

40 years

Les Producteurs de lait du Québec is celebrating its 40th anniversary this year. The organization was first founded under the name Fédération des producteurs de lait du Québec and took its current name in 2014. Obviously, Quebec dairy producers were not without representation before that. They were represented by the Fédération des producteurs de lait du Québec, which had represented unprocessed milk producers since the 1950s, and the Fédération des producteurs de lait industriels du Québec, which was founded in 1966. They also had four joint plans.



2015

40 Years

At the turn of the 80s, producers merged their joint plans into one single plan: the Quebec milk producers' Joint Plan (1980). A marketing board would administer this joint plan until the Fédération des producteurs de lait du Québec was set up in 1983, as a result of a merger between the two previous federations. Since then, the organization has created collective tools that are necessary for the development of the dairy sector and taken actions to preserve its unique model: supply management and collective marketing.

It has continued to tackle major issues in succession. In Quebec, it had to negotiate the first marketing agreement (1985) and the first transportation agreement (1991) and then work on milk component payments (1992) and on making it possible for all producers to share all markets (1996). In Canada, the eastern provinces (P5) would pool revenue and markets (1995) and all provinces would pool the special classes (1995). All of these provincial and national efforts would ensure greater equity between producers, protect the supply management model and guarantee a favourable environment for the development of Quebec's dairy industry.

As Quebec's dairy sector became more structured, others had a different, less collective and more globalized vision of what Quebec's dairy production should be. Whether they did so for ideological or economic reasons, Quebec producers had to defend their model and raise awareness among both decision-makers and the general public about the importance of collective marketing and supply management. In fact, during the negotiations for the GATT¹ (1989-1993), NAFTA² (1994-1997), the WTO³ (2005-2008), the AIT⁴ (2009), CETA⁵ (2012-2013), the CPTPP⁶ (2015-2016) and CUSMA⁷ (2018), and even in the context of the Quebec Commission on the Future of the Agriculture and Agri-Food Sectors, producers had to form a common front to get their points of view heard, win over allies and obtain compensation for the losses incurred.

Yet, it can be safely stated that all of these innovations, collective tools and battles paved the way for the future. The last forty years have laid solid foundations for the continuous development of the sector and sustained public support. As the issues continue to change, we will need to keep setting the example in the area of animal care and achieve even more in the area of sustainable development. In the coming years, farms and the whole industry will continuously be asked to adapt to consumer choices and markets. Fortunately, Quebec milk producers can rely on four decades of expertise and achievements to guide them toward the future.

1 General Agreement on Tariffs and Trade
 2 North American Free Trade Agreement
 3 World Trade Organization
 4 Agreement on Internal Trade

5 Comprehensive Economic and Trade Agreement
 6 Comprehensive and Progressive Trans-Pacific Partnership
 7 Canada-United States-Mexico Agreement



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In the last forty years, Quebec dairy producers have succeeded in making the most of the advantages of collective action by developing tools that are now considered essential in the dairy sector, both on farms and for all producers.

The sector's general structures, such as the milk marketing agreement and the transportation agreement, provide a normative framework for interactions between industry partners. These agreements have been continuously improved since they were signed, not only based on the needs of the parties, but also in keeping with the changing realities of the sector and markets.



Collective Tools

There are more collective tools available to producers than what these agreements provide. When the Fédération des producteurs de lait du Québec was founded, its members chose to develop the tools that it would need to fulfill its responsibilities. For instance, unique expertise was created in studying and making predictions about markets. To administer the joint plans and agreements, a dedicated team had to be formed to ensure that the sector was organized and operating effectively. In addition, producers chose to create a robust promotional program for their products, which has left a positive impression on generations of Quebecers thanks to its very memorable campaigns.

The same can be said for the external organizations that producers have chosen to acquire or have helped found. By becoming the main shareholder of the Quebec Dairy Herd Analysis Service (DHAS) (1995), the predecessor of Valacta, Les Producteurs de lait du Québec became involved in developing expertise specifically to help dairy enterprises succeed. By founding Novalait (1995) with its processing partners, Les Producteurs de lait du Québec took a real step toward developing knowledge and expertise in production and processing. The solutions uncovered by researchers continue to provide answers to current and future problems. The acquisition of the CIAQ (1999) consolidated the proactive role taken by Les Producteurs de lait du Québec in providing expertise aimed at making dairy herds and farms increasingly more productive.

Finally, producers showed their solidarity by creating the young farmers assistance (1987) and startup assistance (2006) programs. In founding these programs, Quebec producers chose to provide support to those who want to become producers, whether they are continuing a family tradition of dairy production or want to start up a new enterprise. These programs help enterprises remain sustainable across Quebec.

The advantages of these collective tools cannot be overlooked. They are an incredible asset when addressing future problems because they have solid foundations, offer consolidated expertise, and boast a potential that makes many other economic sectors jealous. The challenges ahead will be different than those of the last 40 years, but to overcome them, producers will be able to rely on even more tools, as others are now ready to use or in the works. When looking toward the future, the past efforts and vision of the last four decades of producer cohorts give us an undeniable edge.



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Our supply management and collective marketing model is the only one of its kind on the planet. Many states have adopted organized marketing systems in the past for certain agricultural products, but very few are still in operation today. Quebec and Canada can be proud that they have successfully preserved their supply-managed sectors and protected them from repeated attacks by actors with specific ideological or economic interests.



2018

Major Battles

To preserve a model that works in the interest of the majority and ensures better equity between producers, you have to be ready and willing to mobilize and defend it, and that is exactly what Quebec producers have done many times in their history. Before the free trade movements of the 90s, it was often recognized that food production should be excluded from most trade agreements, according to the concept that economists call “the agricultural exemption,” but this situation would change in time.

Producers were right to be concerned during the discussions about the GATT agreement and took more and more public actions to demand that supply-managed products be exempted from the agreements. In 1992, over 40,000 producers demonstrated in Ottawa for that reason. Unfortunately, the agreements signed by participating countries, including Canada, opened the markets for supply-managed agricultural products. Even though supply-managed products were spared by NAFTA upon its signing, a new round of negotiations at the WTO in Doha in 2001 caused producers to fear that additional concessions would be made.

As the world became increasingly focused on the concept of free markets, the WTO negotiations broke down in 2008. After a few internal political battles to protect collective marketing, especially in the context of the Quebec Commission on the Future of the Agriculture and Agri-Food Sectors, between 2006 and 2008 and during the Agreement on Internal Trade (AIT) in 2009, we moved from the era of large global multilateral agreements to regional bilateral and multilateral agreements. As a result, in quick succession, the Canadian government sacrificed dairy sector market segments in order to conclude agreements with Europe (CETA – 2013) and countries in the Pacific zone (CPTPP – 2016). The Trump administration would force NAFTA to be renegotiated, and supply management was one of the U.S. President’s targets. Canada had to make new concessions when it signed CUSMA (2018), but the model remained intact.

Through their supply management system, the aim of local producers has always been to produce milk that meets the needs of the local market. This system is ideal for sustainable development, because it strikes a better balance between supply and demand and prevents food waste. It also balances producer revenue with the cost of milk. When the government permanently conceded these market segments, it put a damper on the local dairy industry’s growth and quickly realized that this would create losses for producers. That is why compensation programs were announced in 2019 for CETA and the CPTPP, and in 2022 for CUSMA.

Despite these assaults, collective marketing and supply management are still intact in Quebec and Canada. Producers have stood together and shown their strong convictions to maintain this model. Major battles are potentially still looming in the coming years, which is why producers will definitely need to keep showing these strong convictions and their ingenuity as they look toward the future to make sure that they come out victorious.



40 years

The coming years will be just as important for dairy producers as the last forty. Issues and society are evolving. Consumer demands and public concerns are changing in step with a new and modern reality. While general economic issues and globalization were topics that everyone was talking about in the 90s and 2000s, it is clear that future challenges will be of a different kind, especially given the concerns about animal care and sustainable development.



Toward the Future

Fortunately, Les Producteurs de lait du Québec can celebrate its 40th anniversary because it has created tools to ensure that these new challenges will be successfully overcome. Actions are already being taken to prepare the sector for future challenges on the basis of our solid and effective collective marketing system and understanding of market developments. The strategic plan of Les Producteurs de lait du Québec will be a key instrument in the coming years in efforts to effectively and agilely market exceptional quality milk.

The work being done to adopt a sustainable development plan will enable dairy producers to keep showing their initiative and be proactive in meeting society's expectations. By setting an ambitious goal of net-zero carbon emissions by 2050 and taking a structured approach, producers are putting their shoulder to the wheel and becoming part of the solution. Through its actions and vision, Les Producteurs de lait du Québec is rallying partners in the industry to conduct research, transfer knowledge and provide services to farms that bolster this vision.

While the major battles of the last four decades have not prevented concessions from being made in the Canadian dairy market, supply management and collective marketing are still intact. The public and members of parliament, both in Quebec City and Ottawa, still support this model. The legacy of these battles is not only present in the preservation of this model so dear to dairy producers, but also in the general sympathy that consumers have for producers. This is a meaningful asset for future challenges.

Our past gains and current collective tools will not only serve as leverage for dairy producers who want to launch future projects, but also as a means for further reflection and innovation. They make it possible for the organization to develop an ambitious vision of the coming years, whose success will benefit all producers.

This vision will be firmly focused on the future.

