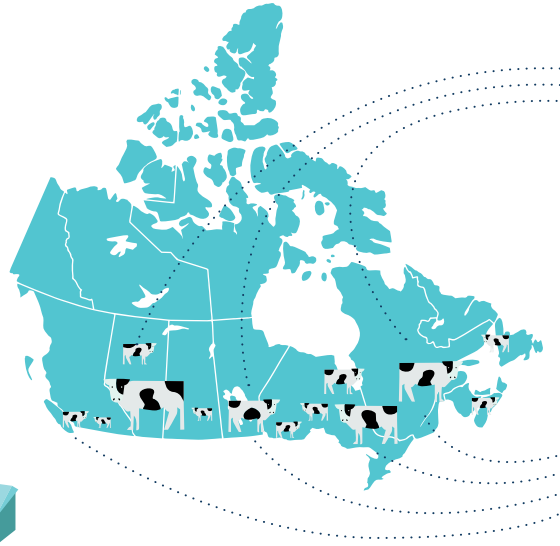
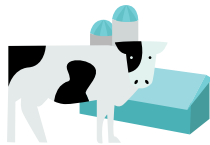

Producer Election Kit

- **DFC Election Leave Behind**
- **Election 2019 Key Messages**
- **Election 2019 Question and Answers**
- **Top 10 Questions for Candidates in the 2019 Election**

DAIRY: A KEY CONTRIBUTOR TO OUR NATIONAL ECONOMY



221,000

FULL-TIME
EQUIVALENT
JOBS
producing
prosperity in Canada

258

RIDINGS
WITH
DAIRY SECTOR
PRESENCE

HOW CAN YOU ASSIST CANADIAN DAIRY FARMERS?

1

INTERNATIONAL TRADE

Ensure that supply management is preserved, and no more trade concessions are made on the dairy sector in future trade agreements.

Ensure that full and fair compensation is provided to mitigate the impacts of recent trade agreements.

Ensure the Canada Border Services Agency (CBSA) and Canadian Food Inspection Agency (CFIA) have the resources they need to adequately enforce dairy import regulations and standards at the Canadian border.

2

PRODUCT OF CANADA

Ensure the continued integrity of the "Product of Canada" and "Made in Canada" labels by maintaining the current Canadian content threshold, and continuing to identify imported content on dairy products.

3

HEALTHY EATING STRATEGY

Ensure the policies under the Healthy Eating Strategy reflect all available evidence on the health and nutritional benefits of dairy products.

QUICK FACTS

THE IMPORTANCE OF SUPPLY MANAGEMENT

Thanks to supply management, Canadian dairy farmers work together to produce as much high quality milk as Canadians need, at a fair price. It is a sustainable tool that strikes a balance between supply and demand, while creating stability for consumers, processors and farmers alike.

- ▶ A fair farm price that provides efficient producers with the opportunity to obtain a fair return for their labour and investment.
- ▶ Retail prices, established in the marketplace, which are in line with the average paid by consumers in countries without supply management.
- ▶ No direct government subsidies for milk production (unlike most other countries, including the US).
- ▶ Farmers work together to set and continuously improve what are already among the world's highest standards for animal welfare and the environment.

Supply management is not only great for Canadian consumers, dairy processors and farmers, it contributes to the continued vitality of communities across the country.

QUICK FACTS

THE CUMULATIVE IMPACTS OF INTERNATIONAL TRADE AGREEMENTS

Canada has negotiated three international trade agreements since 2016 that included concessions on the dairy sector: the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP) and the Canada, United States, Mexico Agreement (CUSMA). CETA and CPTPP have already entered into force, and CUSMA is expected to be ratified soon.

- ▶ By 2024, Canada's market access commitments will represent an estimated 18% of our domestic dairy market.
- ▶ The access granted under CETA, CPTPP, and CUSMA translates to an estimated average annual perpetual loss of \$450 million to farmers' revenues.
- ▶ Concessions under CUSMA include a surcharge on some exports, which could cost up to an additional \$350 million/year, the removal of Class 7 for milk, and a provision granting the US oversight on the administration of our supply managed system.
- ▶ Locally produced milk from Canadian dairy farms will be pushed off store shelves to make way for products from the US that may not be up to our standards.
- ▶ Without full and fair compensation, these concessions could have a dramatic impact on investments by dairy farmers and the whole sector, and may lead to jobs losses, with ripple effects on communities across the country, reducing our capacity to produce prosperity in Canada.

It is critical that full and fair compensation is provided to mitigate the impacts of recent trade agreements, and that no further concessions are made on the dairy sector in future trade agreements.

Given the expected increases in imports, it will be important to ensure CBSA and CFIA have the resources they need to adequately monitor and enforce dairy import regulations and standards at the Canadian border.

QUICK FACTS

PRODUCT OF CANADA

The Federal government is currently considering lowering the threshold for a "Product of Canada" label from **98% Canadian ingredients to 85%**, and removing the requirement to indicate whether or not imported or domestic ingredients were used for a "Made in Canada" label.

- ▶ Given the market access conceded in recent trade agreements, demand for a logo identifying dairy products made with 100% Canadian milk and ingredients is at an all time high.
- ▶ Any change to reduce the Canadian content requirement for a "Product of Canada" label runs counter to consumer demands for transparency and maintaining public trust.
- ▶ The proposed changes would provide incentive for the additional use of foreign ingredients when Canadian options are available. This would negatively impact Canadian farmers and consumers.

DFC strongly urges the Government of Canada to ensure continued consumer trust in the "Product of Canada" and "Made in Canada" label by maintaining the current Canadian content threshold, and continuing to clearly identify imported content on dairy products.

QUICK FACTS

HEALTHY EATING STRATEGY

The Healthy Eating Strategy, which includes new Guidelines for the updated Canada's Food Guide, and proposed regulations for Front-of-Package labelling, characterizes many milk products as foods 'to avoid' or 'to limit.' It does not consider their broad nutritional contributions to the diet or their important health benefits, nor does it fully reflect the most recent and mounting scientific evidence available.

- ▶ Health Canada's 2015 evidence review notes that:
 - ▶ Milk products are positively associated with bone health, and a reduced risk of heart disease, hypertension, stroke, type 2 diabetes, and colorectal cancer—many of the same chronic diseases Health Canada aims to reduce.
 - ▶ When it comes to heart disease, type 2 diabetes, and colorectal cancer, this evidence is as strong, if not stronger for milk and milk products than for vegetables, fruit, whole grain, and plant-based foods.
 - ▶ Milk is a valuable source of vitamin D, calcium, magnesium, zinc, potassium, and vitamin A—nutrients Canadians do not consume enough of.
- ▶ Research continues to confirm that milk proteins rank as some of the highest quality protein available, and are particularly important for growing children and preserving healthy bones and muscles in aging adults.
- ▶ Current scientific studies clearly demonstrate that full fat milk products and milk products containing added sodium and sugar are not detrimental to health.

Updating the policies under the Healthy Eating Strategy is necessary to reflect all available evidence related to the health benefits of milk products and their impact on reducing chronic diseases.





Election 2019 Key Messages

International Trade

Canada has negotiated three international trade agreements since 2016 that included concessions on the dairy sector: the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP) and the Canada, United, United States, Mexico Agreement (CUSMA). CETA and CPTPP have already entered into force, and CUSMA is expected to be ratified soon.

- The Prime Minister has committed to full and fair compensation for recent trade agreements, and that compensation would be determined by Canada's dairy farmers.
- On August 16th, the federal government announced \$1.75 billion in compensation to dairy farmers for the impact of market access concessions granted under CETA and the CPTPP.
- Dairy representatives will continue to work with the federal government towards compensation for losses related to the Canada-US-Mexico Agreement (CUSMA).
- When combined with Canada's pre-existing trade commitments, by 2024, the market access granted under CETA, CPTPP and CUSMA will represent an estimated 18% or more of Canada's dairy market.
- Locally produced milk from Canadian dairy farms will be pushed off store shelves to make way for products from the US that may not be up to our standards. The use of the growth hormone rBST to produce milk in the US, which is illegal in Canada, is one example.
- The access granted under CETA, CPTPP, and CUSMA translates to an estimated average annual loss of \$450 million to farmers' revenues.
- CUSMA concessions also included an export surcharge on some dairy products above set thresholds, which could cost up to an additional \$350 million/year, and the removal of Class 7, which could drastically damage the Canadian dairy industry.
- These concessions will curtail our ability to benefit from growth within our domestic market.

- Without full and fair compensation, these concessions could have a dramatic impact on investments by dairy farmers and the whole sector, and may lead to jobs losses, with ripple effects on communities across the country, reducing our capacity to produce prosperity in Canada.

For these reasons, it is critical that full and fair compensation is provided to mitigate the impacts of recent trade agreements, and that no further concessions are made on the dairy sector in future trade agreements.

Furthermore, given the expected increases in imports, it will be important to ensure CBSA and CFIA have the resources they need to adequately monitor and enforce Canada’s dairy import regulations and standards.

Healthy Eating Strategy

As currently proposed, the policies under the Healthy Eating Strategy would minimize the importance of dairy in a healthy, balanced diet, and unfairly characterize many dairy products as ‘unhealthy’, ‘to avoid’, or ‘to limit’, despite their nutritional benefits and impact on reducing chronic diseases.

- The evidence suggests that achieving a healthy, balanced diet calls for more than just limiting sodium, sugar, and saturated fats.
- Health Canada’s 2015 Evidence Review notes that milk products are positively associated with bone health, and a reduced risk of heart disease, hypertension, stroke, type 2 diabetes, and colorectal cancer—many of the same chronic diseases Health Canada aims to reduce.
- When it comes to heart disease, type 2 diabetes, and colorectal cancer, this evidence is as strong, if not stronger for milk and milk products than for vegetables, fruit, whole grain, and plant-based foods.
- The Evidence Review also states that milk is a valuable source of **vitamin D, calcium, magnesium, zinc, potassium, vitamin A** – nutrients Canadians do not consume enough of.
- Research continues to confirm that milk proteins rank as some of the highest quality protein available, and are particularly important for growing children and preserving healthy bones and muscles in aging adults.
- The mandatory fortification of milk with Vitamin D addresses Vitamin D deficiencies in the Canadian population, reducing the risk of rickets and poor bone health.
- Current scientific studies clearly demonstrate that full fat milk products and milk products containing added sodium and sugar are not detrimental to health.

Updating the policies under the Healthy Eating Strategy to reflect all available evidence will be particularly important as evidence related to the health benefits of milk products, and their impact on reducing chronic diseases, continues to emerge.

Product of Canada/Made in Canada

The Federal government is currently considering lowering the threshold for a “Product of Canada” label from 98% Canadian ingredients to 85%, and removing the requirement to indicate whether or not imported or domestic ingredients were used for a “Made in Canada” label. Lowering the Canadian content requirements would only serve to mislead consumers by compromising the integrity of the Canadian brand.

- Canadian dairy farmers are extremely proud to produce high quality Canadian milk.
- Given the market access conceded in recent trade agreements, demand for a logo identifying dairy products made with 100% Canadian milk and ingredients is at an all time high.
- Any change to reduce the Canadian content requirement for a “Product of Canada” logo runs counter to consumer demands for transparency, which is important in maintaining public trust.
- The proposed changes would provide incentives for the additional use of foreign ingredients when Canadian options are available, which would negatively impact Canadian farmers.
- This incentive alone has the potential to decrease dairy farmer sales and revenues by up to \$80M per year.¹

DFC strongly urges the Government of Canada to ensure the continued integrity of the “Product of Canada” and “Made in Canada” logos by maintaining the current Canadian content threshold, and continuing to transparently identify imported content on dairy products.

¹ If processors use the full 15% threshold for imported ingredients to replace domestic ingredients across all dairy products.



Election 2019 Q and A

International Trade

Didn't the government just announce compensation?

On August 16th, the federal government announced 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 (CPTPP). The announced amount of \$1.75B will help mitigate the impact of these agreements on dairy farmers, and the hundreds of thousands of people who depend on the sector for their livelihoods.

Dairy representatives will continue to work with the federal government towards compensation for losses related to the Canada-US-Mexico Agreement (CUSMA).

It is critical that full and fair compensation is provided to mitigate the impacts of recent trade agreements, and that no further concessions are made on the dairy sector in future trade agreements.

Did the recently announced compensation meet your expectations?

Dairy farmers were pleased with the August 16th announcement, which met the Prime Minister's commitment to full and fair compensation, and aligned with the key requests of the government's Working Group on Mitigation.

Does compensation not open the door to new concessions in the dairy sector in future trade agreements?

It is clear that our supply management system is weakened every time such concessions are made. What we have to understand is that every time this happens, Canadian consumers have less dairy products made by local producers, producers who contribute to our economy and support our rural communities.

Such concessions in negotiations with promises of compensation is not a model for the future; the government will have to admit that any additional concessions could now cause an exodus of milk production and dairy producers due to market uncertainty.

What's the impact of recent trade deals on the dairy sector in Canada?

DFC estimates that once CETA, CPTPP, and CUSMA are fully implemented in 2024, combined with other pre-existing trade commitments under the WTO (including imports of tariff-free products), Canada's available market access for imports would be the equivalent of roughly 18% of its milk production.

Upon full implementation, the combined market access concessions agreed to as part of these three agreements will represent a loss of close to \$450 million per year to producers' total revenues. This number only considers market access concessions.

Shouldn't Canada be seeking a greater role in the export market?

Dairy is not a major export commodity. Less than 10% of all global milk production is exported, and the global export market already contains established big players such as the US, New Zealand and EU - countries who have a competitive advantage due to lower costs of production and, in many cases, the generous government subsidies they receive.

The economic opportunity for Canada on the global dairy export market is modest, at best. Furthermore, it is widely known that export markets can often be volatile, especially in dairy. The global dairy market has been depressed for four years now, experiencing very low prices due to surpluses in production. This current global dairy crisis is a prime example of what can happen when markets go bad, and is exactly why Canada's dairy farmers prefer the relative stability of supply management, which matches supply with demand. Like any business owner, dairy farmers make their business decisions on opportunities that make commercial sense.

When it comes to imports, how did you calculate 18% of domestic production?

Based on Canada's existing WTO trade commitments (including imports of tariff-free products), imports of milk, dairy products and dairy ingredients represent 12% of the 2018 Canadian production of milk at the farm level (on a total milk solids basis), without factoring in the access granted in CETA, the CPTPP, and the CUSMA. This information can be found on the Canadian Dairy Information Centre website. By 2024, the bulk of imports eligible for entry as per the agreements will enter the Canadian market. At this time, imports of dairy products and ingredients will represent 18% of milk production in milk solids equivalent.

You've lost 3.5% of the market – won't the growth in demand make up for this? 3.5% doesn't seem like very much?

DFC estimates that once CETA, CPTPP, and CUSMA are fully implemented in 2024, combined with other pre-existing trade commitments under the WTO, Canada will import the equivalent of roughly 18% of its milk production.

CUSMA concessions also included an export surcharge on some dairy products above set thresholds, which could cost up to an additional \$350 million/year, and the removal of Class 7, which could drastically damage the Canadian dairy industry.

This will have a dramatic impact on investments by dairy farmers and the whole sector, with ripple effects on communities across the country.

Wasn't the federal government announcement of the \$250M Dairy Farm Investment Program, once CETA was concluded, a form of compensation?

DFC has always said that the Dairy Farm Investment Program was a good first step, but that it did not represent full compensation for the harm done to dairy farmers.

This being said, the \$250M in funding already allocated to the Dairy Farm Investment Program was factored into the August 16th announcement of \$1.75B; the total amount of compensation for dairy farmers for their losses following CPTPP and CETA is \$2B.

Why should farmers get compensated when other Canadian workers who will be impacted by CUSMA will not?

This is not about pitting one industry against another. The government of Canada negotiated these trade deals, and they are accountable to all Canadians.

The so-called US oversight clause doesn't give the US any actual authority over the Canadian system – why are you against additional transparency?

We are not against additional transparency. At the same time another country, let alone a direct competitor, should not have to be consulted on domestic industry decisions.

Why are you asking for more resources for CFIA/CBSA?

Enforcement of border control measures is essential to ensure the sustainability of an efficient supply management system in Canada. The supply-managed sectors continue to face ongoing challenges from products specifically designed to circumvent the existing tariff structure, as well as products imported at dumping prices, on to the Canadian market. DFC supports that increased resources, both financial and human, be provided to CBSA and CFIA to improve their efficiency in dealing with border issues in a timely manner, especially given the additional level of imports granted under recent trade agreements.

Is there already American milk on the market? Explain Fairlife?

The federal government gave a supplementary import permit, issued on a temporary basis, to Coca-Cola to bring in Fairlife product bottles, currently made in the US with US milk. This permit was given to allow Fairlife to build brand recognition, on a temporary basis until they build their planned plant in Peterborough, Ontario, which will make the product using Canadian milk.

Why are bovine growth hormones banned in Canada?

Health Canada made the decision to ban rBST, a synthetic bovine growth hormone, in Canada back in January 1999, over concerns for animal health and welfare. Its use was not banned in the US. Note that the Canadian government never disallowed the import of dairy products that could have been made with milk from cows treated with rBST, because it found rBST was not of concern to human health.

Health Eating Strategy

What is happening with Front-of-Package labelling? Is it still a concern?

Although the proposed Front-of-Package labelling regulations have not taken any steps forward in several months, they remain a concern, and could move forward at any time. If implemented, any food that is above 15% of the daily value for sodium, sugar, or saturated fat would be mandated to carry a warning symbol – regardless of its overall impact on health or nutritional value.

This would result in up to 89% of milk products having to carry a front-of-package warning label, despite their numerous scientifically proven health benefits.

If implemented, will Front-of-Package labelling really have an impact on the consumption of dairy products?

Scientific evidence continues to demonstrate that dairy products are a key part of a healthy, balanced diet, and have beneficial impacts on many of the same chronic diseases Health Canada has prioritized with this policy. As noted by Health Canada, they are also a valuable source of 6 of the 8 nutrients Canadians currently fall short of (**vitamin D, calcium, magnesium, zinc, potassium, vitamin A**, vitamin C and fibre).

Placing a warning label on any nutritious dairy product, based solely on their sodium, sugar, or saturated fat content, will create the false impression that their consumption should be avoided. This is not supported by scientific evidence, and could have long-term consequences on the health of Canadians.

What was the issue with Bill S-228 (Restricting Marketing to Children)?

Canadian dairy farmers supported the principle of the Bill, to reduce obesity rates in children – and all of our advertising is already consistent with rules in place in Quebec, upon which this Bill was based. Our main concern was that the Bill would have required Health Canada to define what foods are ‘unhealthy’, and that Health Canada proposed to define any food that happens to be above 5% of the daily value for sodium, sugar, and saturated fat, as ‘unhealthy’, regardless of its overall impact on health. Under this narrow view, up to 91% of nutritious dairy products would have been defined as ‘unhealthy’.

What is your reaction to the new Food Guide?

The Food Guide continues to recognize that milk products are a key part of a healthy, balanced diet. The format of the Food Guide has changed, but dairy continues to be part of the Guide, and the evidence supporting the nutritional benefits of milk products is stronger than ever.

Hasn't milk's role in the Food Guide been diminished?

Milk products are part of the foundation for healthy eating among protein foods that should be consumed on a regular basis. The Food Guide encourages the development of food skills with recipes and tips that include milk products. We would like to see any further developments related to the Food Guide documents inject some evidence-based supportive messages regarding dairy's importance in meeting bone building nutrients throughout life, and for proper child development and bone health

among seniors. We would also encourage recommended amounts of foods to meet nutrient adequacy, specifically calcium and vitamin D.

Are you concerned milk no longer has its own category?

Many Canadians may not have realized that milk products rank amongst the highest quality sources of protein and other nutrients available. The format of the Food Guide has changed, and milk is now part of the protein foods recognized as a foundation for healthy eating.

Many are lauding Health Canada for not having included food industry lobby when putting together the Guide. Are you upset that industry was excluded from consultations on the Food Guide?

The most important consideration has always been that the Food Guide be based on the available peer-reviewed scientific evidence. It was disappointing that some independent peer-reviewed research results, including some conducted by Universities, were excluded from consideration if they were funded in any way by industry.

Is the Food Guide Evidence-Based?

The evidence around nutrition is complex, and constantly evolving. When it comes to the nutritional and health benefits of milk products, the evidence is stronger than ever, and continues to accumulate. Much of this strong evidence was not considered in the development of the Food Guide. Updating the policies under the Healthy Eating Strategy is necessary to reflect all available evidence related to the health benefits of milk products and their impact on reducing chronic diseases.

Environment/Animal Welfare

I heard agriculture – and especially cows – are bad for the environment?

The impact of cows on the environment is greatly exaggerated. In Canada, milk production has a modest impact on the environment. Cows get their bad rap because they are ruminants, and as ruminants, they belch out methane during their digestion process. But, this process is only responsible for roughly 0,6% of Canada's greenhouse emissions!

It should also be noted that cows digest grass and other things that we cannot eat – and then produce highly nutritious milk – which we can eat - and other useful products such as manure that enriches the soil. Drinking milk is good for you, good for the economy and for the environment too!

I heard that plant-based diets are more sustainable and environment-friendly?

Everyone will agree that vegetables are an important dietary staple, but, milk and dairy products are also excellent sources of 15 essential nutrients including calcium, protein, vitamin B12, which are highly nutritious, promote overall health, and contribute to the prevention of chronic disease. Many other products do not have that broad-based nutritional value.

The carbon footprint of milk might look high to someone who is comparing total GHG emissions of the global milk production sector to the total production of a plant based beverage. However, this is

because the total VOLUME of milk produced is higher than the volume of plant-based beverages. Furthermore, a recently released Life Cycle Analysis of Canadian milk production found that Canadian milk's carbon footprint is half of the global average for dairy. We are proud of the leadership position of our sector, and the progress we continue to make.

If I do drink milk, do I need to be concerned about animal welfare?

Canadian dairy farmers take great pride in the care they give their animals, which goes beyond regulations. As part of its conditions to be licensed, each farm is assessed and validated on its practices related to animal care, in addition to the food safety and traceability requirements of our proAction initiative. Farmers work with vets and cow nutritionists to give their cows the best care and nutrition. Farmers make significant investments to improve equipment and cow comfort in barns and continue to invest in research to better understand animal needs for feed, comfort and more.

How does the environmental footprint of Canadian milk production compare to other Canadian industries?

The National Inventory Report, published by Environment and Climate Change Canada, gives us a basis to compare dairy to other Canadian industries: Canadian dairy production is responsible for roughly **1%** of Canada's total GHG emissions. This is minimal compared to other important sectors, such as road transportation (20.3%), energy used in homes (5.5%) production of electricity and heat (11.9%) or manufacturing (6%).

How does the environmental footprint of Canadian milk production compare to the dairy footprint in other countries?

Canadian dairy is one of the most efficient and sustainable sectors in the world. As part of recently released Life Cycle Analysis of Canadian milk production, a number of other published studies were consulted for comparison purposes. Some studies are based on the whole country, others are region-specific. Different countries did an LCA study in different years, and may have worked from data points that are not fully comparable. Comparing between different studies helps us understand general trends, and shows us where we land in the ballpark. While we can't make a direct comparison with the other available reports, indications from various studies are that Canada is one of several developed countries producing milk in a more sustainable way. Some of the factors leading to this include farm practices, use of advanced technology, cow genetics, and consideration to other sustainability factors. For example, a comfortable, well-fed cow gives more milk.

Supply Management

What is Supply Management?

Thanks to supply management, Canadian dairy farmers work together to produce as much high quality milk as Canadians need, at a fair price. It is a sustainable tool that strikes a balance between supply and demand, while creating stability for consumers, processors and farmers alike.

Why should I support Supply Management?

Among other things, supply management means:

- No direct government subsidies for milk production (unlike most other countries, including the US).
- A fair price that provides efficient producers with the opportunity to obtain a fair return for their labour and investment, and is in line with the average retail price paid by consumers in other countries without supply management.
- Farmers work together to set and continuously improve what are already among the world's highest standards for animal welfare and the environment.

A vibrant dairy industry means more jobs, improved access to rural infrastructure, and a stronger economy that benefits all Canadians.

Doesn't supply management mean higher prices for consumers?

In the value chain for dairy, farmers are at the beginning, processors are in the middle, and retailers are at the end. Retailers have always set the retail price of milk; there is no direct link between any changes to the retail price, and the price a farmer receives.

Countries without supply management typically directly subsidize their dairy industries; this comes straight out of the pockets of taxpayers, and essentially forces taxpayers from those countries to pay twice for their milk – once via the government subsidy, and once at the store. In Canada, our farmers receive no direct government subsidies for milk production.

Finally, in countries where milk production isn't regulated (where supply management doesn't exist), such as New Zealand, the United Kingdom and Australia, there has been a notable discrepancy between farm gate prices and retail prices. In many cases, prices have actually gone up for consumers, while revenue for farmers has gone down.

Is supply management a barrier to innovation?

On the contrary, supply management provides the stability farmers need to be able to continually and confidently invest in their farms.

In 2017, Canadian farmers invested on average \$240,000 (an increase of more than 20% from the previous year), for a total of \$2.6B at the national level on their farms to respond to the strong growth in domestic demand for dairy products.

Is supply management a barrier to new farmers?

More young farmers are entering into the dairy industry because of the predictability and stability offered by supply management, not in spite of it.

The market predictability and relative stability afforded by the supply management system provides young farmers with an incentive to enter the dairy industry, and allows them to plan long-term investments with more confidence.

Every province in Canada has a new entrant program to encourage new farmers to enter into the industry—and a number have made improvements to their programs, based on feedback from participants.

How are countries without supply management doing?

Since 2015, a number of countries have offered generous bailout packages to help farmers cope with the market downturn, on top of the generous subsidies they already receive. Examples include:

- The European Commission bailed out the European dairy industry twice, for a combined total of €1 billion (approximately \$1.53B Canadian). Included in this package, was €150 million (\$230M Canadian) to entice farmers to voluntarily reduce their milk production.
- In 2016, in response to the global crisis, Australia announced a \$578.8 million support package for dairy farmers.
- During 2015-2016, the average herd in New Zealand lost approximately \$143,000 (US). This contributed to New Zealand dairy farmers suffering their worst financial losses since the 2002-2003 season.
- In the United States, in August 2018, the US Department of Agriculture pledged to purchase \$50 million worth of fluid milk for distribution to the Emergency Food Assistance Program.
 - This is similar to the August 2016 program, under which \$20 million worth of cheese was bought back by the US government for distribution to food banks.





Top 10 Questions for Candidates

- 1) The Government has signed three consecutive trade agreements that made concessions on the backs of Canada's dairy farmers. Will you fight against any further dairy concessions in future trade deals?
- 2) Commitments were made in the 2019 federal budget to compensate supply managed farmers for concessions granted in the CETA and CPTPP trade agreements. In order to be consistent with previous government recommendations, the portion of the announced \$2.15B funding envelope allocated to dairy farmers should be a minimum of \$1.75B. Will you support allocating a minimum of \$1.75B in direct payments to dairy farmers to mitigate the negative impacts of CETA and CPTPP?
- 3) Compensation for trade agreements promised in the 2019 budget did not include the impacts of CUSMA. Will you encourage the government to commit to convening an industry working group to make recommendations on compensation to dairy producers for CUSMA?
- 4) Do you support supply management?
- 5) Due to the expected rises in imports coming as a result of recent trade agreements, the monitoring and enforcement of Canadian border regulations and food standards has never been more important. Will you push for additional funding for Canadian Food Inspection Agency and Canadian Border Service Agency to monitor and enforce Canada's existing dairy regulations and standards?
- 6) A significant amount of emerging research demonstrating the nutritional value of milk products was not included in the development of the new Food Guide, and proposed policies like front-of-package labelling. Will you ensure Health Canada reviews and updates these policies to include all available research and evidence on dairy?
- 7) The Canadian Food Inspection Agency is currently considering lowering the threshold for a "Product of Canada" label from 98% Canadian ingredients to 85%, and removing the requirement to indicate whether or not imported or domestic ingredients were used for a "Made in Canada" label. Will you commit to preventing these changes?

- 8) The Healthy Eating Strategy, which includes proposed regulations for Front-of-Package labelling, characterizes many milk products as foods 'to avoid' or 'to limit. It does not consider their broad nutritional contributions to the diet or their important health benefits, nor does it fully reflect the most recent and mounting scientific evidence available. Will you make sure the government will take into account scientific based evidence when crafting regulations on Front-of-Package labelling?

- 9) Ongoing investments into innovation are essential for the continued stability and growth of the Canadian dairy industry. Will you commit to working with industry leaders to deliver funds and support for dairy innovation research?

- 10) Will you commit to encouraging government to apply a rural/agricultural lens in the development of all future government policies?