

Quota

The Quota Section of the Milk Management Department is responsible for administering the By-law respecting quotas for milk producers, which sets the quotas for milk production in Quebec. To that end, the Department controls quota transfers, administers the assistance programs for young dairy farmers and dairy enterprise startups, and adjusts production entitlement.

Amendments to the By-law respecting quotas for milk producers

On June 1, 2022, the Régie des marchés agricoles et alimentaires du Québec (RMAAQ) accepted an application for amendments to the By-law respecting quotas for milk producers aimed at reducing the quota flexibility from -30 to -15 days on August 1, 2022. This change had been announced in 2019 by recommendation of the P5 Quota Committee.

In April, after RAAMQ decision 12164 was published in the *Gazette officielle du Québec*, certain amendments were made to the By-law respecting quotas for milk producers. Some of the most relevant that should be mentioned include the correction of certain items related to the Young Dairy Farmers Assistance Program, the introduction of a definition for the "transferrable quota" concept, and the update of one of the two parameters used to establish the maximum quantity allowed when making an offer to purchase in the Centralized Quota Sale System, i.e. from 6 to 7 kilograms of butterfat (kg of BF) per day.

Number of producers

As at December 31, 2022, Quebec had 4,498 licensed producers, compared to 4,643 on the same date the previous year. During the year, 35 producers purchased quota from an existing farm, for a total of 2,760.01 kg of BF per day. An additional 11 enterprises started up thanks to the startup assistance program. Of these 11, 1 had been admitted in 2019 under the program's 2016 terms and conditions.

PRODUCERS – QUOTA BY REGION – 2022¹

Region	Number of producers		Quota (kg of BF/day)		Young farmers ²			
					Before August 1, 2002		After August 1, 2002	
					Number of producers	Quota (kg of BF/day)	Number of producers	Quota (kg of BF/day)
01 – Estrie	440	43,542.13	117	120.90	73	223.70		
02 – Capitale-Nationale–Côte-Nord	125	9,863.04	50	51.00	24	72.30		
03 – Gaspésie-Les Îles	12	726.11	3	2.70	1	2.00		
04 – Lanaudière	160	12,463.11	53	56.90	22	62.80		
05 – Mauricie	179	15,221.23	68	71.50	28	84.20		
06 – Outaouais-Laurentides	180	15,987.60	59	60.00	28	83.50		
07 – Centre-du-Québec	648	68,560.27	205	212.40	125	351.80		
08 – Abitibi-Témiscamingue	90	6,204.31	25	26.70	13	41.20		
09 – Chaudière-Appalaches-Nord	561	49,413.00	210	217.20	81	215.60		
10 – Chaudière-Appalaches-Sud	473	38,988.60	164	166.40	69	194.90		
11 – Bas-Saint-Laurent	535	44,813.33	175	185.90	102	298.90		
12 – Saguenay-Lac-Saint-Jean	244	20,262.42	76	84.80	40	121.90		
13 – Montérégie-Est	493	48,911.63	186	191.60	55	175.90		
14 – Montérégie-Ouest	358	32,612.37	134	138.00	42	108.90		
Total	4,498	407,569.15	1,525	1,586.00	703	2,037.60		

¹ The data in the table represent the situation as at December 31, 2022.

² The Young Dairy Farmers Assistance Program was created in 1987. It was replaced in 2002 by a new program. In 2020, the terms and conditions of the 2002 program were amended.

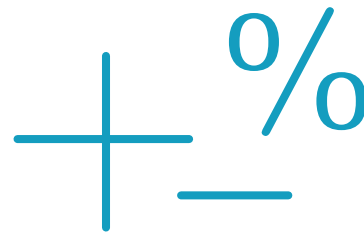
³ The loans awarded under the Dairy Farm Startup Assistance Program were increased from 10 kilograms (kg) of butterfat (BF) per day in 2006 to 12 kg of BF per day in 2010. Since the new program was implemented in June 2016, loans are a minimum of 12 kg and a maximum of 16 kg of BF per day. In 2021, under the new terms and conditions, loans went to 20 kg of BF per day.

Production adjustment

The main objective of provincial organizations is to meet demand as quickly and effectively as possible, which is why production adjustment measures were taken during the year. Thus, to ensure a better balance between production and demand and in consideration of the lower butter stock projections for 2022 and 2023, quota was increased by 2% for April and October. A total of 16 additional days were also announced throughout the year.

Startup assistance

In 2022, Les Producteurs de lait du Québec granted a startup assistance loan to 11 enterprises that were deemed eligible for the Dairy Farm Startup Assistance Program. Loans were granted in the following regions: Outaouais-Laurentides, Centre-du-Québec, Abitibi-Témiscamingue, Chaudière-Appalaches-Nord, Chaudière-Appalaches-Sud and Bas-Saint-Laurent.



Saleable quota

- + 2% April
- + 2% October

Non-saleable quota related to events beyond the control of producers

- January to June = **0.90%**
- July and December = **1.00%**

The percentage issued is reviewed on January 1 and July 1 of every year. It is determined based on the average quota available in the underproduction reserve for circumstances beyond the control of producers during the six previous months.



Young dairy farmers assistance

Under the Young Dairy Farmers Assistance Program:

Loan for **6 kg** of BF per day

18 compliant applications

Total of 108 kg of BF per day

Loan for **8 kg** of BF per day

47 compliant applications

Total of 376 kg of BF per day

Loan for **10 kg** of BF per day

66 compliant applications

Total of 660 kg of BF per day

After May 1, 2020		Dairy farm startup ³	
		Since August 1, 2006	
Number of producers	Quota (kg of BF/day)	Number of producers	Quota (kg of BF/day)
41	352.00	6	77.40
9	74.00	3	39.89
1	10.00	2	29.93
14	122.00	0	0.00
17	146.00	2	28.53
10	78.00	5	72.16
55	472.00	12	181.18
4	38.00	10	109.00
64	556.00	16	185.36
41	358.00	9	109.03
50	428.00	11	133.08
24	216.00	7	72.35
51	446.00	5	40.67
31	276.00	2	22.14
412	3,572.00	90	1,100.72

Quota transfer rules

Producers may apply to the RMAAQ to request a review of a decision rendered by Les Producteurs de lait du Québec or to be exempted from provisions of the By-Law respecting quotas for milk producers. **In 2022, the RMAAQ received 21 applications for exemption.** They concerned the rules that apply to relocating, transferring quota, temporary transfers, and the assistance programs for young dairy farmers and dairy enterprise startups.

Quota maintenance

In 2022, Les Producteurs de lait du Québec authorized 48 producers to keep their quota or transfer it temporarily in whole or in part (4 due to disease among their dairy cows, 33 due to the disability or death of a farmer, 11 due to an event beyond their control that caused damage to animal housing). These authorizations brought the number of producers who were granted this exception to 100 on December 31, 2022.



ADDITIONAL PRODUCTION DAYS – 2022

Month	Regular milk	Organic milk
January	0	0
February	0	0
March	1	1
April	1	1
May	1	1
June	1	1
July	0	0
August	1	1
September	3	3
October	3	3
November	3	3
December	2	2
Total	16	16

CENTRALIZED QUOTA SALES SYSTEM (SCVQ) – 2022

Month	Quota price (\$/kg of BF/day)	Bids to buy (kg of BF/day)	Offers to sell (kg of BF/day)
January	24,000.00	20,066.14	411.21
February	24,000.00	20,653.37	414.45
March	24,000.00	21,565.57	868.54
April	24,000.00	21,946.14	750.15
May	24,000.00	21,328.24	898.37
June	24,000.00	20,594.93	489.23
July	24,000.00	20,368.43	672.58
August	24,000.00	19,734.41	238.21
September	24,000.00	19,526.26	403.33
October	24,000.00	19,328.95	770.46
November	24,000.00	18,888.32	1,436.39
December	24,000.00	17,690.24	783.68

The quota price ceiling in effect during the year is \$24,000 per kilogram (kg) of butterfat (BF) per day.

SCVQ – QUOTA TRANSACTIONS PER REGION – 2022

Region	Quantity bought (kg of BF/day)	Quantity sold (kg of BF/day)
01 – Estrie	869.18	873.39
02 – Capitale-Nationale–Côte-Nord	188.76	220.54
03 – Gaspésie–Les Îles ¹	16.95	1.00
04 – Lanaudière	241.98	288.63
05 – Mauricie	295.74	410.57
06 – Outaouais–Laurentides	344.66	481.68
07 – Centre-du-Québec	1,386.56	1,378.84
08 – Abitibi-Témiscamingue ¹	222.09	126.02
09 – Chaudière-Appalaches-Nord	946.46	772.04
10 – Chaudière-Appalaches-Sud	791.58	676.67
11 – Bas-Saint-Laurent	981.18	917.73
12 – Saguenay–Lac-Saint-Jean	467.54	620.54
13 – Montérégie-Est	841.78	783.46
14 – Montérégie-Ouest	543.03	585.49
Total²	8,137.49	8,136.60

¹ For the Gaspésie–Les Îles and the Abitibi-Témiscamingue regions, the purchased quantities include the maximum quantities allocated for their priority of purchase, which are 2.66 and 169.54 kilograms (kg) of butterfat (BF) per day respectively.

² To balance the offers to buy with the offers to sell, the adjustment reserve bought 0.89 kilograms of butterfat per day.