



October 25th, 2012

Ms. Christine Lajeunesse
Regional Manager
AgriRÉCUP
1705 Edgewood
Saint-Bruno-de-Montarville (Québec) J3V 4N8

Ms. the Regional Manager,

Hereby is the response to your request for an exemption to the Regulation respecting compensation for municipal services provided to recover and reclaim residual materials (hereinafter The Regulation) of July 27th 2011. Your request has been complemented by the information sent on December 5th 2011 and July 10th 2012, as well as by few meetings of which the last one took place on June 4th 2012.

The Regulation requires that the persons that are owners of a trademark, a name or a distinctive sign with a residence or facility in Quebec, or any other prime vendor in Quebec that market in the Quebec market containers and wrappings made out of any type of material, flexible or rigid, including paper, cardboard, plastic, glass or metal, used alone or in combination with others for the purpose of containing, protecting or wrapping a product or a group of products at one or more stages from the producer to the user or final consumer of the product, to contribute to the compensation plan constituted under subdivision 4.1, Section V11 of the Environment Quality Act.

However, pursuant to article 5 of The Regulation, the persons that can establish their direct contribution to a direct salvage system and waste reclamation of containers or wrapping that function on a regular and stable basis in Quebec, are exempts from paying a contribution relating to the compensation plan for products covered by this other system.

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Édifice Marie-Guyart, 30^e
étage.

675, boulevard René-Lévesque Est
Québec (Québec) G1R 5V7

Phone : 418 521-3860

Fax : 418 643-9990

e-mail:

brigitte.portelance@mddep.gouv.qc.ca

Internet: www.mddep.gouv.qc.ca

Following the analysis of the information submitted in your request for an exemption, we are of the opinion that it is justified to support the efforts of CleanFARMS/AgriRÉCUP to put in place a voluntary program to recover and reclaim certain types of waste generated by the agricultural sector, some of which fall within The Regulation. Indeed, the compensation plan resulting from The Regulation aims at financially supporting the municipal services for the selective collection of recyclable material. However, this mean of collection does not always constitute the best way to manage this waste and one has to admit that in many cases, the residual waste generated by agricultural producers are not accepted by these services or they create complex problems, in particular due to their dangerousness or their contamination. Also, by specifically targeting the agricultural sector, the reclamation program put in place by CleanFARMS/AgriRÉCUP seems preferable to ensure proper management of some agricultural wastes targeted or not by The Regulation.

However, it is only possible to grant an exemption only for the products that are already part of another collection and reclamation system in operation in Quebec and only to the firms that contribute to it.

According to the information received, the collection and reclamation system put in place and operated by CleanFARMS/AgriRÉCUP only covers the rigid pesticide containers of 23 liters or less made out of high density polyethylene and fertilizers containers registered by the Pest Management Registration Agency (PMRA) and the Canadian Food Inspection Agency (CFIA). However, we consider that the collection and reclamation services offered by this program, as described in the information you provided us, meet the notion of a system that function on a stable and regular basis in Quebec. As well, we acknowledge that the persons targeted by The Regulation, who market in Quebec rigid pesticides containers for industrial and agricultural uses registered by PMRA or rigid fertilizers containers registered by CFIA targeted by CleanFARMS/AgriRÉCUP programs and that contribute to these programs, can be exempted from paying a contribution to Éco Entreprises Québec (ÉEQ). ÉEQ is the organization accredited by RECYC-QUÉBEC to collect a sufficient contribution from the targeted persons to pay the compensation owed to the municipalities in the "containers and wrappings" categories. The persons exempted herein are still subject to The Regulation for all other materials targeted by it.

The current exemption is granted to these persons under the following conditions:

- CleanFARMS/AgriRÉCUP keeps its not-for-profit organization status;
- The points of collection are spread over the Quebec territory while respecting the distribution and the concentration of agricultural zones. Annually, these points must be accessible during a period from at least the beginning of May until the end of October and be opened during normal business hours or more;
- CleanFARMS/AgriRÉCUP commits itself to providing services to any point of collection having accumulated a minimum of ten (10) bags containing fifty (50) 23-liter containers or less;
- Each of these points must be accredited by the Agrichemical Warehousing Standards Association (AWSA);
- The different clienteles exempted, using the targeted products, whether they be agricultural, commercial or institutional must have free access to these points;
- Annually, at the latest on June 30th of the following year, CleanFARMS/AgriRÉCUP sends a report to the Assistant Deputy Minister of the "Services à la gestion et au Milieu terrestre". The report must include:
 - a list of the companies that are marketing the exempted targeted products and that contribute to CleanFARMS/AgriRÉCUP 's program in Quebec;
 - The quantities of exempted targeted products marketed by the companies that contribute to the CleanFARMS/AgriRÉCUP program in Québec. The quantities reported will be based on the quantities declared by these companies.
 - the quantities of these products collected, reclaimed, stored or eliminated during the year;
 - the names of the companies responsible for transporting the recovered materials, as well as the names of the companies where these products have been transported to and the final destination of different products;
 - the number, the type, the geographical distribution and the periods of accessibility of the points of collection that received services during the year, as well as a description of the collection services offered including the number of pick-ups per point;

- A geographical map of the regions with intense agricultural activity identifying all the potentials collection points, as well as the collection points that have been collected at least once during the year. If a region of intense agricultural activity has received little or no services, the report must give the reasons why that happened and what will be done the following year to remediate the problem;
- A description of the information-sensitization-training (IST) activities offered to the targeted users;
- A description of the measures undertaken by CleanFARMS/AgriRÉCUP to improve the collect and reclamation with regard to the 3R as well as to develop new openings for the waste products collected and reclaimed, such as research and development activities.

The data in the annual report must be verified by an external auditor.

- CleanFARMS/AgriRÉCUP identifies and maintains a representative living in Quebec to make sure the project is launched and that a follow-up is made with data transmitted in the shortest possible time by this representative to the "ministère du Développement durable, de l'Environnement, de la Faune et des Parcs (MDDEFP), as well as any changes.

The current exemption given to the targeted persons is applicable for the year 2013. It remains in effect as long as CleanFARMS/AgriRÉCUP respects the afore mentioned conditions and that the Ministry finds that the efforts made and the results obtained by CleanFARMS/AgriRÉCUP from its programs are satisfactory.

Incidentally, we understand that CleanFARMS/AgriRÉCUP also wishes to obtain an exemption in order to widen its collection and reclamation program in Quebec to include other types of containers and wrappings targeted by The Regulation such as:

- The wrapping for bales of hay and silage, including plastic films, twines and nets, with the potential inclusion of plastic film used to cover boats during the winter;
- The plastics bags used in agriculture for fertilizers, earth, seeds, composts, etc.;
- The rigid containers for micronutrients and disinfectants for agricultural and commercial uses;
- Other plastic containers used in agriculture such as those for animal health, pots and trays, etc.

Eventually, these products could be considered in the widening of the exemption to the compensation plan for the persons that put those products on the Quebec market

and that contribute directly to the program, as long as the program functions on a regular and stable basis in Quebec, or starting on the date that the program can be considered regular and stable. Incidentally, we are asking you to keep us informed of the progress made in your program so that we can analyze this request when it is timely to do so.

If you wish to obtain more information regarding the content herein, please contact Ms. Valérie Lephât at (418) 521-3950, extension 7055 (valerie.lephat@mddep.gouv.qc.ca) of the Residual Matters Services.

Lastly, I thank you for the interest shown in responsibly managing agricultural waste in Quebec. It is with great interest that we have looked into your activities and your future projects. Best regards,

Deputy Minister of Services à la gestion
et au Milieu terrestre,

Brigitte Portelance

c. c. Ms. Maryse Vermette, Éco Entreprises Québec
Mr. Jeannot Richard, RECYC-QUÉBEC
Mr. Barry Friesen, CleanFarms