



GROWING OUR FOOD.
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L'Union des producteurs agricoles

COLLECTIVE AGRICULTURAL PRODUCT MARKETING

BACKGROUND

What is collective marketing? Collective marketing is a system for commercializing farm products in which trade relations between producers and buyers are balanced. In Quebec, collective marketing is regulated by the *Act respecting the marketing of agricultural, food and fish products*, implemented in 1956. The Régie des marchés agricoles et alimentaires du Québec (RMAAQ) is the paragovernmental body responsible for ensuring compliance with the Act.

Joint plans: A crucial tool. Joint plans are the primary mechanism available to agricultural producers to implement collective marketing, allowing them to choose different means of establishing production and marketing conditions for given agricultural products.

A level playing field. The main advantage of collective marketing is that it creates a level playing field for negotiations 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. Collective marketing is comparable to the fair trade system.

A flexible model. As well as allowing producers to collectively negotiate conditions of sale, joint plans offers various possibilities for leverage, which each group of producers can choose to use or not, depending on their particular situation. Thus, for instance, a group may elect to centralize supply, establish production conditions (modes of production, quality control, health and safety standards, etc.) or marketing conditions (prices, transport, etc.), or to target more specific areas of intervention, such as research funding, promotion, etc. This flexibility means that there are a number of joint plans in Quebec. Each is unique, and adapted to the specific needs of producer groups.

A democratic approach. The basis of collective marketing is democratic management. Since collective marketing is a tool available to agricultural producers, only producers may initiate collective marketing systems and make decisions as to their implementation. The process begins with the submission of a joint plan to the RMAAQ. A referendum is then held, in which the producers concerned vote on the joint plan. If the plan is adopted, the producers are bound by it and fund it through their contributions.

Advantages for all. The many benefits of collective marketing reach all levels 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 product uniformity, streamlined 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 and elsewhere in Canada encourage the local production of a wide variety of quality foods at affordable prices.



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

Collective marketing across Canada. There are also Canadian collective-marketing tools, overseen by marketing boards. The most common mechanism is supply management, which offers dairy, chicken, turkey, and table- and hatching-egg farmers to achieve the best possible balance between supply and demand of their products in Quebec and Canada-wide. Production quotas mean that only volumes required to meet Canadian demand are produced, avoiding production surpluses, which would have to be sold at a loss.

CHALLENGES AND ISSUES

Myths and realities. Some critics claim that collective marketing interferes with the development of local or niche products. In fact, collective marketing encourages a stable business environment in which all can participate. Managed properly, collective marketing also opens the door to a range of market opportunities, including the development of distinctive products. We have witnessed an explosion of such products in recent years: consider 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 emerging 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 practised by Quebec producers is one of the best ways to address concentration in the sector.

Protecting supply management. Canadian producers working under supply management are entirely dependent on market prices, and receive no government subsidies. The Canadian market must be protected to prevent the invasion of competing exporters—countries where farmers are largely subsidized, or boasting climates with which Canada simply cannot compete, or with fewer regulations or cheaper labour. The Canadian government has pledged to protect the supply-management system, even while many countries are reconsidering. In entering various international free-trade negotiations, we must ensure that the Canadian system is maintained. The issues involved are pivotal in rural regions across Quebec and Canada.