



Les
Producteurs
de lait
du Québec

Sylvain Charlebois : Opportunism and intellectual laziness!



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After all the interviews you gave this week during the ongoing global pandemic, I feel it is necessary to correct the simplistic and often erroneous opinions that you are spreading across Canada at the expense my profession, i.e. that of a milk producer who is very proud to be contributing to the food security of his fellow citizens at this time.

First, it is truly intellectually dishonest for an academic like you to play on this global crisis to associate supply management with food waste. You know very well that since the federal government instituted this model, we have produced every drop of milk required to meet Canadians' dairy product needs. As a result of the instructions issued by public authorities, hotels, restaurants and institutions all but shut down, causing demand for dairy products in these sectors to plummet. These buyers account for nearly 35% of the dairy product market and this drastic turn of events occurred within the space of just two weeks. When confronted by such a collapse in demand, many entrepreneurs who work with people rather than animals would have simply laid off large numbers of workers. In fact, that is what we are seeing across society as a whole.

Second, they may be necessary, but the additional health precautions for workers and the very strict hygiene standards that our industry must observe are behind some of the delays in the supply chain. You compare us to U.S. and European producers who do not benefit from a system like ours but still dump their milk anyway. Yet, as usual, you fail to consider or mention that instead of tariffs, these producers receive huge domestic subsidies that make it possible to keep prices extremely low so that fewer products from other countries can enter their markets. Furthermore, without supply management, they lack the collective tools that we have to correct the production level. Is that really a model we should envy? Milk producers across Canada took drastic measures on April 1, 2020 to decrease production in an effort to reduce the losses. Your simplistic estimates and links, which are based on non-scientific sources like Facebook and Twitter, clearly lack the rigour required for such a debate!

Incidentally, when you mention that the industry does not have any storage capacity to respond to this crisis, you demonstrate yet again just how much your opinions have no basis in any true knowledge of the topic you are commenting on. Since time immemorial, the Canadian Dairy Commission has administered an extensive butter storage program in an effort to balance supply and demand through time and across Canada. These stocks vary between 20,000 tonnes and 45,000 tonnes, based on production and the seasonality of demand. Processors also have large cheese stocks, ranging from 100,000 to 110,000 tonnes, to minimize the impacts for their loyal clients as well. In this unprecedented period, we are working together with the entire industry to further improve these programs and possibly extend them to other products, such as concentrated milk or ice cream, for example.

But the worst of your allegations is that the dumped milk has no impact on producers' revenue. That could not be farther from the truth! In a normal situation, producers sell their milk every day to processors, which then fill the demand for products like milk, cream, yogurt, cheese, butter and skim milk powder. My monthly pay is based on the sum of these sales and on my production. So when we dispose of 5% of the milk, my revenue also decreases 5%. These losses often directly reduce my enterprise's net profit, because we still have to take care of our animals during the pandemic. In other words, I still have the same fixed and variable costs even now. There will be some huge challenges for the entire population in the months ahead, and dairy producers will not be spared. The very quota system that you claim is a source of revenue is actually a mechanism for maintaining the stability of supply, and by extension revenue, which limits volatility. No economic regulatory system, not even the pure free market that you cherish so much, is designed to deal effortlessly with an unprecedented crisis such as the one we are now facing. You seem to be one of those people who fail to see that.

In closing, you should know that dairy producers are very proud right now to be an essential service and meeting the challenges of feeding Quebec. Our leadership, in collaboration with the various actors in our industry and our governments, is working every day not just to get through the current situation, but also to ensure that we are still here after the crisis. Let's stay strong and united!

Daniel Gobeil

Ferme du Fjord inc.

First Vice-President of Les producteurs de lait du Québec