4.3.3.7 Prince Edward Island Price Stabilization Program

This program was established by the PEI Hog Commodity Marketing Board in 1973. The program provided income stability to hog producers by compensating them for price fluctuations caused by traditional hog-price cycles. It was made up of equal contributions from both the provincial government and producers. Contributions were made when the average weekly price for hogs increased, while payments were made not when the market price fell below the contribution level but rather when the market price fell below a predetermined "stabilization price." The payment equalled one half of the difference between the depressed market price and the stabilization price. In fiscal year 1984, the provincial share of the support payment to hog producers averaged C$9.33 per hog. Half the amount of the payments came from the provincial government, with the other half drawn from the producers' equity. If the producers' equity was exhausted, the government assumed the producers' portion in the form of an interest-free loan. During fiscal year 1985 the producers did not contribute to the fund.

While the Natural Products Marketing Act established marketing boards for a number of agricultural products, hogs were the only commodity to receive stabilization payments. The program was found to be countervailable in the original investigation. For the review period from April 1, 1995, to March 31, 1996, the program was found to be terminated.

4.3.3.8 Quebec Farm Income Stabilization Insurance Program (FISI)

Administered by the Régie des assurances agricoles du Québec, a provincial Crown corporation, the program was intended to guarantee a net annual income to participating producers. The program was voluntary, although some conditions applied. For example, Quebec producers had to agree to stay with the program for at least five years and to produce at least 100 hogs and own 15 sows during the first year, with a participating ceiling of 5,000 hogs or 400 sows. The provincial government annually assessed participants for contributions to the income stabilization fund. The contributions made up one third of the fund; the government covered the balance. In fiscal year 1984, the provincial share of the support payment to hog producers averaged C$15.08 per hog.

The Government of Quebec argued that since the program covered 11 commodities and 71% of total farm production, it should not be deemed to be targeted to specific industries. Commerce was not persuaded and deemed the program to be nonetheless limited to a specific group of industries or enterprises, and therefore countervailable. Even if the program were not found to be *de jure* specific, Commerce held that it would still be considered *de facto* specific. In the 1991–1992 administrative review, Quebec argued that FISI was integrally linked to the crop insurance program and the supply management system. Again, Commerce was not persuaded by the integral linkage argument and it once more found the program countervailable. In the 1994–1995 review period, FISI was found not to