



Les
Producteurs
de lait
du Québec



**SUPPLY MANAGEMENT
AND COLLECTIVE
MILK MARKETING**

Les Producteurs de lait du Québec

MISSION

To bring together Quebec milk producers by providing leadership in marketing high quality milk, which meets the expectations of society, and to ensure sustainable development of dairy farms.

VISION

By forging progress in a solid supply management and collective marketing system, by 2030, we will have producers in every region whose profession is recognized and who operate profitable businesses within a dynamic, innovative and sustainable sector.



Mission and vision adopted by resolution of the Annual General Meeting of Les Producteurs de lait du Québec on April 19 and 20, 2023.



FEED OUR OWN PEOPLE FIRST

Dairy supply management has been in place in Canada since 1971. It ensures local production of high-quality food while providing producers with stable and equitable income, derived entirely from the marketplace, without income support subsidies and without dumping surplus products on the markets of developing countries. Along with collective marketing, it is a concrete model for the application of food sovereignty for Canadian milk producers and consumers and to improve food security in the country. It's a model of sustainable agriculture that promotes the consumption of local products while avoiding food waste.

LES PRODUCTEURS DE LAIT DU QUÉBEC

Les Producteurs de lait du Québec is a democratic organization, whose directions are set in the general meetings of its members, and are administered by a board of directors made up of the presidents of the 14 regional boards. Affiliated with the Union des producteurs agricoles (UPA), the organization works to defend and promote the general interests of its members.

Collective Milk Marketing

Quebec's 4,333 dairy farms collectively market more than 3.5 billion litres of milk through the Plan conjoint (1980) des producteurs de lait du Québec. They have delegated to their organization the responsibility for negotiating all sales conditions on their behalf with the processors' representatives. The producers and processors negotiate and work together through marketing agreements and the various resulting committees on questions of plant supply, milk quality rules and raw material prices. These prices are indexed, taking into account the production costs of the farms and the Consumer Price Index.

The conditions of transporting milk from the farm to the plant, the costs of which are borne by the producers, are negotiated with the carriers by the organization in a provincial agreement. This collective marketing system enables milk producers to draw their income from the marketplace without government subsidies.

Supply Management

Quebec and Canadian producers manage their production to meet all domestic requirements. The representatives of producers in all provinces, in consultation with the industry, set an annual production target called market sharing quota. When production exceeds this target, producers are responsible for the consequences.

The proceeds of all milk sales are pooled by the producers who receive an average price based on their monthly milk deliveries within the target.

The quality of the milk they market is an important concern for producers. Various quality improvement programs are managed by the organization. Producers also invest more than \$47 million annually in promotion and advertising of milk and dairy products, as well as in research.

Collective milk marketing by producers provides...

- A single spokesman to negotiate all marketing conditions
- A fair, uniform and stable price to all producers for the milk they put on the market
- Production adjusted to market requirements
- A guaranteed supply to processors on the same conditions and at the same prices for everyone, also available to new businesses
- Priority to high value-added and developing markets
- High standards of quality negotiated with the processors
- Investments in promotion, advertising and nutrition education
- Joint investments by producers and processors in research
- Centrally coordinated routing of milk to 117 plants in Quebec
- Provincial negotiations for optimum milk transportation conditions
- A single average rate for all producers to have their milk transported...
- By 314 tank trucks...
- That travel more than 30 million kilometres a year...
- On 663 streamlined pickup routes

PROFILE OF THE QUEBEC DAIRY INDUSTRY – 2023

ON FARMS

Number of dairy farms	4,333
Number of owners	9,771
Production volume	3.537 billion litres of milk
Value of production	3.375 billion dollars
Annual investments in machinery, equipment and buildings	813 million dollars

WEIGHT OF QUEBEC'S DAIRY INDUSTRY

Share of dairy receipts in Canada	36%
Share of agricultural receipts in Quebec	24%

ECONOMIC BENEFITS*

	Primary sector	Processing sector	Total
Employment			
Direct jobs	15,984	9,513	25,497
At providers of goods and services	14,024	10,617	24,640
Individuals whose income depends on the dairy industry	9,650	6,212	15,861
Total	39,657	26,341	65,998

Economic contributions (in millions of dollars)

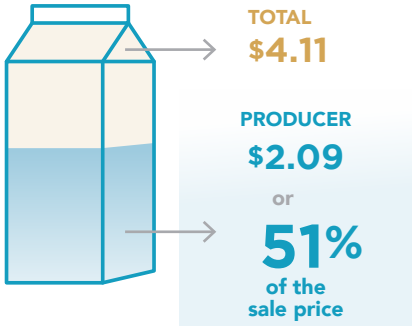
Contribution to GDP	\$3,480.6	\$2,644.3	\$6,124.9
Tax revenue	\$598.1	\$435.9	\$1,034.0

*Due to rounding, the sum of the components may differ from the total.

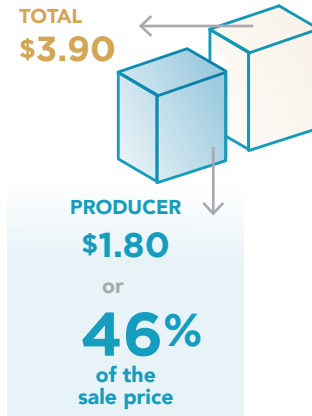
Sources: Les Producteurs de lait du Québec, Groupe AGÉCO: *Survey of production costs of Quebec dairy enterprises*, 2023, and Renaud Sanscartier, agricultural economist.

PRODUCERS' SHARE IN DIFFERENT DAIRY PRODUCTS

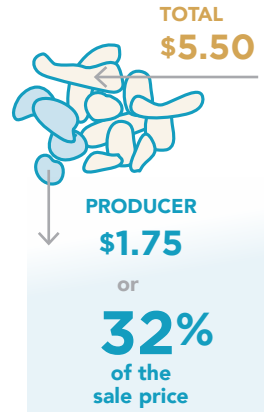
**REGULAR MILK,
2 LITRES 2%**



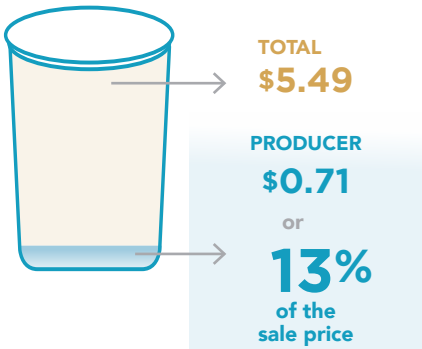
**CHEDDAR
200G**



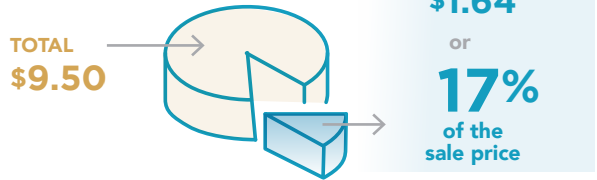
**CHEESE CURDS
200G**



**YOGURT
650G**



**FINE CHEESE SEMI-FIRM
DOUGH 200G**



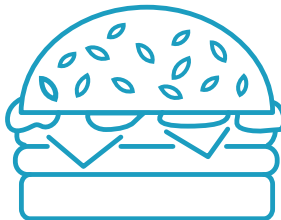
Source: Les Producteurs de lait du Québec, 2024.

INCREASE IN THE COST OF FOOD AS REPRESENTED BY A HAMBURGER

BETWEEN DECEMBER 2022 AND DECEMBER 2023

Hamburger ingredients

- Fresh or frozen beef **+10.6%**
- Condiments, spices and vinegars **+6.1%**
- Bakery products **+5.9%**
- Cheese **+2.4%**
- Canned vegetables **+2.1%**
- Vegetables and vegetable preparations **+1.6%**



Other foods

- All items **+3.4%**
- Food **+5.0%**
- Dairy products **+3.5%**
- Eggs **+3.1%**
- Chicken **+4.9%**
- Pork **+3.0%**

Sources: Statistics Canada and Canadian Dairy Information Centre.

MORE THAN 40 YEARS OF COMMITMENT

Through collective efforts, dairy producers demonstrate commitment and corporate social responsibility towards their society. In addition to helps feed the population with healthy products, dairy producers are firmly rooted in their regions because of the economic impacts they generate locally, their contributions to regional vitality, and their involvement in their communities.

Through its sponsorship program, dairy producers supports key events in Quebec society and, through its milk donation program, the organization takes actions to assist citizens grappling with food shortages, help eliminate hunger, and improve food security for Quebecers. Because producers have the same concerns as their fellow citizens, they are also sensitive to animal welfare and environmental issues.

Since it was founded in 1983, their organization, Les Producteurs de lait du Québec, has shown leadership in the dairy industry by fostering its development and prosperity. Here are various facets of these commitment.



Producers merged to found the Fédération des producteurs de lait du Québec (FPLQ).

1983

The Young Dairy Farmers Assistance Program was adopted and would be set up in 1987.

1986

The use of rBST¹ was opposed. Dairy producers were able to get Health Canada to ban it on grounds of animal welfare.

1994



The FPLQ became a co-owner of the CIAQ³. Genetic improvements would have positive impacts on dairy farms in Quebec.

1999

The Startup Assistance Program was set up.

2006

1985

The first Milk Marketing Agreement was signed.



1991

The first Milk Transportation Agreement was signed.

1995

The FPLQ became the major shareholder of the PATLQ², which would later become Valacta and founded Novalait.

2002

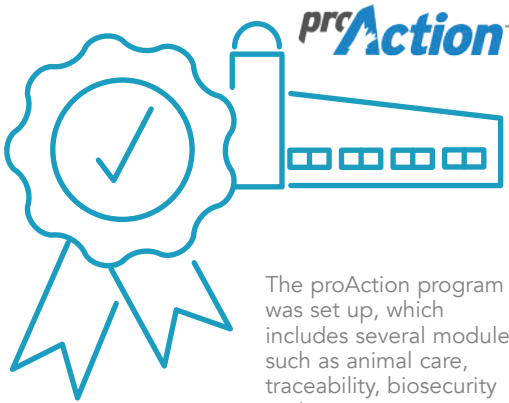
The milk donation program was adopted as a result of an agreement between Les Producteurs de lait du Québec, Food Banks of Quebec, milk processors and milk transporters. The Program was set up in 2003.



¹ Recombinant bovine somatotropin.

² Quebec dairy herd analysis program (PATLQ).

³ Quebec artificial insemination centre (CIAQ).



The Canadian Quality Milk (CQM) program was set up.

2009

The proAction program was set up, which includes several modules, such as animal care, traceability, biosecurity and environment. This program expanded the CQM quality assurance program previously in effect while maintaining quality and safety requirements.

2013



Total milk donations reached over 10 million litres of milk in the regular donation program.

2018

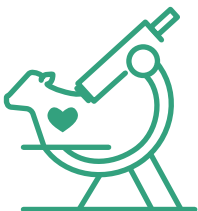


From 2016 to 2022, over \$1.7 million has been invested in the research conducted by the Industrial Research Chair in the Sustainable Life of Dairy Cattle, a partnership with the NSERC⁵, the DFC⁶, Lactanet, Novalait and McGill University.

2022

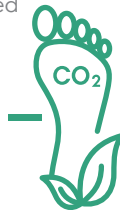
Since 2011

Les Producteurs de lait du Québec has invested over \$1 million directly in research and \$4.8 million in innovation through Novalait. The impact on sustainable development is taken into account when assessing the relevance of each research project.



2016

In 5 years, to produce one litre of milk, the carbon footprint was reduced by 8.7%, water used by 12.5%, and land used by 16.2%.⁴



⁴ Source: Groupe AGÉCO: updated life cycle assessment of Canadian dairy production, 2018.

⁵ Natural Sciences and Engineering Research Council of Canada (NSERC).

⁶ Dairy Farmers of Canada (DFC).

2022

Nearly 350 events were supported in donations and sponsorships by Les Producteurs de lait du Québec, not to mention the involvement of regional councils with their local organizations.

2023

Adoption of the Sustainable Development Plan of Les Producteurs de lait du Québec.

Les Producteurs de lait du Québec: 40 Years.



Toward the future

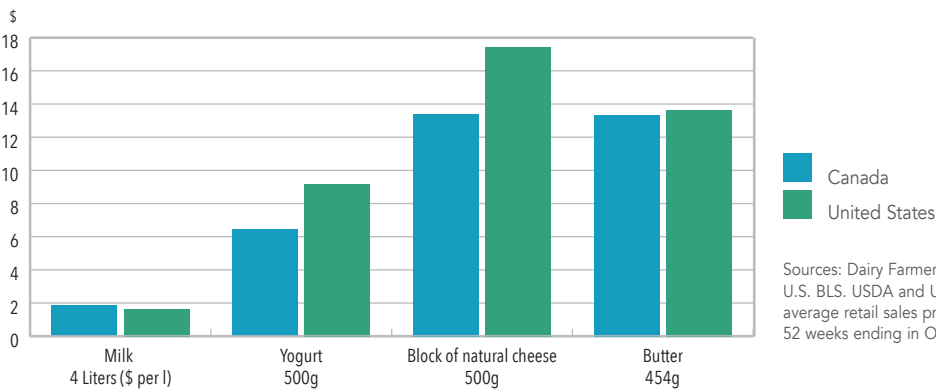
SUPPLY MANAGEMENT AND COLLECTIVE MARKETING

... **stabilize** FARMERS' INCOME AND ENABLE THEM TO OBTAIN A BETTER SHARE OF THE CONSUMER DOLLAR

The income of Quebec and Canadian dairy producers from the sale of their milk is considerably more stable than that of their American counterparts, as the graphs show. And, during the same period, the price of most dairy products is comparable in the United States and Canada.

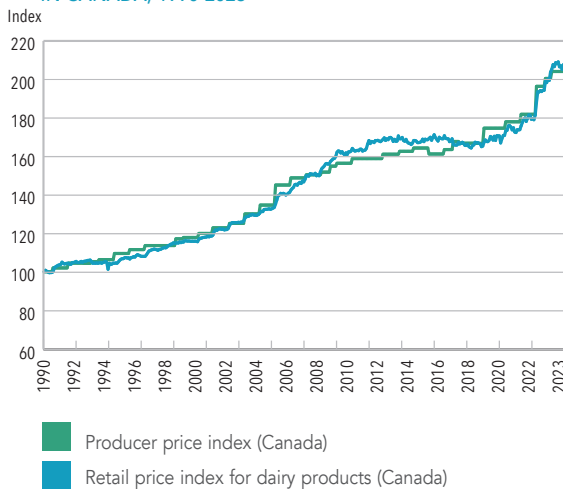
In addition, Canadian producers obtain a more equitable share of the consumer dollar without consumers having to pay any more for their products than elsewhere.

PRICE OF DAIRY PRODUCTS IN CANADA AND THE UNITED STATES



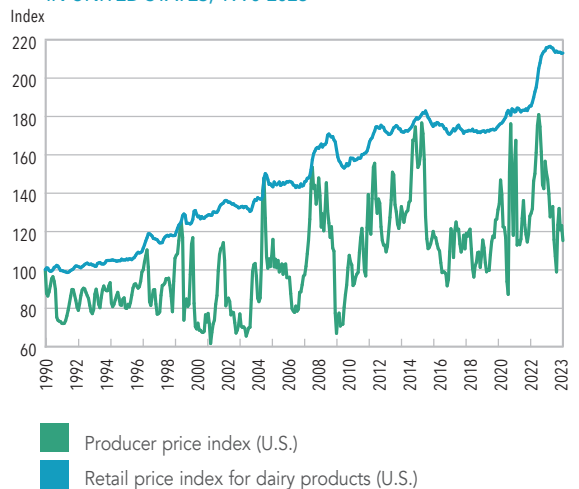
Sources: Dairy Farmers of Canada, Statistics Canada, U.S. BLS, USDA and U.S. Census Bureau: weighted average retail sales prices for the entire country over 52 weeks ending in October 2023.

COMPARISON OF RETAIL PRICE INDEX FOR DAIRY PRODUCTS AND PRODUCER PRICE INDEX IN CANADA, 1990-2023



Sources: Statistics Canada, Canadian Dairy Commission and Les Producteurs de lait du Québec.

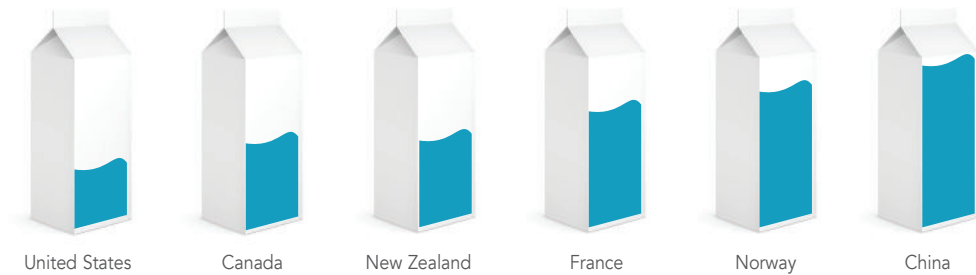
COMPARISON OF RETAIL PRICE INDEX FOR DAIRY PRODUCTS AND PRODUCER PRICE INDEX IN UNITED STATES, 1990-2023



Sources: Bureau of Labor Statistics (BLS) and United States Department of Agriculture (USDA).

... **assure** CONSUMERS OF A NUTRITIOUS BASKET OF DAIRY PRODUCTS AT REASONABLE PRICES

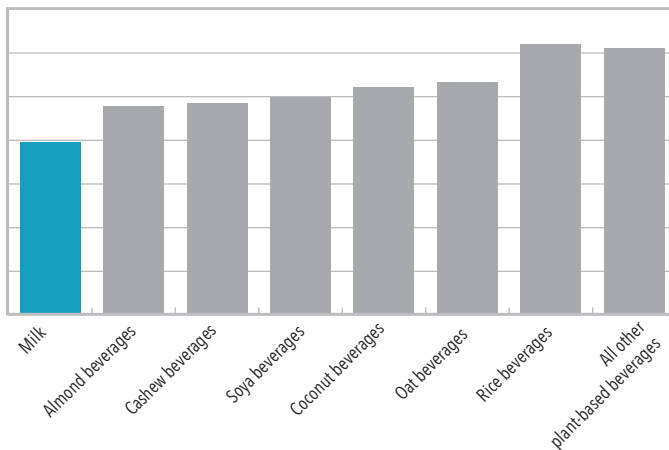
A recent comparison of prices around the world shows that the weighted retail price of milk in Canada holds up well in comparison with other countries around the world.



Sources: Dairy Farmers of Canada and The Nielsen Company: weighted average retail sale price in Canada over 52 weeks ending in October 2023.

MILK IS ONE OF THE MOST INEXPENSIVE BEVERAGES IN CANADA AND PROVIDES 15 ESSENTIAL NUTRIENTS IN OUR DIET

AVERAGE RETAIL PRICE OF BEVERAGES IN CANADA, PER LITRE



Sources: Dairy Farmers of Canada and The Nielsen Company: weighted average retail sale price in Canada over 52 weeks ending in October 2023.

SUPPLY MANAGEMENT AND COLLECTIVE MARKETING (continued)

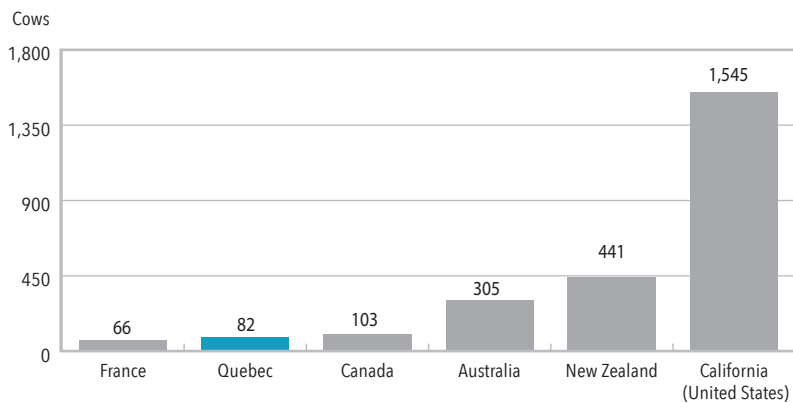
... **ensure** INCOME SECURITY FOR DAIRY FARMERS WITH LITTLE GOVERNMENT SUPPORT

In fact, Canadian dairy farmers receive no income support subsidies and have access to only the minimum support generally offered all farmers like the property tax refund and crop insurance program.

... **favour** A TYPE OF AGRICULTURE THAT RESPECTS RESOURCES AND PEOPLE AND IS EFFICIENT AND HUMAN-SCALE

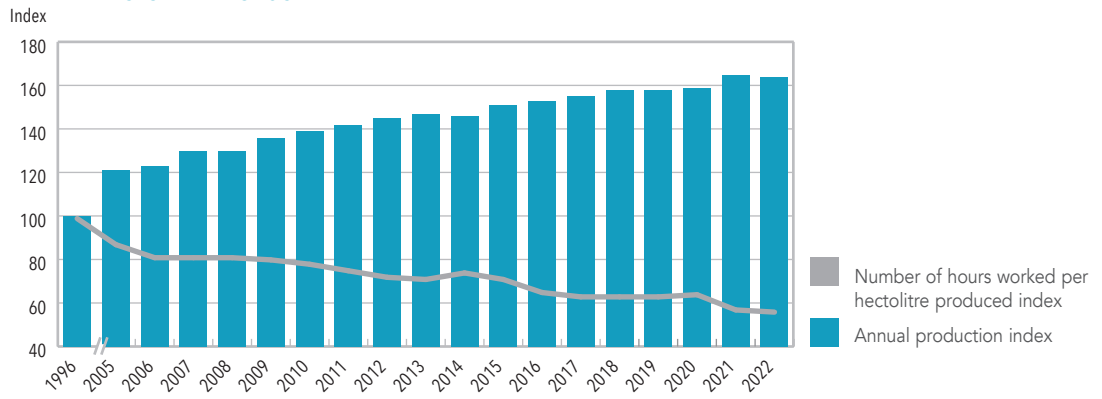
Collective marketing and supply management are not an impediment to improving efficiency and productivity, as these results show.

AVERAGE NUMBER OF COWS PER FARM, PER COUNTRY



Sources: Cniel, Statistics Canada, Dairy Australia, LIC and DairyNZ, Idaho Dairymen’s Association, 2020-2023.

ANNUAL PRODUCTION INDEX AND NUMBER OF HOURS WORKED PER HECTOLITRE PRODUCED INDEX

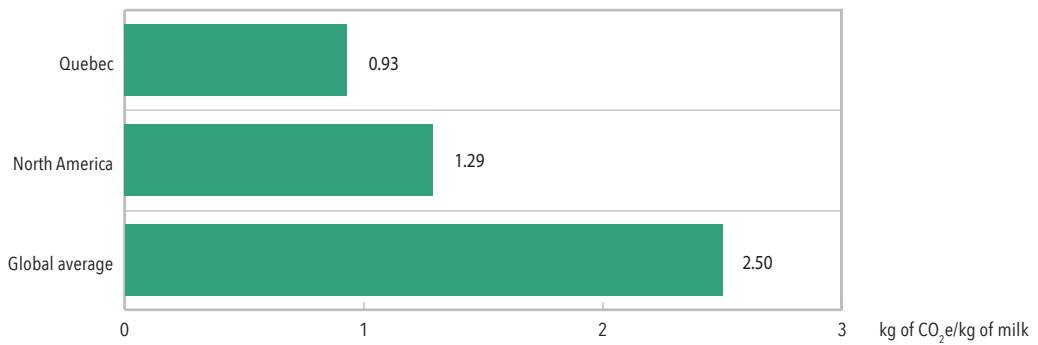


Sources: Les Producteurs de lait du Québec and Groupe Agéco, 2023.

... **ensure** ENVIRONMENTALLY-FRIENDLY SUSTAINABLE GROWTH

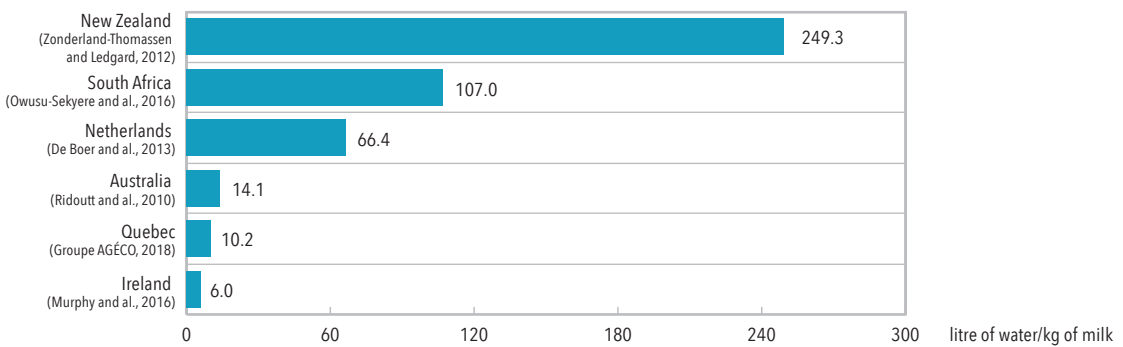
Quebec's dairy industry plays a crucial role in the agricultural ecosystem by reducing its environmental footprint while continuing to satisfy society's food needs.

CARBON FOOTPRINT FOR THE PRODUCTION OF ONE KILOGRAM OF MILK



Sources: Groupe Agéco: updated life cycle assessment of Canadian dairy production, 2018, and FAO and GDP: *Climate change and the global dairy cattle sector–The role of the dairy sector in a low-carbon future*, 2018.

WATER CONSUMPTION FOR THE PRODUCTION OF ONE KILOGRAM OF MILK



Source: Agéco compilation for the updated life cycle assessment of Canadian dairy production, 2018.



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