THE FUTURE OF SUPPLY MANAGEMENT

Dr. Sylvain Charlebois

Supply Management Fallacies
1. Our dairy sector is inefficient (var.)
2. Milk prices (retail) will drop when Supply Management ends
3. Our Dairy industry is different from other economic sectors
4. If Australia and New Zealand can do it, we can


Global Trades Tripled in a Decade

But this is our Global Reality...

World Milk Consumption by 2020

Free Trade Fallacies
1. Agreements give more access, not total access
2. All countries have “ag sensitivities”
3. Canada is a small player
4. Desired outcome is not abolition but reform
1. Canadian Fascination: Risk Management and/or Marketing Boards
2. Concentration of Economic Power
3. Roadblock for Domestic Growth
4. Food-Insecure Households
5. Decrease in Domestic Consumption
6. Little Transparency


1. Change Pricing Formulas: Set Farmgate prices based on average costs of 25% most efficient Farmers, incentive to innovate
2. Create different class of quota, for new producers with new ideas
3. Reduce tariffs over 20 years

Concerns about Current Regime
1. Price of Quotas (+93% since 1998);
2. Number of Farms (-48% in since 1998);
3. Case for Rural Economic Development is weak;
4. New Supply Chain CEO: The Consumer

EU and TPP Deals
1. Strategic obscurity
2. Dairy proteins
3. Food security and safety
4. Recent European experience

Economic Power is Shifting

North America 2.4%
West Europe 1.7%
East Europe 3.8%
Asia Pacific 6.5%
LATAM 4.3%
MEA 3.5%

Average annual GDP growth rates in emerging markets from 2017 to 2020 is 50% higher than developed markets

Our Global Reality