



October 29, 2018

Via: email

Senator A. Raynell Andreychuk

Chair

Standing Committee on Foreign Affairs and International Trade of the Senate of Canada

Senate of Canada

Ottawa, Ontario

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Dear Senator Andreychuk,

I am writing on behalf of the Dairy Farmers of Canada (DFC) to provide input to the Senate Standing Committee on Foreign Affairs and International Trade's consideration of [Bill C-79, Comprehensive and Progressive Agreement for Trans-Pacific Partnership Implementation Act](#).

As formal discussions between DFC and the Government of Canada on a strategy to address the impact of the CPTPP have not yet taken place, it is difficult for us to share with the Committee specific comments on the implementation of Bill C-79. Furthermore, the recently announced agreement in principle between the United States, Canada and Mexico - the USMCA - once finalized, is likely to be included in a broader discussion on mitigation of the cumulative impacts of recent trade deals. Given that we still await a final text of the agreement from the Canadian government, the estimated impacts of the USMCA on the dairy sector are still subject to change.

Nonetheless, we are eager to share with you our preliminary assessment of the USMCA, which will greatly impact the Canadian dairy sector in several ways. The concessions granted in the USMCA are much greater than those offered in both CPTPP and CETA. However, the impacts of the USMCA must not be assessed individually – they come in tandem with the impacts of the concessions granted in both the CPTPP and CETA. The additional imports granted by each of these deals will be entering into the Canadian market over the same time period.

Solely from a market access perspective, once CETA, CPTPP and USMCA are fully implemented (by 2024), DFC estimates that imports of milk and dairy products will amount to 18% of Canada's total milk solids. This represents more than \$1.3 billion in farm gate milk sales that will no longer be produced by Canadian dairy farmers and will have a significant impact on the Canadian dairy market.

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The full impact of the USMCA is not limited to the market access granted to the US. Provisions seeking the elimination of class 7 and provisions limiting Canada's ability to export milk products on the world market, not just the US market, clearly represent a major infringement on Canada's sovereignty. The USMCA therefore goes much further than previous trade deals.

Thank you for the opportunity to provide input. We look forward to continuing discussions with your Committee on ensuring that producers face no negative impact as a result of recently signed trade agreements and also on the strategy to ensure the place of dairy in the economy of the future for Canada.

Regards,

Pierre Lampron  
President

cc: Stéphane Doré, Procedural Clerk