



Federal budget

MILK PRODUCERS WELCOME THE GOVERNMENT'S ANNOUNCEMENT

LONGUEUIL, March 19, 2019 – *"We welcome the federal government's announcement, which is in keeping with its commitment to compensate the dairy industry for the negative impacts of the two agreements,"* stated Bruno Letendre, Chair of Les Producteurs de lait du Québec. *"Furthermore, we understand very well that the Canada-United States-Mexico Agreement (CUSMA) has not yet been ratified, but we still expect the government to keep its promise when the ratification process is over,"* he added.

Remember that since the Comprehensive Economic and Trade Agreement (CETA) was concluded in October 2013, milk producers have been used as a bargaining chip in two other trade agreements, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in January 2018 and the CUSMA in October of the same year. In total, Canada has conceded the equivalent of 8.4% of Canadian dairy production in these agreements. These concessions represent permanent lost sales in the amount of \$450 million per year. *"In such a context, it is clear that regardless of the amounts announced, producers will still have to bear the brunt of the long-term effects of the concessions,"* added Bruno Letendre.

Milk production and processing create 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, they generate \$1.3 billion in tax receipts. In Canada, the dairy sector contributes \$19.9 billion to the GDP, creates 221,000 jobs and provides \$3.8 billion in tax receipts. In 2017 alone, Canadian milk producers invested \$2.6 billion in their farms.

"This announcement will help the dairy industry continue to make a major contribution to the Canadian economy, despite the losses that will result from the three agreements. Our dairy farms are not relocating abroad. In other words, the government's assistance will be spent and reinvested in the Canadian economy," concluded Mr. Letendre.

About Les Producteurs de lait du Québec

Les Producteurs de lait du Québec, affiliated with the UPA, represents Quebec's 5,050 dairy farms, which deliver roughly 3.37 billion litres of milk, for a total of nearly \$2.60 billion in farm receipts. For more information, visit our Web site at www.lait.org or follow us on [Twitter](https://twitter.com/ProdLaitQc).

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