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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-THIRD LEGISLATURE

Bill 71

## **An Act to amend the Act to promote the development of agricultural operations**

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### **Introduction**

**Introduced by  
Mr Michel Pagé  
Minister of Agriculture, Fisheries and Food**

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## EXPLANATORY NOTES

*The main object of this bill is to increase to \$15 000 the maximum grant that may be made by the Minister of Agriculture, Fisheries and Food to any farmer who is eighteen but not over forty years of age or any aspiring farmer who, from 1 July 1986, acquires or leases an economic farm to establish himself thereon, and to extend to 30 June 1987 the date by which the Office du crédit agricole du Québec is to have received any application for grants of \$2 000 and \$6 000 under sections 2 and 5 of the Act if the acquisition or leasing occurs before 1 July 1986.*

*This bill also provides that in the case of a group operation, whether as an agricultural corporation, cooperative or partnership or joint operators, that acquires or leases an economic farm from 1 July 1986 to establish itself thereon, the Minister may make a grant not exceeding \$15 000 multiplied by the number of its members who meet the requirements prescribed under the Act, without, however, exceeding the maximum amount of \$60 000. However, until the maximum amount has been reached, whenever another member of the group operation meets those requirements, that member may qualify the group operation for another grant of \$15 000.*

*This bill also*

*(1) amends sections 12 and 18 of the Act so as to consider as having personally benefited from the maximum grant only the persons who, as farm operators or farmers, cause or have caused a group operation to be the recipient of a grant under section 2, 5 or 7 of the Act;*

*(2) amends section 21 of the Act to provide that no person who has, in the past, caused a group operation to qualify for a grant applicable to interest under the Act to promote the establishment of young farmers may qualify another group operation for a grant under the Act to promote the development of agricultural operations;*

*(3) removes, with regard to a grant made to a recipient in view of an establishment effected from 1 July 1986, the obligation to reimburse any amount received in respect of that grant where, within ten years of the making of the grant, the recipient's farm is used for purposes other than farming;*

*(4) limits the scope of section 23 of the Act, in order to allow two spouses who are members of the same group operation and who both meet the requirements prescribed to qualify the group for a grant not exceeding \$15 000 to qualify the group operation for a grant equal to twice that amount;*

*(5) reduces to five years the minimum duration of a lease where the applicant is the lessee of the farm in respect of which a grant is applied for under the Act;*

*(6) provides for forfeiture of the right to receive any unpaid instalment of a grant where the recipient ceases for more than three years to comply with the requirements of the Act or the regulations;*

*(7) provides for certain cases in which a grant may be cancelled;*

*(8) specifies the power to make regulations and confers that power exclusively on the Government.*

*Lastly, the bill makes certain amendments for the sake of concordance.*

#### **ACT AMENDED BY THIS BILL**

— Act to promote the development of agricultural operations  
(R.S.Q., chapter M-36)



# Bill 71

## **An Act to amend the Act to promote the development of agricultural operations**

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** Section 2 of the Act to promote the development of agricultural operations (R.S.Q., chapter M-36), amended by section 1 of chapter 41 of the statutes of 1985, is again amended by replacing the third paragraph by the following paragraph:

“The acquisition or lease referred to in the first paragraph must have been made before 1 July 1986 and the application referred to in the second paragraph must be received by the Bureau before 1 July 1987.”

**2.** Section 5 of the said Act, amended by section 1 of chapter 41 of the statutes of 1985, is again amended by replacing the third paragraph by the following paragraph:

“The acquisition or lease referred to in the first paragraph must have been made before 1 July 1986 and the application referred to in the second paragraph must be received by the Bureau before 1 July 1987.”

**3.** The said Act is amended by inserting, after section 5, the following sections:

**“5.1** The Minister may, on the recommendation of the Bureau, make a grant not exceeding fifteen thousand dollars to any farmer or any aspiring farmer who, from 1 July 1986, acquires or leases an economic farm to establish himself thereon and who,

(1) on the date of his establishment, is not less than eighteen nor more than forty years of age;

(2) in the case of a farmer, meets, on the date of receipt by the Bureau of his application in writing for a grant, the requirements prescribed by regulation with respect to his farming experience or vocational training;

(3) has not, as an operator or farmer, already caused an agricultural operations corporation, an agricultural operations partnership, an agricultural operations cooperative or a group of persons contemplated in sections 14 and 15 to be the recipient of all or part of a grant under this Act or a grant referred to in section 2 or 14 of the Act to promote the establishment of young farmers (R.S.Q., chapter E-12.1) or has not already been the recipient of one or the other of such grants, or part thereof, or benefited from any of the following measures:

(a) the remission provided under section 30 of the Farm Credit Act;

(b) the advantage provided for under section 4 of the Farm Loan Act;

(c) a grant for the consolidation of a farm provided for under section 25 of the Agriculture and Colonization Department Act (Revised Statutes of Québec, 1964, chapter 101), as it read before 1 January 1970;

(d) a decrease in the annual amount of the rent or of the charge or an exemption of payment of interest pursuant to section 10.1 or 17.1 of the Regulation respecting the arable land bank formed under Division VII of the Act respecting the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation (R.R.Q., 1981, c. M-14, r. 1).

A grant under this section is made to any farmer or aspiring farmer who applies therefor and who files a grant utilization plan consistent with the regulations, in view of increasing the profitability of his agricultural operation, within the scope of the purposes prescribed by regulation.

Where a grant under this section is made to an aspiring farmer, the aspiring farmer shall, not later than thirty days after the time allotted under the fourth paragraph of section 24, prove to the Bureau that the farm referred to in the first paragraph is profitable and that he meets the requirements prescribed by regulation with respect to his farming experience or vocational training, failing which he forfeits his right to such a grant.

**“5.2** Where two persons contemplated in section 23, jointly, have already caused an agricultural operations corporation, an agricultural

operations partnership, an agricultural operations cooperative or a group of persons contemplated in sections 14 and 15 of which they were members to be the recipient of a grant for an amount that is less or equal to the amount of the grant under section 2, 5 or 7, each of those persons is, for the purposes of paragraph 3 of the first paragraph of section 5.1, deemed to have already caused that corporation, partnership, cooperative or group to be the recipient of the maximum grant."

**4.** Section 12 of the said Act is amended

(1) by replacing the first paragraph by the following paragraph:

**"12.** Any person who, as a farm operator, causes or has already caused an agricultural operations corporation, an agricultural operations cooperative or an agricultural operations partnership to be the recipient of all or part of a grant under section 2, 5 or 7 is considered to have personally benefited by the maximum grant for the purposes of the second paragraph and of section 21.";

(2) by inserting, after the word "made" in the first line of the second paragraph, the words and figures "under sections 2, 5 and 7".

**5.** The said Act is amended by inserting, after section 16, the following sections:

**"16.1** The Minister may, on the recommendation of the Bureau, make a grant not exceeding fifteen thousand dollars to an agricultural operations corporation, an agricultural operations partnership, an agricultural operations cooperative or a group of persons contemplated in sections 14 and 15 which, from 1 July 1986, acquires or leases an economic farm to establish itself thereon provided one of the shareholders, partners, shareholder-producers or members is a farm operator or a farmer who

(1) on the date of the establishment, is not less than eighteen nor more than forty years of age, has as his principal occupation the operation of the farm and holds 20% or more,

(a) in the case of an agricultural operations corporation, of the shares of each class issued by the corporation;

(b) in the case of an agricultural operations partnership, of the interests in the partnership;

(c) in the case of an agricultural operations cooperative, of the ordinary shares or common shares, as the case may be, issued by the cooperative;

(d) in the case of joint operators, of the interests in the economic farm constituted of the aggregate of the farms of which they are owners or lessees;

(e) in the case of undivided owners of an economic farm, of the rights of ownership in the farm;

(2) on the date of receipt by the Bureau of the application in writing for the grant, meets the requirements prescribed by regulation with respect to his farming experience and vocational training and meets the requirements prescribed in paragraph 3 of the first paragraph of section 5.1.

The second paragraph of section 5.1, adapted as required, applies to this section.

**“16.2** Where an agricultural operations corporation, an agricultural operations partnership, an agricultural operations cooperative or a group of persons contemplated in sections 14 and 15 includes among its shareholders, partners, shareholder-producers or members more than one farm operator or farmer who meet the requirements prescribed in paragraphs 1 and 2 of the first paragraph of section 16.1, in no case may the maximum grant provided under the said section exceed fifteen thousand dollars multiplied by the number of such operators or farmers, never exceeding four.

**“16.3** As long as the total number of farm operators or farmers who have qualified an agricultural operations corporation, an agricultural operations partnership, an agricultural operations cooperative or a group of persons contemplated in sections 14 and 15 for a grant under section 16.1 or 16.2 or under this section remains less than four, the Minister may, on the recommendation of the Bureau and until that number is reached, grant to the corporation, partnership, cooperative or group that applies therefor in writing to the Bureau another amount not exceeding fifteen thousand dollars, as part of the grant, whenever

(1) a farm operator or farmer who was not a shareholder, partner, shareholder-producer or a member of the corporation, partnership, cooperative or group at the time a grant was made to it under section 16.1 or 16.2 or under this section subsequently becomes a shareholder, partner, shareholder-producer or a member thereof and proves to the Bureau

(a) that he meets the requirements prescribed in paragraph 3 of the first paragraph of section 5.1, that the farm operated by the corporation, partnership, cooperative or group continues to be an economic farm, that his principal occupation is the operation of that



farm and that he holds the percentage of interests prescribed in subparagraph 1 of the first paragraph of section 16.1;

(b) that on the date on which he began to meet the requirements of subparagraph *a* of this paragraph he was not over forty years of age;

(c) that on the date his application for a grant is received by the Bureau he is not less than eighteen years of age and meets the requirements prescribed by regulation with respect to his farming experience or vocational training;

(2) any person who, although he was a shareholder, partner, shareholder-producer or member of the corporation, partnership, cooperative or group at the time a grant was made to it under section 16.1 or 16.2 or under this section, did not then qualify it for the grant but who subsequently proves to the Bureau that he meets the requirements listed in subparagraphs *a* to *c* of paragraph 1.

A grant under this section shall be made to the applicant who files a grant utilization plan consistent with the regulations, in view of increasing the profitability of his agricultural operation, within the scope of the purposes prescribed by regulation.

**“16.4** Each of the persons who met the requirements under this Act to qualify the agricultural operations corporation, the agricultural operations partnership, the agricultural operations cooperative or the group of persons contemplated in sections 14 and 15 of which they were members for a grant at the time a grant was made under any of sections 16.1, 16.2 and 16.3, even if that number exceeds four, is, for the purposes of paragraph 3 of the first paragraph of section 5.1, deemed to have caused that corporation, partnership, cooperative or group to be the recipient of the grant, if the grant or part thereof has been paid.”

**6. Section 18 of the said Act is amended**

(1) by replacing the first paragraph by the following paragraph:

**“18.** A person who, as a farm operator or farmer, causes or has already caused a group of persons contemplated in sections 14 and 15 to be the recipient of all or part of a grant under section 2, 5 or 7, is considered to have personally benefited by the maximum grant for the purposes of the second paragraph and of section 21.”;

(2) by inserting, after the word “made” in the first line of the second paragraph, the words and figures “under section 2, 5 or 7”.

**7. Section 21 of the said Act is amended**

(1) by replacing the first paragraph by the following paragraph:

**“21.** Subject to section 16.3, no person may obtain a grant under section 2, 5, 5.1, 16.1 or 16.2 more than once.”;

(2) by replacing the third paragraph by the following paragraphs:

“No grant may be made under section 2, 5, 5.1, 7, 16.1, 16.2 or 16.3 to a farmer, an agricultural operations corporation, an agricultural operations partnership, an agricultural operations cooperative or a group of persons contemplated in section 14, 15 or 17 to whom or which a grant under the Act to promote the establishment of young farmers has been made.

No person who, as a farm operator or farmer, has already caused an agricultural operations corporation, an agricultural operations partnership, an agricultural operations cooperative or a group of persons contemplated in sections 14 and 15 to be the recipient of a grant under the Act to promote the establishment of young farmers, may qualify that corporation, partnership, cooperative or group or any other similar corporation, partnership, cooperative or group for a grant under this Act.”

**8.** Section 21.3 of the said Act is amended by adding, at the end, the following paragraph:

“Sections 21.1 and 21.2 do not apply where a grant is made under section 5.1, 16.1, 16.2 or 16.3.”

**9.** Section 21.4 of the said Act is amended by replacing the word “ten” in the first paragraph by the word “five”.

**10.** Section 23 of the said Act is amended by inserting the words “under section 2, 5 or 7” in the first line after the word “made”.

**11.** Section 24 of the said Act is amended by inserting, after the second paragraph, the following paragraph:

“The grants provided for in sections 5.1, 16.1 and 16.3 shall be paid by the Bureau as the carrying out of the grant utilization plan referred to in any of those sections progresses, when the vouchers have been filed with the Bureau in accordance with the regulations.”

**12.** Section 27 of the said Act is amended by adding, at the end, the following paragraph:

“The person contemplated in the first paragraph is forfeited of his right to receive any instalment not yet paid with respect to a grant

where that person has ceased for more than three consecutive years to comply with the requirements of this Act and any regulations thereunder.”

**13.** The said Act is amended by inserting, after section 27, the following section:

**“27.1** Notwithstanding sections 26 and 27, the Minister may, on the recommendation of the Bureau, revoke the right of a person to whom a grant has been made to receive the instalments of the grant that are not yet paid where that person

(1) so requests;

(2) dies;

(3) ceases to comply with the requirements of this Act or of the regulations.

Where the revocation contemplated in the first paragraph occurs before any instalment of the grant has been made, the grant is deemed, for the purposes of this Act, to have never been made.”

**14.** Section 29 of the said Act is replaced by the following section:

**“29.** The Government may, by regulation,

(1) define the word “establishment” and the expressions “principal occupation”, “principal activity”, “cultivation of the soil”, “raising of livestock”, “general improvement plan” and “programme of land improvement” and prescribe the conditions applicable to such a plan or programme;

(2) prescribe the requirements which must be met by any natural person contemplated in paragraph 2 of the first paragraph of section 5.1, the third paragraph of the said section, paragraph 2 of the first paragraph of section 16.1 and in paragraphs 1 and 2 of the first paragraph of section 16.3 with respect to his farming experience or vocational training;

(3) prescribe the purposes for which a grant made under section 5.1, 16.1, 16.2 or 16.3 may be utilized and the contents of a utilization plan respecting such a grant;

(4) prescribe the stipulations a partnership contract must include to ensure that the partnership is a partnership within the meaning of paragraph *i* of section 1;

(5) prescribe the particulars that must be included in the document to be furnished to the Bureau to constitute proof, in the case of joint operators, of the joint operation of an economic farm constituted of the aggregate of the farms of the joint operators;

(6) set the time within which, and the conditions according to which, a natural person must undertake to make farming his principal occupation to be considered an aspiring farmer;

(7) prescribe the documents and information that must be filed with the Bureau on making an application for a grant, and thereafter, and the vouchers that must be filed for the purposes of section 24;

(8) prescribe any other measure necessary or useful for the carrying out and proper operation of this Act.

The regulations made pursuant to this Act come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date fixed therein."

**15.** The provisions of the Regulation respecting the application of the Act to promote the development of agricultural operations (R.R.Q., 1981, c. M-36, r. 1), made under section 29 of the Act to promote the development of agricultural operations as it read before (*insert here the date of coming into force of section 14 of this Act*), shall remain in force until they are repealed by a regulation made by the Office du crédit agricole du Québec.

Every regulation made under the first paragraph shall be submitted to the Government for approval and it comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein.

**16.** The said Act is amended by inserting, after the heading "FINAL PROVISIONS" of Division VI, the following section:

**"30.1** Notwithstanding the provisions of this Act, from such time as the obligations under this Act for the current fiscal year attain the amount of the appropriations voted for that purpose by the Legislature, no recommendation for the making of a grant shall be made to the Minister by the Bureau in the same fiscal years."

**17.** The distinction based on age provided for in the provisions enacted by sections 3 and 5 of this Act shall operate notwithstanding the provisions of section 15 of the Constitution Act, 1982 (Schedule B of the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom).

**18.** This Act comes into force on the date on which it is assented to, except sections 3, 5, 7 to 11 and section 14, which will come into force on the date to be fixed by the Government.