Stable Ontario dairy market despite economic downturn

MISSISSAUGA — The stability of Canada’s dairy system during the worldwide economic downturn, unprecedented strength in the Canadian position in trade negotiations and the need for consumers to make sure they are buying real dairy products when shopping for chocolate milk and ice cream were among the highlights for dairy farmers in the last year, says Bill Emmott, chair of Dairy Farmers of Ontario (DFO).

In his address to the more than 600 people attending DFO’s 44th annual meeting, Emmott discussed these issues and a number of others the industry had faced during 2009.

“We have just weathered one of the greatest economic downturns in our lifetime; yet, our dairy market has retreated by only one per cent. The Stock Market would be jealous,” Emmott said. “Ask a pork or beef producer about the prices they are receiving for their products in today’s marketplace. We don’t need to limit our discussion to just livestock. Consider the lack of profitability for fruits, vegetables, grains and oilseeds.”

The extreme volatility hurts farmers, does not benefit consumer prices and requires government bail-out money for agriculture. All these problems are prevented by the stability of Canada’s dairy supply management system, Emmott said. “Various studies, from New Zealand, Europe, Australia and the U.S., describe how the volatility of the boom-bust cycles will continue to ravage the dairy industry worldwide, except in a few countries – Canada being one.”

Emmott praised the federal government for further strengthening Canada’s position in international trade talks during 2009. “In October 2009, Federal Trade Minister Stockwell Day said the federal government would refuse to sign a world trade deal if it undermined Canadian farm marketing systems,” Emmott said. “This is a clear, unequivocal and unprecedented position.”

Government recognizes supply management works for consumers as well as farmers but this is a fact some media and special interest groups continue to ignore on grounds of ideology or self-interest. “Canada’s retail prices for milk products compare very favourably to consumer prices around the world, Emmott said. “Our consumers get the best milk products at very good values. The principle difference in Canada is that more of the consumer dollar goes to the farmer completely eliminating the need for government subsidies.”

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“We will likely need to continue to correct people who worship at the false altars to free trade while they blindly ignore the overwhelming evidence that most others, including government, fortunately understand very well - Supply Management Works!” Emmott added.

Farmers also need to work on making sure consumers read product labels carefully when they buy ice cream and, more recently, chocolate milk, Emmott said. “We have endeavoured to make consumers aware of Real Ice Cream and how it differs from frozen dessert,” he said. “Recently jumping onto this stage are dairy beverages and drinks, instead of chocolate milk.”

“Consumers choose chocolate milk as a quality product that is 90 per cent or more milk,” Emmott said. The milk content of most chocolate drinks and beverages is considerably less than this and can be as low as 51 per cent. These drinks contain other ingredients such as modified milk ingredients and/or whey products and that means they are not real chocolate milk.

“Our vigil for real food – real milk – will continue,” Emmott added. “Consumers need to make sure they are not fooled.”

Emmott concluded the coming year would see more positive developments for the largest sector of Ontario agriculture. “We, as Ontario dairy producers, working with our processing partners and with our provincial partners across Canada, will continue to mould and shape the future of the dairy industry - one drop of 100% Canadian Milk at a time.”

For more information or a copy of the Annual Report, check www.milk.org or please contact:
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Dairy Farmers of Ontario is the marketing group for all dairy farmers in Ontario and is totally financed by them.