



Submission to the House of Commons
Standing Committee on International Trade
*Bill C-216, An Act to amend the Department of Foreign Affairs, Trade and
Development Act (supply management)*

Submitted by
Turkey Farmers of Canada (TFC)

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Background on Turkey Farmers of Canada

Turkey Farmers of Canada (TFC) was created by proclamation of the Canadian Parliament under the federal *Farm Products Agencies Act (FPAA)* in 1974, as the Canadian Turkey Marketing Agency (CTMA).

A primary responsibility of TFC is to ensure our farmers produce the right amount of turkey to meet consumer needs while obtaining a fair return on their labour and investment, through the national system of supply management. TFC works with farmers, processors and further processors to determine anticipated market requirements and it is the responsibility of TFC to set production levels accordingly, in accordance with the *Farm Products Agencies Act (FPAA)* and the *Federal-Provincial Agreement for the Marketing of Turkey in Canada (FPA)*. In that capacity, TFC represents the interests of Canadian turkey farmers and of the sector generally, in collaboration with downstream stakeholders.

TFC represents over 520 farmers across the country in our eight-member provinces, from Nova Scotia to British Columbia, the turkey industry generates \$4.0 billion in economic activity annually and supports over 16,000 jobs across rural and urban centres. The turkey industry also contributes over \$1.2 billion to Canada's Gross Domestic Product (GDP), and generates approximately \$400 million in annual farm sales.

Introduction and TFC support for Bill C-216

TFC appreciates the opportunity to provide input to the House of Commons Standing Committee on International Trade for the study on Bill C-216, *An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)*.

Trade agreements are an important part of ensuring that Canada's export-oriented agriculture sector thrives. TFC does not oppose Canada negotiating and entering into trade negotiations that ultimately support Canadian agriculture in rules-based agreements. We are concerned about trading off one sector of Canadian agriculture for another sector to advance market access gains. Previous trade agreements have been negotiated at the expense of farmers within the domestic system of supply management and further access must not be given to our, or other, sectors where supply management is the domestic policy of choice. For this reason, TFC supports Bill C-216, as this initiative would help strengthen and sustain our system of supply management.

Importance of Supply Management

Turkey farmers are proud to provide nutritious protein for Canadian consumers produced with high animal welfare and food safety standards. Supply management is a unique approach to agricultural production that benefits consumers, governments, and farmers. Supply management focuses on planning production, so the industry is able to prevent surpluses or shortages in the market.

Under supply management, turkey farmers work together to match what they grow with what consumers need and want. Even during the pandemic, the Canadian system of supply management allowed TFC to respond to the difficulties within the supply chain caused by COVID-19, by adjusting production to meet the needs of Canadian consumers. Supply management ensures communication between producers, provincial boards, processors, and governments. This pandemic has shown that this system can even respond to the extraordinary challenges brought on by COVID-19.

Supply managed farmers in Canada focus on our domestic market, matching supply with demand, so farm-gate prices remain relatively stable and farmers are in a better position to cover their costs of production and plan for the future. However, increases in market access through trade agreements and reductions in over quota tariffs imposes a direct cost on Canadian turkey farms, farmers and their families.

The stability provided by supply management allows turkey farmers to earn fair returns from the marketplace. As a result, Canadian turkey farmers can reinvest in their farms, upgrade their operations and support communities across Canada. Turkey farmers support their local communities in many ways, such as purchasing feed, equipment and other goods within their communities, hiring employees and utilizing local veterinarians on farm.

Impact of Trade Agreements on the Turkey Sector

TFC would like to reiterate that we are not opposed to the federal government negotiating and entering into trade negotiations and implementing rules-based agreements that support Canadian agriculture. Concessions to increase market access and/or reduce over quota tariffs should no longer be used as leverage to finalize agreements. It equates to a trade-off between Canadian farmers. It provides a too

easy demand of trade partners' negotiators. Detractors of this Bill may suggest that Bill C-216 would take a bargaining tool away from Canadian trade negotiators, but this is a hollow argument, given the breadth and scope of Canadian agriculture and the economy in general.

The concession granted to our domestic market in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Canada-United States-Mexico Agreement (CUSMA) demonstrate the harm granting access to our sector in trade agreements can have.

The CPTPP agreement will provide a 71% increase in import access to the Canadian turkey market, relative to current WTO minimum market access commitment. This will displace any natural growth in the domestic market and, therefore, Canadian turkey production for the next 10 years. That loss in production is permanent. This will result in an additional 3,500 metric tons of imports by year six of the agreement (by the 2023/2024 marketing year) and 4,000 metric tons of turkey products by year 19 of the agreement. This represents an annual loss in Canadian domestic production of 4.5%.

When CPTPP and CUSMA impacts are combined, it is estimated that in total the two agreements will increase import access to the Canadian turkey market by almost double (89.2%) (i.e., 71% under CPTPP and 18% under CUSMA).

The concessions made, come at a substantial cost for our farmers and rural Canada, estimated at:

- a national annual farm output loss of close to 6.0% (i.e., 4.5% under CPTPP and 1.0% under the new CUSMA) when fully implemented; and
- in six (6) years from now, lost production on an annual basis of approximately 8.6 million kilograms (Mkg) eviscerated whole bird equivalent (CPTPP = 6.7 Mkg and CUSMA = 1.9 Mkg) or 10.5 Mkg of live production.

To Conclude

TFC again appreciates the opportunity to provide input to the House of Commons Standing Committee on International Trade for the study on Bill C-216, *An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)*. Turkey farmers are committed to continuing to provide Canadian consumers with access to a reliable supply of safe, high quality Canadian turkey

products at reasonable prices, year-round. TFC asks that committee members consider this Bill, as it will put legislation in place to support supply managed farmers by preventing future access to be granted to our domestic sector.