

Gouvernement du Québec

**O.C. 1652-97**, 17 December 1997

An Act respecting the Government and Public Employees Retirement Plan  
(R.S.Q., c. R-10)

**Amendment to Schedule I to the act**

Amendment to Schedule I to the Act respecting the Government and Public Employees Retirement Plan

WHEREAS under section 1 of the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10), the retirement plan applies to employees and persons designated in Schedule I, and employees and persons designated in Schedule II who were not members of a retirement plan on 30 June 1973 or who were appointed or engaged after 30 June 1973;

WHEREAS under the first paragraph of section 220 of the Act, the Government may, by order, amend Schedules I, II, II.1, II.2, III, III.1 and VI and any such order may have effect 12 months or less before it is made;

IT IS ORDERED, therefore, upon the recommendation of the Minister responsible for Administration and the Public Service and Chairman of the Conseil du trésor:

That the Amendment to Schedule I to the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10), attached hereto, be made.

MICHEL CARPENTIER,  
*Clerk of the Conseil exécutif*

**Amendment to Schedule I to the Act respecting the Government and Public Employees Retirement Plan<sup>(\*)</sup>**

An Act respecting the Government and Public Employees Retirement Plan  
(R.S.Q., c. R-10, s. 220)

**1.** Schedule I to the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10) is amended by inserting the words “the Syndicat de l’enseignement de la région du Fer (SERF)”, in paragraph 1 and following the alphabetical order.

**2.** This Order in Council comes into force on the date of its making by the Government but has effect from 1 January 1997.

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Gouvernement du Québec

**O.C. 1670-97**, 17 December 1997

An Act respecting farm income stabilization insurance  
(R.S.Q., c. A-31)

**Farm Income Stabilization Insurance — Scheme**

Farm Income Stabilization Insurance Scheme

WHEREAS the Crop Insurance Act (R.S.Q., c. A-30) and the Act respecting farm income stabilization insurance (R.S.Q., c. A-31) allow all the farm products in Québec to be insured inasmuch as the actuarial risk can be measured;

WHEREAS, during the 1996 fall summit, the Government retained certain measures among which lies the three-year regulatory alleviation plan of crop insurance;

\* Schedule I to the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., c. R-10) was amended, since the last updating of the Revised Statutes of Québec to 1 March 1996, by Orders in Council 556-96 dated 15 May 1996 (1996, G.O. 2, 2287), 557-96 dated 15 May 1996 (1996, G.O. 2, 2288), 821-96 dated 3 July 1996 (1996, G.O. 2, 3143), 1051-96 dated 28 August 1996 (1996, G.O. 2, 3975), 1493-96 dated 4 December 1996 (1996, G.O. 2, 4987), 1589-96 dated 18 December 1996 (1997, G.O. 2, 91), 629-97 dated 13 May 1997 (1997, G.O. 2, 2243), 788-97 dated 18 June 1997 (1997, G.O. 2, 3338), 1105-97 dated 28 August 1997 (1997, G.O. 2, 4561) and by sections 35 of Chapter 26 of the Statutes of 1997, 33 of Chapter 27 of the Statutes of 1997, 13 of Chapter 36 of the Statutes of 1997, 631 of Chapter 43 of the Statutes of 1997, 57 of Chapter 50 of the Statutes of 1997 and 121 of Chapter 63 of the Statutes of 1997.

WHEREAS the Government carried out the first step of the plan by approving, by Order in Council 1543-96 dated 11 December 1996, the Regulation respecting crop insurance under the individual plan and the Regulation respecting crop insurance under the collective plan;

WHEREAS under section 2 of the Crop Insurance Act, the object of the Régie des assurances agricoles du Québec is to administer the crop insurance programs prescribed by that Act and to administer, in accordance with section 12 of the Act respecting farm income stabilization insurance, the farm income stabilization insurance schemes established under the said Act;

WHEREAS under those Acts, all the farm producers of Québec may subscribe to an insurance contract in order to protect their business from the risks of an economic nature linked to the vagaries of the weather and to the fluctuation of market prices;

WHEREAS in the production cost of each insured product, the insurances guarantee the farm producer a protection from a reduction in their annual income corresponding to the annual salary of a skilled worker determined according to the average remuneration index from all the Québec industries;

WHEREAS under sections 2, 5 and 6 of the Act respecting farm income stabilization insurance, the Government made the Income Stabilization Insurance Scheme for Lamb Producers, by Order in Council 1837-92 dated 16 December 1992, the Income Stabilization Insurance Scheme for Feeder Cattle and Slaughter Cattle Producers, by Order in Council 1845-86 dated 10 December 1986, the Income Stabilization Insurance Scheme for Cereal, Grain Corn and Soy Bean Producers, by Order in Council 896-89 dated 14 June 1989, the Income Stabilization Insurance Scheme for Apple Producers, by Order in Council 1115-94 dated 20 July 1994, the Income Stabilization Insurance Scheme for Potato Producers, by Order in Council 1055-92 dated 15 July 1992, the Income Stabilization Insurance Scheme for Piglet Producers, by Order in Council 845-92 dated 10 June 1992, the Income Stabilization Insurance Scheme for Feeder Hog Producers, by Order in Council 839-93 dated 16 June 1993, the Income Stabilization Insurance Scheme for Feeder Calf Producers, by Order in Council 898-89 dated 14 June 1989 and the Income Stabilization Insurance Scheme for Heavy Calf Producers, by Order in Council 1793-86 dated 3 December 1986;

WHEREAS the nine existing stabilization insurance schemes provide the same coverage for all the insured products and it is appropriate to carry on the regulatory alleviation operation and to simplify and harmonize under one scheme the stabilization insurance protection;

WHEREAS a scheme must provide the conditions of eligibility and participation as well as the reasons and procedures related to the exclusion of a participant;

WHEREAS the method for establishing the average selling price for feeder calves and potatoes must be amended in order to standardize the data sources and to carry out a survey of market prices with specialized businesses;

WHEREAS the genetic improvement of herds justifies that the compensations for feeder calves be conditional to the use by the insured producers of at least one bull of high genetic quality for breeding purposes;

WHEREAS it is expedient to set the beginning of the insurance year for feeder hogs and piglets at 1 April instead of 1 July;

WHEREAS a participant who has agreed to participate for 5 years in the Farm Income Stabilization Insurance Scheme must henceforth pay contract resolution fees where he has been excluded from the scheme before its term;

WHEREAS it is expedient to harmonize and update the conditions of eligibility and participation in respect of certain insurable products as well as the standards applicable to each of those products by making certain consequential amendments;

WHEREAS the assessment rates of the 1997 insurance year for the insurable products of the bovine and ovine sectors must be updated;

WHEREAS the Union des producteurs agricoles du Québec and each of the Fédérations de producteurs agricoles are in favour of the restructuring of the stabilization insurance coverage and of the amendments made in respect of each of the insurable products;

WHEREAS under Order in Council 1447-89 dated 6 September 1989, the Regulations Act (R.S.Q., c. R-18.1) does not apply to the farm income stabilization insurance schemes referred to in sections 2, 5 and 6 of the Act respecting Farm Income Stabilization Insurance;

WHEREAS it is expedient to make the Scheme;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Agriculture, Fisheries and Food:

THAT the Farm Income Stabilization Insurance Scheme, attached to this Order in Council, be made.

MICHEL CARPENTIER,  
*Clerk of the Conseil exécutif*

## Farm Income Stabilization Insurance Scheme

An Act respecting farm income stabilization insurance (R.S.Q., c. A-31, ss. 2, 3, 5, 6 and 6.1)

### DIVISION 1 SCOPE

**1.** The scope of the Farm Income Stabilization Insurance Scheme is to guarantee a positive net annual income to the producers or categories of producers who operate in accordance with the production structures and marketing norms provided for in the following divisions.

**2.** The following products are insurable under this Scheme:

Lambs, feeder cattle and slaughter cattle, feeder calves, grain-fed calves, milk-fed calves, piglets, hogs, cereals, grain corn and soy beans, apples and potatoes.

### DIVISION 2 INSURANCE YEARS AND DATES OF ENROLMENT

**3.** The Scheme shall cover the insurable products according to the insurance years, and, if applicable, subject to the following final dates of enrolment:

**TABLE 1**

Insurable products	Insurance year	Final dates of enrolment
1. Lambs	1 January to 31 December	1 January and 1 July
2. Feeder cattle and slaughter cattle	1 January to 31 December	None
3. Feeder calves	1 January to 31 December	1 January
4. Grain-fed calves	1 January to 31 December	None
5. Milk-fed calves	1 January to 31 December	None
6. Piglets	1 April to 31 March	None
7. Hogs	1 April to 31 March	None

Insurable products	Insurance year	Final dates of enrolment
8. Cereals	1 August to 31 July	30 April
Grain corn	1 October to 30 September	30 April
Soy beans	1 September to 31 August	30 April
9. Apples	15 August to 14 August	30 April
10. Potatoes	15 August to 31 July	30 April

### DIVISION 3 ELIGIBILITY

**4.** A producer who participates in the Scheme must meet the following conditions:

(1) A natural person shall be domiciled in Québec;

(2) A legal person with share capital shall:

(a) have its head office and main place of business in Québec;

(b) not be controlled, directly or indirectly, by one or several persons who are not domiciled in Québec or who do not have their head office or main place of business in Québec;

(c) have more than 50 % of its share capital, in number and value of issued voting shares, held by one or several persons who are domiciled in Québec or who have their head office or main place of business in Québec;

(3) A partnership within the meaning of the Civil Code shall:

(a) have its main place of business in Québec;

(b) have more than half its members domiciled in Québec or with their head office and main place of business in Québec and these members must own interests representing more than 50 % of the total value of the assets of the partnership;

(4) A cooperative shall:

(a) have its head office and main place of business in Québec;

(b) have more than half its members domiciled in Québec or with their head office and main place of business in Québec;

(5) Undivided owners or joint producers shall be domiciled in Québec or have their head office and main place of business in Québec;

(6) Limited partners and general partners of a limited partnership must be producers within the meaning of the Act;

(7) Subject to paragraph 6, manage or personally carry out the raising or the cultivation of insurable products or cause it to be done by its directors or shareholders who have signed a shareholders' agreement in the case of a legal person with share capital, by its partners in the case of a partnership, or by its manager, directors or members who have signed a members' agreement in the case of a cooperative;

(8) Own the insurable products and provide the Régie des assurances agricole du Québec with a sworn statement to that effect if so required in writing;

(9) Not be excluded from the insurable production and, where applicable, have completed the exclusion period applicable to it.

**5.** Any producer wishing to participate in this Scheme must, for each insurable product:

(1) apply to the Régie before the final dates of enrolment, where necessary, provided for in section 3;

(2) pay, upon enrolment, 50 % of the assessment due that is provided for in Division 7 and calculated according to an estimate of the annual volume, except for feeder hogs where the assessment is deducted under section 36 of the Act;

(3) agree to participate for a period of 5 years in respect of each of the insurable products except for apples for which the period of participation ends for all participants on 31 December 1998;

(4) provide the documents or information required by the Régie.

**6.** A participant must, every year of participation, comply with the insurable minimums for each of the products listed in Table 2. Those insurable minimums must be complied with on an annual basis even if the producer enrolls in the Scheme or ceases participation during an insurance year.

**TABLE 2**

Insurable products	Insurable minimums
1. Lambs	50 ewes.
2. Feeder cattle and slaughter cattle	Cumulative weight gain of 6 350 kg (14 000 lbs) annually or 3 175 kg (7 000 lbs) annually if the participant is also insured for feeder calves.
3. Feeder calves	10 cows.
4. Grain-fed calves	25 grain-fed calves.
5. Milk-fed calves	25 milk-fed calves.
6. Piglets	15 sows.
7. Hogs	300 hogs annually or 225 hogs annually if the participant is also insured for piglets.
8. Cereals, grain corn and soy beans	10 hectares of oats, wheat for animal consumption, wheat for human consumption, barley, grain corn and soy beans or a combination of those crops.
9. Apples	28 577 metric tonnes (1500 bushels) of insurable apples.
10. Potatoes	6 hectares.

**7.** A participant shall insure all of the annual production for each product he insures.

**8.** The Régie may terminate the contract of a participant who failed to meet the conditions of eligibility throughout the period of participation.

#### **DIVISION 4 CERTIFICATE AND RENEWAL**

**9.** The Régie shall issue to the participant a certificate attesting to participation in the Scheme. The certificate shall cover a period of 5 years in respect of each of the insurable products, allowing for exceptions provided for in this Scheme and shall be issued at the time of enrolment or renewal. The date of the beginning of the period of participation shall correspond to that of the insurance year except for cereals, grain corn and soy beans, potatoes and apples where it shall correspond to 1 January preceding the insurance year provided for in section 3. Notwithstanding the foregoing, in respect of the products for which there is no final date of enrolment, where the producer enrolls during an insurance year, the date of the beginning of the participation shall be the one that corresponds to the date of the enrolment in the Scheme.

If the first insurance year of a participant totals less than 12 months, it shall count nevertheless as the first insurance year.

**10.** The rights granted to and the obligations imposed on a participant under this Scheme are subject to any amendment that may be made to it or, as the case may be, to its revocation at the end of an insurance year.

Any amendment to the Scheme shall be applicable to producers governed thereby from its coming into force.

**11.** A participant's participation in the Scheme is extended to the beginning of each insurance year if the conditions of eligibility prescribed in Division 3 are met. It shall end on the expiry date provided for on the insurance certificate unless the participation has been renewed.

**12.** The Régie shall notify the producer of the expiry date of the participation in respect of an insurable product not less than 4 months before that date.

A participant wishing to terminate the participation after 5 insurance years must notify the Régie by registered mail not less than 3 months before the expiry date indicated on the certificate, whether or not the participant is aware of the notification given by the Régie.

The Régie shall renew the participant's participation for another period of 5 insurance years where it has not received the notification prescribed in the first paragraph.

**13.** A participant must notify the Régie as soon as possible of any change affecting eligibility and participation in the Scheme, the assessment that must be paid and the compensation to which the participant is entitled.

Subject to the conditions of eligibility prescribed in this Scheme, the Régie shall maintain the participant's participation under the conditions applicable based on the change made by the participant.

**14.** The executor, guardian, curator or trustee of a participant may continue the latter's current participation or participate in the Scheme where the conditions of eligibility are met.

**15.** Notwithstanding section 3, a producer who acquires a farm by sale, gift, succession or otherwise from a participant may be allowed to participate in the Scheme during an insurance year, for the insured products concerned, if the participant submits proof of the acquisition to the Régie and if the participant meets the conditions of eligibility prescribed in section 3.

## **DIVISION 5**

### **PARTICIPATION**

**16.** Failure by a participant to comply with the conditions of participation shall entail forfeiture of the right to compensation for the quantity of units concerned by the failure. The producer shall nevertheless remain bound for the payment of the assessment due for all of the units.

#### **Feeder cattle and slaughter cattle**

**17.** A participant must:

(1) identify the feeder cattle and slaughter cattle by means of a label in the form of ear tags approved by the Régie, that are numbered and nonreusable. The participant may not at any time remove a tag from an insured animal.

(2) declare to the Régie, on the form provided for that purpose, the date of entry and the origin when required, the weight, the sex and the number of ear tags of each identified animal, within 45 days from the purchase date if it is later than the date of enrolment or from the date on which the animal reached 317.5 kg (700 lbs) where it was born on the farm. That declaration must be accompanied by the proofs of weighing, delivery orders and purchase invoices, if any;

(3) transmit to the Régie, not later than 45 days following the sale of an animal marketed for purposes other than slaughter, the name and address of the live-stock operation, if any, which will continue raising the animal, the number of the tag affixed to the animal sold, its sex and its weight on the day of sale;

(4) transmit to the Fédération des producteurs de bovins du Québec, not later than 3 months following the end of the insurance year, where the participant markets an animal for slaughter purposes, the information provided for in paragraph 3 except for the weight, which must be the hot-carcass weight of the slaughtered animal;

(5) do the verification of the weighing of an animal if the Régie requires it.

**18.** The participant must transmit to the Régie or to the Fédération des producteurs de bovins du Québec, as the case may be, the vouchers for sales and the weighing slips.

**19.** Notwithstanding section 16, failure by a participant to comply with the expiry date fixed in paragraphs 2 and 3 of section 17 for forwarding the information prescribed therein shall entail a reduction in the cumulative

weight gain considered in calculating his compensation at a rate of 1.05 kg (2.3 lbs) per day of delay up to 90.7 kg (200 lbs) for the quantity of insured feeder cattle and slaughter cattle concerned by the failure. The participant shall nevertheless remain bound for the payment of the assessment due for all of the weight gain realized.

#### **Feeder calves**

**20.** A participant must possess and use, for the breeding of cows and heifers, at least 1 bull of high genetic quality attested by a representative duly authorized of the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation or cause to have inseminated at least 50 % of the breeding cows and heifers with the semen from bulls of high genetic quality recognized the same way.

**21.** Notwithstanding section 16, failure by a participant to comply with section 20 shall entail a reduction of the compensation at a rate of \$45/cow for the insurance year concerned. The participant shall nevertheless remain bound for the payment of the assessment due for all of the annual insurable volume.

#### **Grain-fed calves**

**22.** A participant must market the grain-fed calves under the supervision and direction of the Fédération des producteurs de bovins du Québec in accordance with the Règlement sur la vente des bovins approved by the Régie des marchés agricoles et alimentaires du Québec under its Decision 4496 dated 12 May 1987 (1987, *G.O.* 2, 3464).

#### **Milk-fed calves**

**23.** A participant must:

(1) identify the milk-fed calves with a label in the form of ear tags approved by the Régie, that are numbered and nonreusable and worn until the animal is slaughtered;

(2) declare to the Régie, on the tagging declaration form, the number of ear tags affixed and the date of entry of the calves into the breeding farm and forward the form within a period not exceeding 21 days from the purchase date of the calves if it is later than the date of enrolment;

**24.** Notwithstanding section 16, failure by a participant to comply with the expiry date fixed in paragraph 2 of section 23 shall entail a reduction in calculating the compensation at a rate of 2 % of the number of insurable

calves concerned by the failure for each working day of delay up to 40 %. The participant shall nevertheless remain bound for the payment of the assessment due for all of the annual insurable volume.

#### **Hogs**

**25.** A participant must:

(1) market the hogs under the supervision and direction of the Fédération des producteurs de porcs du Québec in accordance with the Règlement sur la vente des porcs approved by the Régie des marchés agricoles et alimentaires du Québec under its Decision 4846 dated 31 January 1989 (1989, *G.O.* 2, 1317) in the case of slaughter hogs;

(2) in the case of breeder hogs and if the participant requires an insurance coverage for them:

(a) the production must include at least 30 % of pure-bred sows registered with the Canadian Livestock Records Corporation and used to raise pure-bred hogs and hybrid sows within the livestock operation;

(b) the participant must be enrolled in the Programme d'évaluation génétique des porcs de race et de promotion de la femelle hybride of the Centre de développement du porc du Québec inc. or in any other genetic evaluation program certified by that agency for the remainder of the contract.

**26.** Notwithstanding section 16, where a participant does not meet the obligations defined in paragraph 2 of section 25, throughout the duration of the contract under this Scheme, the participant shall lose right to compensation for breeder hogs and shall not be bound for the payment of an assessment in their respect, and that shall apply until the end of the contract for hogs.

#### **Cereals, grain corn and soy beans**

**27.** A participant must, for all the areas:

(1) use a variety of cereal, grain corn and soy bean seeds classified as a Canada pedigreed grade or a variety of seeds approved by the Canadian Seed Growers' Association as being select seed, in accordance with the Seeds Regulations (C.R.C., c. 1400);

(2) carry out the seeding works before the final seeding dates prescribed in the Regulation respecting crop insurance in accordance with the individual plan approved by Order in Council 1543-96 dated 11 December 1996 (*G.O.* 2, 5443);

(3) grow cereals, grain corn and soy beans according to a crop plan complying with the Standards Guide recognized by the Régie and given to the participant at the time of enrolment or following any amendment made therein.

**28.** Notwithstanding section 16, where a participant does not comply with the conditions provided for in section 27 and that his yield, according to an evaluation by the Régie is less than the yield provided for in section 55, the compensation to which the participant is entitled is determined according to the yield obtained per hectare on all the areas cultivated according to techniques that contravene those conditions. The yield is determined by means of a sampling of the crop in the field without assessment adjustment.

The yield may however be established by an actual count of the crop stored or marketed where the sampling method cannot be done.

The yield determined under this section may not exceed the yield provided for in section 55.

### Apples

**29.** A participant must sell his apples to packers or buyers authorized by the Fédération des producteurs de pommes du Québec in accordance with the Règlement sur la vente des pommes approved by the Régie des marchés agricoles et alimentaires du Québec under its Decision 6102 dated 15 June 1994 (1994, *G.O.* 2, 3220).

### Potatoes

**30.** A participant must:

(1) cultivate potatoes according to a crop plan complying with the Standards Guide recognized by the Régie and given to the participant at the time of enrolment or following any amendment made therein;

(2) use, for all the areas, the grades of seed potatoes provided for in the Seeds Regulations (C.R.C., c. 1400) or a grade of seed potatoes grown the preceding year from sound Elite IV or Foundation seed potatoes;

(3) carry out the seeding works before the final seeding dates provided for in the Regulation respecting crop insurance in accordance with the individual plan approved by Order in Council 1543-96 dated 11 December 1996 (*G.O.* 2, 5443).

**31.** Notwithstanding section 16, where a participant does not comply with the conditions provided for in section 30 and that the yield, according to an evaluation

by the Régie, is less than the yield provided for in section 61, the compensation to which the participant is entitled, is determined according to the yield of the areas cultivated in contravention of those conditions according to the yield per hectare ascertained by the Régie by means of a sampling of the crop in the field without assessment adjustment.

If it cannot use the sampling method, the Régie shall actually count the crop stored or marketed. Notwithstanding the foregoing, that yield may not exceed the yield per hectare of the model farm provided for in Division 8.

### DIVISION 6 EVALUATION PROCEDURES FOR THE INSURABLE VOLUME

**32.** Notwithstanding this Division, the Régie may use any appropriate method to evaluate or to verify the insurable volume of a participant under the circumstances.

**33.** A participant who refuses to allow an inventory to be taken for evaluation purposes pertaining to an insurable product must be certified in a statement in writing by a representative of the Régie.

**34.** Where the Régie notices after verification that the number of units held by a participant is less than the number of units declared, in accordance with sections 36, 45, 52, 54 and 56, the insurance shall only cover the units actually held. In this case, the assessment due shall however remain the one determined according to the number of units declared by the producer.

On the other hand, where such a verification reveals that the number of units actually held by the participant is greater than the number of units declared, the insurance coverage as well as the assessment related thereto shall be increased according to the number of units held.

**35.** A participant who does not produce the declaration provided for in paragraph 2 of sections 36, 45, 52, 54, 56 and 63 within the period prescribed reduces the amount of compensation at a rate of 1 % of the annual insurable volume per working day of delay down to a limit of 20 %. The participant shall nevertheless remain bound for the payment of the assessment due for all the annual insurable volume.

### Lambs

**36.** To calculate the number of insurable lambs, the Régie shall take, each insurance year, an inventory of ewes that have brought their first gestation to term and

of gestating ewe lambs. The inventory is made according to either of the following methods:

(1) by counting the number of ewes and ewe lambs at the participant's farm;

(2) by requiring that the participant declare in writing the number of ewes and ewe lambs within the time prescribed in the notice sent by the Régie.

**37.** The number of insurable lambs is equal to the arithmetical average of ewes counted in an inventory during the insurance year multiplied by 1.3. The annual volume of insurable lambs is divided up into milk-fed lambs and heavy lambs. The number of milk-fed lambs is obtained by subtracting the number of heavy lambs sold from the number of insurable lambs.

Notwithstanding the foregoing, for a producer who enrolls in the Scheme between 1 January and 1 July of the insurance year, the annual volume of insurable lambs corresponds, for the first year of participation, to 50 % of the annual volume obtained in accordance with the first paragraph.

**38.** To determine the number of heavy lambs sold by a participant during an insurance year, the Régie uses data submitted by the Fédération des producteurs d'agneaux et moutons du Québec under an agreement entered into between the latter and the Régie in accordance with section 36 of the Act.

A heavy lamb is a slaughter lamb whose weight is equal to or greater than 36.3 kg (80 lbs) on a liveweight basis or 16.4 kg (36.2 lbs) on a carcass weight basis.

If the Régie is not notified of any sale of heavy lambs to the benefit of a participant before the first of May of the year following the insurance year, all insurable lambs of that participant shall be considered as milk-fed lambs.

### Feeder cattle and slaughter cattle

**39.** The insurable volume is equal to the weight gain of each insurable feeder cattle and slaughter cattle.

The term "weight gain" means the difference between the weight of an animal on the day of the participant's enrolment and subsequently on the day of its arrival at the livestock operation and its exit weight recorded on the day of sale or slaughter. Such exit weight may not exceed 794 kg (1 750 lbs). For a female animal for which the Régie holds no proof of slaughter, such weight may not exceed 363 kg (800 lbs).

**40.** In order to determine the cumulative weight gain of insurable feeder cattle and slaughter cattle, the Régie

shall use the slaughter data of the permanent identification system transmitted to it by the participant in accordance with section 17 or by the Fédération des producteurs de bovins du Québec under an agreement entered into between the latter and the Régie in accordance with section 36 of the Act.

**41.** Male and female animals of the bovine species are the only insurable animals, except for dairy-type female animals whose

(1) weight gain is at least 45 kg (100 lbs);

(2) the dressed weight at slaughter is at least 204 kg (450 lbs);

(3) the sale or slaughter is made at least 60 days following the purchase date of the animal if the latter was not born on the farm;

(4) the sale or slaughter is made within a period not exceeding 600 days from the date where the weight gain begins to be considered in accordance with the second paragraph of section 39;

(5) the slaughter takes place in a slaughterhouse holding a slaughter or retail permit;

(6) marketing is not made on a live basis directly to a consumer.

**42.** Female animals born on a farm and sold without slaughter proof shall be insured only if the number of insured feeder cattle born on a farm does not exceed 75 % of the number of cows of the herd.

**43.** Notwithstanding the second paragraph of section 39, to insure the weight gain of a female animal sold for breeding purposes from 363 kg (800 lbs) to a maximum of 454 kg (1 000 lbs), the animal must obtain a weighted post-weaning gain index equivalent to or greater than 92 within a contemporary group evaluated by the Programme d'analyse des troupeaux bovins du Québec (PATBQ) in which the producer must enrol.

To insure the weight gain of a slaughter male animal sold for breeding purposes to a maximum of 544 kg (1 200 lbs), the participant must have obtained from the Canadian Livestock Records Corporation or from an association of a bovine breed of slaughter cattle a registration certificate duly authorized under the Livestock Pedigree Act (L.C. 1988, c. 13) attesting that the herd of feeder cattle is purebred. The participant must also obtain from the Programme d'analyse des troupeaux bovins du Québec (PATBQ) in which the participant is enrolled a post-weaning gain index for that herd of feeder cattle.



**44.** The minimum original weight for calculating the weight gain is 181 kg (400 lbs) for a calf purchased outside the operation and 244 kg (538 lbs) for a calf born on a farm or fattened on the farm where it was born.

For the purposes of calculating the weight gain, the weight during the purchase of an insured animal may not be less than the weight determined during its sale by another participant.

#### **Feeder calves**

**45.** To calculate the number of insurable calves, the Régie shall take, each insurance year, an inventory of beef cows or beef heifers having calved before 1 June of the insurance year. The inventory is made according to either of the following methods:

(1) by counting the number of cows or heifers at the participant's farm;

(2) by requiring that the participant declare in writing the number of cows and heifers within the time prescribed in the notice sent by the Régie.

**46.** The number of insurable calves is equal to the product obtained by multiplying the inventory result by 0.75.

#### **Grain-fed calves**

**47.** To calculate the number of insurable grain-fed calves, the Régie shall take, each insurance year, an inventory by using data submitted to the Régie under an agreement entered into between the Régie and the Fédération des producteurs de bovins du Québec in accordance with section 36 of the Act.

**48.** Only dairy-type calves fed mainly on grain and mild replacer, raised in confinement to be slaughtered as slaughter calves whose hot-carcass weight with skin at the time of slaughter varies between 90 kg (198 lbs) and 182 kg (401 lbs) shall be insured. Where the weight at the time of slaughter is not available, calves must have a dressed weight equivalent comprised between 90 kg (198 lbs) and 182 kg (401 lbs). To calculate the dressed weight equivalent, the Régie applies a carcass yield of 61 % on the liveweight duly attested by a proof of weighing of an auction house holding a permit issued under the Animal Health Protection Act (R.S.Q., c. P-42).

#### **Milk-fed calves**

**49.** To calculate the number of insurable milk-fed calves, the Régie shall take, each insurance year, an

inventory by using data submitted to the Régie under an agreement entered into with the Fédération des producteurs de bovins du Québec in accordance with section 36 of the Act.

Data referred to in the first paragraph are the number of the identification label of the slaughtered animal, the date of its slaughter and its carcass weight.

**50.** The following are insurable:

(1) dairy-type calves fed exclusively on milk replacer, raised in confinement to be slaughtered as slaughter calf;

(2) milk-fed calves slaughtered in a slaughterhouse holding a slaughter permit;

(3) milk-fed calves whose slaughter is made within a period of at least 85 days and not exceeding 150 days of the date the declaration referred to in paragraph 2 of section 23 was sent;

(4) milk-fed calves whose hot-carcass weight with skin during slaughter is at least 73 kg (160 lbs).

**51.** A participant must insure all of the annual production of milk-fed calves except if the insurable maximum of 1 000 calves sold is reached. Where a producer operates under a legal entity of a partnership, company or cooperative, the limit applies collectively to associates, partners, shareholders, directors, managers or members regardless of the number of farms they operate.

The limit of 1 000 milk-fed calves applies collectively to any natural and legal person already operating a farm under one of the legal entities listed in the first paragraph or having financial ties with one of those producers.

Notwithstanding the foregoing, the second paragraph does not apply to an agricultural cooperative set up, continued or amalgamated under the Cooperative Act (R.S.Q., c. C-67.2), unless the production of milk-fed calves is its main activity.

#### **Piglets**

**52.** In order to calculate the number of insurable piglets, the Régie shall take, each insurance year, an inventory of sows having calved. The inventory is made according to either of the following methods:

(1) by counting the number of sows at the participant's farm;

(2) by requiring that the participant declare in writing the number of sows within the time prescribed in the notice sent by the Régie.

**53.** The number of insurable piglets is equal to the arithmetical average of sows counted in an inventory during the insurance year multiplied by 1.145 in order to include the female replacement animals and multiplied by a productivity factor of 17.7.

Notwithstanding the foregoing, where the producer enrolls or ceases to participate in the Scheme during the insurance year, the number of insurable piglets shall be adjusted proportionately to the months insured for the first year of participation, from the date appearing on the insurance certificate.

### Hogs

**54.** To calculate the number of insurable hogs, the Régie shall take an inventory each insurance year by

(1) using the data submitted to the Régie under an agreement entered into between the Régie and the Fédération des producteurs de porcs du Québec in accordance with section 36 of the Act;

(2) in the case of breeder hogs, requiring that the participant declare in writing within the time prescribed in the notice sent by the Régie, the number of hogs sold for breeding purposes during the insurance year as well as the number of uncastrated males sold for slaughter.

Notwithstanding the foregoing, the number of declared hogs may not exceed the number of certified or eligible sows and the number of hogs tested in accordance with the record of performance program in which the producer is enrolled.

### Cereals, grain corn and soy beans

**55.** The number of insurable tonnes, each insurance year, is equal to the product obtained by multiplying the cultivated hectares by the yield per hectare listed in Table 5 of Division 8.

**56.** The Régie shall take an inventory of the number of cultivated hectares according to either of the following methods:

(1) by counting the areas of fields in which cereals, grain corn and soy beans are cultivated;

(2) by requiring that the participant declare in writing all the areas cultivated in cereals, grain corn and soy beans within the time prescribed in the notice sent by the Régie.

**57.** Only the following categories of cereals, grain corn and soy beans are insurable:

(1) Cereals: oats, wheat for animal consumption, wheat for human consumption and barley grown for the purpose of being harvested in the form of grain, the cultivation of triticale being assimilated to the cultivation of wheat;

(2) Grain corn: corn grown for the purpose of being harvested in the form of shelled dried corn, moist corn and ear corn, excluding sweet corn and corn harvested in the form of corn silage;

(3) Soy beans: soy beans grown for the purpose of being harvested in the form of beans.

**58.** Notwithstanding section 57, grain corn and cereals that cannot, according to the Régie, reach maturity because of unfavourable weather conditions and that are not harvested or are harvested in the form of forage, shall remain insurable.

### Apples

**59.** The Régie shall determine, each insurance year, the number of kilograms of insurable apples according to either of the following methods:

(1) by using the data with regard to the quality of apples bought and sold transmitted by the Fédération des producteurs de pommes du Québec under an agreement entered into between the latter and the Régie in accordance with section 36 of the Act;

(2) by taking an inventory on the basis of data gathered at the participant's farm by the Régie.

**60.** Only late-variety apples graded "extra fancy" or "fancy" are insurable according to the standards prescribed by the Fresh Fruit and Vegetable Regulations (C.R.C., c. 285) intended for human consumption, fresh and not sold directly to consumers.

### Potatoes

**61.** The number of insurable tonnes, each insurance year, is equal to the product obtained by multiplying the cultivated hectares by the following yields:

(1) for the portion of areas declared harvested in early potatoes on 15 August, the yield attributed is 12 800 kg/ha;

(2) for the portion of areas whose crop is sold between 16 August and 31 October, the yield attributed is 24 603 kg/ha;

(3) for the portion of areas whose crop is sold from 1 November, the yield attributed is 23 601 kg/ha.

**62.** Only potatoes of the category Canada number 1 graded according to the standards established under the Fresh Fruit and Vegetable Regulations (C.R.C., c. 285) whose purpose is intended for fresh consumption or seeding are insurable.

**63.** The Régie shall take an inventory of the number of hectares cultivated by requiring from the participant:

(1) a declaration in which all the fields and parts thereof that are sown with insurable potatoes and processing potatoes are identified together with the area of each field;

(2) a declaration of the areas harvested in early insurable potatoes on 15 August;

(3) a declaration of the quantities of insurable potatoes sold between 16 August and 31 October of the insurance year as well as the quantities of insurable potatoes stored on 1 November in order to determine the portion of areas whose crop is sold between 16 August and 31 October and those whose crop is sold from 1 November.

**64.** The areas of unharvested potatoes and those whose yield in potatoes that may be marketed is less than 4 500 kg/ha, shall not be considered as cultivated hectares for the purposes of section 63.

**65.** Where the Régie ascertains, after verification, that the number of fields or parts thereof sown with insurable potatoes is greater than the number declared by the producer, the insurance coverage is limited to the field areas sown with insurable potatoes and contained in the original declaration.

Where the Régie ascertains, after verification, that the number of fields or parts thereof sown with insurable potatoes is less than the number declared by the producer, the insurance coverage is limited to the field areas sown with insurable potatoes. In that case, the assessment due remains that determined on the basis of the original declaration.

#### DIVISION 7 ASSESSMENTS

**66.** A participant must, throughout the duration of his contract, pay the annual assessment based on the number of insurable units at the time and in the way prescribed in the Regulation respecting farm income stabilization insurance schemes made by Order in Council 793-95 dated 14 June 1995 (1995, G.O. 2, 1730).

The annual assessment for each unit of insurable product is:

**TABLE 3**

Insurable product	From the insurance year	Assessment
1. Lambs	1997	\$34.85/ewe-
		milk-fed lambs
	1997	\$38.40/ewe-heavy lambs
2. Feeder cattle and slaughter cattle	1997	\$0.187658/kg of liveweight gain (\$0.085120/lb)
3. Feeder calves	1997	\$132.48/cow
4. Grain-fed calves	1997	\$37.57/calf
5. Milk-fed calves	1997	\$26.78/calf
6. Piglets	1996-1997	\$45/sow
7. Hogs	1996-1997	\$8.02/hog
8. Cereals, grain corn and soy beans		
Oats	1996	\$90.63/ha
Wheat for animal consumption	1996	\$59.86/ha
Wheat for human consumption	1996	\$44.70/ha
Grain corn	1996	\$40.60/ha
Barley	1996	\$76.83/ha
Soy beans	1996	\$6.78/ha
9. Apples	1996	\$0.003149/kg
10. Potatoes		
Potatoes sold not later than 31 October	1996	\$0.003211/kg
Potatoes sold from 1 November	1996	\$0.010127/kg

**67.** A participant who subscribes equally to a crop insurance protection offered under the Crop Insurance Act (R.S.Q., c. A-30) for one of the insurable categories of cereals, grain corn and soy beans, is entitled to the following reduction in assessment, according to the insurable categories:

TABLE 4

Insurable category	Insurance year	Reduction \$/ha
Oats	1996	4.64
Wheat for animal consumption	1996	10.04
Wheat for human consumption	1996	3.41
Grain corn	1996	3.82
Barley	1996	4.81
Soy beans	1996	0.34

**68.** A participant who has been recognized as eligible to the Program of assistance for establishment, development and training established under the Act respecting the Société de financement agricole (R.S.Q., c. S-11.0101) is entitled to a 25 % reduction in assessment for 2 consecutive insurance years.

A participant who has been recognized as eligible for the program referred to in the first paragraph has a 2-year period to assert to the Régie the entitlement to the reduction in assessment.

**69.** The reduction in assessment provided for in sections 67 and 68 may be accrued to the benefit of the same participant. Notwithstanding the foregoing, where applicable, the assessment fixed in section 66 is first lowered by the reduction of the assessment provided for in section 67, to which the reduction of the assessment provided for in section 68 is then applied.

**70.** For the insurable cereals, grain corn and soy beans, where the Régie determines the number of cultivated hectares in accordance with section 56 and that either of the cultures referred to undergoes a reduction of more than 10 % of all the cultivated areas compared with the previous year or of more than 15 % compared with the 2 previous insurance years, a corresponding share of the insurance fund of the crop undergoing a reduction is apportioned to all the funds of other crops, proportionately to the cultivated areas.

## DIVISION 8 FARM MODELS

### §1. Description of model farms

**71.** In determining the net annual income provided for in section 72, the Régie uses as a basis an economic study of a model farm specialized in each of the products.

Table 5 describes the model farms for all the products.

TABLE 5  
DESCRIPTION OF MODEL FARMS

Product	Description of the model farm	Reference year of the model	Technical coefficients	Marketed production volume	Sale of by-products	Total value of fixed assets at the acquisition cost (\$)
Lambs	The model farm has 400 ewes and cultivates an area of 111 hectares, namely: <ul style="list-style-type: none"> <li>• 8.5 ha of oats</li> <li>• 10.5 ha of barley</li> <li>• 61.0 ha of feeds</li> <li>• 28.0 ha of cultivated pasture</li> <li>• 3.0 ha of natural pasture</li> </ul> <p>The producer of the model farm produces all the feeds and part of the grains for feeding the animals. Total liveweight: 6 809.6 kg</p> <p>The producer possesses the building and equipment necessary to produce the annual production volume.</p> <p>The cereals produced on the farm are covered by the Income Stabilization Insurance Scheme for cereals, grain corn and soy beans.</p>	1988	<ul style="list-style-type: none"> <li>▶ Living lambs</li> <li>▶ Ewe lambs</li> <li>▶ Rams</li> <li>▶ Lambs death</li> <li>▶ Ewes death</li> <li>▶ Lambs sold</li> <li>▶ Milk-fed lambs</li> <li>▶ Light lambs</li> <li>▶ Heavy lambs</li> </ul>	<p>The marketed production volume is apportioned as follows:</p> <p>Milk-fed lambs:</p> <p>Weight strata: 13.6-31.8 kg live</p> <p>Lambs: 304</p> <p>Average liveweight/lamb: 22.4 kg</p> <p>Light lambs:</p> <p>Weight strata: 22.7-36.3 kg live</p> <p>Lambs: 46</p> <p>Average liveweight/lamb: 30.3 kg</p> <p>Total liveweight/lamb: 1 393.8 kg</p> <p>Heavy lambs:</p> <p>Weight: 36.3-54.4 kg live</p> <p>Lambs: 170</p> <p>Average liveweight/lamb: 46.8 kg</p> <p>Total liveweight: 7 956.0 kg</p>	<p>Sale of culled animals</p> <ul style="list-style-type: none"> <li>• 45 ewes</li> <li>• 3 rams</li> </ul> <p>Sale of 1 440 kg of wool</p>	214 358

Product	Description of the model farm	Reference year of the model	Technical coefficients	Marketed production volume	Sale of by-products	Total value of fixed assets at the acquisition cost (\$)
Feeder cattle and slaughter cattle	<p>The model farm fattens 400 feeder cattle and the cultivation areas are 100.5 ha, namely:</p> <ul style="list-style-type: none"> <li>• 60.9 ha in corn silage;</li> <li>• 39.6 ha in moist grain corn.</li> </ul> <p>The type of production is a long term breeding with the purchase of calves in the fall in the weight strata from 204 to 318 kg (450 to 700 lbs).</p> <p>The producer possesses the equipment necessary to produce the annual production volume.</p> <p>Grain corn grown on the farm is covered by the Income Stabilization Insurance Scheme for cereals, grain corn and soy beans.</p>	1985	<ul style="list-style-type: none"> <li>➤ Mortality rate 2.5 %</li> <li>➤ Culling rate 0.5 %</li> <li>➤ Exit weight of feeder cattle 539.78 kg</li> <li>➤ Sale of feeder cattle 388</li> <li>➤ Carcass yield 57 %</li> </ul>	<p>The marketed production volume was 209 436 kg in 1985.</p> <p>The volume is adjusted annually according to a statistical survey on the sale and weight price of feeder cattle and slaughter cattle.</p> <p>The sale weight of feeder cattle and slaughter cattle must be at least 204 kg (450 lbs) on a carcass weight basis.</p>	<p>Sale of 2 culled calves.</p>	408 085
Feeder calves	<p>The model farm has 100 beef cows and cultivates an area of 212 ha, namely:</p> <ul style="list-style-type: none"> <li>• 89 ha of hay;</li> <li>• 71 ha of pasture (7.1 ha in seedlings);</li> <li>• 37 ha of natural pasture;</li> <li>• 15 ha of oats.</li> </ul> <p>Most of the calving is done before the month of April and the sale of calves takes place mainly in the fall.</p> <p>The producer possesses the equipment necessary to produce the annual production volume.</p> <p>The cereals grown on the farm are covered by the Income Stabilization Insurance Scheme for cereals, grain corn and soy beans.</p>	1986	<ul style="list-style-type: none"> <li>➤ Weaned calves 90</li> <li>➤ Calves kept for replacement 15</li> <li>➤ Calves sold 75</li> <li>➤ Sale weight (kg/calv) 244</li> <li>➤ Bulls in inventory 3</li> <li>➤ Mortality of cows 2 %</li> </ul>	<p>The marketed production volume was 18 303 kg in 1986.</p> <p>The weight of feeder calves is between 181.4 kg and 317.5 kg inclusively.</p>	<p>Sale of culled animals.</p> <ul style="list-style-type: none"> <li>• 13 cows</li> <li>• 1 bull</li> </ul> <p>Sale of 17.6 M.T. of oats.</p>	218 300

Product	Description of the model farm	Reference year of the model	Technical coefficients	Marketed production volume	Sale of by-products	Total value of fixed assets at the acquisition cost (\$)	
Grain-fed calves	The model farm fattens 425 grain-fed calves.  The production is done in 2 phases, that is the starting in cages (69 cages) and the finishing in cattle feedlots.  Calf feeding is mainly constituted of supplements and dry grain corn.  The producer possesses the building and equipment necessary to produce the annual production volume.	1990	➤ Mortality rate	8.53 %	The marketed production volume was 100 177 kg in 1990.  The production volume may be adjusted following an update of the technical coefficients from a statistical survey of the Régie.  The sale weight of grain-fed calves is between 90 and 182 kg on a basis of a hot-carcass weight with skin.	Sale of culled animals	8
			➤ Culling rate	1.73 %			
			➤ Entry weight	61.14 kg			
			➤ Exit weight	235.71 kg			
			➤ Number of rearings per year	2.2			
			➤ Calves purchased	474			
			➤ Carcass yield	62 %			
Milk-fed calves	The model farm fattens 591 milk-fed calves.  The production is made in cages (225 cages).  Calf feeding is constituted exclusively of milk replacers.  The producer possesses the building and equipment necessary to produce the annual production volume.	1993	➤ Mortality rate	5.2 %	The marketed production volume was 115 925 kg in 1993.  The production volume may be adjusted following an update of the technical coefficients from a statistical survey of the Régie.  The sale weight of milk-fed calves must be at least 73 kg on a basis of a hot-carcass weight with skin.	Sale of culled animals	6
			➤ Culling rate	1.0 %			
			➤ Entry weight	49.33 kg			
			➤ Exit weight	196.15 kg			
			➤ Number of rearings per year	2.8			
			➤ Calves purchased	630			
			➤ Carcass yield	68 %			
Piglets	The model farm has 148 sows and is based on a farrow-to-finish production method.  The producer possesses the building and equipment necessary to produce the annual production volume.	1994	➤ Multiplying coefficient to take into account the first gestation sows	1.145	The marketed production volume is 2 622 piglets.  The sale weight of piglets is between 11.3 and 27.2 kg (25 and 60 lbs)	Sale of culled animals	123 325
			➤ Number of insurable sows	148			
			➤ Number of breeding sows	129.3			
			➤ Purchases and transfers of replacement animals gills boars	58 3			
			➤ Productivity of insurable sows (piglets/insurable sow)	17.7			
			➤ Weight of produced piglets (kg)	18.7			

Product	Description of the model farm	Reference year of the model	Technical coefficients	Marketed production volume	Sale of by-products	Total value of fixed assets at the acquisition cost (\$)
Hogs	The model farm of 2 486 hogs sold is based on a farrow-to-finish production method.  The producer possesses the building and equipment necessary to produce the annual production volume.	1994	<ul style="list-style-type: none"> <li>➤ Weight of piglets brought in (kg) 18.8</li> <li>➤ Mortality and seizure rate 3.3 %</li> <li>➤ Number of piglets brought in 2 571</li> <li>➤ Slaughter weight of hogs sold (kg/hog) 82.3</li> <li>➤ Turnover rate (sales/inventory) 2.8</li> </ul>	The marketed production volume is 204 598 kg (slaughtered weight).		107 438
Cereals, grain corn and soy beans	The model farm cultivates an area of 250 ha, namely: <ul style="list-style-type: none"> <li>• 27.8 ha of wheat for animal consumption or barley;</li> <li>• 27.8 ha of wheat for human consumption;</li> <li>• 166.6 ha of grain corn; and</li> <li>• 27.8 ha of soy beans.</li> </ul> For the production of oats, the production cost is calculated according to an area of 27.8 ha.  The producer possesses the equipment necessary to produce the annual production volume and possesses the storage capacity for grains.	1991	<p>Yield productions (M.T./ha)</p> <ul style="list-style-type: none"> <li>➤ Oats 3.13</li> <li>➤ Wheat for animal consumption 3.40</li> <li>➤ Wheat for human consumption 3.40</li> <li>➤ Grain corn 6.60</li> <li>➤ Barley 3.40</li> <li>➤ Soy beans 2.70</li> </ul>	The marketed production volume is: <ul style="list-style-type: none"> <li>• 87.0 M.T. of oats;</li> <li>• 94.5 M.T. of wheat for animal consumption, wheat for human consumption and barley;</li> <li>• 1 099.6 M.T. of grain corn; and</li> <li>• 75.1 M.T. of soy beans.</li> </ul>	For wheat for animal consumption, wheat for human consumption, barley, grain corn and soy beans:  337 231  For oats:  29 298	



Product	Description of the model farm	Reference year of the model	Technical coefficients	Marketed production volume	Sale of by-products	Total value of fixed assets at the acquisition cost (\$)
Apples	The model farm possesses 6 968 late-variety apple trees of which 1 671 are of standard variety, 2 509 of a half-dwarf variety and 2 788 of a dwarf variety on an area of 22.5 ha. These apple trees shall represent 1 940 tree-units.  The producer possesses the equipment necessary to produce the annual production volume.	1992	(1) each tree-unit produces 233.5 kg;  (2) the quality index for "fancy" grade apples sold to market is 64 %;  (3) direct sales to consumers account for 5 %.	The marketed production volume is 275 473 kg of late fancy apples.	Sale of 154 953 kg of processing apples.  Sale of 22 654 kg of apples sold directly to consumers.	353 332
Potatoes	The model farm has an area of 124.5 hectares in cultivation, namely:  83 ha in potatoes;  19.6 ha in commercial oats; and  21.9 ha for rye as root crops  The producer possesses the equipment necessary to produce the annual production volume and possesses the storage capacity.  The cereals grown on the farm are covered by the Income Stabilization Insurance Scheme for cereals, grain corn and soy beans.	1991	Potato yield (M.T./ha)  Oats yield (M.T./ha)  2.3	The marketed production volume is 1 984.86 M.T. of potatoes.	Sale of 45.08 M.T. of oats.	592 994

## §2. Net annual income

**72.** The net annual income corresponds to the annual receipts minus the cash disbursements and depreciation.

Cash disbursements and depreciation are determined during the period corresponding to the insurance years for each of the insurable products except for feeder cattle and slaughter cattle where they are computed from 1 October to 30 September and cereals, grain corn and soy beans, potatoes and apples where they are computed from 1 January to 31 December.

The Régie shall adjust and fix, for each insurance year, the net annual income according to statistical surveys or according to other data it deems relevant.

## §3. Annual receipts

**73.** The items considered in computing annual receipts are:

(1) Income from the sale of a product, namely the marketed production volume listed in Table 5 multiplied by the average selling price.

The average selling price corresponds for each product to the average price having prevailed throughout the insurance year for Québec businesses specialized in the products concerned according to a statistical survey. Table 6 lists, for all the insurable products, the specificities in respect of the average selling price.

TABLE 6

Product	Average selling price
Lambs	The average selling price shall represent the average of the selling prices for the categories of lambs at the sale weights listed in Table 5.
Feeder cattle	The average selling price shall represent the average of the selling prices according to the average weights of slaughter cattle listed in Table 5 for the Canada A and B categories (Livestock and Poultry Carcass Regulations (1992) 126 Can. Gaz. II 3821).
Feeder calves	The average selling price shall represent the average of the prices obtained for feeder calves at the weight listed in Table 5, sold at specialized auctions.

Product	Average selling price
Grain-fed calves	The selling price shall represent the average of the prices per kilogram re-adjusted on a liveweight basis for grain-fed calves at the sale weight listed in Table 5.
Milk-fed calves	The selling price shall represent the average of the prices per kilogram re-adjusted on a liveweight basis for milk-fed calves at the sale weight listed in Table 5.
Piglets	The average selling price shall represent the average of the prices according to the average weight of piglets listed in Table 5.
Feeder hogs	The average selling price per kilogram of product shall correspond to the average of the prices having prevailed in the production of feeder hogs for slaughter hog carcasses. The compensations received must also be considered for shipping reasons and delay in slaughter.
Cereals, grain corn and soy beans	The average price shall correspond to the average of the prices for the categories of grain in accordance with the Regulation respecting grain made by Order in Council 1724-92 dated 2 December 1992 (1992, <i>G.O.</i> 2, 5263): <ol style="list-style-type: none"> <li>(1) for oats, classes 1 to 4;</li> <li>(2) for wheat for animal consumption, classes 1 to 3;</li> <li>(3) for wheat for human consumption, the highest of categories 1 to 3 of wheat for animal consumption and categories 1 to 3 of wheat for human consumption;</li> <li>(4) for grain corn, categories 1 to 5;</li> <li>(5) for barley, categories 1 and 2; and</li> <li>(6) for soy beans, categories 1 to 5.</li> </ol> <p>Where the Régie deems insufficient the quantities of grains marketed by specialized businesses, it may establish the average selling price following a statistical study carried out among grain buyers.</p>

Product	Average selling price
Apples	<p>The average selling price shall represent the average price paid for late “fancy” apples (Regulation respecting fresh fruits and vegetables (R.R.Q., 1981, c. P-29, r. 3)) as an average selling price for each transaction made in the production of apples. This price shall correspond to the highest amount of:</p> <p>(a) the market price paid by packers or buyers authorized by the Fédération des producteurs de pommes du Québec;</p> <p>(b) the reference price determined by the Price Committee prescribed by the Regulation respecting the sale of apples;</p> <p>(c) the price corresponding to two-thirds of total subsidies and grants, depreciation and net stabilized annual income for the year preceding the insurance year.</p>
Potatoes	<p>The Régie will determine the selling price with businesses that participated to the self management quality program of the Fédération as well as with packing stations recognized by Agriculture and Agri-Food Canada as producing “Canada No. 1” potatoes (Fresh Fruit and Vegetables Regulations, C.R.C., c. 285) in Québec. Failing to obtain the complete list of producers-packers and packers who participated in the self management quality program of the Fédération, the Régie has the right to complete its price survey with businesses producing “Canada No. 1” potatoes even if they do not enrol in the self management quality program of the Fédération.</p>

(2) Income from the sale of by-products, namely the volume listed in Table 5 multiplied by the average price of those by-products.

The average selling price corresponds for each by-product to the average selling price paid in Québec and determined according to a statistical survey of the Régie

or according to the indexation standards provided for in the following Table:

TABLE 7

By-product	Indexation standards
Lambs	
• Culled animals	Variation in the price of culled ewes, according to the Canada livestock and meat trade report, Agriculture and Agri-Food Canada.
• Sale of wool	Variation in the price of wool for Québec, MAPAQ.
Feeder cattle and slaughter cattle	
• Culled calves	Variation in the price of culled cows according to the Canada livestock and meat trade report, Agriculture and Agri-Food Canada.
Feeder calves	
• Culled animals	<ul style="list-style-type: none"> <li>• for cows: average variation in the prices of cows for the months of August to October of the insurance year, Canada livestock and meat trade report, Agriculture and Agri-Food Canada;</li> <li>• for the bull: average variation in the insurance of culled bulls for the months of August to October of the insurance year, Canada livestock and meat trade report, Agriculture and Agri-Food Canada;</li> </ul>
• Sale of oats	Variation in the price of oats for regional centres for the months of September and October of the insurance year according to Agriculture and Agri-Food Canada.
Grain-fed calves	
• Culled calves	Average variation in the price of slaughter calves weighing less than 67.6 kg (149 lbs) according to the Canada livestock and meat trade report, Agriculture and Agri-Food Canada.

By-product	Indexation standards
Milk-fed calves • Culled calves	Average variation in the price of slaughter calves weighing less than 67.6 kg (149 lbs) according to the Canada livestock and meat trade report, Agriculture and Agri-Food Canada.
Piglets • Culled sows	Variation in the price of culled sows according to the Canada livestock and meat trade report, Agriculture and Agri-Food Canada.
• Culled boars	Variation in the price of culled boars according to the Canada livestock and meat trade report, Agriculture and Agri-Food Canada.
Apples • Processing apples	The highest of the average annual price observed during the insurance year and the average prices for the last 5 years.
• Apples sold directly to consumers	The average price paid in Québec during the insurance year.
Potatoes • Oats	Variation in the price of oats for regional centres for the months of August and October of the insurance year, Agriculture and Agri-Food Canada.

(3) Any subsidy or grant to which a participant is entitled according to the production volume and the marketed by-products if that subsidy or grant is granted by government agencies as a price compensation for the insurable product.

In the case where a subsidy or grant is paid later than the compensation, the participant shall remit to the Régie the amount which would have otherwise been included in the receipts for that insurance year.

Where a participant changes the legal status of his business and the Régie must apply the procedures provided for in the first and second paragraphs, the amount received by the participant as a subsidy or grant before the change in status shall be considered, for the purposes of applying this section, as amounts received by the participant under the new legal status.

(4) For all the participants in the Scheme who are equally insured to the crop insurance programs, an amount per hectare corresponding to the average of the indemnity share paid under the Crop Insurance Act for a protection greater than the average selling price determined in section 73 for insurable cereals, grain corn and soy beans.

#### §4. Stabilized net annual income

**74.** For insurable lambs, feeder cattle and slaughter cattle, feeder calves, grain-fed calves, milk-fed calves and cereals, grain corn and soy beans, the stabilized net annual income shall be equal to 90 % of the average regular annual salary of a skilled worker.

For insurable potatoes and apples, the stabilized net annual income shall be equal to 70 % of the average regular annual salary of a skilled worker.

The salary is adjusted annually based on the average regular annual salary of a skilled worker.

The salary is based on an amount of \$9 700 set in 1974 and indexed according to the average weekly remuneration in all Québec industries according to Statistics Canada.

**75.** For insurable hogs and piglets, the stabilized net annual income shall be equal to 90 % of the share of the average regular annual salary of a skilled worker attributed to the production of piglets and 70 % of the share of the average regular annual income of a skilled worker attributed to the production of hogs.

The stabilized annual income prescribed in the first paragraph is adjusted annually based on an average regular annual salary set at \$34 243.89 for the insurance year ending on 31 March 1995. This salary corresponds to 2 611 hours of work, on an annual basis, that is, the equivalence set for an operator on the model farm.

Breaking the average regular annual salary down for hours worked and shares of the average regular annual salary in each of the “breeding” and “feeder” divisions provides the following figures:

TABLE 8

	Hours worked by the operator	Share of the average regular annual salary
“Breeding” division:	1 693	\$22 204.10
“Feeder” division:	974	\$12 774.24

## §5. Cash disbursements and depreciation

**76.** The items used to calculate cash disbursements and depreciation as well as the amounts linked thereto are listed in Table 9 for the animal products and in Table 10 for the vegetable products.

Each cash disbursement item shall be indexed annually by the Régie in accordance with the indexing norms provided for in Table 11 or in accordance with other data it deems relevant.

TABLE 9 ANIMAL PRODUCTIONS — CASH DISBURSEMENTS AND DEPRECIATION

Description of insurance coverage according to the products	“Lambs”	“Feeder cattle”	“Feeder calves”	“Grain-fed calves”	“Milk-fed calve	“Piglets”	”Hogs”
Reference volume of the model farm	16 159.4 kg	209 436 kg	18 303 kg	100 177 kg	115 925 kg	2 622 piglets	204 598 kg
Reference year of the farm model	1988	1985	1986	1990	1993	1994	1994
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cash disbursements							
Variable costs							
Purchase of animals	1 036.23	216 408.00	1 227.31	81 313.09	135 372.22	4 270.08	122 481.86
Feed purchased and produced on the farm	13 918.36	61 733.06	9 837.49	66 469.42	264 032.72	59 556.53	144 413.47
Medication, veterinary services and insemination	2 096.14	4 376.64	1 525.74	9 613.50	19 189.80	9 448.50	3 116.23
Additional labour	5 880.97	9 819.52	4 763.10	6 385.70	8 063.18	11 145.88	6 414.64
Contract work	2 337.16	3 694.77	1 006.50	0.00	862.99	0.00	0.00
Disposal of manure	0.00	0.00	0.00	994.50	1 178.10	685.23	1 423.18
Livestock insurance	367.91	1 439.50	427.77	373.14	490.57	0.00	0.00
Use of machinery	3 658.18	22 674.59	5 642.06	600.55	443.92	1 184.48	910.35
Electricity and propane	1 622.46	1 614.08	725.64	5 019.91	8 007.71	5 764.65	3 704.70
Bedding	0.00	2 799.87	0.00	3 476.50	0.00	0.00	0.00
Purchase and market costs	5 297.61	10 425.93	1 882.83	12 013.57	7 534.97	595.35	6 958.63
Interest on short-term loan	1 260.50	29 674.41	2 049.36	7 747.27	5 048.03	1 440.67	2 658.26
Sub-total	37 475.52	364 660.37	29 087.80	194 007.15	450 224.21	94 091.37	292 081.32
Fixed costs							
Maintenance of buildings and land	1 838.86	3 513.18	1 624.00	3 510.50	4 983.30	5 569.89	5 505.85
Miscellaneous insurance	1 003.16	1 562.44	575.98	963.42	866.79	2 132.77	2 435.10
Real estate taxes	265.21	284.57	436.95	212.56	242.15	258.80	340.67
Interest on medium and long term loans	5 807.82	21 125.67	6 310.57	5 535.16	3 742.93	4 841.05	4 212.72
Miscellaneous costs	2 437.08	4 900.86	3 425.54	2 271.08	3 401.81	2 728.97	1 512.37
Sub-total	11 352.13	31 386.72	12 374.04	12 492.72	13 236.98	15 531.48	14 006.71
Total cash disbursements	48 827.65	396 047.09	41 460.84	206 499.87	463 461.19	109 622.85	306 088.03
Depreciation	7 077.30	14 752.35	5 430.21	6 081.70	6 969.27	9 908.05	10 117.77
Total cash disbursements and depreciation	55 904.95	410 799.44	46 891.05	212 581.57	470 430.46	119 530.90	316 205.80

**TABLE 10**  
**CROP PRODUCTIONS — CASH DISBURSEMENTS AND DEPRECIATION**

Description of insurance coverage according to the products	Cereals, grain corn and soy beans							
	"Oats"	"Wheat for animal consumption"	"Wheat for human consumption"	"Grain corn"	"Barley"	"Soy beans"	"Apples"	"Potatoes"
Reference volume of the model farm	87.1 mt	94.52 mt	94.52 mt	1 099.6 mt	94.52	75.1 mt	275 473 kg	1 984.86 mt
Reference year of the farm model	1991	1991	1991	1991	1991	1991	1992	1991
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cash disbursements								
Variable costs								
Seed and trees	808.40	1 713.18	1 926.08	12 727.94	1 252.04	1 936.92	1 607.19	28 852.91
Fertilizers	1 396.67	2 772.51	2 752.43	28 097.34	2 202.73	1 147.66	2 389.20	44 170.31
Pesticides	329.99	273.27	350.28	9 584.50	329.99	1 952.67	15 247.44	33 382.07
Land rental	1 403.44	1 403.44	1 403.44	8 410.57	1 403.44	1 403.44	0.00	2 113.31
Custom work and rental fees	0.00	0.00	0.00	0.00	0.00	0.00	2 998.565	1 821.28
Additional labour	777.61	791.06	815.93	7 446.17	791.06	1 094.54	42 528.30	28 824.70
Maintenance and repair for machinery	1 150.83	1 157.50	1 174.80	10 997.42	1 157.50	1 306.82	4 713.24	19 148.10
Expenses related to energy needs	912.63	933.43	1 027.05	17 532.51	900.77	926.36	4 055.91	12 753.92
Marketing costs	550.71	598.19	598.19	6 960.47	598.19	475.38	20 466.57	3 486.00
Interest on short-term loan	296.95	489.87	441.59	4 201.84	422.83	645.22	3 746.97	10 038.85
Sub-total	10 132.45	7 627.23	10 489.79	105 958.76	9 058.55	10 889.01	97 753.32	184 591.95
Fixed costs								
Maintenance of buildings and land	263.30	270.55	274.51	2 321.91	270.55	267.32	2 215.44	1 191.05
Miscellaneous insurance	218.35	223.18	227.53	1 909.24	223.18	246.93	1 364.21	3 808.32
Real estate taxes	55.02	55.31	55.47	359.51	55.31	55.18	735.35	885.45
Interest on medium term and long term loans	2 731.08	2 745.79	2 774.01	18 834.20	2 745.79	2 818.23	10 726.04	11 676.34
Miscellaneous costs	348.92	375.41	376.47	4 629.07	375.41	317.27	4 037.70	8 620.50
Sub-total	3 616.67	3 670.24	3 707.99	28 053.93	3 670.24	3 704.93	19 078.74	26 181.66
Total cash disbursements	11 243.90	13 802.69	14 197.78	134 012.69	12 728.79	14 593.94	116 832.06	210 773.11
Depreciation	2 350.01	2 375.91	2 454.72	19 630.79	2 375.91	639.91	8 030.95	21 017.94
Total cash disbursements and depreciation	13 593.91	16 178.60	16 652.50	153 643.48	15 104.70	15 233.85	124 863.01	231 791.05

**TABLE 11**  
INDEXATION STANDARDS

Description of items	Annual adjustment standards
For all the insurable products:	For the annual adjustment of the following table items, a statistical survey by the Régie shall be used, or failing that, the specific standards or indices prescribed hereafter:
1. Insurance	1.
(a) Buildings, equipment, machinery and tractors	(a) The composite index of the replacement cost for buildings, equipment, machinery and tractors according to the Farm Input Price Index (FIPI) for Québec, Statistics Canada, and of the variation of the insurance rate according to the general insurance leaflet, handbook of economic references for Québec agriculture;
(b) Liability insurance	(b) The index of the variation in the cost of a liability insurance according to the general insurance leaflet, handbook of economic references for Québec agriculture; Groupe GÉAGRI Inc.
(c) Inventory insurance	(c) The composite index of the variation of the insurable value and insurance rate according to the handbook of economic references for Québec agriculture;
(d) Livestock insurance	(d) The composite index of the variation of the insurable value and insurance rate according to the general insurance leaflet, handbook of economic references for Québec agriculture; Groupe GÉAGRI Inc.
(e) Truck and pick-up	(e) FIPI truck and pick-up replacement cost for Québec, Statistics Canada;
(f) Insurance taxes	(f) Insurance tax based on the rate in force, Ministère du Revenu.
2. Fuel and lubricants	2. FIPI petroleum products index for Québec, Statistics Canada.
3. Lime	3. Variation in the price of lime spread for Québec, MAPAQ.
4. UPA dues	4. Variation in the rate of assessment due, Union des producteurs agricoles du Québec, MAPAQ.
5. Medication, veterinary services, sanitary products and others	5. Variation in medication costs according to the Centre de distribution des médicaments vétérinaires, MAPAQ.
6. Depreciation	6. The depreciation amounts were adjusted until the 1996-1997 insurance year for piglets and feeder hogs, until the 1994-1995 insurance year for cereals, grain corn and soy beans, potatoes and apples and until the 1995-1996 insurance year for feeder calves, feeder cattle and slaughter cattle, milk-fed calves, grain-fed calves and lambs. For the subsequent years, the depreciation amounts shall remain in force without any other adjustment.

Description of items	Annual adjustment standards
7. Disposal of solid and liquid manure	7. FIPI index for machinery and motor vehicle operation for Québec, Statistics Canada.
8. Electricity	8.
(a) Electricity	(a) FIPI index for electricity for Québec, Statistics Canada;
(b) Sales tax	(b) The tax on electricity is based on the rate in force, Ministère du Revenu.
9. Machine and tractor maintenance	9. FIPI index for machinery and motor vehicle maintenance for Québec, Statistics Canada.
10. Building maintenance	10. FIPI index for building repair for Québec, Statistics Canada.
11. Land maintenance	11. FIPI custom work index for Québec, Statistics Canada.
12. Office space	12. FIPI index for building replacement for Québec, Statistics Canada.
13. Fertilizers	13. FIPI index for fertilizers for Québec, Statistics Canada.
14. Office supplies	14. FIPI index for stationery and office supplies for Canada, Statistics Canada.
15. Administrative costs for the advanced payment program	15. Fees payable according to the federations concerned.
16. Electronic auction fees	16. Rate according to the federations concerned.
17. Mileage (pick-up and automobile)	17. FIPI index for machinery and motor vehicle operation for Québec, Statistics Canada.
18. Accounting and professional fees	18. Variation of costs based on the fees payable according to the Union des producteurs agricoles du Québec, MAPAQ.
19. Registration	19. Variation of costs for registration, according to the SAAQ, MAPAQ.
20. Short-term interest	20. Short-term loans cover the financing needs based on the cash flow during the year. The annual cost in interests is determined according to the monthly credit balance according to the rate of loans to businesses and applicable to all the producers.
	The opening balance of the cash position is re-evaluated annually in terms of the maximum value of short-term loans granted by the financial institutions.



Description of items	Annual adjustment standards
21. Interest on medium and long-term loans	21. Variation of the interest rate in force according to credit agencies according to the case: Société de financement agricole, Société de crédit agricole, financial institutions and the concessionaries.
22. Land rental	22. FIPI index for value per acre of land and buildings for Québec, Statistics Canada.
23. Additional labour	23.
(a) salary	(a) FIPI index for hourly labourers for Québec, Statistics Canada;
(b) employer contribution	(b) Rate of assessment required by the agencies concerned.
24. Small tools	24. FIPI index for small tools in Québec, Statistics Canada.
25. Joint plan and other deductions made by the Fédérations	25. Rate according to the federations concerned.
26. Propane	26. Cost variation of major propane suppliers, MAPAQ.
27. Agricultural newspapers and magazines	27. Cost variation for a 3-year subscription to Terre de Chez Nous and the Bulletin des agriculteurs, MAPAQ.
28. Real estate taxes	28. Variation in the account of municipal and school taxes, Service des subventions, MAPAQ.
	The amount appearing in annual disbursements is the net amount after deducting the real estate tax refund by the Government.
29. Telephone	29. Variation in costs, Bell Canada, MAPAQ.
30. Contract work	30. FIPI index for custom work for Québec, Statistics Canada.
<b>Lambs</b>	
31.	Feed purchased 31.
(a) Grain bought	(a) Variation in the price of barley for regional centres, Agriculture and Agri-Food Canada;
(b) Feed	(b) Variation in the price of 15-16 % dairy feed for Québec, Agriculture and Agri-Food Canada;
(c) Protein supplements	(c) Average variation in the weekly prices of protein supplements for Québec according to Agriculture and Agri-Food Canada, MAPAQ;
(d) Salt	(d) Average variation in the price of salt blocks for Québec, Coopérative Fédérée, MAPAQ;

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**Lambs**


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(e) Minerals	(e) Average variation in the price of minerals for Québec, Coopérative Fédérée, MAPAQ;
(f) Maternized milk	(f) Variation in the prices of milk substitutes for lambs according to Québec suppliers, MAPAQ.
32. Feed produced on the farm	32.
(a) Seed	(a) FIPI seed price index for Québec, Statistics Canada;
(b) Baling twine	(b) Average variation in the price of baling twine for Québec, MAPAQ;
(c) Lubricants	(c) IPI oil and lubricants products price index for Canada, Statistics Canada.
33. Laboratory analyses	33. Costs of laboratory analyses, MAPAQ.
34. Inventory insurance	34. Insurance rate index farm product according to the general insurance leaflet, handbook of economic references for Québec agriculture, Groupe GÉAGRI Inc.
35. Replacement rams	35. Average variation in the price of rams for Québec, MAPAQ.
36. Vaginal sponges and hormones	36. Cost variation of vaginal sponges according to the Centre de distribution des médicaments vétérinaires, MAPAQ.
37. Auction and slaughter fees	37.
(a) Sale of lambs and culled animals	(a) Variation of auction, slaughter and miscellaneous fees, MAPAQ;
(b) Transportation of animals to sale	(b) Index for machinery and motor vehicle operation for Québec, Statistics Canada.
38. Artificial insemination	38. Variation of insemination costs, MAPAQ.
39. Medication, veterinary services, vitamins and sanitary products	39. Composite variation of 87 % on the average increase for medication according to the Centre de distribution des médicaments vétérinaires and of 13 % on increases in veterinary fees according to the “assurance santé animale contributoire”, MAPAQ.
40. Sheep clipping	40. FIPI index for custom work for Québec, Statistics Canada.

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**Feeder cattle and slaughter cattle**


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41. Purchase of feeder calves	41. Variation in the purchase price of feeder calves for Québec, MAPAQ.
42. Feed purchased and produced on the farm	42.

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**Feeder cattle and slaughter cattle**

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(a) seed;	(a) FIPI index for grain corn seeds for Québec, Statistics Canada;
(b) pesticides;	(b) FIPI pesticide index for Québec, Statistics Canada;
(c) crop insurance	(c) Average assessment per hectare collected by the Régie for each of the categories of crops harvested;
(d) hay;	(d) Variation in the price of hay, BSQ;
(e) grain corn;	(e) Variation in the price of grain corn in regional centres, Agriculture and Agri-Food Canada;
(f) implants;	(f) Variation in the price of implants for Québec, MAPAQ;
(g) protein supplements and Rumensin;	(g) Variation in the price of protein supplements and Rumensin for Québec, MAPAQ;
(h) pre-mix.	(h) Variation in the price of pre-mixes for Québec, MAPAQ.
43. Stock insurance	43. Farm products insurance rate index according to the general insurance leaflet, handbook of economic references for Québec agriculture, Groupe GÉAGRI Inc.
44. Fuel	44. Variation in the price of diesel fuel for Québec, MAPAQ.
45. Commission at the purchase of calves and at the sale of culled animals	45. FIPI custom work index for Québec, Statistics Canada.
46. Electricity and telephone	46. FIPI index for electricity for Québec, Statistics Canada.
47. Identification labels	47. Variation in the cost of labels, MAPAQ.
48. Classification fees	48. Variation of classification fees according to Agriculture and Agri-Food Canada.
49. Bedding	49. Price index for hay, BSQ.
50. Lubricant	50. FIPI index for lubrication oil and grease for Canada, Statistics Canada.
51. Transportation at purchase of calves and at sales of culled animals	51. Private transport index for Québec of the Consumer Price Index (CPI), Statistics Canada.
52. Urea	52. Variation in the price of urea, MAPAQ.

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**Feeder calves**

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53. Purchase of bull	53. Cost of a bull approved in a testing station in Québec, Service des productions animales, MAPAQ.
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**Feeder calves**


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54. Feed purchased and produced on the farm	54.
(a) seed;	(a) FIPI seed index for Québec, Statistics Canada;
(b) baling twine;	(b) variation in the price of baling twine, MAPAQ;
(c) polyethylene sheet;	(c) variation in the price of polyethylene sheets, MAPAQ;
(d) standing hay;	(d) price variation index of hay for Québec, BSQ;
(e) salt blocks;	(e) variation in the price of salt blocks, Coopérative Fédérée, MAPAQ;
(f) minerals;	(f) variation in the price of minerals, Coopérative Fédérée, MAPAQ;
(g) feed;	(g) variation in the price of 15-16 % dairy feed for Québec, Agriculture and Agri-Food Canada;
(h) lubricants.	(h) IPI index for lubrication oil and grease for Canada, Statistics Canada.
55. Inventory insurance	55. Farm products insurance rate index according to the general insurance leaflet, handbook of economic references for Québec agriculture, Groupe GÉAGRI Inc.
56. Fuel	56. Variation in the price of diesel fuel for Québec, MAPAQ.
57. Maintenance of buildings and land	57. Variation in the replacement value of buildings and land, MAPAQ.
58. Auction fees	58. Variation in auction fees, MAPAQ.
59. Implants	59. Variation in the price of implants for Québec, MAPAQ.
60. Transportation of animals	60. Montréal CPI for private transport index for Québec, Statistics Canada.

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**Grain-fed calves**


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61. Purchase of calves	61. Variation in the purchase price of calves for Québec, MAPAQ.
62. Feed purchased:	62. Feed purchased:
(a) milk substitute	(a) variation in the price of milk substitute for Québec, MAPAQ;
(b) calf feed	(b) variation in the price of 15-16 % dairy feed for Québec, Agriculture and Agri-Food Canada;

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**Grain-fed calves**

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(c) protein supplement and other feeds	(c) variation in the price of 32-40 % dairy protein supplements for Québec, Agriculture and Agri-Food Canada;
(d) grain corn	(d) variation in the price of grain corn for regional centres, Agriculture and Agri-Food Canada.
63. Life insurance on loan	63. Variation in the amount loaned on medium and long-terms, MAPAQ.
64. Travelling expenses for the business' need	64. Rate of travelling expenses for employees of the Gouvernement du Québec.
65. Maintenance of buildings, barn yard and equipment	66. FIPI index for building repairs in Québec, Statistics Canada.
66. Purchase and sales costs	67.
(a) transport;	(a) Québec CPI private transport index for Québec, Statistics Canada;
(b) commission;	(b) Variation in the costs of commission for Québec, MAPAQ;
(c) classification fees	(c) Variation of classification fees according to Agriculture and Agri-Food Canada.
67. Bedding	67. Variation in the cost of wood chips for Québec, MAPAQ.

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**Milk-fed calves**

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68. Purchase of calves	68. Variation in the purchase price of calves for Québec, MAPAQ.
69. Feed purchase: milk substitute	69. Variation in the price of milk substitute or in feeding costs for Québec, MAPAQ.
70. Live insurance on loan	70. Variation in the amount loaned on medium and long-terms, MAPAQ.
71. Maintenance and repair	71. FIPI index for building repairs for Québec, Statistics Canada.
72. Identification labels	72. Variation in the costs of labels, MAPAQ.
73. Purchase and sales cost	73.
(a) transport	(a) Québec CIP private transport index for Québec, Statistics Canada;
(b) commission	(b) Variation in the costs of commission for Québec, Statistics Canada.

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**Milk-fed calves**


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74. Custom work washing of cages 74. FIPI index for hourly labourers in Québec, Statistics Canada.

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**Piglets and hogs**


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75. Feed purchased: "breeding" and "feeder" divisions 75. Nominal costs variation according to a statistical survey of major feed suppliers or weekly prices of 15-16 % growth feed for hogs according to Agriculture and Agri-Food Canada.

76. Purchase and transfer of piglets 76. Statistical survey of the Régie on the average price of piglets that prevailed in Québec and used to establish the selling price of piglets for the "breeder" division at the weight listed in Table 5.

77. Breeders: 77.

(a) purchase of replacement animals (a) Variation costs of controlled hybrid sows and pure-bred boars according to the Société des éleveurs de porcs du Québec;

(b) transfer of replacement animals (b) Variation in the feeder division operating cost. Operating costs = Variable costs + fixed costs + depreciation;

(c) sales income from animals (c) Variation in the costs according to the Livestock Market Review, Agriculture and Agri-Food Canada.

78. Income insurance, life insurance and farm products insurance 78. Variation in the producer's remuneration, MAPAQ.

79. Maintenance and repairs 79. FIPI index for building repairs for Québec, Statistics Canada.

80. Contracts, rentals and permits 80. FIPI index for machinery and motor vehicle operation for Québec, Statistics Canada.

81. Marketing costs 81.

(a) transport of culled animals (a) Québec CPI private transport index, Statistics Canada;

(b) transport of piglets and market hogs, "feeder" division (b) Index of regular transport costs taken directly according to the electronic auction, Fédération des producteurs de porcs du Québec;

(c) auction fees, "breeding" division (c) Costs index according to a statistical survey with the main Québec animal auctions.

82. Interest and short-term loans 82. Financial institutions prime rate index, MAPAQ.

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**Cereals, grain corn and soy beans**

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|---|---|
| 83. Pesticides  | 83. FIPI herbicide index for Québec, Statistics Canada.   |
| 84. Seed of oats, wheat for animal consumption, wheat for human consumption, grain corn, barley and soy beans | 84. Variation in the prices of seed according to the handbook of economic references for Québec agriculture, MAPAQ.   |
| 85. Transport outside the farm  | 85. CPI private transport index for Québec, portion of grain sold on a delivery basis adjusted annually while determining the selling price, Statistics Canada. |

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**Apples**

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|--|---|
| 86. Purchase of replacement apple trees                              | 86. Variation in the price of apple trees for Québec, MAPAQ.                |
| 87. Rental fees for hives  | 87. FIPI supplies and services index for Eastern Canada, Statistics Canada. |
| 88. Marketing costs:   | 88.   |
| (a) Flat rate storage and soaking of apples (refrigerated warehouse) | (a) Variation in the cost of storage and soaking for Québec.                |
| (b) Transport at the sale and return of boxes                        | (b) Québec CPI private transport index, Statistics Canada.                  |
| (c) Commission   | (c) FIPI index for hourly labourers for Québec, Statistics Canada.          |
| 89. Pesticides   | 89.   |
| (a) Fungicides   | (a) FIPI fungicide index for Québec, Statistics Canada.                     |
| (b) Insecticides and acaricides                                      | (b) FIPI insecticide index for Québec, Statistics Canada.                   |
| (c) Herbicides   | (c) FIPI herbicide index for Québec, Statistics Canada.                     |
| (d) Others   | (d) FIPI chemical products index for Québec, Statistics Canada.             |
| 90. Heating oil  | 90. FIPI petroleum products index for Québec, Statistics Canada.            |
| 91. Advertising  | 91. FIPI supplies and services index for Eastern Canada, Statistics Canada. |

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**Potatoes**

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|--|--|
| 92. Net cost of storage in refrigerated room | 92. Storage cost, MAPAQ.   |
| 93. Manure                                   | 93. Index comprised of 50 % of the FIPI fertilizer index for Québec and of 50 % of the FIPI price index for custom work for Québec, Statistics Canada. |

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**Potatoes**


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94. Pesticides	94.
(a) Herbicides	(a) FIPI herbicide index for Québec, Statistics Canada.
(b) Insecticides	(b) FIPI insecticide index for Québec, Statistics Canada.
(c) Fungicides	(c) FIPI fungicide index for Québec, Statistics Canada.
(d) Defoliant, fumigators, sprout inhibitors and others	(d) FIPI chemical products index for Québec, Statistics Canada.
(e) Diseases and pest screening unit	(e) FIPI custom work index for Québec, Statistics Canada.
95. Seed for crop rotation	95. FIPI seed index for Québec, Statistics Canada.

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**DIVISION 9****CALCULATION OF INDEMNITY**

**77.** Where in respect of an insurable product, the stabilized net annual income is higher than the net annual income of the model farm, the Régie must pay a compensation equal to the difference between the stabilized net annual income and the net annual income for each unit of a product within the time prescribed in the Regulation respecting income stabilization insurance schemes for farm producers. Notwithstanding the foregoing, in calculating the compensation, sections 19, 21, 24, 28, 31 and 35 must be taken into account.

**78.** The compensation paid to a producer does not take into account the income of his sales nor of his individual production cost.

**79.** Entitlement to the compensation provided for in this Division is conditional on the payment by the participant of any assessment due according to the following joint plans:

(1) the Plan conjoint des producteurs d'ovins du Québec approved by the Régie des marchés agricoles et alimentaires du Québec under its Decision 3494 dated 29 September 1982 (1982, *G.O.* 2, 4081);

(2) the Plan conjoint des producteurs de bovins du Québec approved by the Régie des marchés agricoles et alimentaires du Québec under its Decision 3388 dated 5 May 1982 (1982, *G.O.* 2, 2084);

(3) the Plan conjoint des producteurs de pommes de terre du Québec (R.R.Q., 1981, c. M-35, r. 109).

**80.** Where a participant ceases to be insured or ceases to be insurable, he must remit to the Régie the sums that

otherwise would have been deductible under subparagraphs 3 of section 73.

**81.** The Régie may withhold from a compensation any sum that a participant owes to it under this Scheme and, where there is an agreement in accordance with section 36 of the Act, any assessment due according to a joint plan approved by the Régie des marchés agricoles et alimentaires du Québec.

**82.** To avoid that the cultivated areas of cereals, grain corn and soy beans provide a double compensation for the participant, the compensations paid for cereals, grain corn and soy beans, according to the areas set in Table 5, shall be deducted from the calculation of cash disbursements and depreciation for the lambs, feeder cattle and slaughter cattle, feeder calves and potatoes.

**83.** For the purposes of calculating the net annual income for insurable lambs, separate production costs for the various categories of lambs considered in the model established in 1988 from those of the production of milk-fed lambs shall be apportioned according to the following Table:

TABLE 12

Items 1995 insurance year	1988 model Indexation from January to December 1995 (\$/ewe)	Milk-fed lambs equivalent 1995 indexation (\$/ewe)	Avoided expenses milk-fed lambs (\$/ewe)
Costs related to the ewe:	155.68	155.68	0.00
Costs related to the lamb:			



Items 1995 insurance year	1988 model Indexation from January to December 1995 (\$/ewe)	Milk-fed lambs equivalent 1995 indexation (\$/ewe)	Avoided expenses milk-fed lambs (\$/ewe)
Feed for lambs	19.75	10.22	9.53
Operator's wages	17.94	12.64	5.30
Additional labour	4.47	3.15	1.32
Marketing costs	10.79	9.18	1.61
Fixed costs	4.25	2.99	1.26
Depreciation	2.52	1.78	0.74
Medication	0.87	0.61	0.26
Insurance	0.28	0.20	0.08
Short-term interest	0.47	0.30	0.17
Stabilized income	217.02	196.75	20.27
Market price	130.60	114.92	15.68
Compensation	86.42	81.83	4.59

The annual adjustment of the aforementioned items is carried out by the Régie in accordance with the indexing norms provided for in Table 11 or in accordance with other data it deems relevant.

**84.** Where the net income is less than the stabilized net annual income, the compensation differential calculated in section 83 between the lambs considered in the model set in 1988 and the milk-fed lambs shall be deducted from the compensation established according to the 1988 model for the units defined as milk-fed lambs. An amount equal to that compensation differential multiplied by the number of milk-fed lambs and divided by the number of heavy lambs shall be added to the compensation established according to the 1988 model for heavy lamb units.

**85.** For the purposes of computing the net annual income of insurable potatoes, the total of avoided storage expenses entered in the following Table shall be deducted from cash disbursements and depreciation for areas whose production volume is marketed before 1 November.

For areas whose production volume is marketed from 1 November, storage expenses shall be computed by multiplying the avoided storage expenses determined according to the first paragraph by the number of hectares of potatoes marketed before 1 November and divided by the number of hectares of potatoes marketed from 1 November. Those avoided storage expenses shall be added to cash disbursements and depreciation for the areas of potatoes marketed from 1 November.

Table of costs not incurred for potatoes marketed before 1 November:

TABLE 13

Items	1991 model Indexation from January to December 1995 \$/hectare	Potatoes marketed before 1 November \$/hectare	Avoided expenses potatoes marketed before 1 November Indexation 1995 \$/hectare
Common charges	2 129.50	2 129.50	0
Pesticides	444.64	421.37	23.27
Electricity and heating	33.36	2.54	30.82
Additional labour	419.01	371.83	47.18
Net cost of storage in refrigerated warehouse	106.43	0	106.43
Maintenance of buildings and land	33.88	9.48	24.40
Building insurance, machinery and crop inventories	62.48	33.90	28.58
Real estate taxes	9.80	2.35	7.45
Interest on long term loan	165.17	104.13	61.04
Depreciation	283.55	220.05	63.50
Stabilized income	3 687.82	3 295.15	392.67

The annual adjustment of the aforementioned items is carried out by the Régie in accordance with the indexing norms provided for in Table 11 or in accordance with other data it deems relevant.

#### DIVISION 10 EXCLUSION

**86.** The Régie shall exclude a participant from the Scheme in respect of an insurable product where he

- (1) refuses to pay any assessment due;
- (2) refuses to allow an inventory to be taken, his areas to be measured, sampling or counting to be taken of the crop stored or marketed;
- (3) applies for an exclusion in writing.

**87.** A participant is excluded from the Scheme for a period of 5 years from the beginning of the insurance year concerned by the cause for exclusion.

**88.** A producer who has been excluded may not participate again in the Scheme for the insurable product concerned until the end of the exclusion period, whether as a natural person, legal person, associate producer, shareholder or member of a legal person.

Where a producer having been excluded is a legal person, its associates, shareholders or members as well as any legal person in which those persons act in those capacities may not participate in the Scheme until the end of the exclusion period.

The second paragraph does not apply to a legal person established in the public interest nor to its directors or shareholders, and does not apply to an agricultural cooperative set up, constituted or amalgamated under the Cooperatives Act (R.S.Q., c. C-67.2) or to its members unless the insurable product concerned is its main activity.

**89.** Where a producer has been excluded, the Régie shall keep every amount received as an assessment in respect of the product for which the exclusion has been applied.

**90.** A producer who has been excluded incurs contract resolution fees corresponding to 25 % of the assessment of the previous year.

#### DIVISION 11 TRANSITIONAL AND FINAL

**91.** This Scheme replaces the following Income stabilization insurance schemes:

— the Income Stabilization Insurance Scheme for Lamb Producers, made by Order in Council 1837-92 dated 16 December 1992;

— the Income Stabilization Insurance Scheme for Feeder Cattle and Slaughter Cattle Producers, made by Order in Council 1845-86 dated 10 December 1986;

— the Income Stabilization Insurance Scheme for Cereal, Grain Corn and Soy Bean Producers, made by Order in Council 896-89 dated 14 June 1989;

— the Income Stabilization Insurance Scheme for Apple Producers, made by Order in Council 1115-94 dated 20 July 1994;

— the Income Stabilization Insurance Scheme for Potato Producers, made by Order in Council 1055-92 dated 15 July 1992;

— the Income Stabilization Insurance Scheme for Piglet Producers, made by Order in Council 845-92 dated 10 June 1992;

— the Income Stabilization Insurance Scheme for Feeder Hog Producers, made by Order in Council 839-93 dated 16 June 1993;

— the Income Stabilization Insurance Scheme for Feeder Calf Producers, made by Order in Council 898-89 dated 14 June 1989; and

— the Income Stabilization Insurance Scheme for Heavy Calf Producers, made by Order in Council 1793-86 dated 3 December 1986.

**92.** A participant is subject to this Scheme in respect of a product already insured under either of the replaced Schemes in section 91, subject to the following conditions:

(1) the participation period, for each insurable product, shall run to the end of the 5th year of participation under each corresponding replaced Scheme, unless it is renewed under section 12 of this Scheme;

(2) any amount due under either of the replaced Schemes constitutes an amount due under this Scheme.

**93.** A producer who has been excluded under either of the replaced Schemes concerned must have completed the exclusion period applicable to him under either of the Schemes concerned to be allowed to participate in this Scheme in the insurable category corresponding to the exclusion.

**94.** For the purposes of section 3, the 1998-1999 insurance year for piglets and hogs runs from 1 July 1998 to 31 March 1999.

**95.** Any recourse instituted in respect of a contract that came into force within the framework of an insurance stabilization Scheme replaced by this Scheme is deemed exercised within the framework of this Scheme.

**96.** This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

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Gouvernement du Québec

#### O.C. 1674-97, 17 December 1997

Naming of the new French language and English language school boards

WHEREAS under the first paragraph of section 111 of the Education Act (R.S.Q., c. I-13.3), the Gouvernement du Québec made Order in Council 1014-97 dated 13 August 1997 concerning the division of the territory of Québec into territories for French language school boards and territories for English language school boards;

WHEREAS under the third paragraph of that section, amended by paragraph 1 of section 2 of the Act to amend the Education Act, the Act respecting school elections and other legislative provisions (1997, c. 47),