



Les
Producteurs
de lait
du Québec

PRESS RELEASE
FOR IMMEDIATE RELEASE

Information meeting of Les Producteurs de lait du Québec

Milk producers demand that the government take action on the compensation issue

Longueuil, November 18, 2020 – During the virtual information meeting of Les Producteurs de lait du Québec (PLQ), Chair Daniel Gobeil reminded the government that producers have waited long enough for the compensation promised to them for losses in connection with the trade agreements: **“We have been fighting this battle for seven years. We have expressed this message time and again to the government’s representatives. The first commitments were made after CETA was concluded in 2013. Seven years later, we are still pressuring the government to obtain the promised compensation. It’s time for this to end! Our patience has its limits!”**

In total, the Canadian government has conceded 8.4% of our markets under the Canada–United States–Mexico Agreement (CUSMA), the Comprehensive Economic and Trade Agreement (CETA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). That represents \$450 million in lost annual milk sales on farms across Canada and \$165 million per year in Quebec that can never be recouped. This figure does not include the additional losses caused by CUSMA coming into force earlier than originally planned on July 1, rather than August 1, which advanced the 35,000-tonne ceiling on skim milk powder and protein concentrate exports by one year.

The federal government has still not announced any compensation program for CUSMA. For CETA and the CPTPP, an eight-year compensation program was announced back in the federal budget of March 2019 and an initial payment was made last year. The Chair of the PLQ reiterated that the government already has the payment structure and the loss figures it needs to make the payments to producers. **“We should not have to fight this battle over again every year to obtain compensation that was already announced! Our farms also have to budget and need to know whether they can count on the money that was promised to them for the next seven years,”** he added.

The compensation claimed is only a fraction of the real long-term losses that the dairy industry will incur due to these market concessions. **“We are well aware that the first months of the COVID-19 pandemic required the government’s full attention and still require much of it. However, the trade agreements are now in effect and the damage is real. At this stage, an announcement outlining the terms and conditions for our promised compensation would not harm its pandemic efforts in any way,”** explained Mr. Gobeil.

The compensation issue is not just about promises, but also about keeping our regional economies healthy. **“Our farms cannot relocate abroad. The compensation paid to producers will be spent and reinvested here.”** Our producers already invest over \$500 million every year in their farms to upgrade buildings, equipment and machinery. In total, over \$3 billion has gone back into our regional economies in the last five years.

Milk producers need a clear commitment from the government on long-term support for the dairy industry, because the impacts of the trade agreements, combined with those of the pandemic, are weakening our enterprises and affecting their ability to create the jobs and make the investments that benefit our regional economies. The Chair concluded with an appeal to Minister Chrystia Freeland, who sat at the negotiating table for CUSMA and announced, once it was signed, that milk producers would receive full and fair compensation for all lost market shares. **“Chrystia Freeland has been in charge of finance since the beginning of August. It is now her responsibility to deliver the compensation that she herself promised while standing next to the Prime Minister. We have waited long enough; it is now time for action!”**

An end to breaches in the supply management system

In addition to the compensation payments, Mr. Gobeil stressed that it is high time that the government officially commits to stop making concessions that hurt the supply management system in upcoming trade agreements: **“All the federal parties elected to the House of Commons made very clear commitments during the electoral campaign that they would not make any more concessions in our sectors. Words are no longer enough. Our trust has been abused all too often.”** Furthermore, the Bloc Québécois has tabled a bill that seeks to amend international trade legislation along these lines. The Chair then encouraged all parties to show their official support for milk producers by voting in favour of this bill.

About Les Producteurs de lait du Québec

Les Producteurs de lait du Québec, affiliated with the UPA, represents Quebec’s 4,877 dairy farms, which deliver roughly 3.33 billion litres of milk, for a total of over \$2.7 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. Finally, they generate \$1.3 billion in tax receipts.

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François Dumontier
Director – Communications, Public Affairs and Union Support
Les Producteurs de lait du Québec
514 713-0530
fdumontier@lait.qc.ca