Fédération des producteurs de lait du Québec

Press release

Annual General Meeting of the Fédération des producteurs de lait du Québec (FPLQ)

The FPLQ is counting on Québec's new government to make sure that Ottawa keeps its promise to milk and cheese producers

Quebec City, April 16, 2014/CNW – The Chairman of the Fédération des producteurs de lait du Québec (FPLQ) took the opportunity provided by the FPLQ's Annual General Meeting to congratulate the new government on its election and share the following message with it: **"I remind Quebec's new government that we are counting on its support and leadership in making sure that the federal government keeps its promise and compensates milk and cheese producers for the losses caused by the additional European cheese imported into the Canadian market."** In October of 2013, Canada approved the agreement in principle for the Comprehensive Economic and Trade Agreement (CETA) with the European Union, which provides for 17,700 additional tonnes of European cheese imports. The Quebec government supported the Agreement on condition that a series of compensatory measures be implemented for milk and cheese producers.

Furthermore, Canada is actively involved in the Trans-Pacific Partnership (TPP) negotiations, which could end at any time. Milk producers have often expressed concerns about the domino effect that could be caused by the concession to Europe in the CETA. However, they are especially concerned since the United States, New Zealand and Australia are calling for the full liberalization of agricultural markets in the negotiations. **"I remind our Quebec and Canadian government partners that we expect you to make good on your promise to keep supply management fully intact. Our negotiating partners are taking the actions they feel are appropriate to support their agricultural industries through subsidies or customs tariffs,"** explained the FPLQ's Chairman.

"Thanks to our enterprising spirit and the understanding that we are stronger together, we, Quebec and Canadian milk producers, have built this very unique and effective marketing system, which affords us some protection from the considerable volatility of the world's agricultural markets. We receive fair, predictable income from the market without subsidies. I don't think that I have to tell you that this is a rare and exceptional situation in the agricultural sector," concluded Letendre.

Letendre deplores the fact that since the agreement in principle was signed between Canada and Europe last fall and due to the Trans-Pacific Partnership negotiations underway, milk producers have been under mounting pressure to dismantle the supply management system and open their markets. **"Our critics claim that demand for milk products in emerging countries, especially Asia, offers us profitable growth prospects and that we will miss these opportunities if we do not reform the supply management system. I think they are wearing rose-coloured glasses. After 30 years of praise for economic liberalization, is the market perfect yet? Has the government withdrawn, does it intervene less? Is trade occurring based on fair rules and on equal terms?"** asked Letendre.

The FPLQ's President also mentioned that while some governments have effectively deregulated mechanisms that allowed producers to seek higher incomes from the market rather than from taxpayer dollars, farm subsidies have never been higher. As an example, he pointed to Europe, which spends €60 billion on farm aid, and the United States, which will spend nearly USD $1 trillion over the next 10 years under its newly passed “Farm Bill.” Emerging countries have followed this trend: China spent $165 billion in farm subsidies in 2012, an 89% increase in aid since 2008.

“In most cases, these subsidies do not make farmers rich, but help the agri-food industry compete in global markets and enable countries to maintain a measure of food security for their citizens. (…) I do not see why protecting one’s own market for a sensible portion of one’s agricultural production would be worse than subsidizing it,” added Bruno Letendre.

“If you want to address the real issues, which we have heard a lot about in the last few weeks, these jobs and economic benefits are the real issues. These are jobs that we do not have to create by spending hundreds of millions of taxpayer dollars. A bird in the hand is worth two in the bush,” concluded Letendre.

In Quebec alone, the dairy industry creates 83,000 jobs, contributes $5.5 billion to the GDP and brings in $1.25 billion in tax receipts. In Canada, the dairy industry creates 220,000 jobs, contributes $16.2 billion to the GDP and generates $3.2 billion in tax receipts for the three levels of government without any subsidies being paid to producers to stabilize and support our incomes.

About the FPLQ

The Fédération des producteurs de lait du Québec speaks for the province’s 12,000 milk producers and 6,000 dairy farms.

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