

Press release
For immediate release

Trans-Pacific Partnership (TPP) negotiations

Quebec's agri-food industry unites: Prime Minister Harper must keep supply management fully intact

Montreal, May 25, 2015 – During a press briefing, Pierre Paradis, Minister of Agriculture, Fisheries and Food, Marcel Groleau, President of the UPA and spokesperson of the *Coalition for a Fair Farming Model, Supply Management*, Denis Richard, President of La Coop fédérée, and Serge Riendeau, President of Agropur Cooperative, along with key players in Quebec's agri-food industry, asked Stephen Harper, Prime Minister of Canada, to keep supply management fully intact in the current Trans-Pacific Partnership negotiations.

“Supply management is the fairest system for producers, processors and consumers. We cannot afford to abandon it. To defend it properly, agricultural producers and the Quebec government are not the only ones that need to rally behind it, the Canadian government needs to be convinced that it is also in its interest. To fight this constant battle, we must pool our efforts,” stated Minister Pierre Paradis.

“The eleventh-hour concessions that granted 17,700 tonnes of additional access to European cheese as part of the Canada – European Union agreement have made us extremely wary. This week, the chief negotiators of the 12 participating countries in the TPP talks finish 14 days of intense negotiations. This is their fourth meeting since the beginning of 2015. We are nearing the point where political leaders will step in to finalize the agreement. Mr. Harper must resist the pressure and say no to new concessions in the sectors under supply management” stated Marcel Groleau, President of the UPA and spokesperson of the Coalition GO5.

“Supply management is a really good deal for both the Quebec and the Canadian economy. It is a decisive factor in the stability of the Canadian agri-food sector. New access concessions for our markets would have an extremely negative impact on Quebec's economy and finances. The stability assured by the supply management system benefits all agri-food industry

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stakeholders. Thousands of jobs and several hundred millions of dollars in economic benefits are at stake for production, processing and suppliers of goods and services,” added Denis Richard, President of La Coop fédérée.

For Serge Riendeau, President of Agropur cooperative, **“Supply management is an outstanding tool that allows processing companies like Agropur to invest and grow in a predictable business environment. We want this model to remain intact. It is bad enough that the concessions granted under the Canada-Europe agreement already undermine our sector, but dairy production in Europe is also largely subsidized. If the government conceded new market shares to foreign imports, this would reduce our economic activities even more in Canada and significantly harm our company and the some 3,500 members of Agropur, all Quebec and Canadian producers, local communities and the jobs generated by our industry.”**

Although the federal government has repeatedly vowed to defend supply management in all trade negotiations, milk, egg and poultry producers, as well as their partners, are very concerned that it is about to make new concessions that would cause the system to be dismantled. Our concern has only grown since March, when Prime Minister Harper referred to the ongoing TPP negotiations by saying **“We have difficult choices.”**

The pressure is mounting on Canada to open up its markets under supply management, and the United States is the main source of it. Mr. Groleau calls these demands unfounded because the U.S. is already the main exporter of dairy and poultry products to Canada. Since NAFTA came into force in 1994, total American dairy product exports to Canada have risen 408% in tonnage, reaching 153,763 tonnes in 2014, and are valued at nearly \$400 million. These U.S. products account for 78% of all imported dairy products in Canada. At the same time, the total value of imported U.S. poultry products in Canada comes to \$717 million. Not to mention U.S. egg imports in the Canadian market, which account for 30% of the total eggs exported by the U.S. in the world, they are valued at nearly \$100 million. When it comes to hatching eggs, the United States holds 20% of our market, worth \$44 million.

We import **8% to 10%** of our dairy and poultry products. However, the United States imports less than **3%** of its dairy products thanks to tariff quotas and domestic support measures that limit access to its market.

Canada already has free trade agreements in force with four of the 12 countries in the TPP negotiations: the United States, Mexico, Peru and Chili. It is also currently in negotiations with Japan, the largest economy in the zone after the United States. The Fraser Institute has estimated the potential TPP gains for Canada at a maximum of 0.5% of total GDP, i.e. around \$9 billion. **“We are not against the TPP. We are for a TPP that keeps supply management fully intact and does not make any market access concessions. The dairy and poultry sectors in Quebec alone bring in nearly \$8.2 billion every year for the GDP, generate 92,000 jobs and contribute \$1.38 billion in tax receipts to government treasuries. In Canada, they contribute over \$30 billion to GDP and generate more than 300,000 quality jobs. It is in Canada’s interest to protect this substantial contribution to its economy,”** concluded Marcel Groleau.

Mr. Paradis, Mr. Groleau, Mr. Richard and Mr. Riendeau were accompanied by the representatives of major organizations in Quebec’s agri-food industry and their partners in the financial sector, which include the Association des couvoiriers du Québec inc, the Association québécoise des industries de nutrition animale et céréalière (AQINAC), the Bank of Montreal (BMO), the National Bank, the Conseil de la transformation alimentaire du Québec (CTAQ), the Conseil des industriels laitiers du



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Québec (CILQ), Desjardins Entreprises, the Éleveurs de volailles du Québec, the Fédération des producteurs d'œufs du Québec, Ferme Burnbrae, Nutreco, Nutri-Group, Les Producteurs de lait du Québec, the Syndicat des producteurs d'œufs du Québec and TD Canada Trust.

The Coalition GO5 is today launching an advertising and poster campaign with the theme **strong and united for supply management**. For more information about the campaign, visit the campaign Web site at WWW.FORTSETUNIS.CA

About the Coalition GO5

Coalition GO5 is an alliance formed by the many people and organizations that believe in strong agriculture and a prosperous food sector in Quebec. Its goal is to keep supply management fully intact by the end of the various national and international trade negotiations. The supply management system provides Quebecers with high-quality local egg, poultry and dairy products and farmers with a fair income from the market, without subsidies.

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