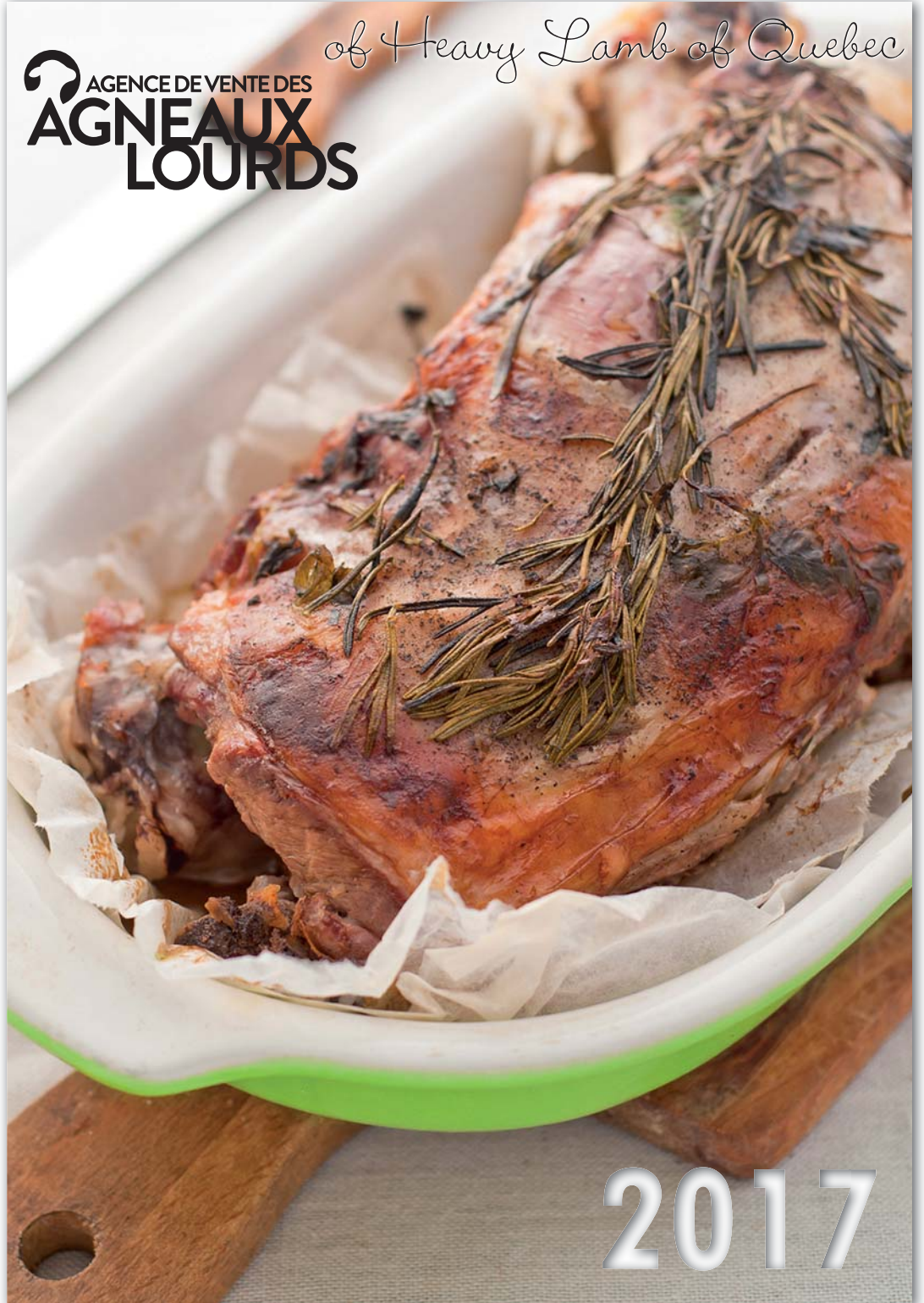


BUYER'S GUIDE

of Heavy Lamb of Quebec

AGENCE DE VENTE DES
**AGNEAUX
LOURDS**



2017

Buyer's Guide of Heavy Lamb of Quebec



LES ÉLEVEURS D'OVINS DU QUÉBEC

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**Agriculture, Pêcheries
et Alimentation**

Québec



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OBJECTIVE This guide is a tool intended to help buyers of heavy lamb products in Quebec to better understand the rules and regulations in place, as well as to understand how the marketing of heavy lamb activities operates.

The information included in this guide has the principal objective of facilitating the understanding of the operations of the Agency and is not considered a substitute for any legal texts.

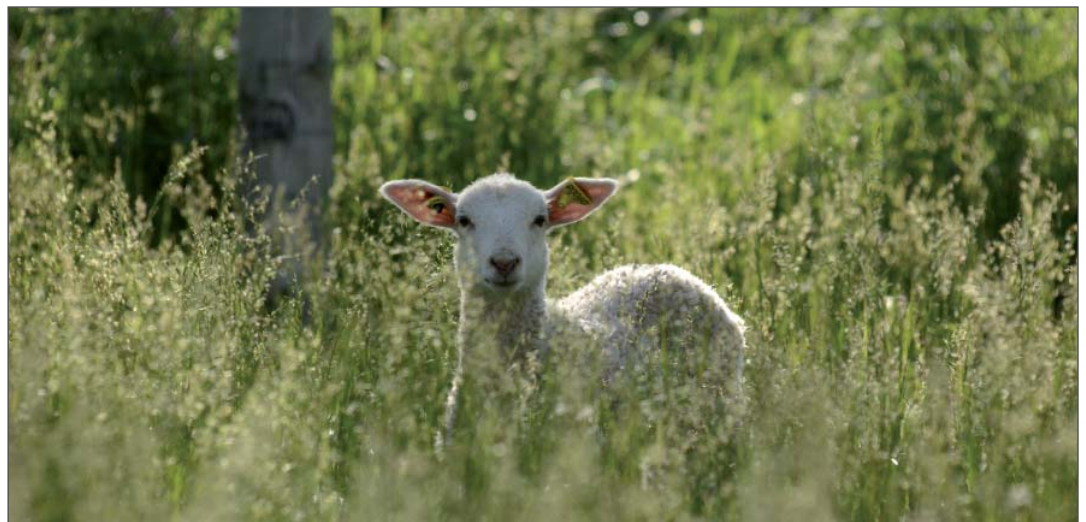
Mission of the Heavy Lamb Sales Agency

In Quebec, marketing is regulated by a law covering commercial relations between producers and buyers that allow them to work together in harmony and efficiently. Since 2007, the *Fédération des producteurs d'agneaux et moutons du Québec* has managed the **Heavy Lamb Sales Agency, a single channel through which heavy lamb products are marketed across the province.**

Marketing conditions must generally:

- a. Support the flow of heavy lambs born and raised in Quebec to the market;
- b. Contribute to the development of the industry from production to supply, processing and distribution;
- c. Contribute to the sharing of risks and benefits associated with the industry.

The Sales Agency offers many possibilities for methods of sale to respond to the market's demands. The Agency recognizes the different specifications that have been developed and certified.



LEGAL ASPECTS

Glossary

BUYER represents all individuals or companies who buy or receive heavy lambs.

PRODUCER represents all individuals who raise heavy lamb for themselves, or on behalf of others, and offer them.

HEAVY LAMB is a lamb under one year old intended for slaughter, with less than two permanent incisors and a live weight of at least 36.3 kg (80lbs) or 16.4 kg (26lbs) hot carcass weight.

Hheavy lambs are marketed by virtue of all the legal instruments approved and certified by the *Régie des marchés agricoles et alimentaires du Québec* (RMAAQ). **A buyer cannot purchase or accept delivery of heavy lambs raised in Quebec without going through the Federation.**

Legal instruments, notably, are :

- ➔ the *Loi sur la mise en marché des produits agricoles, alimentaires et de la pêche* (Act respecting the marketing of agricultural, food and fish products),
- ➔ the *Règlement sur la vente en commun des agneaux lourds* (Regulation on the collective sale of heavy lambs),
- ➔ the *Convention de mise en marché des agneaux lourds* (Heavy Lamb Marketing Agreement)
- ➔ the *Convention sur les garanties de responsabilité financière des acheteurs d'agneaux lourds* (Regulation on the guarantee of financial responsibility for buyers).

The official documents are available on the *la Fédération des producteurs d'agneaux et moutons du Québec* (FPAMQ) website: www.agneauduquebec.com

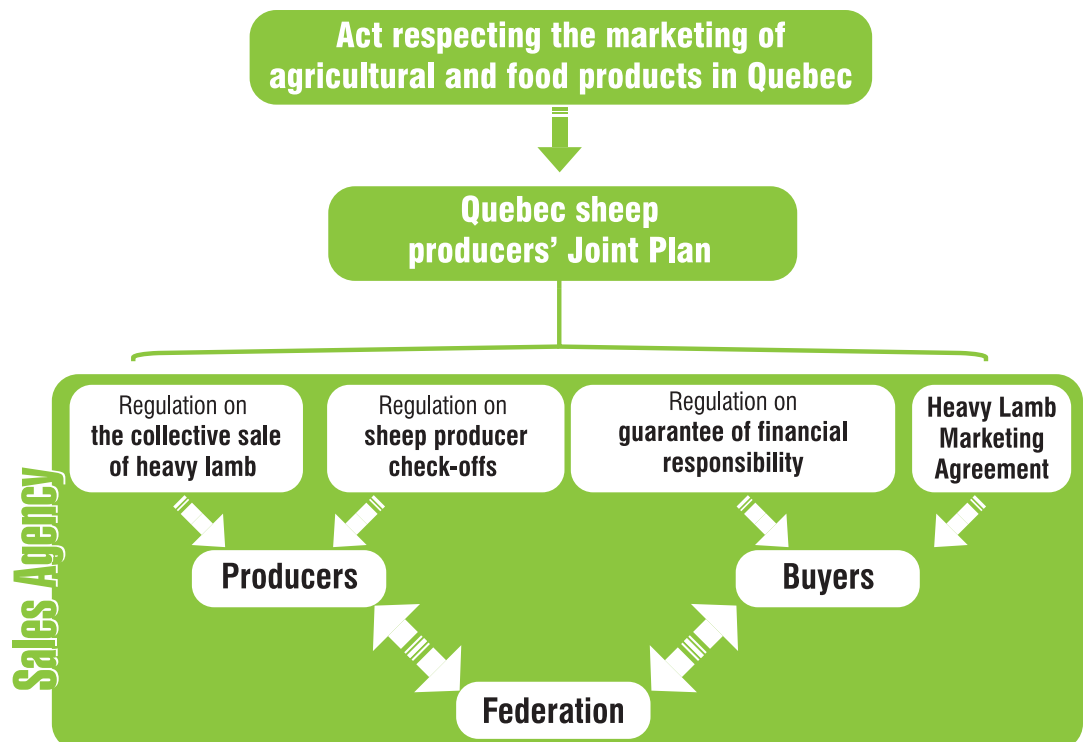
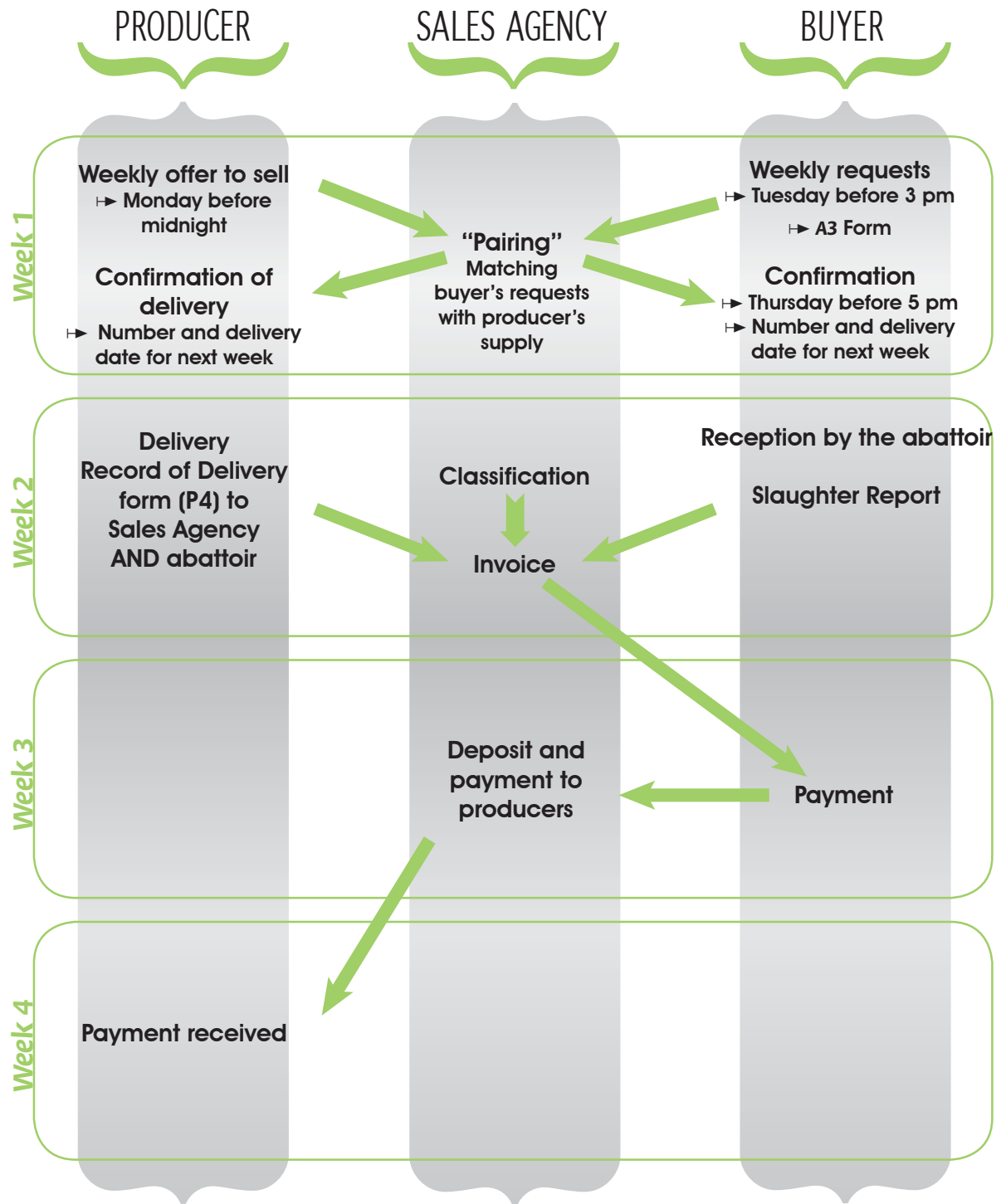


Diagram: Regulatory Aspects

METHODS OF MARKETING



METHODS OF MARKETING

There are different ways to market lambs so that a buyer can access heavy lambs from the Sales Agency. The buyer can:

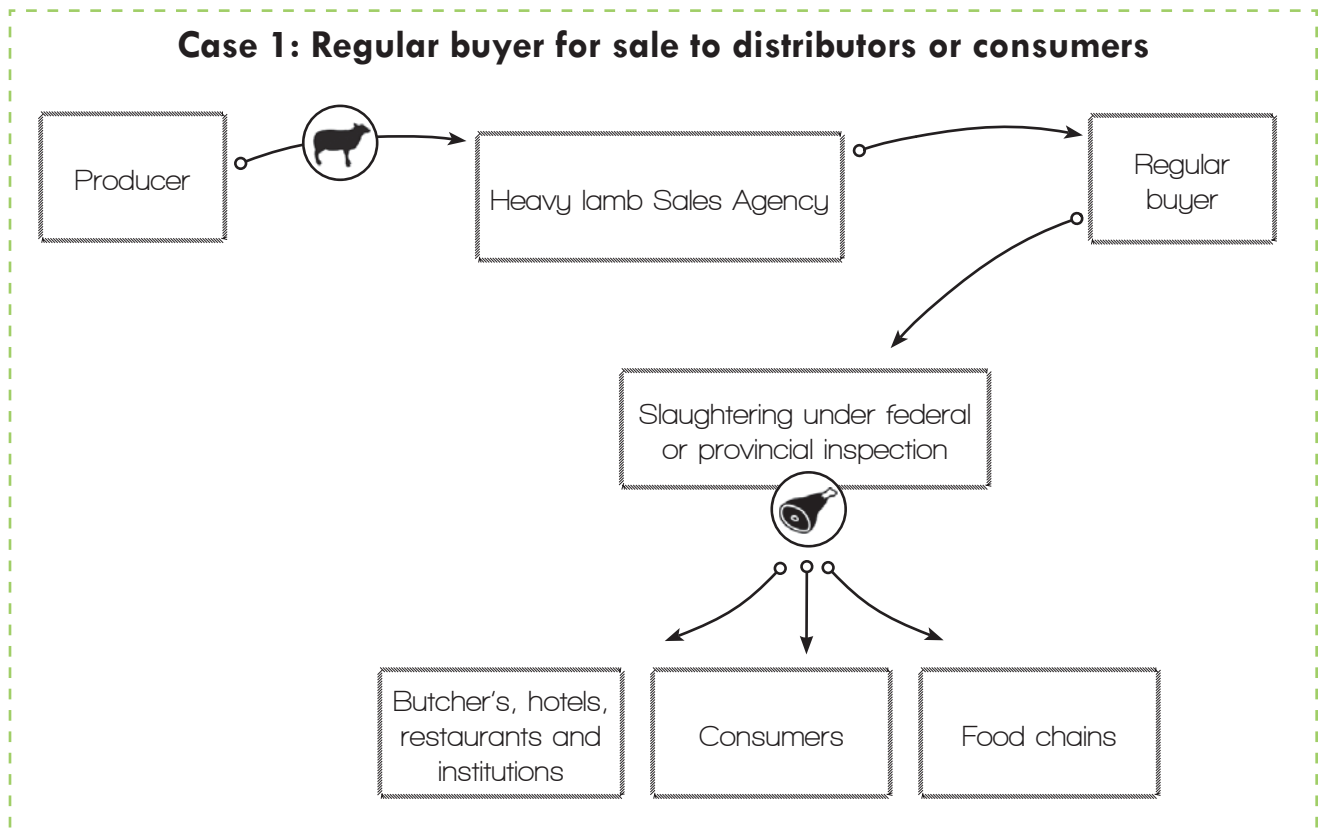
- ☛ Purchase heavy lambs throughout the year via an **annual contract**;
- ☛ Purchase heavy lambs on offer through the **weekly sale**;
- ☛ Purchase heavy lambs offered at a **one-time sale** organized by the Federation;

A producer can ask the Sales Agency for status as a buyer (producer-buyer) to be able to purchase his/her own lambs and then sell the lambs in other markets.

Purchase requests can be made through the Sales Agency using **Form A3, Request for weekly purchase**, on a weekly¹ basis by indicating:

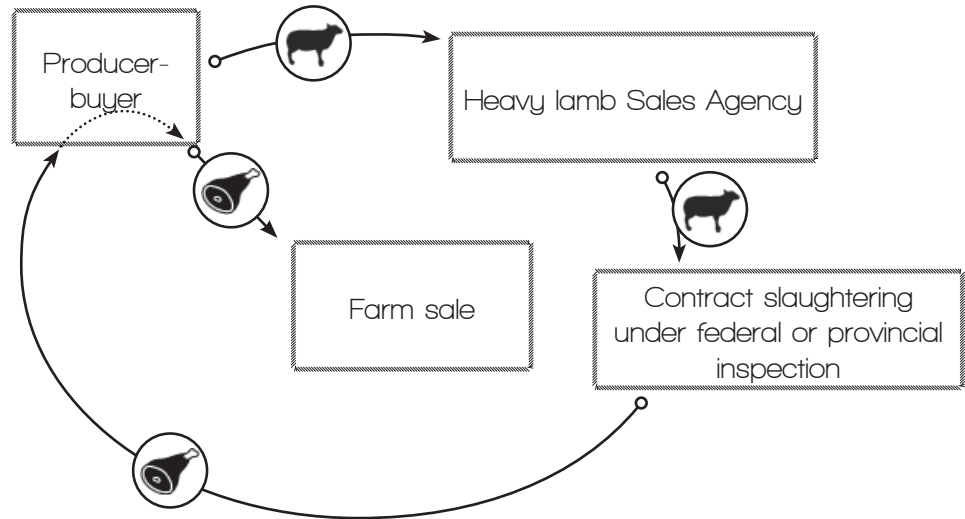
- The number of lambs
- The weight categories and
- The specific characteristics, if any.

Diagrams : Various circuits of marketing according to the type of buyer

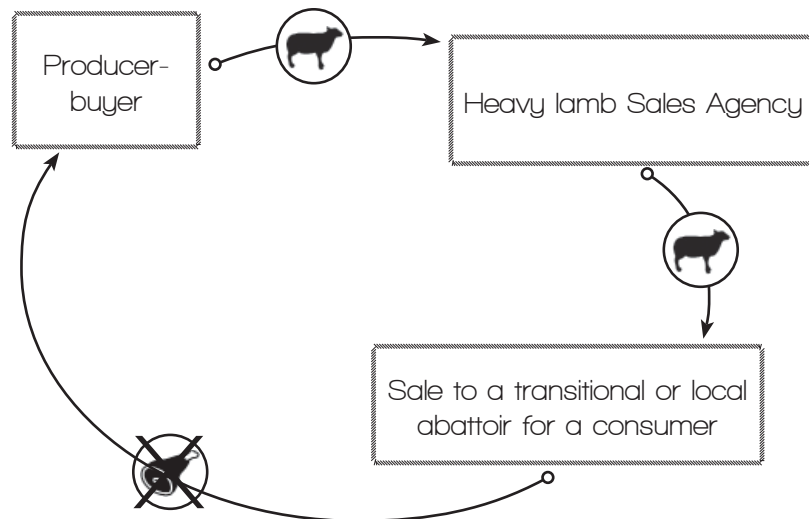


¹ Except for the holiday period: the pairing in this period can be up until two weeks earlier.

Case 2 : Producer-buyer, farm sale



Case 3 : Producer-buyer, sale to slaughtering house for a consumer



Glossary

ONE TIME SALE is the term for a sale that can be organized by the FPAMQ for a specific event.

REGULAR BUYER defines buyers who buy on a regular basis throughout the year.

PRODUCER-BUYER defines the producer who buys its own lambs to make it to market.

METHODS OF MARKETING

The Heavy Lamb Sales Agency works on a weekly basis. Each week, buyers send their requests to the Sales Agency to fulfill their requirements and producers offer what they have for sale. The Sales Agency matches or “pairs” participants for supply and demand, and confirms with the two parties their deliveries for the following week. The matching process takes into account the **time** and **date of delivery**, the **number of heavy lambs**, the **specifications**, the **weight** and **categories**:

- ➔ **Category 1:** 16.4 kg to 19.9 kg;
- ➔ **Category 2:** 20 kg or more.

Table 1: Obligations

Party	Obligations	Reference in the agreement
A buyer must	Accept the lambs that conform to the type of carcass they have requested	Art. 3.03
	Take care of the needs of the live heavy lambs as soon as they take possession of the lambs.	Art. 3.08 & 4.01
	Make the heavy lamb carcasses available for classification purposes (see Chapter 8)	Art. 4.03
	Send the record of slaughter to the Agency within the required timeframe	Art. 3.07
	Transfer the payment with their coordinates, invoice number sent by the Agency, the number and weight of heavy lambs paid for.	Art. 3.09
The Agency must	Make available to the buyer the number of lambs, by weight category for the agreed date, time and place of delivery.	Art. 3.01

Glossary

OVERALL DEMAND represents all the heavy lambs requested by buyers for all sales mechanisms for a given week.

OVERALL SUPPLY represents all the heavy lambs announced by producers for all sales mechanisms for a given week.

BATCH LOT represents an amount of heavy lambs slaughtered by a producer for a buyer at a given date and place.



Table 2: Attribution of lambs to buyers: variations in quantity

Overall levels of supply & demand	Attribution of heavy lambs	Reference in the agreement
"shortage" Demand > Supply	Respecting the following order: <ol style="list-style-type: none"> 1. Any buyer having an annual contract and is committed to buying only heavy lamb born and raised in Quebec; 2. Any buyer having only a annual contract; 3. Any buyer who is committed to buying only heavy lambs born and raised in Quebec, but who does not have an annual contract; 4. Any buyer without a contract and who makes a weekly request for lamb. 	Art. 3.23
"surplus" Demand < Supply	Excess amount of heavy lamb offered as surplus by the Sales Agency: <ul style="list-style-type: none"> ➔ Priority to buyers who have agreed to an annual contract; ➔ Established pro rata amongst buyers; ➔ 5% discount on negotiated price is applied to price paid by a buyer for these "surplus" lambs. 	Appendix 8

Table 3: Non-compliant lambs

Non-compliance	Application	Reference in the agreement
The weight does not correspond to what was requested	➔ For a heavy lamb confirmed as Category 2*: a penalty of 5% will be applied to the price for a lighter weight.	Art. 3.0
	➔ For a lamb confirmed as Category 1: excess kilograms will not be paid for.	
Fat	➔ If a ewe, a ram or a lamb with a weight of less than 16.4 kg is delivered, the price will be set by the buyer and the Federation. A producer who delivers this type of animal may refuse the sale. He then must assume the slaughter costs and reclaim the carcass.	Art. 3.06
	In a batch lot of at least five lambs of which more than 50% have 18mm of back fat (for 2015) and more than 16mm (starting in 2016), the price paid for these lambs will correspond to 85% of the negotiated price.	Art. 3.03

* More than 20 kg

Glossary

SURPLUS is the term used when producer supply is greater than buyers' demand.

SHORTAGE is the term used when producer supply is less than the buyers' demand.

NON-COMPLIANT LAMBS defines a lamb whose weight does not correspond to the demand or whose measure of fat is too high in relation to what is provided in the Agreements.

TYPES OF CONTRACTS

Annual Contract and Guaranteed Supply

A buyer who buys heavy lambs for more than a year can commit to an **annual contract that guarantees a minimum volume of heavy lambs on a weekly basis**. Having a contract allows a buyer to receive a guaranteed supply and a priority if supply is less than the demand.

Table 4: Annual Contract

<i>Conditions for access</i>	<i>Advantages</i>	<i>Reference in the agreement</i>
<ul style="list-style-type: none"> ☛ Having made purchases the previous year. ☛ Volume of heavy lamb assured by contract is at most 1.5 times the total purchases of the previous year. (Art. 3.21). ☛ Contract is non-transferable between buyers. 	<ul style="list-style-type: none"> ☛ Guaranteed minimum volume of heavy lambs on a weekly basis. ☛ Possibility of delivery ahead of the contracted volume for a given week by paying a premium of 1kg/ carcass. ☛ Priority when supply is less than demand. ☛ In the case of a stoppage in activity, the volume will be offered to other buyers by prioritizing those who are committed to buying heavy lambs born and raised in Quebec. 	Art. 3.15

Commitment to purchase heavy lambs born and raised in Quebec

A buyer who **commits to only purchasing heavy lambs born and raised in Quebec** will have **priority access** to a predetermined volume of heavy lambs offered on a weekly basis. This contract allows for priority access to a volume of lambs in the case where the weekly supply is less than demand (“shortage”).

Table 5: Commitment to buy heavy lambs born and raised in Quebec

<i>Conditions for access</i>	<i>Benefits</i>	<i>Reference in the agreement</i>
Commit to only buying heavy lambs born and raised in Quebec.	Priority access to a minimum volume of heavy lambs on a weekly basis.	Art. 3.11 & 3.22



TYPES OF CONTRACTS

Heavy Lambs with Specific Characteristics

The Sales Agency recognizes the different **specific characteristics** that have been developed and certified (*Heavy Lamb Marketing Agreement, Art., 3.28*). A **heavy lamb with specific characteristics** means a heavy lamb born and raised in Quebec produced in compliance with specific requirements that define the production conditions and certified by an accredited organization recognized by the *Conseil des appellations réservées et des termes valorisants (CARTV)*. Therefore, heavy lambs that have this recognition are marketed separately from conventional heavy lambs.

One-time Sale

The Federation can resort to a one-time sale once a year to meet a specific market need. For example, an auction is organized to meet the demand of the Feast of the Sacrifice (*Eid al-Ahda* or *Eid al Kebir*).

Table 6: One-time Sale

<i>Parties</i>	<i>Obligation/benefit</i>	<i>Reference in the agreement</i>
Producer	Advance registration for heavy lambs mandatory*	Art. 3.35
Agency	Informs everybody of the date and time of the event	Art. 3.35
Regular buyer	Purchase priority for 25% of the heavy lambs on offer	Art. 3.36

**Heavy lambs delivered to a one-time sale are not counted as part of the annual or weekly contractual deliveries.*

PURCHASE FORECAST

A buyer must send a weekly purchase forecast to the Agency every three months via **Form A5, Weekly Purchase Forecast**. During a period of “shortage”, a buyer who has sent in a purchase forecast will have priority over those who have not done so (for more details, see Chapter 4.1).

SLAUGHTERHOUSE PROCEDURES

1



TRANSPORTATION & DELIVERY



Responsibility of the producer
At arrival, the producer hands:



the record of delivery (Form P4):

- name
- producer number
- date of delivery
- tag numbers from delivered heavy lambs

2



SLAUGHTER



24 hours following lamb's
arrival, if more than 24h:



- heavy lambs must be adequately fed, kept in sufficiently large and clean enclosures with adequate bedding.
- Additional costs will be at the expense of the buyer.

3



BODY PARTS REMOVED FROM THE CARCASS

- skin
- head and anterior part of the neck
- part of the front and rear legs below the tibiotarsal (ankle) joint and membrane portion of the diaphragm

- thoracic and abdominal organs
- respiratory, digestive, reproductive and urinary systems
- fat deposits around the heart and scrotum or udder

4



WEIGHING

Carcass weight:

- one at a time;
- hot;
- immediately after slaughter and evisceration;
- before leaving the floor of the slaughterhouse.

Scales:

- Certified compliant with the Weights & Measures Act;
- Accurate within 100g
- Must deliver a weighing ticket
- Verified each week and calibration on an annual basis

5



CLASSIFICATION

Carcas = classified



- Responsibility of the Sales Agency
- Buyer must inform the Agency at the time when classification takes place

- The Agneau du Québec* logo stamped by the classifier
- Classification available up to 24 hours later

6



CONFISCATION & CONDEMNATION

Live lambs:



- A weakened heavy lamb = buyer has the right to refuse it based on the opinion of a veterinarian**
- Buyer is not responsible for lambs that have died in the receiving area if the slaughterhouse schedule is respected.

7



CARCASS

Damaged carcass = condemned (whole or partial) = certificate of condemnation to the Agency**

- Partial condemnation: the net weight of the carcass is used for invoicing;
- Unclassified carcass, index is established at 85.

Damages caused by the buyer due to inadequate handling or poor conditions where the animal is staying = the buyer pays for the carcass.

*Trademark: property of the Federation

** Veterinarian from the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec or the Canadian Food Inspection Agency

CLASSIFICATION

Table 7: Carcass weight deduction ratios according to specific slaughter characteristics

Specific slaughter characteristics	Weight category		
	Category 1 (16,4 to 20kg)	Category 2 (20 to 24kg)	Category 2 (more than 24kg)
Head and pluck	14.8%	13.9%	13.4%
Head	6.9%	6.3%	6%
Pluck	7.9%	7.6%	7.4%
Heart	1.0 %	0.9%	0.9%
Liver	3.7%	3.8%	3.7%
Lungs	3.2%	3.0%	3.0%

Table 8. Conformation Index

Conformation (leg/loin/shoulder)	Equivalence
1-1-1 and 1-1-2	1
2-2-1; 2-2-2; 2-2-3	2
2-3-3; 3-3-3; 3-3-4	3
3-4-4; 4-4-4; 4-4-5	4
4-5-5 and 5-5-5	5

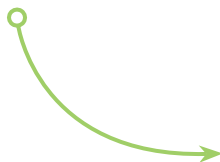


Table 9. Classification Index Grid

Lamb whose weight is less than 20kg and is more than 24kg $x < 20$ ou $x > 24$						
	Average conformation					
	1	2	3	4	5	
Fat (millimeter)	1	80	85	90	90	90
	2	80	90	93	93	95
	3	80	92	95	95	100
	4	80	93	100	100	101
	5	80	95	101	101	102
	6	80	98	102	103	103
	7	80	100	103	103	104
	8	80	100	103	104	104
	9	80	100	103	104	104
	10	80	100	103	104	104
	11	80	98	103	104	104
	12	80	97	102	103	104
	13	80	95	101	102	103
	14	80	95	100	101	102
	15	80	93	100	100	101
	16	80	93	97	97	100
	17	80	90	95	95	98
	18	80	90	90	93	95
	19	80	85	85	90	90
	20	80	80	80	80	80
	21	80	80	80	80	80
	22	75	75	75	75	75
	23	75	75	75	75	75
	24	75	75	75	75	75
	25	70	70	70	70	70

Lamb whose weight is from 20kg to 24kg inclusive $= 20 \leq x \leq 24$						
	Average conformation					
	1	2	3	4	5	
Fat (millimeter)	1	80	85	90	90	90
	2	80	90	93	93	95
	3	80	92	95	95	100
	4	80	93	100	100	101
	5	80	95	101	101	102
	6	80	98	102	103	103
	7	80	100	105	105	106
	8	80	100	105	106	106
	9	80	100	105	106	106
	10	80	100	105	106	106
	11	80	98	105	106	106
	12	80	97	104	105	106
	13	80	95	103	104	105
	14	80	95	100	101	102
	15	80	93	100	100	101
	16	80	93	97	97	100
	17	80	90	95	95	98
	18	80	90	90	93	95
	19	80	85	85	90	90
	20	80	80	80	80	80
	21	80	80	80	80	80
	22	75	75	75	75	75
	23	75	75	75	75	75
	24	75	75	75	75	75
	25	70	70	70	70	70

PRICE & METHOD OF PAYMENT

Price of Regular Heavy Lambs

The base price of regular heavy lambs is established during negotiations between buyers and the Federation. This price is then adjusted in terms of the weight index (see *Weight Index*, table 10) and the carcass classification index* (see tables 8 & 9, page 14).

Table 10. Weight Index

WEIGHT CLASS	INDEX
26kg and less	100
26.01 to 27kg	97
27.01 to 28kg	94
28.01 to 29kg	90
29.01 to 30kg	88
More than 30kg	85

$$\left\{ \text{Weight} \times \left(\frac{\text{Price} \times \text{Weight Index}}{100} \right) \times \left(\frac{\text{Classification index}}{100} \right) \right\}$$

Price of Heavy Lambs with Specific Characteristics

Heavy lambs with specific characteristics will be paid for at a price per kilogram negotiated with interested buyers. The agreement signed by the parties defines the characteristics of the product, the duration of the agreement and the premium to be offered.

Price of Lambs during a one-time Sale (specialized auction)

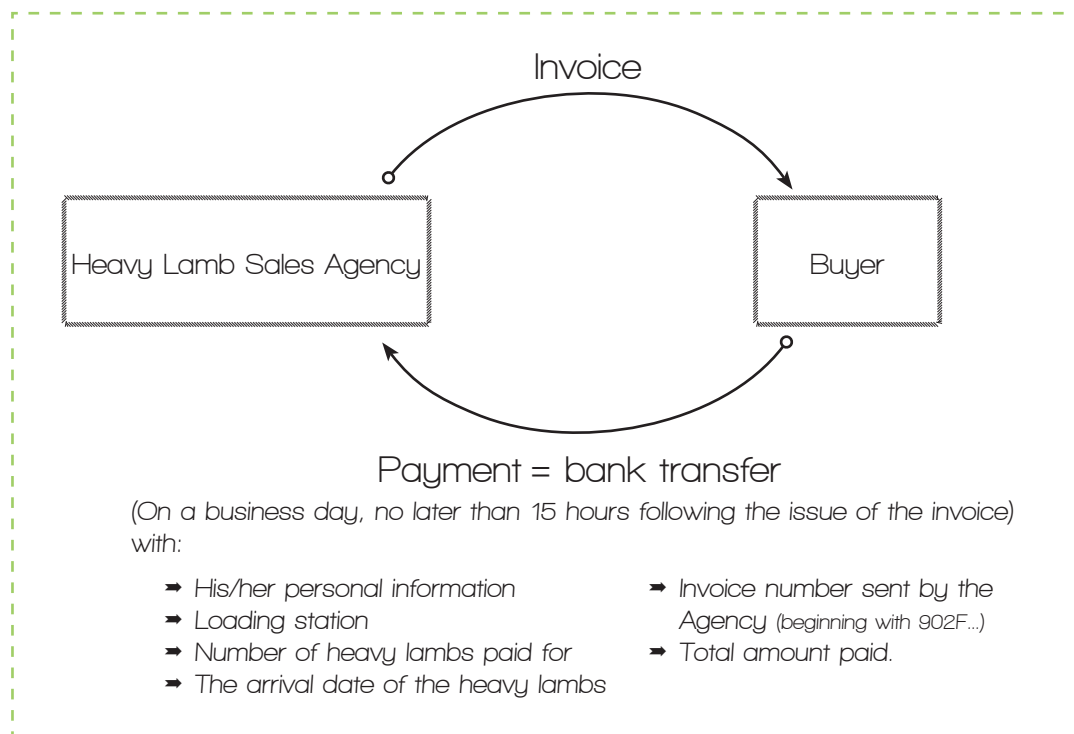
The price of heavy lambs sold during the specialized auction organized by the Agency will correspond to the sale price of live lambs for all lambs.



*In the particular cases of absence of classification: ref. to Agreement (Convention de mise en marché des agneaux lourds).

PRICE & METHOD OF PAYMENT

Payment



SIGNING UP AS A BUYER

- T**o register the buyer must:
- ☛ Fill out the buyer registration form
 - ☛ Sign the *Convention sur les garanties de responsabilité financière des acheteurs d'agneaux lourds (3.02)*
 - ☛ Send the original of the bank guarantee
 - ☛ Form A-1, *Buyer commitment for exclusively purchasing heavy lambs born and raised in Quebec*, is optional

Send to:

Fédération des producteurs d'agneaux et moutons du Québec
Heavy Lamb Sales Agency
555 boulevard Roland-Therrien, Office 545
Longueuil (Quebec) J4H 4E7

REGULATIONS

Complaint

If one of the parties' thinks that the regulation was not applied correctly in his/her case, he/she must inform the other party of this no later than 60 days after becoming aware of the fact. If no agreement is reached, a request may be addressed to the *Régie des marchés agricoles et alimentaires du Québec (RMAAQ)*.

Agreement Renewal

The Heavy Lamb Marketing Agreement is in effect as soon as it is signed by the parties. If one of the two parties wants to bring changes to the agreement, a written notice must be sent to the other party at least 90 days before November 30.



Reminder

The week before lambs delivery:

- **Monday:** send in their weekly demand for the following week
- **Thursday:** receive confirmation of weekly sales by producers

Every 3 months: The buyer makes his forecast of heavy lambs purchase including guarantee purchases and weekly purchase:

- Before January 1st: Projections for January-February-March
- Before April 1st: Projections for April-May-June
- Before July 1st: Projections for July-August-September
- Before October 1st: Projections for October-November-December

Once a year:

- Send in a request for a quantity of lambs in annual contract for the following year (A2);
- Deliver the certificate of calibration of the balance.

SALES AGENCY CONTACT INFORMATION

For documentation: www.agneauduquebec.com/FPAMQ/fr/agence

Official Website: www.agenceagneaux.qc.ca

Phone : 450 679-0540

- Agency coordinator: ext. 8320
- Agency principal clerk: ext. 8804
- Agency clerk: ext. 8973

Fax: 450 463-5294

When you call the Sales Agency, please have ready your:

FPAMQ number : _____

Internet - Personal information:

Username: _____

Password: _____

Contact the Agency's principal clerk at 450-679-0540 ext. 8804 to get your username and password.