

## Regulations and other acts

Gouvernement du Québec

### O.C. 34-2000, 19 January 2000

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

#### Farm income stabilization insurance scheme — Amendments

Regulation to amend the Farm Income Stabilization Insurance Scheme

WHEREAS under sections 2, 5, 6 and 6.1 of the Act respecting farm income stabilization insurance (R.S.Q., c. A-31), the Government ordered the establishment of the Farm Income Stabilization Insurance Scheme by Order in Council 1670-97 dated 17 December 1997;

WHEREAS the items to be considered in computing annual receipts, net annual income and stabilized net annual income shall be specified in the Scheme, among other things, including the indexation of some of them;

WHEREAS, under section 45.1 of the Act, enacted by section 1 of Chapter 78 of the Statutes of 1999, the Government may amend, for the 1999-2000 insurance year and effective from 1 April 1999, the items to be considered in computing annual receipts, net annual income and stabilized net annual income and the conditions of participation for piglets and hogs provided for in the Scheme;

WHEREAS the coverage offered by the Scheme is based on the average production cost observed in farm businesses;

WHEREAS the parameters of the production cost are updated periodically in order to update the coverage offered by considering productivity gains resulting from the evolution of production norms and the introduction of more efficient techniques;

WHEREAS the production cost models of a hog farm provided for in the Scheme was amended in 1996 and as a result, the stabilized income of piglet and hog producers was reduced from the 1996-1997 insurance year;

WHEREAS the scope of the crisis and the importance of corrections made to parameters governing the amount of compensations paid under the Scheme could not have been forecasted by producers;

WHEREAS, on 25 September 1998, the representatives of farm producers and the Government ratified an agreement in order to resolve in a durable manner the inconveniences related to the fall of prices and to the crisis situation that prevailed in the hog sector;

WHEREAS, among the solutions retained, the parties have agreed to apply to the production cost models of the hog farm the results of a study on the production costs carried out by a third party for the 1999-2000 insurance year;

WHEREAS it is expedient to amend the production cost models of hog farms for the 1999-2000 insurance year in accordance with the results of the study carried out by the Groupe de recherches en économie et politique agricoles of Université Laval (GREPA) as of 1 April 1999;

WHEREAS it is expedient to introduce a standard related to the insurable volume for hogs applicable as of 1 April 1999;

WHEREAS it is expedient to make the Regulation to amend the Farm Income Stabilization Insurance Scheme;

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

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

MICHEL NOËL DE TILLY,  
*Clerk of the Conseil exécutif*

### Regulation to amend the Farm Income Stabilization Insurance Scheme\*

An Act respecting farm income stabilization insurance (R.S.Q., c. A-31, ss. 2, 6, 6.1 and 45.1; 1999, c. 78, s. 1)

1. The Farm Income Stabilization Insurance Scheme is amended in section 53 by substituting the figure “1.169” for “1.145” and the figure “18.0” for “17.7”.

\* The Farm Income Stabilization Insurance Scheme, made by Order in Council 1670-97 dated 17 December 1997 (1997, G.O. 2, 6293), was last amended by the Regulations made by Orders in Council 1304-99 dated 1 December 1999 (1999, G.O. 2, 5123) and 1423-99 dated 15 December 1999 (1999, G.O. 2, 5155). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 1999, updated to 1 September 1999.

2. Paragraph 1 of section 54 is amended by adding the following at the end:

“; notwithstanding the foregoing, the insurable volume is determined according to the number of slaughtered hogs whose hot carcass weight is greater than or equal to 65 kg (143 lb);”.

3. Section 71 of the Scheme is amended by substituting the parts attached hereto for the parts of Table 5 regarding piglets and hogs.

4. Table 7 of section 73 is amended by substituting the following parts for the part regarding piglets in the “By-product” and “Indexation standards” columns:

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#### Piglets

Culled sows	Variation in the price of culled sows according to the Canada livestock and meat trade report, Agriculture and Agri-Food Canada.
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Culled boars	Variation in the price of culled boars according to the Canada livestock and meat trade report, Agriculture and Agri-Food Canada.
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Various income	Variation in cash costs.
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#### Hogs

Replacement gilts transferred and breeder gilts sold	The supplemental income considered for the transfer or sale of breeding subjects is equivalent per unit to the excess value of those subjects in relation to the sale value of hogs.
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Various income	Variations in cash costs.
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5. Section 74 is amended

(1) by inserting “piglets” after “milk-fed calves” in the first paragraph; and

(2) by inserting “hogs” after the word “insurable” in the second paragraph.

6. Section 75 is revoked.

7. Section 76 is amended by substituting the table attached hereto for Table 9.

8. Table 11 of section 76 is amended

(1) by substituting the following for paragraph 6 of the annual adjustment standards:

“6. The depreciation amounts for piglets and hogs are fixed and non-adjustable according to the data of the 1997-1998 reference year of the model farm entered in Table 9. For other products, the depreciation amounts were adjusted until the 1994-1995 insurance year for cereal, 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.”;

(2) by substituting the following for paragraphs 76 to 78 of the description of items and the annual adjustment standards:

“

76. Purchase and transfer of piglets	76. Statistical surveys of the Régie on the average price of piglets that prevailed in Québec on farrow-type specialized farms and used also to establish the selling price of piglets for the “breeder” division. That average price of piglets is adjusted according to the weight of piglets provided for in Table 5 by only taking into account the feeding costs of piglets, in kilograms, provided for in Table 14 of section 85.1.
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77. Breeders

(a) Purchase, transfer of replacement animals and inventory variation of the breeding herd	(a) Variation in costs of controlled hybrid sows and pure-bred boars according to the Société des éleveurs de porcs du Québec;
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(b) Sales income from animals	(b) Variation in the prices according to the Livestock Market Review, Agriculture and Agri-Food Canada.
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78. Various insurance	Variation in the producer’s remuneration, MAPAQ.
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”;

(3) by substituting the following for paragraphs 81 and 82 of the description of items and the annual adjustment standards:

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81. Marketing costs	Index representing the variation of marketing costs, MAPAQ.
82. Other indexing items	
(a) Rental of buildings	(a) FIPI index for replacement of buildings in Québec, Statistics Canada.
(b) Additive to liquid manure	(b) FIPI pesticide index for Québec, Statistics Canada.
(c) Capital taxes	(c) Variation of the capital tax rate according to the Ministère du Revenu, MAPAQ.

”.

9. The following is inserted after section 85:

“**85.1.** For the purposes of computing the net annual income of hogs, the total of cash disbursements and depreciation presented in Table 9 shall be increased, in order to compensate for the differential between the entry weight of piglets to the feeder plant and the sale weight of piglets to the breeder plant, according to the adjustments of the following table:

**TABLE 5**  
DESCRIPTION OF MODEL FARMS

Piglets	The model farm has 204 sows and is based on a farrow and farrow-to-finish production method.	1997-1998	Multiplying coefficient to take into account the first gestation sows	1.169	The marketed production volume is 3 666 piglets.	Sale of culled animals 75 sows	176 754 (Depreciated acquisition cost)
			Number of insurable sows	204			
	The producer possesses the building and equipment necessary to produce the annual production volume.		Number of breeding sows	174.5			
			Productivity of insurable sows (piglets/insurable sow)	18.0			
			Weight of produced piglets (kg)	19.92			
			Total number of working hours	2 994			
			Producer's number of working hours	2 377			

**TABLE 14**

Description of costs	1997-1998 Adjustment to take into account an entry weight of piglets at 19.92 kg (\$)	Adjustment for the differential of 1.94 kg (\$/kg)
Food for piglets:	5 809.04	0.747
Other variable costs:	176.39	0.023
Fixed costs:	777.75	0.100
Depreciation:	521.17	0.067
Total of adjustments:	7284.35	0.937

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.”.

10. This Regulation applies to the stabilization insurance contracts in force on 1 April 1999 and to those entered into thereafter.

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

Hogs	The model farm of 4 009 hogs sold is based on a farrow-to-finish and finish production method.  The producer possesses the building and equipment necessary to produce the annual production volume.	1997-1998	Reference weight of piglets brought in (kg)	21.86	The marketed production volume is 339 282 kg (slaughtered weight).	Among the 4 009 hogs sold, 14 replacement gilt have been transferred and 4 breeder gilt have been sold.	191 362 (Depreciated acquisition cost)
			Weight of piglets brought in after the adjustment provided in section 85.1	19.92			
			Mortality and seizure rate	3.7 %			
			Number of piglets brought in	4 163			
			Slaughter weight of hogs sold (kg carcass/hog)	84.63			
			Turnover rate (sales/inventory)	3.0			
			Total numbers of working hours	2 339			
			Producer's number of working hours	2 230			

**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 calves"	"Piglets"	"Hogs"
Reference volume of the model farm	16 159.4 kg	209 436 kg	18 303 kg	100 177 kg	115 925 kg	3 666 piglets	339 282 kg
Reference year of the farm model	1988	1985	1986	1990	1993	1997-1998	1997-1998
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cash disbursements							
Variable costs							
Purchase of animals	1 036.23	216 408.00	1 227.31	81 313.09	135 372.22	12 647.70	219 304.33
Feed purchased and produced on the farm	13 918.36	61 733.06	9 837.49	66 469.42	264 032.72	99 898.50	268 803.45
Medication, veterinary services and insemination	2 096.14	4 376.64	1 525.74	9 613.50	19 189.80	13 087.62	3 407.65
Additional labour	5 880.97	9 819.52	4 763.10	6 385.70	8 063.18	7 169.54	1 242.60
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	3 299.40	4 409.90
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	73.32	200.45
Electricity and propane	1 622.46	1 614.08	725.64	5 019.91	8 007.71	8 908.38	6 494.58
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	879.84	14 151.77
Interest on short-term loan	1 260.50	29 674.41	2 049.36	7 747.27	5 048.03	2 236.26	5 091.43
Sub-total	37 475.52	364 660.37	29 087.80	194 007.15	450 224.21	148 200.56	523 106.16

Description of insurance coverage according to the products	"Lambs"	"Feeder cattle"	"Feeder calves"	"Grain-fed calves"	"Milk-fed calves"	"Piglets"	"Hogs"
Reference volume of the model farm	16 159.4 kg	209 436 kg	18 303 kg	100 177 kg	115 925 kg	3 666 piglets	339 282 kg
Reference year of the farm model	1988	1985	1986	1990	1993	1997-1998	1997-1998
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Fixed costs							
Maintenance of buildings and land	1 838.86	3 513.18	1 624.00	3 510.50	4 983.30	7 295.34	10 904.48
Miscellaneous insurance	1 003.16	1 562.44	575.98	963.42	866.79	3 152.76	4 289.63
Real estate taxes	265.21	284.57	436.95	212.56	242.15	1 319.76	1 643.69
Interest on medium and long term loans	5 807.82	21 125.67	6 310.57	5 535.16	3 742.93	5 755.62	10 423.40
Miscellaneous costs	2 437.08	4 900.86	3 425.54	2 271.08	3 401.81	2 639.52	5 251.79
Sub-total	11 352.13	31 386.72	12 374.04	12 492.72	13 236.98	20 163.00	32 512.99
Minus miscellaneous incomes						659.88	3 729.01
Total cash disbursements	48 827.65	396 047.09	41 460.84	206 499.87	463 461.19	167 703.68	551 890.14
Depreciation	7 077.30	14 752.35	5 430.21	6 081.70	6 969.27	15 250.56	22 570.67
Total cash disbursements and depreciation	55 904.95	410 799.44	46 891.05	212 581.57	470 430.46	182 954.24	574 460.81

3379

Gouvernement du Québec

**O.C. 44-2000, 19 January 2000**

An Act respecting the distribution of financial products and services  
(1998, c. 37)

Designation of persons permitted to offer an insurance product that cannot be offered by a distributor

WHEREAS under section 428 of the Act respecting the distribution of financial products and services (1998, c. 37), the Government may order, after consulting the Bureau des services financiers, that an insurance product that cannot be offered by a distributor may be offered by any person it specifies and that the person shall be deemed to be a distributor for that product;

WHEREAS the Bureau des services financiers was consulted;

WHEREAS it is expedient to allow the following persons to distribute certain insurance products:

1. employees of an insurance company, with respect to the insurance product Accirance;

2. funeral cooperatives, with respect to the insurance product Sécurocoop;

IT IS ORDERED, therefore, upon the recommendation of the Minister of State for the Economy and Finance and Minister of Finance:

THAT the following persons be authorized to distribute certain insurance products:

1. employees of an insurance company, with respect to the insurance product Accirance;

2. funeral cooperatives, with respect to the insurance product Sécurocoop.

MICHEL NOËL DE TILLY,  
*Clerk of the Conseil exécutif*

3382