

*Document for ambassadors
responsible for welcoming new producers*

FACT SHEET – COLLECTIVE MARKETING

WHAT IS COLLECTIVE MARKETING?

When farm producers join forces and develop their production and marketing (selling) efforts, the amount of power they have in relation to buyers increases. This is what is referred to as collective marketing.

In Quebec, around thirty producers' groups have opted for a democratic model, whether through a joint plan or through a coordination and development chamber (e.g., strawberry and raspberry producers).

The rules governing collective marketing are established by the *Act respecting the marketing of agricultural, food and fish products* (the Act).

WHAT IS A JOINT PLAN?

Joint plans are the primary means by which farm producers concretize their collective action to organize and develop their production and marketing efforts.

The joint plan is a flexible and adaptable formula that offers various kinds of leverage that each specialized group can decide whether or not to use. Because it is so flexible, a number of joint plans exist in Quebec. No two plans are exactly alike—each one is tailored to the specific needs of the sector in question.

Not only does a joint plan make it possible to collectively negotiate marketing conditions for a given product (e.g., terms of sale, prices, transportation, etc.), but a producers' group may, for example, choose to centralize sales, establish conditions of production (methods, quality standards, etc.), or even undertake targeted initiatives, such as funding research or promotion.

WHAT ARE THE MAIN BENEFITS OF COLLECTIVE MARKETING?

- Allows for equal-sided negotiation of prices and marketing conditions between producers and purchasers
- Enables collective investments to develop production (promotion, research, new market development, innovation, etc.)
- Generates positive spinoffs for all components of the agri-food sector, including optimal value for money, access to volumes, reliability and ease of supply, quality control and product consistency, more efficient selling costs (e.g., transportation)
- Fosters regional development and helps keep farms in business all across Quebec

HOW ARE DECISIONS MADE?

Democracy is fundamental to collective marketing. Only farm producers can decide to implement collective marketing, and a vote is required to approve a joint plan.

Once a joint plan is approved, all producers within its scope must abide by the plan and are responsible for funding it.

Farmers determine how activities are funded, in accordance with their desired goals. Farmers are regularly consulted about strategic directions and rules. And farmers are the ones who get elected to a board of directors to manage the joint plan.

The UPA provides support and guidance to farm producers' groups who opt for collective marketing, but producers remain in control of their decision-making at all times.

DOES COLLECTIVE MARKETING HINDER INNOVATION?

Because it fosters a stable business environment, collective marketing is a source of leverage that can allow producers to seize marketing opportunities, including through the development of differentiated products. Consider, for example, Quebec's 800 fine cheeses, Charlevoix lamb, the *Route de l'érable*, ice cider, Chantecler chicken products, organic milk, Nagano pork, etc. The list gets longer with each passing year!

IS COLLECTIVE MARKETING STILL RELEVANT?

The context in which the Act was created continues to prevail. In a world rife with disputes between industry giants, there is no doubt that collective marketing, as practiced by Quebec farmers, is one of the most effective ways to address the issue of market concentration.

OTHER QUESTIONS AND ANSWERS ABOUT JOINT PLANS

Are joint plans the same thing as quota systems?	No. Quota systems designed to balance production on the basis of demand exist for certain sectors (eggs, poultry, maple products, wood, rabbits), as initiated by producers.
Are farmgate sales limited under joint plans?	Joint plans generally do not apply to direct-to-consumer sales.
Do joint plans lead to farm industrialization?	No, just the opposite—they help keep farms in business all across Quebec, considerably reducing market concentration.
Do joint plans undermine entrepreneurial freedom?	No. Numerous farms are considered outstanding because of the unique characteristics of their products (e.g., value added, organic), their business model (e.g., agri-tourism, farmgate sales, branding), or their innovation (e.g., on-farm processing, production methods).
Is there any form of Canada-wide collective marketing?	Yes. Collective marketing exists for dairy, chicken, turkey, table eggs, and hatching eggs. Producers in these sectors aim to better balance supply with the demand for their products, both in Quebec and elsewhere in Canada. Production quotas mean that farms produce

only as much as is required to meet Canadians' needs; this prevents surpluses that would otherwise have to be offloaded at a financial loss.