

Fédération des producteurs de lait du Québec Special General Meeting

Comprehensive Economic and Trade Agreement: “We expect the federal government to honour its commitment and provide full compensation” Bruno Letendre, Chairman

Quebec City, November 28, 2013 – Speaking to the Special General Meeting of the Fédération des producteurs de lait du Québec (FPLQ), Bruno Letendre, Chairman of the FPLQ explained how the Canadian government had broken its commitment to the dairy industry by signing an agreement in principle with the European Union (EU) on October 18, an agreement that will have a major negative impact on the cheese sector. **“If you look beyond the surface, it is apparent that the direct damages are much greater than they would like us to believe. We put our trust in the Canadian government, and they betrayed this trust to obtain an agreement,”** said Letendre. He pointed out that, right up until the agreement was made, the people responsible for the negotiations and the politicians responsible for the file had given assurances that Canada would not give in to the European demands concerning the dairy industry.

Addressing the Government of Canada, the Chairman of the FPLQ took a clear stand: **“We expect the federal government to honour its commitment and provide full compensation. We are ready to discuss a package of targeted measures designed to strengthen the sectors most affected.”**

Although the Government is trying to minimize the impact of this agreement, the concession granted to the EU will mean that 180 million litres of milk will no longer be produced or processed here. This represents \$150 million less in sales for producers and over \$300 million in lost cheese sales. **“This means that subsidized European production will be given the benefits of many years of market development efforts. Instead of growing, our industry will shrink. This is a concrete and direct net loss,”** Bruno Letendre explained.

As for the Quebec government, Bruno Letendre said he appreciates the fact that it demanded that the federal government commit to compensating for the losses. Quebec is the only provincial government to have done this. **“We expect Quebec to assume the leadership on this issue and honour its commitment not to ratify the final agreement until it has seen the detailed compensation measures promised by the federal government and as long as they do not meet the expectations of the dairy and cheese sector,”** added the FPLQ Chairman.

It should be recalled that the 17,700 tonnes of imported cheese are heavily subsidized. In Europe, the Common Agricultural Policy currently injects approximately \$80 billion per year in direct payments and rural development assistance. An expert report published last September estimated that 64% of European dairy producers' income in 2009 came from subsidies.

Thanks in particular to supply management, our dairy sector provides nearly 83,000 jobs, contributes over \$5.4 billion to the Gross Domestic Product (GDP), and generates tax benefits of \$1.2 billion, while ensuring local production of high-quality dairy products. **“More than ever, I am convinced that supply management is a policy as legitimate and logical as subsidizing farmers to maintain national production. Because of supply management, people who get up every day to feed their fellow citizens can make a decent living from the sale of their products, without depending on charity from the public treasury.”**

About the FPLQ

The Fédération des producteurs de lait du Québec speaks for the province's 13,000 milk producers and 6,000 dairy farms. Quebec dairymen produce nearly 3 billion litres of milk annually and generate farm cash receipts exceeding \$2 billion.

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