



PRESS RELEASE

Dairy Farmers Welcome the Federal Government's announcement

August 16, 2019 (Ottawa)—Dairy Farmers of Canada (DFC) welcomes today's announcement by the federal government of compensation for the impact of market access concessions granted under the Comprehensive Economic and Trade Agreement (CETA) and the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP). The amount of \$1.75 billion will help mitigate the impact of these agreements on dairy farmers and the hundreds of thousands of people who depend on this sector for their livelihood.

Today's announcement is consistent with the recommendations of the working group established following the signing of the agreement with the United States and Mexico. Prime Minister Justin Trudeau has promised that dairy producers would determine the amount of compensation necessary to maintain a dynamic industry notwithstanding the concessions made during the trade negotiations. Dairy producers, their processing colleagues and the government collaborated as part of the working group to calculate losses from agreements with European Union and transpacific countries. The working group recommended direct compensation to dairy farmers for the negative impacts from these trade deals.

"There is no doubt that conceding part of our domestic dairy market has had a major impact on the livelihoods of dairy producers", said DFC President Pierre Lampron. "Prime Minister Trudeau recognized this and committed to mitigating this impact. We welcome today's announcement as a continuation of this commitment."

The three agreements—CETA, CPTP and the Canada-USA-Mexico Agreement (CUSMA)—have opened the door to foreign dairy made from milk from dairy farmers in foreign countries. DFC estimates that the market access granted under these agreements represents an annual loss equivalent to 8.4% of the country's milk production. Adding these concessions to the access already granted under the WTO, it is estimated that by 2024, nearly 20% of domestic demand for dairy products will be met by imports.

"While we are grateful for today's announcement, we would have preferred no concessions to our domestic dairy production", added Pierre Lampron. "The Prime Minister has made another commitment: no further concessions would be made to our domestic dairy market in future trade negotiations. Our expectation is that he will keep that commitment as well", concluded Mr. Lampron.

Finally, a strong Canadian dairy sector must ensure that both producers and dairy processors are competitive in a dynamic market place. That is why DFC encourages the federal government to deploy measures in support of dairy processing in Canada.

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ABOUT DAIRY FARMERS OF CANADA

Dairy Farmers of Canada is the national policy, lobbying and promotional organization representing Canadian dairy producers. DFC strives to create stable conditions for the dairy sector in our country. It also seeks to maintain policies that promote the sustainability of Canadian dairy production and promote dairy products and their health benefits.

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> Dairy sector at a glance

>>> Number of farms in Canada

10,679

>>> Average herd size

91

Total quota (milk market share) in Canada

372,407,957 kg

Milk production at the farm in Canada

92,382,488 hl

Total annual average compensation

\$219M*

Total anticipated annual losses from CETA and CPTPP

\$237M**

Annual compensation for average dairy farm

\$20,400***

* \$1.75B over 8 year payment period

** Comparable Mitigation Working Group model estimated loss, adjusted for the Dairy Farm Investment Program

*** Based on average quota share per farm over 8 years and taxable

> Economic impact of the dairy industry in Canada

221,000

full time jobs



\$19,9 billion

towards Canada's GDP



\$3,8 billion

in tax revenues





News Release

For immediate release

Government of Canada Announces Compensation for Supply-Managed Dairy Producers

August 16, 2019 – Compton, Quebec – Agriculture and Agri-Food Canada

Today, Agriculture and Agri-Food Minister Marie-Claude Bibeau visited a dairy farm in Compton, where she announced that the federal government will make available \$1.75 billion over eight years to Canada's nearly 11,000 dairy farmers.

Of this amount, \$345 million will be paid in the first year, in the form of direct payments and will benefit all dairy producers in proportion to their quota held. For example, the owner of a farm with 80 dairy cows will be awarded compensation in the form of a direct payment of \$28,000 in the first year. The intent is to mandate the Canadian Dairy Commission to make these payments. The federal government will continue to work with the Dairy Farmers of Canada to determine terms and conditions for future years.

This announcement follows ratification of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The \$1.75 billion made available would be in addition to the \$250 million investment program that already benefits more than 3,300 dairy producers across the country. This amounts to a total of \$2 billion in federal support to dairy producers. In addition, the federal government is committed to fully and fairly supporting dairy producers for the new free trade agreement with the United States and Mexico once it comes into force.

Minister Bibeau also reiterated the government's commitment to the other supply-managed sectors.

Quote

"Today's announcement shows how much our government respects our producers and believes in the supply management system. As promised, the compensation is deployed fully and fairly to allow everyone to make the best decisions based on the new market realities and their respective situations."

- *Marie-Claude Bibeau, Minister of Agriculture and Agri-Food*

Associated links

- [Supporting Canada's dairy producers](#)
- [Government of Canada announces new working groups for dairy sector](#)
- [Dairy Farm Investment Program](#)
- [Canada-European Union Comprehensive Economic and Trade Agreement \(CETA\) for Agri-Food Exporters](#)
- [CPTPP for Agri-Food Exporters](#)



Agriculture and Agri-Food Canada Agriculture et Agroalimentaire Canada

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