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Dairy Farmers of Canada Seeking to Mitigate Impact of TPP

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Approved By:

Teresa McKeivier

Prepared By:

Darlene Dessureault

Report Highlights:

On February 25, 2016, Dairy Farmers of Canada (DFC) appeared before a parliamentary committee conducting a pre-study of the Trans-Pacific Partnership Agreement (TPP). DFC stated that they gain nothing from the trade agreement and that they expect the current government to implement the compensation package and several import mitigation measures announced by the previous government in October 2015.

Dairy Farmers of Canada Seeking to Mitigate Impact of TPP

The Canadian Parliament has begun pre-study hearings in both the House of Commons and the Senate on the Trans Pacific Partnership (TPP) Agreement. This procedure is done to examine the subject matter more generally and is not a clause by clause examination of a bill. The committees consult with a wide range of stakeholders from various sectors of the Canadian economy on the impact of this agreement on their respective industries. On February 25, 2016, Dairy Farmers of Canada (DFC) appeared before the House of Commons Standing Committee on Agriculture alongside Chicken Farmers of Canada (CFC) to present their view of how the TPP will impact the supply management industries in Canada. Below are a brief summary and the highlights of what was presented by DFC. A hyperlink to the full transcript of the meeting can be found at the end of the report.

In Brief

Based on the testimony presented at the hearing, DFC expects the new government to implement the compensation package and “mitigation measures” announced by the previous government at the conclusion of the TPP. The previous government had promised a C\$4.3 billion compensation package for the supply managed sectors of dairy, poultry and eggs, as well as “anti-circumvention measures” which included (1) excluding supply-management sector products from the Canadian Border Services Agency (CBSA) Duties Relief Program and (2) committing to ensuring that the cheese compositional standards are enforced (dairy sector). The new government is not bound by the promise of the previous government and the promised compensation package and programs for the supply managed sector are under study.

Highlights of the Presentation by Dairy Farmers of Canada

Dairy Farmers of Canada made clear that they would have preferred that no additional access be granted, but they recognized that the (previous) government fought hard against the other countries’ demands and that it lessened the burden by announcing mitigations measures and a compensation package.

Dairy Farmers of Canada calculated the actual access given to be between 3.37% and 3.97% of current milk production, representing a revenue loss of between C\$190 million and C\$250 million. These estimates are higher than the federal government’s estimates of 3.25% of access granted for milk and dairy products in the TPP agreement. DFC’s estimate of the combined impact of the TPP and the CETA trade deals to be a revenue loss in the range of C\$282 million and C\$357 million (annually), which they will not be able to recoup through increased exports.

Dairy Farmers of Canada stated that the five supply managed industries are seeking a commitment by the Canadian Government to the full C\$4.3 billion envelope promised *at a minimum*. They argued that the TPP trade agreement goes with mitigation measures and a compensation package - that was the way it was built and negotiated.

They shared the view of the Chicken Farmers of Canada with regards to the need to remove supply managed products from the Duty Relief Program stating that it has been detrimental for all supply

management commodities, including dairy, and that “it has to go”.

The full transcript of the Parliamentary committee hearing can be found at the following URL:

<http://www.parl.gc.ca/HousePublications/Publication.aspx?Language=e&Mode=1&Parl=42&Ses=1&DocId=8126607>

The programs to support supply management producers and processors throughout the implementation of the TPP and the CETA can be found at the URL address below:

<http://news.gc.ca/web/article-en.do?nid=1017899&tp=1>