



COMMENTARY

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Food for Thought

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Over the past few weeks, Canada's supply management system has been in the spotlight through local and national news reports. Taking a look at what is stimulating this interest in supply management, we can identify at least two recent undertakings which may be generating discussion.

We have heard rumblings recently from the Canadian Restaurant and Foodservices Association, following their inaugural "Summit on Parliament" this past October, about supply management. They have also launched something called the "Free Your Milk" campaign. Many media outlets have covered this organization's initiative but they have left out the details on what supply management means for stakeholders throughout the value chain as products move from the farm gate to the grocery bag.

Recent discussion on supply management may also stem from news surrounding the federal government and the TransPacific Partnership (TPP) negotiations. This month, the Canadian government has formally indicated its desire to join the TPP negotiations. Prime Minister Harper was also very clear that Canada will not pre-negotiate its entry in the TPP, as it relates to agricultural supply management, intellectual property rights or other broad Canadian interests. Also, it is a well known fact that the Canada-European Trade Agreement (CETA) is also down to three outstanding issues—one of which being trade sensitive commodities such as dairy and poultry. Does market access for non-agricultural goods and services warrant throwing our supply management farmers under a bus? This is a question all Canadians need to ask. The answer is Canada has concluded trade deals including the NAFTA, and bilateral with Jordan, Columbia, Peru, Costa Rica, Chile, Israel, EFTA (Switzerland, Norway, Iceland and Liechtenstein) while balancing Canadian interests and it will do the same for CETA and the TPP.

So what is the supply management system all about anyway? Basically, it is a producer funded production system which matches supply with what consumers need and want. This system assures all Canadians have access to a stable supply of high quality, safe and nutritious dairy, poultry and egg products at reasonable prices; while the farmers who produce these products receive enough revenue from the marketplace to cover their cost of production. While this provides stability to producer prices, it also prevents prices from falling off and wiping out family farms in down cycles. For example, Canadians—from farmers to consumers—have not had to deal with wild fluctuations observed in world dairy markets in recent years. The federal and provincial governments spend billions of dollars helping farmers survive market downturns through business risk management programming, but supply management farms do not require this assistance. So the taxpayer wins as well. Supply management allows farmers to make a living from the marketplace in Canada. The government has no desire to see our farmers have to compete against the treasuries of other countries.

At Keystone Agricultural Producers we believe all farmers want to find profitability from the marketplace, not through handouts from the taxpayer. Our efforts on every front are driven by

this goal and supply management is a good example of this objective being met. What the detractors fail to tell the public is that a typical menu price for a glass of milk is \$2.25 of which the farmer's share is 21 cents, the processors share is 11 cents, and the restaurants share a whopping \$1.93 plus a 34 cent tip. So who is really getting milked here? Another example is a medium three topping pizza that sells for \$15.29 in a restaurant and returns only 67 cents to farmers for the cheese. This is less than the tip a patron may pay the server.

I think farmers deserve to make a fair return in exchange for producing safe and abundant supplies of great tasting, nutritious food. So let's all stand up and support this made-in-Canada solution called supply management, and continue to enjoy the many culinary delights possible with the ingredients provided by family farmers in Manitoba and Canada. Supply management has not stood in the way of Canada's ability to successfully negotiate trade agreements in the past and it is unlikely to do so in the future. As the voice of Manitoba farmers, KAP fully supports supply management for the benefit of both consumers and farm families.

Keystone Agricultural Producers is Manitoba's largest general farm policy organization, representing over 7,000 farm families and 22 commodity groups throughout the province. Our strength is our democratic structure, and our mission is to represent and promote the interests of the province's farm families.