



## RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

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PETITION No.: **421-03349**

BY: **MR. PLAMONDON (BÉCANCOUR-NICOLET-SAUREL)**

DATE: **APRIL 9, 2019**

PRINT NAME OF SIGNATORY: **THE HONOURABLE MARIE-CLAUDE BIBEAU, PC, MP**

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Response by the Minister of Agriculture and Agri-Food

SIGNATURE

Minister or Parliamentary Secretary

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SUBJECT

**International trade**

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**ORIGINAL TEXT**

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**REPLY**

Canada's dairy farmers, their families and their communities can count on the full support of the Government of Canada. We recognize that the supply management system provides producers with the opportunity to receive fair returns on their labour and investments, while consumers benefit from a steady supply of high-quality products.

Supply management sectors are an integral part of Canadian agriculture and important contributors to the Canadian economy. Dairy producers and processors generate jobs in all Canadian provinces. On its own, the dairy sector directly generates approximately 42,000 jobs, including more than 18,000 jobs in Québec. Moreover, milk production and processing activities contribute to several other industries, supporting the local economy and the dynamism of rural communities.

The 10,600 Canadian dairy farms generate \$6.6 billion in total farm cash receipts, which accounts for nearly 11% of total Canadian farm cash receipts. Québec's 5,120 farms account for more than 36% of Canada's farm cash receipts from milk production, which makes it the highest milk producing province in Canada. Québec

accounts for more than one third of Canadian dairy processing activities. With shipments of \$14.3 billion, the dairy sector accounts for nearly 13% of Canadian manufactured agri-food products shipments.

As a trading nation, the Government of Canada must ensure our prosperity now and in the future by continuing to secure market access opportunities for Canadian businesses. The Comprehensive Economic and Trade Agreement (CETA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Canada-United States-Mexico Agreement (CUSMA) are critical instruments in this regard.

In the CUSMA negotiations, the United States sought the elimination of supply management in Canada. Despite this pressure and the provision of incremental market access for certain dairy, poultry and egg products, the Government was successful in preserving the three pillars of Canada's supply management system: production control, pricing mechanisms, and import controls.

To mitigate the impact of these agreements, the Government of Canada has promised to fully and fairly support producers and processors. In order to ensure that the interests of the sector are carefully considered, the Government created working groups comprised of representatives from supply-managed industries. These working groups—two with dairy farmers and processors and one with poultry and egg farmers and processors—are developing strategies to ensure that Canada maintains its robust dairy, poultry and egg industries, now and into the future.

In Budget 2019, the Government of Canada committed up to \$3.9 billion in support for supply managed farmers in response to CETA and CPTPP. The Government will provide up to \$2.15 billion for dairy, poultry and egg farmers to deal with income losses associated with the CETA and CPTPP, in addition to the \$250 million that has already been provided to dairy farmers as a result of CETA. The Government will also set aside up to \$1.5 billion for a Quota Value Guarantee Program that will protect against reduction in quota value if quota is sold. Throughout 2019, the Government will continue to work in partnership with supply management stakeholders to address the impacts on processing, as well as potential future impacts of the CUSMA.

Canada currently requires mandatory country of origin labelling for imported dairy products, which distinguishes them in the marketplace. Domestically produced dairy is not required to indicate that it is Canadian; however, there are voluntary labelling options such as a “100% Canadian milk” statement or the “Product of Canada” claim for products that meet the guidelines. Companies may also voluntarily highlight the origin of ingredients on food labels, as long as it is truthful and not misleading.

The safety of Canadians is always of primary importance for the Government of Canada. Whether domestic or imported, regardless of country of origin, all food sold in Canada must be safe. All food products sold in Canada are subject to provisions of the Food and Drug Act, Safe Food for Canadians Act and associated regulations, including imported dairy products.