

2024 ANNUAL GENERAL MEETINGS OF PRODUCTEURS DE GRAINS DU QUÉBEC AND AFFILIATED SYNDICATES

NEWSLETTER


**Cultiver
passion et
fierté**



Once again this year, grain production in Quebec was rocked by a number of changes again demanding a high degree of adaptability and resilience on our farms and in our businesses. This newsletter provides a brief overview of the different files and issues that stood out in 2024 that are likely to continue into 2025.

For a more exhaustive look at the progress we have made in certain areas, we invite you to come out to the annual general meeting (AGM) for your affiliated syndicate, and to the Producteurs de grains du Québec (PGQ) AGM on March 27 and 28 in Saint-Hyacinthe.

You can count on these AGMs to be interesting, unifying, and productive. Now more than ever, your participation and involvement make all the difference!

The Advance Payments Program: a top priority

The Advance Payments Program (APP), administered by the PGQ on behalf of Agriculture and Agri-Food Canada (AAFC), underwent a major and much-needed digital transformation in 2024. As both the producer-users and PGQ staff needed to figure out and adopt the new system, some initial challenges were inevitable. Still, feedback has been quite positive, and further refinements are planned in the coming weeks to enhance user-friendliness.

As the PGQ prepares for the 2025-2026 APP season, two critical issues are at the forefront. The first is increasing the interest-free limit, which was officially reverted to \$100,000, to at least \$250,000 (or even \$350,000) to better reflect the economic realities of today's farms. The second is enabling an earlier start to registrations, so that advance payments can be issued as soon as possible after the program's official launch on April 1. The PGQ has consistently advocated for AAFC to promptly address the interest-free limit. Resolving this first issue swiftly would, naturally, make it easier to implement early registration.

Is the Quebec grain sector competitive?

In a constantly evolving business environment, grain producers need to remain agile to stay competitive. The grain sector faces critical issues, including fluctuating grain and input prices, influenced by international markets, and challenges related to climate change and environmental protection and improvement. Concertation Grains Québec (CGQ) is currently conducting a study on the grain sector's competitiveness. The study will examine productivity, climate change adaptation, support for producers, environmental considerations, and market trends. The PGQ and your syndicate are here to answer your questions and discuss the threats and opportunities facing grain production in Quebec and how they could impact your operations.



Marketing grain in 2024: a real challenge

Grain marketing in 2024 presented significant hurdles. The 2023 harvest fell short for most crops, with one major exception: a record-breaking soybean harvest. Ontario's record-setting corn production—approaching 10 million tonnes—created competition for Quebec corn. This, coupled with a lacklustre harvest, pushed the corn basis into negative territory on several occasions. The combination of a declining basis and falling futures prices drove corn prices back to pre-pandemic levels, exerting downward pressure on all feed grain prices in Quebec. Adding to the challenges, a strike at the Bécancour crushing plant disrupted post-harvest soybean sales and delayed canola deliveries for several months.

The cereals harvest was suboptimal in 2024, but corn and canola had solid yields, and soybean harvests broke records in acreage, yield, and production. Quebec's abundant corn supply is expected to keep feed grain prices low, while the exceptional soybean harvest is finding its way mainly to international markets. To navigate these volatile conditions, Quebec producers must seize every market fluctuation to optimize their revenue. The depreciation of the Canadian dollar offers some relief, helping to sustain grain prices. Meanwhile, Trump's return to power carries uncertainties and risks—though it could, perhaps, bring opportunities as well.

Hemp on the agenda

Hemp is an emerging crop with immense potential. Concertation Grains Québec (CGQ) is actively developing a strategy for hemp seed production in Quebec, focusing on expanding technical expertise and addressing production and market challenges. Producers interested in exploring the opportunities surrounding hemp and other emerging crops are encouraged to join the conversation and help shape the future of these innovative sectors.

Baking with Quebec wheat

The demand for bakery products made from local wheat is soaring, driven by a wider social push to increase access to locally sourced goods. In response, Concertation Grains Québec (CGQ) has ramped up efforts to boost bread wheat production and processing within Quebec. Key stakeholders in the baking industry are meeting regularly, including at an annual event on February 20, 2025, to explore critical areas: training, advisory services, genetic development and seed supply, marketing, and harvested wheat logistics. Whether you're already growing wheat, considering it, or looking to expand your production, we invite you to join us for a discussion at your regional assembly. We want to hear your thoughts on how to grow and develop the local baking sector.

ASRA

The drop in market prices, combined with persistently high production costs, has significantly impacted the Farm Income Stabilization Insurance (ASRA) program. After a two-year hiatus, ASRA compensation has resumed. As in previous years, we collaborated with the FADQ, providing input on the criteria for both advance and final payments.

Stabilized income figures are slated for an update in 2024. Work on a new cost-of-production survey for cereals and canola, which began in the fall, will continue through 2026. The criteria for selecting farms were discussed at the outset. The PGQ will take an active role in meetings of the sectoral committee formed to oversee the study, which has representation from the FADQ, the MAPAQ, and the CECPA.

ASREC

The FADQ has launched a comprehensive review of the ASREC program. The PGQ has actively submitted feedback to ensure the proposed changes align with producers' needs and expectations. The updated coverage plans are expected to be introduced in the coming year.

Ministerial initiative on plant productivity

The "Productivité végétale" ministerial initiative is aligned with the Politique bioalimentaire (Bio-Food Policy) 2018-2025. Its purpose is to boost productivity by offering financial support for the purchase of farm equipment that reduces labour hours. A new cohort was announced at the end of 2024 that includes an exclusivity period and extra funding for businesses in remote regions.

Ministerial Initiative on Compensating Agri-Environmental Practices (RPA)

A key element of the Sustainable Agriculture Plan (PAD), this financial incentive encourages the adoption of environmentally friendly farming practices, including crop diversification, cover cropping, reduced pesticide use, the establishment of riparian buffers and tree islands, as well as compensation for training. The first two cohorts are still under way, with the first cohort concluding in 2024. A third cohort was launched in 2024. Discussions with the MAPAQ are taking place, potentially leading to new announcements in 2025.



Impacts of the 2022 regulatory omnibus

Regulatory changes sparked a great deal of debate in 2024. While the 2022 regulatory omnibus affected 24 regulations, the most contentious issues during the fall centred on amendments to the Pesticides Management Code and the Regulation respecting permits and certificates for the sale and use of pesticides. The amendments, initially set to take effect on January 1, 2025, included new requirements for the use of pesticide- and biopesticide-coated seeds, as well as the need for a certificate to purchase and plant them. These changes threatened to significantly disrupt the 2025 planting season and created widespread uncertainty among producers. When the amendments were announced, many had already finalized their seed orders and were unsure whether they were required to use pesticide-coated seeds, as most fields had yet to be assessed for the risk of soil-dwelling pest risks. In the end, the MELCCFP decided to postpone the effective date of certain requirements to August 1, 2025, and the amendments to pesticides regulations were included in a government-led public consultation that ended December 28, 2024. We can expect to learn the outcome of this consultation in 2025.

Predictive and productive grain production

Harnessing agricultural data is a critical priority for the grain sector. To advance this goal, Concertation Grains Québec (CCQ) undertook a project to assess the availability and accessibility of data for predictive and productive agriculture. The findings will serve as a foundation for ongoing discussions with sector stakeholders and the MAPAQ, aimed at developing a unified vision to tackle this challenge. The months ahead promise to bring dynamic and constructive dialogue.

Production costs

The recent rise in input costs has highlighted the importance of understanding grain production costs in Québec. In response, the PGQ has taken the necessary steps to update production cost data for soybeans and grain corn. A new study will also be conducted to evaluate costs related to seed production.



Sustainable production

The PGQ continues to be deeply engaged in sustainable production initiatives, supporting both the Sustainable Agriculture Plan and broader efforts to promote local grain production and beneficial management practices. One particularly exciting project is the 4R Nutrient Stewardship initiative. This program has enabled numerous agronomists to complete training on the 4R principles, provided continuous education for grain producers, and led to the creation of informative videos. The initiative holds promise for future certification of land managed in accordance with these principles.

Another significant development this fall was a European initiative aimed at certifying that grains destined for EU markets are produced on lands free from deforestation. Initially planned for adoption by the end of 2024, this certification would have significantly impacted the processes for identifying grain exports. However, opposition from several affected countries prompted the European Parliament to suspend its implementation and postpone it for further review. This issue will be closely monitored in 2025.

The market hits a floor

Grain prices saw a major decline in the 2023-2024 season, with futures contracts trending almost continuously downward. By late summer, however, grain futures on the Chicago exchange reached a floor, and the market has since stabilized as demand balanced out supply.

U.S. exports surged out of the gate this year. By early December, cumulative sales since the start of the harvest year were well ahead for the three major grains. Several factors contributed to this strong performance. First, wheat and soybean production surpassed the previous year's levels, and corn production, despite dipping slightly, remained strong allowing for increased availability of grain on the global market. Second, as grain prices steadily dropped during the first two quarters of 2024, buyers delayed purchases to capitalize on the downward trend. When prices bottomed out, buyers who had been purchasing only to meet immediate needs returned to secure medium-term supplies. Finally, Donald Trump's rise in the polls during the fall, followed by his election, prompted many importers to expedite their U.S. purchasing programs, anticipating potential tariff increases after his inauguration.

The performance of the Chicago Board of Trade in the winter and spring of 2025 will largely depend on the outcomes of the South American soybean and corn harvests, as well as U.S. seeding intentions.





A year of celebrations and new beginnings

Building on the extensive campaign launched in 2022 to promote the farming profession, the PGQ partnered with the popular reality TV show *L'Amour est dans le pré*, broadcast on Noovo, early in the year. The result was a triumph. The PGQ reached an audience of over 10,000,000 Quebecers and had 56 opportunities for visibility during the program. The impact was felt almost immediately: the *On sème au Québec* Facebook page reached 20,000 followers in 2024, representing an increase of more than 12,000 followers in just one year.



The PGQ also kicked off its 50th anniversary celebrations in 2024. *Jean de passion*, a beer made from 100% Quebec barley and hops, was showcased on the Grains du Québec Facebook page, garnering more than 4,000 views and generating nearly 300 interactions. The PGQ further boosted its visibility through a collaboration with the influencers 2FillesOrdinaires, who produced a comedic video titled “On a tenté de faire du pain de A à Z” (We tried making bread from start to finish). The collaboration received an enthusiastic response across all platforms, with more than 150,000 views, nearly 8,500 interactions, and an engagement rate of almost 6%—putting it above the industry average.

An important milestone was reached in 2024 with the launch of the new PGQ website in July. Given rapid changes in technology, an update to the former 10-year-old site was long overdue. The new and improved PGQ website includes a section for the general public.

On the communications front, the PGQ spent even more time and energy than usual on planning key events in 2024:

- A forum on research needs in January
- The team helped organize a day-long event to unveil the results of the Tournée des Grandes Cultures du Québec crop tour in August
- A booth at Journée Portes ouvertes sur les fermes du Québec event in Montérégie in September



As PGQ celebrates its 50th anniversary in 2025, there will surely be a range of exciting initiatives – and a few surprises! – in store for the communications calendar.

