

**SUPREME COURT OF CANADA**

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| **Citation:** Lafortune *v.* Financière agricole du Québec, 2016 SCC 35, [2016] 1 S.C.R. 1091 | **Appeal heard:** December 10, 2015  **Judgment rendered:** July 29, 2016  **Docket:** 36210 |

Between:

**Michel Lafortune et al.**

Appellants

and

**La Financière agricole du Québec**

Respondent

**Official English Translation**

**Coram:** McLachlin C.J. and Abella, Cromwell, Karakatsanis, Wagner, Gascon and Côté JJ.

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| **Joint Reasons for Judgment:**  (paras. 1 to 44) | Wagner and Gascon JJ. (McLachlin C.J. and Abella, Cromwell, Karakatsanis and Côté JJ. concurring) |

Lafortune *v.* Financière agricole du Québec, 2016 SCC 35, [2016] 1 S.C.R. 1091

Michel Lafortune, Ferme J. Latendresse inc., Ferme du Rio inc., François Landry, Johanne Clément and Patrice St-Jean, carrying on business as Ferme Johatrice enr., Ferme Guy Laurin inc., Ferme Raymond Coutu et Fils inc., Ferme Gérald Charbonneau et Fils inc., Ferme Yvan Bélanger inc., Fermes Mario Gagnon inc., Ferme Gérard Riopel inc., Ferme Claudal inc., Ferme Pierre Clermont S.E.N.C., Michaël Clermont, Entreprises Bernard Denis Gilles inc., Bernard Perreault et Fils inc., Ferme A. Riopel inc., Diane and Marcel Pelletier, Ferme Panelia S.E.P., Ferme Normand Marsolais inc., Philippe Desjardins, Guil‑Porcs inc., Ferme Claude Forget inc., Jacques Clermont, Angèle Grégoire, Ferme Luc et Estelle Forget inc., Ferme Guy Mercier inc., Ferme Luc Loranger inc., L.Y. Gagnon inc., Ferme Porcine JGFB inc., Ferme LJD Dalpé inc., Ferme Jacques Sanscartier S.E.N.C., Daniel Beauchamp, 9011‑1246 Québec inc., Ferme Roger Ménard (1981) inc., Ferme Pierre Mercier 1991 inc., Jean Marc Henri inc., Germain Chayer inc., Marc Lavallée, Ferme Richard Desjardins inc., Ferme Robert Desrosiers et Fils inc., Serge Venne inc., Ferme G.D.Y. inc., Réjean Villemaire and Jules Villemaire, carrying on business as Ferme Boporc enr., 9151‑3069 Québec inc., Ferme 4538 inc., Ferme Gérald Beauregard et ass. S.E.N.C., Ferme Porcine Jagari inc., Porcheries R.G. D’Amours inc., Ferme Bo‑Porc S.E.N.C., Ferme Vermado inc., Murielle Bergeron and Jeannot Alarie, carrying on business as Ferme Porktam enr., Monique Nepveu, Stéphanie Benoit and Réjean Benoit, carrying on business as Ferme Benoît et Nepveu enr., Jean‑Guy Lecours, Ferme Supier S.E.N.C., Ferme Porcine Isidore Roy S.E.N.C., Jacques Descôteaux, Vincent Demers and Micheline Racine, carrying on business as Ferme Agro Ray‑Mi enr., Ferme Charles Charrette et Fils inc., Ferme Familiporc inc., Ferme Horizon de Coaticook inc., Ferme Porcine M.V. inc., Ferme Porcine Bellevue inc., Ferme Porcine & Avicole Viens inc., Porcherie du Ruisseau inc., Ferme Diane R. et Victor Blais S.E.N.C., Ferme Les Lucioles inc., Réal Labrecque and Hélène Lamontagne, Porcherie du Vallon S.E.N.C., Ferme Vilamon S.E.N.C., Porcherie André Desrosiers inc., Ferme Porcine Marjoland inc., 9170‑6788 Québec inc., Porcs Martineau inc., Ferme La Cajolerie inc., Ferme Maurice Parent inc., Suzanne Perreault & Armand Landry, Ferme Yvon Perreault inc., Ferme Pic Rouge inc., Ferme Moriseau S.E.N.C., Ferme Porcine de Beauce inc., Élevages Quali‑Porc S.E.N.C., Ferme du Patrimoine Théberge inc., Ferme Moffette inc., 9143‑6022 Québec inc., Ferme 296 inc., Ferme Berporc inc., Ferme André Veilleux et Fils enr. S.E.N.C., Daniel Paradis, carrying on business as Ferme Parielle enr., Ferme Vachon et ass. S.E.N.C., Ferme Porcine Le Siclaune S.E.N.C., Michel Jolicoeur, Ferme Raygica inc., F. Porcine Audesse inc., Ferme Porcine du Boisé inc., Ferme Migi S.E.N.C., Ferme Céguy inc., Perfo‑Porc inc., Ferme Jolima inc., Gilles Dufault, Ferme R. Charest et Fils inc., Ferme François Labbé S.E.N.C., Ferme Porcine Denis Nadeau inc., Porcherie Marigro inc., Léandre Labrecque, Ferme Andeline division porcine inc., 9015‑4683 Québec inc., Élevages du Ruisseau inc., Ferme Daniel Roussin inc., Ferme Gilbert Grenier inc., Robert Delage, Porcheries Chanca inc., Ferme Triporc inc., Stéphane Wolfe, Ferme Maxsiporc S.M. inc., Ferme Michel Vallée et Fils inc., Ferme Labbé et Fils inc., Ferme Marcel Grenier inc., Ferme Clermont Labrecque et Fils inc., Ferme Noël Fortin et Fils inc., Ferme Georges Parent et Fils inc., Ferme L. et S. Fortin inc., Ferme Roch Gosselin inc., Richard F. Lefebvre inc., Ferme Lorge inc., Ferme Jo‑Ray inc., Ferme Porcine Dajo S.E.N.C., Ferme Yves Grondin et Fils inc., Ferme Sylvain Cloutier et Fils inc., Richard Cloutier, Ferme Freddy Lefebvre inc., Ferme R&R Fortin inc., Ferme Mario Breton inc., Ferme Porvicole inc., Ferme Gérard Labrecque et Fils inc., Porcherie L.G.R.B. inc., Ferme Louis et Manon Coutu inc., Ferme Louber S.E.N.C., Ferme La Porc‑Tée, Ferme Justin Fortin inc., Ferme Clément et Gaétan Pichette S.E.N.C., Ferme Damilie‑Porcs inc., Ferme J.P.L. inc., Lemonde et Fils inc., Alain Laflamme, Ferme Porcs 2000, S.N.C., Ferme Céligervic et Fils S.E.N.C., Ferme M.Y. Turgeon inc., Jean‑Guy Charrette, Ferme Jules Fortin & Fils inc., Ferme Mario Gagné enr., Ferme Claude Turgeon inc., Ferme Daniel Samson S.E.N.C., J. et R. Perreault inc., Ferme A.M.Y. Martin inc., Ferme Porcine J.P.S.D., Élevages du Haut St‑Laurent inc., 9150‑0561 Québec inc., Ferme Dinelle et Fils ltée, Rojotal inc., Ferme Pordor inc., Ferme Exporc inc., Entreprises Daniel Corbeil inc., Ferme Neubois inc., Pierre Riopel, 9150‑8689 Québec inc., Florent Venne inc., Ferme C.P. Venne inc., Ferme Lucie et Sylvain Perreault enr. S.E.N.C., Serge Perreault, Ferme Michel Rochon inc., Ferme Marc‑André et Alain Forget S.E.P., Ferme Ribeauporc inc., 9025‑5340 Québec inc., Jean Lauzon, Jean‑Claude Lauzon and François Lauzon, carrying on business as Ferme Lauzon et Fils enr., Ferme MRJ inc., Meloporc inc., Ferme Ami‑Porc inc., 9157‑1844 Québec inc., 2538‑8430 Québec inc., 9002‑8069 Québec inc., 9043‑3616 Québec inc. (Ferme Olivier Lépine), Ferme M. Mercier et Fils inc., Gestion Gilles Chayer inc., Ferme Porcine St‑Roch inc., 9137‑3597 Québec inc., Ferme D’en Bas inc., Ferme Gérard Gagnon et Fils inc., L’Archevesque et Mercier inc., 9088‑0725 Québec inc., Porcs 2007 inc., Ranch Macandi S.N.C. S.E.N.C., Roger Chabot, Ferme Holyster S.E.N.C., 9054‑2861 Québec inc., Ferme Jocko S.E.N.C., Ferme des Anciens du Cordon inc., Ferme Ti‑Noir et Fils inc., Fémiporc S.E.N.C., Élevages du Bas Ste‑Anne inc., Porcs N&M inc., 9084‑9183 Québec inc., Vercoporc inc., Ferme Porclair S.E.N.C., Élevages Porcins de Beauce S.E.N.C., Ferme J. Arsenault inc., Entreprises Rémy Laterreur inc., Rémy Laterreur, Porcherie Lavoie‑Hébert inc., Ferme 321 S.E.N.C., Ferme Pied de la Côte inc., Ferme A.B. inc., Ferme d’élevage V.B. inc., Ferme Vallons J.S.C. inc., Ferme Julien Breton S.E.N.C., Ferme Enick inc., 9165‑4327 Québec inc., 9076‑1776 Québec inc., Élevages Boporc inc., 2429‑8457 Québec inc., Bruno Breton, Meunerie J.M.B. S.E.N.C., Gestion Lido inc., Élevages Porcyb inc., Pro‑Porc inc., Élevages M.R. inc., Ferme André et Lucie Roy inc., Dion et Fils inc., Ferme Denis et Louis Dion S.E.N.C., Ferme S.G.T. inc., Ferme Prolific inc., Ferme D.F. Cyr S.E.N.C., Ferme G.O.B. inc., 9081‑5317 Québec inc., Ferme Porcité inc., Lait Porcité inc., Moulée M‑Trihe inc., Ferme Jonoit inc., Fermes C. Hamelin et Fils inc., Ferme B.T. Hugi inc., Techni‑Porc inc., Ferme Germain Lefebvre inc., Élevages Porc‑Val S.E.N.C., Ferme André Breton inc., Bersyporc inc., Entreprises R.N. Larose inc., Ferme Normand Coulombe inc., Ferme Thérèse et René Amireault S.E.N.C., Ferme G.C. et Fils inc., Ferme S.M. Ménard inc., Ferme Jo‑Porcinet inc., 9055‑8321 Québec inc. (Ferme Marie‑Jo Dalpé), 3092‑7404 Québec inc., Ferme Arbic et Fils inc., 9000‑5281 Québec inc., Ferme C.L. Mercier inc., Ferme Clément et Doris Bournival inc., Ferme L. et P.N. Thériault inc., Gaston (J.G.) Cournoyer, M. & F. Proteau S.E.N.C., Porcheries du Button ltée, Ferme Amoporc inc., Clémence Bergeron, Maraîchers de St‑Gilles 1991 S.E.N.C., Ferme Porc‑Saint S.E.N.C., Ferme Aldo inc., Ferme Mavibel, Ferme Gilles Blais et Fils inc., Ferme Martin Routhier, Élevages Dion inc., Trans Porcité inc., Ferme Émigie inc., Fermes Porcines Hamelin inc., Porcherie Maka inc., 9038‑7747 Québec inc., Vincent Paquette, Élevages C.J.R. des Moulanges S.E.N.C., Ferme Farly S.E.N.C. and Ferme des Milot inc. Appellants

v.

La Financière agricole du Québec Respondent

**Indexed as: Lafortune *v.* Financière agricole du Québec**

2016 SCC 35

File No.: 36210.

2015: December 10; 2016: July 29.

Present: McLachlin C.J. and Abella, Cromwell, Karakatsanis, Wagner, Gascon and Côté JJ.

on appeal from the court of appeal for quebec

*Agriculture — Farm income stabilization — Compensation — Calculation method — Legal framework applicable to Quebec’s Programme d’assurance stabilisation des revenus agricoles — Participants in program contesting method for calculating compensation payments that was adopted by La Financière agricole du Québec on basis of economic and statistical study — Whether program is contract and, if so, whether it is subject to rules applicable to contract of insurance within meaning of Civil Code of Québec — Whether trial judge erred in refusing to award damages to program’s participants for alleged injury related to compensation that was paid — Programme d’assurance stabilisation des revenus agricoles, (2001) 133 G.O. 1, 1336, ss. 86, 87.*

The appellants are hog and piglet producers who were participants in the *Programme d’assurance stabilisation des revenus agricoles* (“ASRA Program”) administered by La Financière agricole du Québec (“La Financière”). The ASRA Program, which is described in the companion appeal, *Ferme Vi‑Ber inc. v. Financière agricole du Québec*, 2016 SCC 34, [2016] 1 S.C.R. 1032, is designed to protect participants who are producers of 10 products or classes of products designated as “insurable”, including hogs and piglets, from having their income drop below a level defined in advance by La Financière. That level is reached where the net annual income of an average benchmark farm is less than the stabilized net annual income. Studies of production costs are conducted from time to time to adjust the net annual income of a benchmark farm and ensure that the compensation granted to participants reflects marketplace realities. The Groupe de recherche en économie et politique agricole of Université Laval was retained to conduct one such study in 2002.

In the years from 2006 to 2008, the appellants suffered financial losses and were surprised that this was the case, as they believed that the ASRA Program was supposed to guarantee them a positive annual income. They instituted an action in damages against La Financière in the Superior Court; in it, they submitted that the ASRA Program should be characterized as a contract of insurance within the meaning of the *Civil Code of Québec* and that the process that had been followed and the statistical and accounting methods that had been used in the economic study to calculate their compensation payments had yielded an unfair result. They argued that the compensation they had received was neither sufficient nor consistent with their reasonable expectations as parties to a contract of insurance. The Superior Court dismissed the appellants’ claim. It held that the ASRA Program is not a contract of insurance, that La Financière’s decisions were fair and that it had employed appropriate methods in making them. The Court of Appeal upheld that judgment.

*Held*: The appeal should be dismissed.

The ASRA Program is not a contract of insurance but simply an innominate contract that is subject to the general rules of private law. The rules governing the interpretation of the ASRA Program are the same ones that apply to any other contract, and in particular those set out in arts. 1425 to 1432 of the *Civil Code of Québec*. For the purpose of determining whether the decisions made by La Financière in performing its obligations and exercising its contractual powers are lawful, the applicable standards are good faith and contractual fairness. The public interest and the social objective being pursued by the government, which acts as a party to the contract, must also be considered both in interpreting the scope of the powers and rights under the contract and in determining whether the decisions made by the government authority in exercising those powers are lawful. It is this legal framework, not the rules applicable to contracts of insurance under the *Civil Code of Québec*, that applies to the ASRA Program.

Even if the ASRA Program was characterized as a contract of insurance, that would have no bearing on the outcome of the appeal. In Quebec law, the rule based on the reasonable expectations of the insured, to which the appellants refer, applies solely in its minimum dimension and can be used to interpret a provision only if there is an ambiguity. Yet the provision that is central to the dispute in this case is not at all ambiguous, but clearly gives La Financière the power to have recourse to a statistical study or to base its decision on any other data deemed to be relevant.

The trial judge did not err in refusing to award the producers damages for the alleged injury related to the compensation paid for the years from 2006 to 2008. The Université Laval study is not flawed. The appellants do not allege any specific error that might warrant the intervention of the Court with regard to the trial judge’s general finding that the study had been carried out competently and employing appropriate methods, and that this meant that the requirements relating to good faith had been met. The appellants’ compensation payments for the years from 2006 to 2008 were calculated in conformity with the requirements of good faith and contractual fairness that applied both to La Financière and to the producers as contracting parties and participants in the ASRA Program.

**Cases Cited**

**Referred to:** *Ferme Vi‑Ber inc. v. Financière agricole du Québec*, 2016 SCC 34, [2016] 1 S.C.R. 1032; *Martel Building Ltd. v. Canada*, 2000 SCC 60, [2000] 2 S.C.R. 860; *Brissette Estate v. Westbury Life Insurance Co.*, [1992] 3 S.C.R. 87; *Reid Crowther & Partners Ltd. v. Simcoe & Erie General Insurance Co.*, [1993] 1 S.C.R. 252; *Souscripteurs du Lloyd’s v. Alimentation Denis & Mario Guillemette inc.*, 2012 QCCA 1376; *Affiliated FM Insurance Company v. Hafner Inc.*, 2006 QCCA 465, [2006] R.R.A. 268; *Excellence (L’), compagnie d’assurance‑vie v. Desjardins*, 2005 QCCA 1035, [2005] R.R.A. 1085; *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235.

**Statutes and Regulations Cited**

*Act respecting La Financière agricole du Québec*, CQLR, c. L‑0.1, s. 3.

*Civil Code of Québec*, arts. 6, 7, 1375, 1425 to 1432, 2389 et seq.

*Programme d’assurance stabilisation des revenus agricoles*, (2001) 133 G.O. 1, 1336, ss. 2, 16, 18, 78, 86, 87, 89.

**Authors Cited**

Garant, Patrice, avec la collaboration de Philippe Garant et Jérôme Garant. *Droit administratif*, 6e éd. Cowansville, Qué.: Yvon Blais, 2010.

APPEAL from a judgment of the Quebec Court of Appeal (Hilton, Bouchard and Savard JJ.A.), 2014 QCCA 1891, [2014] AZ‑51115440, [2014] J.Q. no 11217 (QL), affirming a decision of Martin J. of the Quebec Superior Court, No. 200‑17‑012231‑098, June 18, 2012. Appeal dismissed.

*Serge Fournier* and *Camille Janvier‑Langis*, for the appellants.

*Matthieu Brassard*, *Jean‑Pierre Émond* and *Valérie Blanchet*, for the respondent.

English version of the judgment of the Court delivered by

Wagner and Gascon JJ. —

1. Overview
2. Governments play an active role in the agricultural economy and support it in many ways. Public farm insurance programs made available to Quebec producers by the respondent, La Financière agricole du Québec (“La Financière”), exemplify this sometimes complex reality. As in the companion appeal, *Ferme Vi-Ber inc. v. Financière agricole du Québec*, 2016 SCC 34, [2016] 1 S.C.R. 1032, the Court is asked in this case to identify the rules that govern the rights and obligations of parties to the *Programme d’assurance stabilisation des revenus agricoles*, (2001) 133 G.O. 1, 1336 (“ASRA Program”), administered by La Financière.
3. The appellants are hog and piglet producers that participated in the ASRA Program. Under that program, La Financière undertook, in return for contributions from participants, to support them with compensation payments. The appellants contested the value of the compensation they had received from La Financière under the ASRA Program for the years from 2006 to 2008. They equated the program with a contract of insurance and argued that the compensation they had received was neither sufficient nor consistent with their reasonable expectations as parties to such a contract. In their view, the process that had been followed and the statistical and accounting methods that had been used in the economic study carried out to calculate their compensation payments for the years in question had yielded an unfair result.
4. La Financière argued in response that the impugned decisions were valid. In its view, the ASRA Program fell under public administrative law and was not subject to the rules of insurance law. The rule based on the reasonable expectations of the insured was therefore of no assistance to the appellants.
5. The Superior Court dismissed the appellants’ claim. It held that the ASRA Program is not a contract of insurance within the meaning of the *Civil Code of Québec* (“*C.C.Q.*”), that La Financière’s decisions were fair and that it had employed appropriate methods in making them. The Court of Appeal upheld that judgment.
6. We would dismiss the appeal. The ASRA Program is not a contract of insurance but simply an innominate contract that is subject to the rules applicable in such matters, namely good faith and contractual fairness, and that, moreover, confers a broad discretion upon La Financière. There is no basis for setting aside the trial judge’s findings. The appellants’ compensation payments for the years from 2006 to 2008 were calculated in conformity with the requirements of good faith and contractual fairness that applied both to La Financière and to Quebec producers as contracting parties and participants in the ASRA Program.
7. Facts
8. La Financière is a legal person established in the public interest under the *Act respecting La Financière agricole du Québec*,CQLR, c. L-0.1(“*AFAQ*”). Its mission is to “support and encourage the development of the agricultural and agro‑food sector within the perspective of sustainable development” (s. 3 *AFAQ*). For that purpose, it has set up income protection, insurance and farm financing programs.
9. The appellants are hog and piglet producers who were participants in La Financière’s ASRA Program. This program, which is analyzed in the companion appeal, *Ferme Vi-Ber*, is designed to protect participants who are producers of 10 products or classes of products designated as [translation] “insurable”, including hogs and piglets, from having their income drop below a level defined in advance by La Financière. That level is reached where the “net annual income” of an average benchmark farm is less than the “stabilized net annual income”, which corresponds to a percentage of the average annual regular salary of a skilled worker in Quebec (s. 89 ASRA Program). In other words, the ASRA Program ensures that an average farm producer who participates in it never earns less than a predetermined percentage of the average income of a skilled worker in Quebec.
10. In exchange for this protection, each producer who chooses to participate in the ASRA Program must pay a fixed contribution per unit of a designated product (s. 78). Producers must agree to participate for a minimum of five years (s. 16) and must insure all of their annual production for each designated product (s. 18).
11. Studies of production costs are conducted from time to time to adjust the net annual income of a benchmark farm and ensure that the compensation granted to participants reflects marketplace realities. They are provided for in para. 3 of s. 87 of the ASRA Program:

[translation] For each insurance year, La Financière agricole shall adjust and fix the net annual income on the basis of statistical studies or of any other data it deems relevant.

1. In 2002, La Financière instructed Quebec’s Ministère de l’Agriculture, des Pêcheries et de l’Alimentation (“MAPAQ”) to retain the Groupe de recherche en économie et politique agricole (“GRÉPA”) of Université Laval to conduct a study on production costs for hogs and piglets with a view to updating the benchmark farm’s [translation] “net annual income” for the purpose of calculating the compensation to be paid for these products under the ASRA Program.
2. Diane Gilbert of GRÉPA carried out the economic and statistical study on production costs and prepared a final report. A technical committee consisting of representatives of GRÉPA, La Financière, MAPAQ and the Fédération des producteurs de porcs du Québec (“FPPQ”) reviewed the report. A working committee consisting of representatives of the same organizations was also set up to provide support on the more technical aspects of the study, such as data collection and follow‑up on the research.
3. MAPAQ had provided GRÉPA with previous studies on the production costs of hogs and piglets, as well as a register of producers from which some were selected in order to contact them to conduct a survey of production costs as part of the study. Ultimately, this survey established the [translation] “net annual income” of the average benchmark farm that would be used to calculate the compensation payable to participants. The final report was submitted in November 2003.
4. In the years from 2006 to 2008, the appellants suffered financial losses and were surprised that this was the case, as they believed that the ASRA Program was supposed to guarantee them a [translation] “positive annual income” (A.F., at para. 78). According to them, they noticed irregularities in La Financière’s calculations that had the effect of depriving them of compensation to which they were entitled. Unhappy with this, they instituted an action in damages against La Financière in the Superior Court.
5. In their pleading, the appellants submitted that the ASRA Program should be characterized as a contract of insurance within the meaning of the *C.C.Q.* They argued that where such contracts are concerned, it is appropriate to apply the “reasonable expectations” doctrine, also known as the [translation] “doctrine of legitimate expectations of the insured”, according to which any ambiguity, and even any unambiguous provision in a contract of insurance, must be interpreted in a manner consistent with those expectations. They added that it was reasonable to expect that the ASRA Program would guarantee each of them a positive annual income.
6. In addition, the appellants submitted that, because the methodology employed in the GRÉPA study to determine the compensation to be paid in the years from 2006 to 2008 was scientifically flawed, it did not meet their reasonable expectations. More specifically, they argued that the sample used to establish the production costs of the benchmark farm was unrepresentative, because many producers had refused to take part in the survey. They added that several components of the GRÉPA study [translation] “d[o] not take into account generally accepted accounting principles” (motion to institute proceedings, at para. 10).
7. La Financière countered that the courts should not interfere in its activities absent a clearly unfair decision having regard to the standards of judicial review in public law. In its view, the ASRA Program is a government assistance program, not a contract of insurance. Furthermore, the program does not shield every participant from financial loss, given that the compensation is calculated on the basis of an average that does not necessarily reflect each participant’s situation. The GRÉPA study and other calculations were carried out properly and by no means warrant intervention by the courts.
8. Judicial History
   1. Quebec Superior Court, No. 200‑17‑012231‑098, June 18, 2012
9. Martin J. rejected the producers’ argument that appropriate statistical and accounting methods had not been employed in carrying out the GRÉPA study. He accepted the opinion of La Financière’s expert, who had had access to much more information than the appellants’ expert. Although it was true that the quality of the sample was lower because some producers had refused to take part in the study, that did not warrant the court’s intervention. Moreover, the person responsible for the study had [translation] “satisfied the Court of her great professional competence as regards the collection of information and the planning and conducting of studies of the costs of agricultural production, whether for crops or animals” (para. 66). The trial judge also rejected allegations with respect to the accounting method used to calculate the net annual income. Although another accountant would have expressed certain transactions differently, the methods used were not unfair to producers. In the trial judge’s view, the appellants had not proven their allegations relating to the study, which, moreover, had resulted from the collaboration of a number of stakeholders, including the producers themselves.
10. The trial judge found that the ASRA Program could not be considered to be a contract of insurance. Participants contributed to the fund and did not pay insurance premiums. What is more, the risk was not uncertain, but was always present. Everyone understood that there would be losses in some years. Also, the ASRA Program did not guarantee a positive annual income for all producers, as the compensation was calculated on the basis of an average. As a result, even if the reasonable expectations rule for contracts of insurance applied, the appellants would not be entitled to the relief sought.
11. Finally, the trial judge dismissed the action without costs, because the appellants had received very few answers to questions they had posed to La Financière, and because they were members of a federation of producers that was itself an [translation] “important participant in La Financière” (para. 67).
    1. Quebec Court of Appeal, 2014 QCCA 1891
12. Savard J.A., writing for a unanimous court, held that the characterization of the contract was not determinative, given that the claim raised no issues relating to the interpretation of the ASRA Program, but instead concerned the validity of the methodology employed in the calculation. The rule of interpretation based on the reasonable expectations of the insured would therefore be of no assistance to the appellants. Savard J.A. nevertheless noted that Martin J. had not erred in characterizing the contract, because the ASRA Program was not a contract of insurance, but a *sui generis* administrative contract that had both public law aspects (relating to the terms of the program) and private law aspects (relating to the performance of the obligations flowing from the terms). On the characterization issue, Savard J.A. referred to her reasons in the companion appeal, *Ferme Vi‑Ber*.
13. Savard J.A. also rejected the appellants’ arguments that (1) there had been no meaningful consultation with farmers, (2) the study had lacked independence and objectivity because of interference from MAPAQ and La Financière, (3) a flawed methodology had been employed and (4) the study’s data were not representative. On all these arguments, she agreed with the trial judge’s finding that the study had been conducted by a person of [translation] “great professional competence” and “resulted from the collaboration of a number of representatives, including those of the producers and of MAPAQ” (para. 38 (CanLII)).
14. Savard J.A. noted that the appellants were not arguing that La Financière had exercised its powers to amend the program for purposes contrary to the *AFAQ*; rather, they were contesting [translation] “the validity of the data it had relied on in exercising its power” (para. 40). Yet assessing the evidence on the study’s compliance with scientific practice and on the consultation mechanisms was a matter for the trier of fact. Savard J.A. found no errors that would warrant the Court of Appeal’s intervention in this regard. She dismissed the appeal and ordered that the parties pay their own costs for the reasons given by the trial judge.
15. Issue
16. The main issue raised by this appeal is whether La Financière and those responsible for the GRÉPA study acted correctly in fixing the compensation payable to the appellants for the years from 2006 to 2008. To answer this, we must define the legal framework that applies to the ASRA Program and decide whether the program constitutes a contract of insurance within the meaning of the *C.C.Q.* The resolution of the issue depends on the legal framework to which the ASRA Program is subject and on the nature of the contract between the parties.
17. Analysis
    1. Is the ASRA Program a Contract, and if So, Is It Subject to the Rules Applicable to Contracts of Insurance?
18. In the appellants’ view, the ASRA Program has the characteristics of a contract of insurance within the meaning of the *C.C.Q.* and must be interpreted in accordance with the rules applicable to such contracts, including the rule based on the reasonable expectations of the insured. Counsel for the appellants in fact conceded in this Court that his legal position is entirely dependent on the program being characterized in this way and on the application of the reasonable expectations rule. He acknowledged that if the ASRA Program is not characterized as a contract of insurance, the appellants’ action must fail.
19. For the reasons given in the companion appeal, *Ferme Vi-Ber* (at paras. 56 et seq.), we are of the opinion that the ASRA Program is not a contract of insurance within the meaning of arts. 2389 et seq. *C.C.Q.* It is instead simply an innominate contract that is subject to the general rules of private law. The rules governing the interpretation of the ASRA Program are the same ones that apply to any other contract, and in particular those set out in arts. 1425 to 1432 *C.C.Q.* Furthermore, as we also explain in our reasons in *Ferme Vi-Ber* (at paras. 49‑51), for the purpose of determining whether the decisions made by La Financière in performing its obligations and exercising its contractual powers are lawful, the applicable standards are good faith and contractual fairness (arts. 6, 7 and 1375 *C.C.Q.*; *Martel Building Ltd. v. Canada*, 2000 SCC 60, [2000] 2 S.C.R. 860, at para. 88; P. Garant, with P. Garant and J. Garant, *Droit administratif* (6th ed. 2010), at p. 354). Finally, the public interest and the social objective being pursued by the government, which acts as a party to the contract, must be considered both in interpreting the scope of the powers and rights under the contract and in determining whether the decisions made by the government authority in exercising those powers are lawful. It is this legal framework, not the rules applicable to contracts of insurance under the *C.C.Q.*, that applies to the ASRA Program.
20. Having said this, we find that in any event, had the ASRA Program been characterized as a contract of insurance, that would have had no bearing on the outcome of the appeal. As we explain in our reasons in the companion appeal, *Ferme Vi-Ber*, in Quebec law, the rule based on the reasonable expectations of the insured applies solely in its “minimum” dimension and can be used to interpret a provision only if there is an ambiguity (para. 65). This principle is consistent with the case law of this Court as well as with that of the Quebec Court of Appeal (*Brissette Estate v. Westbury Life Insurance Co.*, [1992] 3 S.C.R. 87, at p. 105; *Reid Crowther & Partners Ltd. v. Simcoe & Erie General Insurance Co.*, [1993] 1 S.C.R. 252, at p. 269; *Souscripteurs du Lloyd’s v. Alimentation Denis & Mario Guillemette inc.*, 2012 QCCA 1376, at para. 38 (CanLII); *Affiliated FM Insurance Co. v. Hafner Inc.*, 2006 QCCA 465, [2006] R.R.A. 268, at para. 47; *Excellence (L’), compagnie d’assurance-vie v. Desjardins*, 2005 QCCA 1035, [2005] R.R.A. 1085, at para. 11). There is no need for a contractual interpretation exercise in this appeal, as the provisions relevant to the case are unambiguous.
21. In the case at bar, the appellants contest La Financière’s performance of certain well‑defined contractual obligations. More specifically, their challenge is limited to the validity of the GRÉPA study and to La Financière’s use of that study to determine the compensation to be paid. The issue is therefore whether La Financière acted appropriately in fixing the net annual income of the benchmark farm on the basis of a statistical study (the GRÉPA study) [translation] “or of any other data it deems relevant” as is provided for in s. 87 of the program. Yet this provision that is central to the dispute is not at all ambiguous. It clearly gives La Financière the power to have recourse to a statistical study, as it did in this case, or to base its decision on any other data deemed to be relevant. These clear words require no interpretation. All that is necessary in this case is to determine whether La Financière exercised its powers under the program properly.
22. We must also reject the appellants’ argument that a factor the courts should take into account is that their agreement to participate in the ASRA Program was based on representations to the effect that each of them was guaranteed [translation] “a positive net annual income that would shelter them from fluctuations in the market and in raw material costs” (A.F., at para. 12). Such an expectation, assuming it could be proven, would be inconsistent with the otherwise crystal‑clear language of the ASRA Program: s. 86 provides that the calculation of the compensation to be paid is to be based not on data specific to each participant, but [translation] “on an economic study of a specialized benchmark farm for each of the products or classes of products”. Here again, the language is clear, and the rules of contractual interpretation are of no assistance to the appellants on this point.
23. This means that neither the characterization of the ASRA Program nor the interpretation of its provisions is really controversial. When all is said and done, the only issue in this case is whether La Financière acted appropriately in performing its obligations and exercising its powers under the contract.
    1. Did the Trial Judge Err in Refusing to Award the Appellants Damages for the Alleged Injury Related to the Compensation Paid for the Years From 2006 to 2008?
24. In this regard, the appellants contest the decisions made by La Financière in connection with the GRÉPA study. More specifically, they object to the calculation of the compensation payable for the years from 2006 to 2008. Their arguments on this point relate not to the interpretation of the ASRA Program, but to La Financière’s performance of its contractual obligations and to its exercise of its powers under the contract. As we have already said, the standards applicable to such questions are good faith and contractual fairness.
25. With this in mind, the appellants submit that the GRÉPA study cannot be considered to be [translation] “an independent, reliable, serious and representative economic study” (A.F., at para. 95). They argue that the GRÉPA study (and, more generally, the calculation of their compensation) has a number of failings that can be placed in four different categories: (1) the use of a flawed statistical method, (2) a lack of independence and objectivity on La Financière’s part, (3) the insufficiency of consultations with the farming businesses concerned, and (4) the use of economic factors that are “divorced from reality” (A.F., at para. 107). The appellants ask this Court to order the payment of an amount representing the shortfall from their compensation as calculated by the expert they called to testify at trial. Both the Superior Court and the Court of Appeal rejected all four of these arguments. We find that there is no cause to intervene with regard to any of them.
    * 1. Use of a Flawed Statistical Method in the GRÉPA Study
26. The appellants submit that the statistical method used in the study was flawed because [translation] “a limited number of farms were deliberately retained as a sample owing to, among other things, a lack of participation and follow‑up by stakeholders” (A.F., at para. 108). In the appellants’ submission, the evidence shows that Ms. Gilbert adjusted the sample to eliminate less productive farm workers, thereby skewing the average. The study is therefore not representative and appropriate methods were not employed in carrying it out.
27. The trial judge rejected these arguments, finding that [translation] “[t]he [appellants’] allegations regarding the GRÉPA study are not persuasive, particularly given that the study resulted from the collaboration of a number of representatives, including those of the producers and of MAPAQ” (para. 66). He also stated that the person responsible for the GRÉPA study had “satisfied [him] of her great professional competence as regards the collection of information and the planning and conducting of studies of the costs of agricultural production, whether for crops or animals” (para. 66). This finding of fact cannot be reversed unless the trial judge made a palpable and overriding error (*Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235, at paras. 19‑25).
28. The appellants have not shown that such an error was made in this case. The trial judge carefully weighed the testimony of the accounting experts and experts in statistics and gave exhaustive reasons for his finding. We see no grounds for reversing it. This argument must fail.
    * 1. Lack of Independence and Objectivity in the GRÉPA Study
29. The appellants submit that MAPAQ and La Financière [translation] “interfered constantly” in the GRÉPA study and that changes were made to the study following “several exchanges” between GRÉPA and MAPAQ (A.F., at para. 125). They allege that GRÉPA subordinated its decision‑making authority to that of La Financière and that the study was therefore not independent.
30. First of all, we note that there is no mention anywhere of an obligation to ensure that the economic and statistical study referred to in ss. 86 and 87 of the ASRA Program is carried out independently. On the contrary, s. 87 provides that La Financière may take any [translation] “other data it deems relevant” into account in establishing the annual receipts and net annual income of the benchmark farm. Here again, the applicable legal standards are good faith and contractual fairness.
31. The appellants do not allege any specific error that might warrant the intervention of the Court with regard to the trial judge’s general finding that the study had been carried out competently and employing appropriate methods, and that this meant that the requirements relating to good faith had been met. This argument must therefore be rejected.
    * 1. Insufficiency of Consultations With the Farming Businesses Concerned
32. The appellants submit that the technical committee and working committee did not hold genuine consultations, as the positions taken by the FPPQ were [translation] “buried” in those committees’ proceedings (A.F., at para. 131). They allege that the FPPQ’s requests were ignored.
33. In support of this argument, the appellants refer to an obligation mentioned in s. 2 of the ASRA Program, namely that La Financière hold a [translation] “consultation with representatives of farming businesses”. However, this obligation to consult relates solely to the determination of the stabilized net annual income, which corresponds to a percentage of the average salary of a skilled worker in Quebec. The GRÉPA study was concerned with the calculation not of the stabilized net annual income, but of the net annual income and, more specifically, its component relating to the costs of production of hogs and piglets. There was therefore no obligation to consult in respect of the GRÉPA study.
34. In any event, the trial judge’s finding that there had been extensive consultations in the course of that study is beyond reproach. This finding attests to the good faith of those responsible for the study and of La Financière, as well as to the fairness of their decisions. This third argument must fail like the first two.
    * 1. Use of Inadequate Economic Factors
35. Finally, the appellants submit that the factors used to determine the [translation] “salary of a skilled worker” do not meet their reasonable expectations, as those factors are not “consistent with their reality” but are instead “dictated by the financial implications” for the ASRA Program (A.F., at para. 153). The appellants note that employer contributions were not taken into account in calculating the skilled worker’s salary. They add that the calculation of the benchmark farm’s income did not account for expenses actually incurred with regard to depreciation, and that the weight of hogs delivered to the slaughterhouse was not indexed. They argue that the effect of these failings is that the calculation of the compensation that was granted to them for the years from 2006 to 2008 is invalid.
36. The appellants’ argument regarding the factors used to determine the salary of a skilled worker is without merit, as that salary is taken into account only when establishing the stabilized net annual income, which the GRÉPA study did not address. The issue at trial concerned the GRÉPA study, not the establishment of the stabilized net annual income. In any event, there is nothing in the evidence to suggest that La Financière acted in bad faith or made unfair decisions in fixing the stabilized net annual income.
37. Regarding the arguments on depreciation and indexation, the appellants have once again failed to persuade us that they are right in challenging the trial judge’s findings that La Financière acted in good faith and that appropriate methods were employed as regards the GRÉPA study and the other factors considered by La Financière. This fourth argument must also fail.
38. Disposition
39. We would therefore dismiss the appeal, without costs for the reasons given by the trial judge and the Court of Appeal.

*Appeal dismissed.*

Solicitors for the appellants: BCF, Montréal.

Solicitor for the respondent: La Financière agricole du Québec, Lévis.