

The battle for compensation: We have won an important round



In late November, the federal government finally acted on our repeated requests by announcing the details of compensation payments for the loss of market share conceded by the Canadian government under both the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). We are pleased to have secured a payment schedule for the remainder of the promised amounts, and not only for the payments of the current year. This means that we won't have to repeat this process every year!

The payments will be made directly to producers based on their quota, as was the case with the initial payment. However, the payout will take place over 3 years rather than 7, i.e., \$468 million (M) in 2020-2021, \$469 M in 2021-2022 and \$468 M in 2022-2023. This will make it easier to plan farm investments. The payments will be made before the end of each fiscal year, namely March 31. The mechanisms are already in place and the Canadian Dairy Commission (CDC) will again administer the program. This will simplify the process.

The compensation payments will help to cover a portion of the losses resulting from these Agreements. The government has kept its word and has given us the confidence to again invest and innovate on our farms. In this period of crisis, the entire economy of our regions will benefit since the compensation payments will be spent and reinvested locally. They are in addition to the \$500 million that milk producers are investing to modernize their operations. It is also important to remember that our farms contribute \$6.2 billion to our Gross Domestic Product and generate \$1.3 billion in taxes.

So far, an announcement has not been made concerning the losses related to the Canada-United-States-Mexico Agreement (CUSMA), even though the Agreement went into force last summer and the negative effects are already being felt on our market share. At the time of the government's last announcement, Agriculture Minister Marie-Claude Bibeau repeated the government's commitment to also compensate producers for market losses resulting from CUSMA and to rapidly consult our sector in this regard. This is an encouraging first step. We offer the Minister our collaboration in rapidly launching a process to define the specifics of the compensation for CUSMA.

We continue to ask the government to respect its commitment to make no further concessions involving the dairy industry in future negotiations and that all federal political parties make the same commitment. Canada has shown that this is possible: In late November it concluded a transitional agreement with the United Kingdom without sacrificing any additional market share. Beginning in 2021, the United Kingdom no longer has access to tariff rate quotas on cheese provided for in CETA and must use those provided for under the World Trade Organisation (WTO) to access the Canadian dairy market.

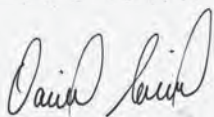
Concessions coupled with compensation promises are not a suitable model to follow in trade negotiations. The government has committed to make no further concessions involving dairy products in future trade agreements; this must be the rationale in the future.

I testified before the House of Commons Standing Committee on International Trade to express our support for the transitional agreement and to ask that all the provisions of this agreement be transferred in their entirety to an eventual long-term agreement. No additional access must be granted to the Canadian dairy market, whether of cheese or any other dairy product!

Each time that the Canadian government allows access to our dairy markets, a larger number of Canadian dairy products are replaced on our store shelves by foreign products. These decisions imperil our farms and, consequently, the farm families who earn their living from the dairy sector as well as our rural communities. We must put an end to this erosion if the Canadian dairy industry is to maintain its strength and vitality. We have given enough.

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To conclude, after several months of healing wounds from the trade agreements and reacting to the crisis, it is now time to build our future. Encouraged by loyal consumers, we must promote supply management, a system that ensures local production and food security for everyone. Supported by highly efficient elected leaders and dynamic employees, I am optimistic for the coming months: we will develop our Quebec dairy industry. I am reaching out to all levels of government and asking them to be imaginative and to work with us to define a long-term vision for our industry.



DANIEL GOBEIL
Chairman

CONSTRUCTION OF FARM BUILDINGS:

More flexible rules

- **Since September 24, it is no longer mandatory to obtain a plan bearing the seal of an architect or an engineer in order to carry out certain construction work related to a farm building or a culvert. Here are the amendments introduced by the Gouvernement du Québec to the Architects Act and the Engineers Act.**

plan would no longer be valid. The exceptions now provided for in the Architects Act or in the Engineers Act will have to be integrated into the municipal by-laws.

WHAT IS MEANT BY AN AGRICULTURAL OCCUPANCY?

An agricultural occupancy means the occupancy or use, or intended occupancy or use, of a building or of part of a building for an agricultural activity within the meaning of the Act respecting the protection of agricultural land and agricultural activities, which includes the sale, processing and packaging of products, most of which come from the farm.

WHAT ARE THE MUNICIPAL BY-LAWS?

The Architects Act and the Engineers Act were amended due to the adoption in the National Assembly of Bill 29 entitled An Act to amend the Professional Code and other provisions in particular in the oral health and the applied sciences sectors.

The municipal by-laws will have to take into account the new provisions of these Acts. For example, a municipal by-law that mentions that any farm building, without exception, requires an architect's plan or an engineer's

ARCHITECTS ACT

Previously, it was mandatory to obtain a plan sealed by an architect for the construction of any farm building. There are now some exceptions.

FORMER LEGISLATIVE PROVISIONS

The construction of any farm building, regardless of its size, required an architect's plan.

NEW LEGISLATIVE PROVISIONS

The following work concerning agricultural occupancies does not require an architect's plan:

- Construction of a new farm building having, after the work is completed, no more than one storey and a building area of less than 750 m²;
- Enlargement or alteration of an existing farm building having, after the work is completed, no more than one storey and a building area of less than 1050 m²;
- Construction, enlargement or alteration of a farm building having no more than two storeys and a building area of less than 300 m²;
- Construction, enlargement or alteration of a silo, manure storage structure or feed storage platform.

ENGINEERS ACT

The acts reserved for engineers were previously determined according to financial benchmarks. These benchmarks had not been changed since 1964. They were replaced with specific exclusions applicable to agricultural buildings and structures.

FORMER LEGISLATIVE PROVISIONS

The foundations, the frame and the electrical or mechanical system of buildings with a cost exceeding \$100,000 had to be produced according to an engineer's plan.

Bridges costing more than \$3,000 required an engineer's plan.

NEW LEGISLATIVE PROVISIONS

It is not mandatory to have an engineer's plan for an agricultural occupancy, other than a silo or a manure pit having, after work is completed:

- only one storey, exterior framing studs no more than 3.6 m high, a building area that does not

exceed 600 m² and a height of no more than 6 m calculated from the average ground level to its ridge;

- no more than two storeys and a building area that does not exceed 150 m².

The construction of culverts that meet the following requirements is not subject to the obligation to obtain an engineer's plan:

- they are located in an agricultural environment of a forest territory in the private domain;
- they are not located on a road open to the public traffic of road vehicles or on any other land where these vehicles are authorized to circulate;
- the area of the watershed upstream of their location is less than 100 ha;
- the width of their pipe is equal to or less than 1.2 m or, if there is more than one of them, the cumulative width does not exceed 1.2 m. ■

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Centralized Quota Sales System (SCVQ)

NOVEMBER 2020

Fixed Price: \$24,000.00

	Number	kg of BF/day
Offers to sell		
Total	31	322.95
Eligible for allocation	31	322.95
Successful	31	322.95
Reserve		
Quantity purchased (-) / sold (+)		-0.63
Offers to buy		
Total	1,627	17,575.47
Eligible for allocation	1,627	17,575.47
Successful	1,627	322.32

Participation on a prorata basis in any unprocessed purchase offers of 0.64 kg of BF/day or higher.
After the sale, the balance of quantities available for regional priorities is 0.00 kg of BF/day for Gaspésie-Les îles and 0.00 kg of BF/day for Abitibi-Témiscamingue.

ALLOCATION OF OFFERS TO SELL AND TO PURCHASE PER PRICE STRATUM

SALES				PURCHASES		
Number	kg of BF/day	Cumulation	Price offered \$/kg of BF/day	Number	kg of BF/day	Cumulation
1	5.00		< 24,000.00			
30	317.95	322.95	24,000.00 ceiling price	1,627	17,575.47	17,575.47

ALLOCATION TO BUYERS AND SELLERS

	Number	kg of BF/day	%
Buyers			
Startup Assistance Program	0	0.00	0.0
Holding of less than 12 kg of BF/day	1	1.00	0.3
Reimbursement of startup loans	20	2.00	0.6
Regional priority	0	0.00	0.0
Iteration (0.16 kg of BF/day)	1,626	162.60	50.4
Prorata (1.52%)	1,601	156.72	48.7
2.98% of the offers have been processed		322.32	100.0
Sellers			
Seller who stopped producing 1 or more month ago	0	0.00	0.0
Offers partially processed in the previous month	0	0.00	0.0
Offers in the current month	31	322.95	100.0
100.00% of the offers have been processed	31	322.95	100.0

Quota prices in Canadian provinces OCTOBER 2020

	\$/kg of BF/day		\$/kg of BF/day		\$/kg of BF/day
Nova Scotia	24,000 ceiling	Quebec	24,000 ceiling	Alberta	46,000
Prince Edward Island	24,000 ceiling	Ontario	24,000 ceiling	Saskatchewan	-
New Brunswick	24,000 ceiling	Manitoba	32,000	British Columbia	36,500