

September 08th, 2020

The Right Honourable Justin Trudeau, PC, MP
Prime Minister of Canada
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

RE: Urgent Appeal to Deliver Trade Deal Compensation to Dairy Farmers

Dear Prime Minister,

As you know, dairy farmers are dealing with the massive constriction of their market due to the concessions granted in three successive international trade agreements signed by the federal government: the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Comprehensive Economic and Trade Agreement (CETA), and the Canada-United States-Mexico Agreement (CUSMA).

By 2024, 18% of our domestic dairy production will have been transferred to foreign dairy farmers, who will supply the milk for dairy production imported into Canada. This is the result of commitments that were made under the WTO, in addition to market access granted under CETA, CPTPP and CUSMA. The estimated annual loss to dairy farmers across the country is \$450 million.

For over a year now, you, Deputy Prime Minister Freeland and Agriculture and Agri-Food Minister Bibeau have all repeated that dairy farmers would be compensated. A first payment for CETA and CPTPP was made last year, but since then, there has been little progress as to the level and schedule of compensation for this year and for the following years. Furthermore, there has not been any engagement on compensation for CUSMA, even though it came into force on July 1st this year.

Dairy farmers across Canada understand that the early months of the COVID-19 pandemic required all the attention of the federal government. However, at this stage, we believe that an announcement on what has already been decided would not deter from efforts to address the pandemic.

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We now need your leadership to ensure an announcement on the fair and promised compensation.

The dairy sector plays a vital role in the Canadian economy and compensation is essential to ensuring continued confidence in the sector, particularly as it recovers from the COVID-19 pandemic. Dairy is one of the largest agricultural sectors in Canada and is a key driver of economic activity, particularly in rural communities where it's needed most.

The dairy sector is an important source of employment for a whole array of professions, including veterinarians, machine dealers, truck drivers, mechanics, animal nutritionists, feed producers, and more. The dairy sector supports more than 221,000 full time equivalent jobs, contributes \$19.9 billion per year to Canada's GDP and generates \$3.8 billion per year in tax revenues. Without compensation, farmers may put off or forego capital investments, which has serious ramifications for rural communities across the country.

Fair compensation is also essential to cementing our domestic food security as dairy is a key pillar. Compensation will help maintain a vibrant dairy industry which will ensure that Canadians have continued access to high-quality, nutritious foods produced right here at home. Now more than ever, Canadians demand more self-sufficiency as the pandemic has demonstrated the weakness of a model that relies disproportionately on our traditional trading partner.

Prime Minister, we want to believe in your commitment, but actions speak louder than words.

We ask that you stand up for dairy farmer families by intervening personally to ensure a timely announcement, and after waiting over a year since the announcement by Minister Bibeau, we believe the time is now! Dairy farmers await an announcement on the level and schedule for the remaining seven years of direct payments to producers for CPTPP/CETA.

We also ask that an announcement be made as to the level and timing of compensation to producers, in the form of direct payments, for CUSMA.

Thank you in advance for your cooperation on advancing this issue to ensure a continued vibrant dairy industry in Canada.

Respectfully,



Pierre Lampron
President

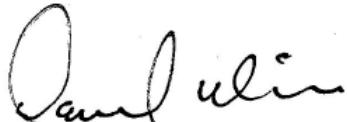
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Daniel Gobeil, Président par interim
LES PRODUCTEURS DE LAIT DU QUÉBEC



Matthew Flaman, Président
SASKMILK

CC: The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance
The Honourable Marie-Claude Bibeau, Minister of Agriculture and Agri-Food