January 29, 2018

Please find below Dairy Farmers of Ontario’s response to US claims about Canadian dairy trade. We would appreciate your consideration of publishing this response.

CLAIM: A US agricultural stakeholder group argued it’s "not unreasonable" that the US would ask for access to Canada’s dairy market as part of a revised NAFTA. ([https://www.ctvnews.ca/mobile/politics/american-farmers-in-favour-of-free-trade-push-for-nafta-deal-in-montreal-1.3777313#_gus&_gucid=&_gup=twitter&_gsc=S5oOZVd](https://www.ctvnews.ca/mobile/politics/american-farmers-in-favour-of-free-trade-push-for-nafta-deal-in-montreal-1.3777313#_gus&_gucid=&_gup=twitter&_gsc=S5oOZVd))

FACT: As the Canadian government has pointed out both correctly and consistently, the US demand is indeed unreasonable, including by the very measure – trade deficit – used by President Trump and US Trade Representative Lighthizer to judge the unreasonableness of the US’s trade relationships: the US benefits from a 5:1 dairy trade surplus with Canada. Furthermore, under our international trade commitments, Canada already takes in more than three times more imports into our market (over 10%) than the US does in theirs (approximately 3%).

FACT: Many American agricultural stakeholders oppose the dairy-related demands being made by US negotiators and are calling for the adoption of supply management in the US, as the Canadian system’s merits are obviously relative to the US industry’s model:

- Darin Von Ruden, Wisconsin Farmers’ Union (WFU) President and a 3rd generation dairy farmer from ‘America’s Dairyland’ (Cell: 1.608.852.4272, dvonruden@wisconsinfarmersunion.com, bio: [https://www.wisconsinfarmersunion.com/board-staff](https://www.wisconsinfarmersunion.com/board-staff)) has made the following comments:
  - "The current situation we are in isn’t good for anybody. We need a dairy supply management program to make sure we can keep as many family farmers on the land as possible". [https://www.jsonline.com/story/money/business/2017/08/03/agriculture-secretary-sonny-perdue-kicks-off-tour-upper-midwest/535837001/](https://www.jsonline.com/story/money/business/2017/08/03/agriculture-secretary-sonny-perdue-kicks-off-tour-upper-midwest/535837001/)
  - "For some in the 'blame Canada crowd', overproduction is still seen as a temporary problem that will somehow solve itself. But for a growing number of farmers and processors, this experience has opened their eyes to the need for a long-term program that better meets demand without oversupply, reduces price volatility and pays farmers a fair price for their milk." [http://host.madison.com/ct/opinion/column/darin-von-ruden-time-for-dairy-farmers-to-take-the/article_ea904a1d-6879-54f8-a0ad-e5a1d956c769.html](http://host.madison.com/ct/opinion/column/darin-von-ruden-time-for-dairy-farmers-to-take-the/article_ea904a1d-6879-54f8-a0ad-e5a1d956c769.html)
  - In January 2017, WFU adopted the following formal advocacy positions (italics added):
    - “Wisconsin Farmers Union urges dairy cooperatives to implement internal **oversupply management systems** that apply proportionally to all members to harmonize their supply of milk with their processing capacity. **WFU encourages farmers who are members of cooperatives to advocate within their coops for supply management**, in order to avoid costly dumping of milk due to oversupply.” (see p. 4 of WFU’s 2017 Policy book, link below)
“We support a federally oriented supply management system, which would reduce costly over-production, ensure adequate income for farm families and provide the public with sufficient supplies of safe and nutritious food.” (see p. 12 of WFU’s 2017 Policy book, link below)


  - “The American dairy industry is split on the question of Canada’s supply-management system ... A vocal contingent of American farmers actually supports the Canadian system of price-and-import controls and wants their national negotiators to leave the Canadian system alone instead of fighting it ... They don’t want to eliminate Canada’s system. They want to emulate it.” http://nationalpost.com/pmn/news-pmn/canada-news-pmn/american-dairy-divided-some-want-canadas-supply-management-left-alone-in-nafta

We thank you very much for considering this response as we believe it’s important that Canadians and your audience understand the true facts.

Sincerely,

Graham Lloyd