

The Financière agricole du Québec administers financial tools designed to help bolster and promote development of the agricultural and agri-food sectors, with special emphasis on the primary sector.

To help sustain the economic stability of farm businesses, the Financière manages agricultural and forest funding programs that include guaranteed loans, protection against interest rate hikes, financial assistance for agricultural start-ups, venture capital investments, stabilization insurance, crop insurance and the Canadian Agricultural Income Stabilization (CAIS) program.

Complaints Reviewed by the Québec Ombudsman

The Financière agricole du Québec	Complaints*	Complaint Grounds	Unsubstantiated Grounds	Substantiated Grounds
2006-2007	3	3	2	1

* Excluding complaints whose processing was interrupted or which were referred

TYPE OF COMPLAINTS

The few complaints received by the Québec Ombudsman concerned guaranteed loan funding programs, insurance or the Canadian Agricultural Income Stabilization program. The Québec Ombudsman would like to present a particular case with which it was involved, notably due to its scope and impact.

A circumspect and scrupulous citizen is penalized

In the spring of 2005, a farmer was planning to sell his flock of sheep. He was enrolled in the agricultural income stabilization insurance program administered by the Financière agricole du Québec but had not yet paid his dues for the year under way. In March of that year, he inquired as to whether he could transfer his insurance contract to an eventual buyer without having to pay his dues for the current year. The Financière replied that he could, as long as the sale was finalized prior to May 31, 2005.

In April 2005, the farmer found a buyer, and the parties agreed on the details regarding the date of purchase, date of possession and transfer of the animals. It was agreed that the new owner would pay the annual membership fee for 2005. On May 9, the farmer notified the Financière that the sale had been concluded, and on May 12, a Financière officer visited the farm to inventory the flock.

On May 30, the new owner took possession of the flock and gave the seller his payment, as well as the form for the transfer of the insurance contract. The seller personally submitted the completed document to a Financière employee that very same day.

Despite the vigilance and various actions taken by the seller, the Financière charged him the dues for the period from January 1 to May 31, 2005 and paid itself by withholding a compensation it owed him.

The farmer asked the Financière to reimburse him the amount of his dues—a request that was refused. The person in charge of the case claimed that the Financière should have had the necessary form by May 17 at the very least, and not May 30, so that it could prepare the paperwork regarding the payment and dues. He added that the transfer agreement for the insurance contract included a provision whereby 2005 dues, already paid by the seller, were assumed to have been paid by the buyer. Lastly, he specified that the farmer was not entitled to file an objection, given that the stipulated 30-day period had expired. The farmer then proceeded to contact the Québec Ombudsman.

Subsequent to its investigation, the Québec Ombudsman concluded that the farmer acted vigilantly and in compliance with the Financière's requirements. It also considered that the latter had knowledge of the sale of the flock prior to May 17, given its inventory of the sheep on May 12. The Québec Ombudsman also learned that had a simple note been included in the farmer's computer file, he would not have been charged the dues in question. Moreover, on May 30, the date on which the transfer agreement was signed, the Financière could not allege that the buyer had benefited from the payment of these dues, as these had not yet been paid by the seller. As regards the time period for contesting a decision, it was not determined by law, but was rather the result of an administrative procedure. The fact that it had been exceeded should not have resulted in the loss of the right to a review.

The Québec Ombudsman deemed that the decision was unfair, for despite the assignment of the contract, the seller was not entitled to any compensation for having paid the dues in question for a five-month period. The buyer, on the other hand, enjoyed an entire year of benefits upon payment of dues for a seven-month period. At the Québec Ombudsman's request, the Financière amended its decision and refunded the farmer an amount a little above than \$1,400.