



Les
Producteurs
de lait
du Québec

Rebuttal by Les Producteurs de lait du Québec to the text entitled « Compenser l'arrogance » (Compensating for arrogance) by Sylvain Charlebois, published by La Presse + on November 6, 2016.

This rebuttal entitled "Compensating for arrogance???" was published by La Voix de l'Est on November 9, 2016: <http://www.lapresse.ca/la-voix-de-lest/opinions/courrier-des-lecteurs/201611/08/01-5039112-compenser-larrogance-.php>

Compensating for arrogance???

I reply to Sylvain Charlebois on a regular basis. Up until now, I have always held myself back from criticizing the intellectual weakness of his arguments. But there is a limit to how many narrow commentaries I can let him share with your readers. I am deeply shocked by the gratuitous, condescending and sloppy manner in which Mr. Charlebois repeatedly criticizes the collective work of Quebec and Canadian milk producers. True to his rhetoric, he uses the imminent coming into force of the CETA as a pretext to criticize "the cartel of milk millionaires" and hopes that Prime Minister Trudeau becomes "the liberator that the sector needs."

Of course, he has a right to his opinion. But it is only an opinion. Cloaked in his title of dean and university professor, Sylvain Charlebois presents himself as an independent expert. However, when you carefully read his texts and are actually familiar with the sectors he discusses, you realize just how weak his analysis is, as well as the ideological bias on which it is based. It does not reflect the high degree of rigour expected of an academic.

For instance, Mr. Charlebois states that consumers pay more for their dairy products because of supply management. The reality is much more nuanced. In fact, the study often quoted as the basis for this conclusion compares the price of a litre of milk in Canada, the most expensive format here, to the price of a gallon of milk in the United States, the least expensive format there...As far as scientific rigour goes, we have seen better! There are a huge number of products and foods that are more expensive in Canada than in the United States. However, they are not supply-managed products and foods. The size of the markets and distribution networks, the concentration of actors and the density of the population play a much more decisive role in price formation than the value of the raw material.

Mr. Charlebois states that the CETA could cause some consumer prices to fall by as much as 75%... I am curious to read the analysis that led to that prediction...If it is as solid as the one that led him to state that Canadian beef exports are going to increase tenfold under the agreement, we are heading into crystal ball territory rather than economic science! The numbers for the access offered by the EU may very well state this on paper. But there is room for doubt, which is exactly what many Canadian beef producers are thinking too. Yet, there is no doubt that the non-tariff barriers amply used by the EU, not to mention the impact of its generous domestic support policy, which promotes very low national prices and limits the entry of products into its market better than tariffs, will make it much more difficult for our exports.

The author calls milk producers millionaires...That may very well be true on paper! But rare are the businesses in the primary sector (mining, forestry, agriculture) that do not need hundreds of thousands, or even millions, of dollars to mobilize the resources necessary for production at the level of efficiency required by a modern farm. Mr. Charlebois considers the assets, but overlooks the liabilities, thereby missing an extremely important factor. Indeed, when a multi-generational enterprise pays itself small salaries and reinvests everything it can, is it really so scandalous that it has built up such amounts over 100 or 150 years? Those people should be congratulated for their courage and determination to protect their assets against all odds and pass on this huge gift to the next generation.

Mr. Charlebois also criticizes milk producers for not understanding the concept of competition...This so-called hardline free market rhetoric, which is supposed to solve all economic problems, does not work in reality. A country's agricultural policy is innately competitive, but also geopolitical and strategic. All developed countries have their own unique agricultural policies. Canada's supply management is no exception. In this instance, however, the exception is the rule.

The EU abandoned milk quotas two years ago. Its producers have been in a crisis ever since and the billions of euros of emergency aid and direct CAP subsidies hardly offer them any relief. Before long, 17,700 tonnes of the EU's exported cheese, a mere fraction of its total production, will enter our market and solve their problems. But its exported cheese will do a great deal of harm to our fine and artisanal cheese sector and boils down to nothing less than an expropriation of our market.

Supply management has actually existed for over 40 years, but you do not have to know it very well to say that it has not evolved. It will evolve, but on the basis of cooperation and respect, two values that do not shine through in Mr. Charlebois' opinions.

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