacasse said some proposals being discussed are opening up the ASRA program to all agricultural products, and increasing the "seriously underfinanced" ASRA budget.

"We don't want anything to do with the St. Pierre report," he said. "In all regards, the report and its recommendations are inconsistent with the needs of agriculture."

If the government decides to go ahead, Lacasse said, farmers won't stand idly by. "The minister is talking about a major reform and ASRA could be it," he said. "If that's the case, we will mobilize our members across Quebec. We will make our concerns heard. A people that can't protect its own food production has no future."

MARK CARDWELL



MATHIEU BELANGER REUTERS

Lucie Cadieux's "Charlevoix lambs" in the barn at Ferme Éboullmontaise.

SUBSIDIES Payout program stifling agriculture here: report

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"That might not seem like a lot of money to some big businessman, but it's a lot to us," she said. She acknowledged, too, that her lamb business, which a visit showed to be a very lean and professional set-up, "has never covered the costs of production."

Ironically, "Charlevoix lamb" last month was designated IGP – indication géographique protégée – by the Quebec Agriculture Department, making the first food product in North America to achieve the status of Roquefort cheese or Parma ham.

That campaign was spearheaded by Cadieux. The farm she runs with husband Vital Gagnon produces about 500 IGP lambs a year; about half the number produced in the region.

Cadieux and Gagnon are also part of a local organic food producers network set up by Cadieux. They operate a store, right next to their house, that sells a variety of food, including their own vegetables, lamb and ready-to-eat duck and lamb dinners. Next to the store is a restaurant that they rent out. It also serves locally produced food.

St. Pierre didn't pull any punches in his analysis of ASRA, the financial support program that was introduced in the late 1970s to guarantee positive net annual incomes for farmers who operated in fluctuating markets by compensating them when the average selling price falls lower than the cost of production.

"Like other major agricultural policies from the 1960s and '70s, (ASRA) had the very noble objective of helping to raise the income levels of farm families, which were abysmally low compared to people living in cities," he said. "But its main goal was to keep producers alive during bad market periods."

Since then, he added, the ASRA program has strayed far from its original mission. In particular, he pointed to an abandoning of the program's root principle of profitability, which has led to an agricultural system that encourages maximum output and overproduction with little or no concern for market forces.

He pointed, for example, to the \$550 million that was paid under ASRA to Quebec's 4,000 hog producers in 2008 – the third consecutive year that compensation payments to the sector have almost doubled. Of the 7.3 million hogs that are slaughtered annually in Quebec – about one-third of the total number in Canada – each animal costs roughly \$60 more to produce than it fetches on the market.

Under ASRA, producers are compensated for one-third of that loss by the provincial government, one-third by the federal government and one-third by contributions to the program by the producers themselves in good years, when prices surpass production costs.

However, that has not happened in recent years because hog prices are stuck at historically low levels – the re-

sult, critics of the ASRA system say, of the oversupply of animals in a system that pays for production.

The problem is worse, St. Pierre noted, in sectors like lamb, in which market prices have never covered the costs of production.

"The simple truth is that ASRA has created some artificial industries that survive only on subsidies," said St. Pierre. "Many Quebec producers have developed an employee-employer relationship with the government – and both of them are hurting because of it."

The demand for loans and land by subsidized producers has led to steep increases in the price of farmland and the cost of equipment, making life harder for producers who not covered by ASRA, like many vegetable growers, producers of maple syrup, fish, small fruits, horticultural goods, exotic animals (like elk and wild boar), hay, honey and some grains.

"Financial support that is based on production volumes is also considered

"I've seen and heard projections of as much as \$2 billion in agricultural subsidies in Quebec. ... Do we want that?"

environmentally harmful," added St. Pierre, "since it couples maximum support to maximum output."

(Dairy farmers, egg and poultry producers are not covered by ASRA, but they are protected by marketing boards that set prices and guarantee monopolies.)

Agriculture minister Lessard "completely agrees with (St. Pierre's) analysis that a new reality or vision is needed for a northern, plural, entrepreneurial ... model of agriculture in Quebec," said ministry spokesperson Roy.

But, he added, the government is sensitive to the fears and concerns of farmers. "Quebec was born in agriculture," he said. "It is a big part of our heritage, our history, our identity and our economy. Farmers can rest assured that we won't let them down."

The UPA's Lacasse would take issue with that assurance. The union is currently putting up 70 billboards on farmers' land along major highways across the province with the message "Pas de nourriture sans agriculture" – No food without agriculture – in an effort to draw public attention not only to the St. Pierre report and the UPA's opposition to it, but also other outstanding issues, like a pending law that the UPA contends will facilitate urban encroachment on rural farmlands, and the lack of increased spending on agriculture in the last provincial budget.

As a result of ASRA-fuelled borrow-



FRANCIS VACHON THE GAZETTE

St. Pierre says Quebec should gradually do away with farm subsidies.

Subsidies by the numbers

Quebec's farm revenue stabilization program, ASRA, is running up record deficits. This year, projections show, ASRA will need \$779 million. Here's the breakdown:

Veal \$62 million
Beef cattle \$48 million
Hogs/piglets \$378 million
Sheep \$3 million
Potatoes \$1.5 million
Commercial crops, grain corn \$275 million
Apples \$11.2 million

FINANCIÈRE AGRICOLE DU QUÉBEC

CALL FOR CHANGE

SOS-Pronovost: Coalition would back new aid programs for new products

A coalition of farm and environmental groups is using public interest in the St. Pierre report – and its call for a rethinking of financial farm aid programs – to rekindle debate and put pressure on the Quebec government to implement the recommendations contained in last year's Commission sur l'avenir de l'agriculture et de l'agroalimentaire québécois, chaired by chairman Jean Pronovost.

Coalition SOS-Pronovost members include consumer-rights group Union des consommateurs, Greenpeace and the Union paysanne, a small group of anti-UPA farmers.

In a public letter to Premier Jean Charest, the group called for major reforms to the agricultural industry in Quebec, which Pronovost said was "literally suffocating" under a myriad of bureaucratic systems and structures.

Pronovost, a former senior civil servant, urged the creation of new aid programs that would encourage development of new products and production methods to meet evolving consumer demands for specialty and organic foods.

He also called for "pluralism in agricultural organizations," starting with the breaking of the Union des producteurs agricoles's monopoly as Quebec's only farming union.

While applauding the recommendations made in the St. Pierre report, which it said should be debated in a public forum, the coalition criticized the bipartisan committee set up by the province, which includes members of the UPA and, the coalition says, would give the union the chance to kill any reform proposals it opposes.

The coalition's letter is "a heartfelt call for action," says Jack Roy, a spokesperson for Quebec Agriculture Minister Laurent Lessard. However, he said, the government will follow the Pronovost report's recommendation to "reflect soberly and take appropriate action when needed."

The UPA slammed the coalition and its members as "armchair critics" and "militant organizations that are acting as apologists for the Pronovost report."

In a press release sent out within hours of the coalition's letter on May 8, the UPA said the commission "had raised the hopes of farmers" when it was created in 2007.

"But the reality (of the Pronovost report) was much different. ... Since its publication, attacks against agriculture and producers have multiplied. From the calling into question of the existence of the revenue stabilization program (ASRA) to the cutting of agricultural budgets ... that is the heritage of a report that is supported mostly by marginal actors in the world of farming."

Roy rejected a suggestion that the government will fail to act out of fear of confronting the UPA, a powerful union that many pundits say is the true power behind agricultural politics and policy in Quebec, prompting many ways to refer to the Agriculture Department – or MAPAQ – as MOOPAQ.

"It is completely false," said Roy, adding that the ministry has invested \$60 million over the past year in several initiatives recommended by Pronovost, including a "buy Quebec" food labelling campaign and a ten-fold increase – to \$2 million – in the amount devoted to helping children buy family farms.

"The UPA is a union, not a political party. ... We want to give farmers the time they need to reflect on everything. We won't go fast, but we will move."

MARK CARDWELL