

Teach our bovines to roar
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Dairy farmers have a lot to be proud of. Through democratic process and unified purpose, Canada's dairy farmers have constructed and maintained a production and marketing system that is the envy of farmers around the world. Maybe it's time we began tooting our own horn on the international stage

Unlike some other policy measures intended to stabilize and insulate farmers from negative market influences, supply management in the dairy industry has stood the test of time.

In charge of their own safety nets, dairy farmers are not beholden to politicians and their minions to protect them from the economic bumps and grinds of crops, markets and politics. Instead of government subsidies, they rely on the market for their returns. With approximately 50 cents of every retail dollar going to the farmer, this has resulted in higher and more consistent returns to Canadian producers and more stable and equitable prices to Canadian consumers.

In contrast, US dairy farmers receive billions in market assistance from Washington and still American consumers pay higher retail prices.

(As study after study demonstrates, fluid milk, butter, cheddar and processed cheese costs 20 to 30 percent less in Canada than in the U.S. And the gap is widening: while American prices shot up by 33 percent over the last 5 years; Canadian prices rose by only 10 percent.)

Unlike farmers in some sectors, dairy farmers are still independent decision-makers. And it is precisely such good, locally-based decision-making that sustains families and their communities.

Although Ottawa's failure to defend the WTO/NAFTA trade rights of Canada's ranchers in the face of Washington's 2 year embargo against Canadian beef and cattle has hurt Canada's dairy farmers, their bankers and creditors are not eyeing their farms because of it.

Canadian farmers are respected worldwide for their expertise, strong production levels, environmentally sustainable practices and excellent genetics. Today, Canada supplies 20 percent of the world market for dairy breeding cattle, embryos and semen.

Despite this, clouds gather on the horizon.

Ottawa's failure to go before the WTO to cap escalating imports of cheap, "butteroil blends" has meant the loss of 50 percent of our domestic ice cream market for butterfat.

Like other sectors of our farm economy, economic concentration in Canada's dairy processing is staggering. Transnational players Saputo and Parmalat together control 80 percent of the

processing capacity in Canada. And if it weren't for supply management, they would control 80 percent of our dairy farmers as well.

Retired senior trade negotiator and neo-conservative wunderkind Michel Hart - author of the CD Howe's painfully ignorant Great Wine, Better Cheese: How Canada Can Escape the Trap of Agricultural Supply Management — has for no good reason been elevated to Oracle status by Canada's media, who only a few weeks ago trumpeted Hart's demands to adopt Australia's deregulated dairy model.

It doesn't take much to shoot holes in that one: deregulation has been disastrous for Australian farmers, resulting in lower milk production, lower producer prices, big government subsidies and ultimately higher retail prices. As processors grab the margins, farmers grab the auction check. A solution for transnational shareholders perhaps, but not for sustainable communities. Yet people like Michael Hart, a Simon Riesman crony and former FTA negotiator, continue to get more ink than scrutiny by rookie reporters with 10 deadlines and no beat.

Canada's dairy farmers have a lot to be proud of. Next issue: Steps Canadian dairy farmers are taking on the domestic and international stage to build bridges of cooperation and empowerment for the global village. And how you can become part of it.

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