

TPP: HARMFUL CONCESSIONS FOR SUPPLY MANAGEMENT

Longueuil, October 5, 2015 — “Producers in the supply management system understand that it is important for Canada to be part of this type of agreement. We have always acknowledged this and we hope that the gains obtained in certain sectors materialize. Nevertheless, the additional market access conceded by Canada is bad news for supply-managed commodities and pokes another hole in a system that has proven itself and largely guarantees socioeconomic development across Quebec,” stated Marcel Groleau, President of the Union des producteurs agricoles (UPA) and spokesperson for the GO5 Coalition, in response to the concessions granted by Canada in the Trans-Pacific Partnership (TPP) agreement reached today in Atlanta.

“Yet, the Canadian government promised to keep supply management fully intact. This is the second time in 2 years that we are paying the price of a free trade agreement. Even though it is still too early to accurately assess the economic impact, it is clear that the costs will be very high for producers, processors, our regions and the thousands of workers who earn their living from these sectors,” explained Bruno Letendre, Chair of Les Producteurs de lait du Québec.

It is unacceptable that Canada has been unable to exclude supply management – a regulatory support policy – from these negotiations, while financial support policies, such as the U.S. Farm Bill and its \$1 trillion in spending over ten years, were never even on the table. It was able to safeguard export market access for other agricultural sectors, such as in all the other agreements it signed before the one with Europe, without making such concessions,” stated Pierre-Luc Leblanc, Chair of Les Éleveurs de volailles du Québec.

Canada already imports 8% to 10% of its dairy and poultry needs. More than 78% of Canada’s imported dairy products already come from the United States. The U.S. imports just 3% of its dairy product needs. The 3.25% in additional access (which is actually 5.25% when you factor in the concessions to Europe) will cause major job losses and shrink the food production and processing sectors’ contribution to the Canadian and regional economies.

Compensation measures and stricter import controls

The government has announced a series of measures to compensate producers in the supply management system. “We would have much preferred to keep our markets intact. Nevertheless, we will carefully assess the program announced by the government: We will accept nothing less than full compensation for recurring revenue and market losses in connection with the concessions granted to the TPP countries and Europe,” added Paulin Bouchard, Chair of the Fédération des producteurs d’œufs du Québec.

Milk and chicken producers have for years demanded tighter controls on certain imported dairy and poultry products that are specially designed to circumvent the agreed import limits and tariffs under trade agreements. Producers lose hundreds of millions of dollars every year due to lax enforcement of the rules.

“Today, the prime minister promised to take measures to ensure effective controls on imported goods and full compliance with cheese compositional standards. These measures are a priority for us. The government can very quickly take concrete actions to correct the situation. We also demand commitments from all parties hoping to form the next government that they will take action to definitively correct this problem,” repeated Ghyslain Loyer, President of the Syndicat provincial des producteurs d’œufs d’incubation du Québec. “In recent weeks, producers

have mobilized like they have seldom done in the past. They proclaimed the message loud and clear that they want to be able to earn a decent living from their farm and train the next generation of farmers on them. What remains to be seen is how the government will respond to these wishes since all of Quebec's agricultural producers remain STRONG AND UNITED FOR SUPPLY MANAGEMENT," concluded Marcel Groleau.

In Quebec, 43% of agricultural revenue comes from supply-managed commodities. The dairy and poultry sectors bring in nearly \$8.2 billion every year for the GDP, generate 92,000 jobs and contribute \$1.38 billion in tax receipts. In Canada, they contribute over \$30 billion to GDP and generate more than 300,000 quality jobs. It is in Canada's best interest to protect this major contribution to its economy.

About the GO5 Coalition

Coalition GO5 is an alliance formed by the many people and organizations that believe in strong agriculture and a prosperous food sector in Quebec. Its goal is to keep supply management fully intact by the end of the various national and international trade negotiations. The supply management system provides Quebecers with high-quality local egg, poultry and dairy products and farmers with a fair income from the market, without government financial support. For more information about supply management, go to WWW.FORTSETUNIS.CA.

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