



Les
Producteurs
de lait
du Québec

Press release
For immediate release

2015 Annual General Meeting of Les producteurs de lait du Québec

TPP: Canada must stand up and say no to concessions for products under supply management

Quebec City, April 15, 2015 – At the organization’s Annual General Meeting, Bruno Letendre, Chair of Les Producteurs de lait du Québec, directed comments at the Canadian government in connection with the Trans-Pacific Partnership (TPP) negotiations, which may end this spring: **“Provincial governments, partners and the entire dairy industry in Quebec and the rest of Canada must absolutely form a common front and state loud and clear to the federal government that it must not yield to the pressure, but make good on its promises to keep supply management fully intact. Canada needs to stand up and say no to concessions for products under supply management,”** said Mr. Letendre.

“The reality is that if Canada opens its markets to dairy products from TPP member countries, our sector will experience an unprecedented crisis. The impact on regional economies and our communities will be catastrophic. The entire industry and its suppliers would be hurt by dismantling supply management. Supply management benefits dozens, even hundreds of businesses and 214,000 workers in Canada: processors, bankers, input suppliers, equipment suppliers, mechanics, hardware stores, local building contractors, transporters, consultants, veterinarians and many others,” states the Chair.

According to Mr. Letendre, Canadian milk producers cannot compete with the climate of milk producers in Oceania and the United States, or the subsidies received by American milk producers, who renewed their Farm Bill in 2014 for ten years with a budget of approximately USD\$1,000 billion. The United States is putting more and more pressure on Canada to make substantial concessions for its markets under supply management. Yet, since NAFTA came into force, total U.S. dairy exports to Canada have increased 330% in tonnage, reaching 133,000 tonnes in 2013. **“We have already conceded enough!”** concluded the Chair.

Canada already has free trade agreements in force with four of the 12 countries in the TPP negotiations: the United States, Mexico, Peru and Chili. It is also currently in negotiations with Japan, the largest economy in the zone after the United States. The Fraser Institute has estimated the potential TPP gains for Canada at a maximum of 0.5% of total GDP, i.e. around \$9 billion. **“That is no small number, but is it worth jeopardizing a dairy sector that adds nearly \$19 billion every year to the country’s GDP, provides 214,000 jobs and contributes \$3.6 billion in tax receipts to government treasuries?”** asked Bruno Letendre, Chair of Les Producteurs de lait du Québec.

“We keep hearing that Canada continues to defend supply management in the negotiations underway. Since Canada made the concession to Europe in the CETA negotiations, we are extremely wary. The 17,700 tonnes of additional access granted

to European cheese, including 16,000 tonnes of quality cheese for the retail market, will cause considerable losses in our young fine cheese sector. That represents 30% of the current sales in this niche, where Quebec is very present," said Mr. Letendre.

It should be remembered that Prime Minister Harper himself committed to compensate for these losses when signing the draft agreement in October 2013. **"Since then, there has been radio silence in Ottawa. We met once and haven't had heard any news since. Worse still is that all of the government spokespersons simply repeat that compensation will be provided if there are losses. I no longer know which tone of voice or language needs to be used to repeat it: There is no if. When European cheese enters our market, cheese made from subsidized European milk, it bears repeating, will be consumed by Canadians. These are Canadians who would have consumed our cheese, made with our milk,"** explained Bruno Letendre.

Mr. Letendre reiterated that Ottawa, together with the Ontario government, invested around \$10 billion during the 2009 crisis to save the automobile industry. **"What is the federal government waiting for to provide us with the same help? I would also like to remind the Quebec government that it must show leadership in getting its due from Ottawa. The federal government and the Ontario government invested billions of dollars of Canadian taxpayer money to support a sector that provided 20,000 direct jobs in 2014. What is the federal government waiting for to provide us with the same help? I repeat that the Quebec and Ontarian dairy industry, which makes most of Canada's cheese, generates 51,400 direct jobs alone,"** added Mr. Letendre.

"The dairy sector has thousands of men and women who are driven and committed every day to do the required work. We do not speculate or make bets on potential markets in the hopes of creating wealth. We help create wealth for our country and our fellow citizens by producing an essential product, a food, every day," concluded Bruno Letendre.

About Les Producteurs de lait du Québec

Les Producteurs de lait du Québec, affiliated with the UPA, represents Quebec's 5,856 dairy farms, which deliver nearly 3 billion litres of milk every year, for a total of over \$2.4 billion in farm receipts. Milk production and processing generate around 83,000 direct, indirect and induced jobs in Quebec and contribute as much as \$6.2 billion to the gross domestic product (GDP). Finally, milk production brings in \$1.29 billion in tax receipts, including \$678 million for the federal government and \$454 million for the Quebec government.

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