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Grain and Feed

Ontario Corn Producers Envy Quebec Farm Income Program 2000

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Report Highlights:

Ontario corn producers see that Quebec producers are weathering depressed commodity prices far better than their other Canadian counterparts. According to research from the Guelph University, Quebec grains and oilseeds producers are the best off in the country. For the past three years, Quebec has spent C\$457.3 million on farm supports. Ontario spent C\$194.8 million.

Includes PSD changes: No
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ONTARIO CORN GROWERS ENVY QUEBEC COLLEAGUES

The following is based on a Western Producer news article from September 21. Please note that all funds are in Canadian dollar currency.

Quebec farmers are weathering the depressed commodity prices far better than their counterparts elsewhere, including Ontario.

According to an analysis prepared by Guelph University's Ridgetown College professor Brian Doidge, Quebec grains and oilseeds producers are the best off in the country. Quebec's farm support program is as close as Canada gets to United States-level farm supports.

Because of a lack of support from the Conservative Ontario government, farmers in Canada's largest agricultural province are falling behind. Doidge said that during the past three years, Quebec has spent \$457.3 million on farm supports. Ontario spent \$194.8 million.

"Provincial funding for income support and stabilization programs in Quebec was 2.35 times greater than similar funding in Ontario in the three years '97-'98 through '99-'00 despite Quebec's provincial agricultural (gross domestic product) of \$2.693 billion being only 67 percent of Ontario's \$3.967 billion in 1999-2000," he said in his report.

The result is that Quebec farmers are investing more in their business, have more net worth and more farm assets than do their Ontario counterparts. Just seven years ago, it was the reverse.

The reason is Quebec's 21-year-old farm stabilization program "Assurance stabilization des revenus agricoles" (ASRA). ASRA sets an annual support price for most commodities outside supply management. It is based on production costs and 90 percent of a skilled worker's wage.

It created a support price of \$6.72 for Quebec wheat this year. If a farmer sells for less, the difference will be provided by the government.

Doidge said the assumption is that Quebec wheat farmers will receive more than \$100 per acre in support this year. Corn producers can expect a subsidy of close to \$150 per acre. It means that Quebec is the only province to spend more in farm support than the federal government. Most provinces commit to no more than 40 percent of the farm support bill, insisting Ottawa pay the rest.

Delegates to the Ontario Corn Producers Association (OCPA) semi-annual meeting approved a resolution that the ASRA model become the basis for national and Ontario farm support programs. Ontario's corn industry lobby vowed that it would increase the pressure on the Ontario government to increase its support of farmers.

Comments

According to government sources, the Quebec provincial government is considering discontinuing the ASRA program in favor of a modified Net Income Stabilisation Account (NISA) type farm income program, which is one of the basic agricultural safety net programs in other provinces.

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