

BACKGROUND

What is collective marketing? Collective marketing is a system for commercializing farm products in which the commercial relations between producers and buyers are balanced. In Quebec, the *Act respecting the marketing of agricultural, food and fish products*, implemented in 1956, sets out the rules for controlling and managing the production and marketing of farm, forestry, and fishing products. The Régie des marchés agricoles et alimentaires du Québec (RMAAQ) is the paragonovernmental body responsible for ensuring the Act is followed.

A level playing field. The main advantage of collective marketing is that it creates a level playing field for negotiation between producers and buyers. Together, farmers act as one entity and speak with one voice to negotiate a fair price for their products, thus avoiding a situation of economic dependence in which the rules of the game are unilaterally dictated by the processing and distribution giants. In a certain sense, collective marketing could be compared to the fair trade system.

Advantages for all. The many benefits of collective marketing reach all of society: buyers, processors, distributors, producers, and consumers all benefit from an optimal price-quality ratio, access to volume, guarantees and a steady supply for buyers, quality control and uniformity of products, streamlining of marketing costs (e.g., transportation, promotion, etc.), an innovative force for new product development, and a tool for regional development. The collective marketing and supply management systems used in Quebec elsewhere in Canada encourage the local production of a wide variety of quality foods at affordable prices.

A flexible model. Under the Act, producers can come together to collectively negotiate the conditions in which their products are produced and marketed. For example, a producers' group may choose to pool the supply, to agree on the conditions of production (methods, safety and quality standards, etc.) or marketing (price, transportation, etc.), or even to undertake more specific actions. Such actions may include funding research, promoting products, disseminating market information, etc. Producers' groups may also opt for supply management, a mechanism in which they adapt their production to meet market needs by establishing quotas.

A democratic approach. The basis of collective marketing is democratic management. Each producers' group is free to use tools that truly address its members' needs and democratically decide on the methods and rules to organize the production and commercialization of their product. It all starts with the submission of a joint plan to the RMAAQ. The producers concerned then vote on the joint plan in a referendum. If the plan is adopted, the producers are bound by it and pay for it through their contributions.

Key legislation for local products. At present, 35 agricultural, forestry, and fish producers' use this collective tool to increase their income and market share; 76% of agricultural products are currently marketed collectively in Quebec.

CHALLENGES AND ISSUES

Myths and realities. Certain critics claim that collective marketing gets in the way of developing local and niche products. But collective marketing actually encourages a stable business environment in which all can participate. When managed properly, collective marketing also opens the door to all market opportunities, including the development of distinctive products. We have witnessed an explosion of such products in recent years: Just think of Quebec's 350 fine cheeses, Charlevoix lamb, the Maple Gourmet Road, ice cider, Chantecler chicken products, organic milk, Nagano pork, etc.

Still relevant. Some people claim that the Act is outdated and that it should be updated and better adapted to the opening of markets. However, the original context in which the Act was adopted is still present. In a world where industry giants are pitted against one another, there is no doubt that collective marketing as practiced by Quebec's farm producers is one of the best ways to address concentration in the sector.

For further information:

Collective marketing

<https://www.youtube.com/watch?v=k4VSBuakqZE>

https://www.youtube.com/watch?v=2JkS_VOxWCI

http://www.myvirtualpaper.com/doc/upa-mise-en-marche-collective/upa-mise_en_marche_collective/2013091102#12

Milk and supply management

<http://lait.org/en/the-milk-economy/supply-management-and-collective-marketing/>

http://en.wikipedia.org/wiki/Market_Sharing_Quota

<http://www.go5quebec.ca/en/gestion.php>