

# Supply management key to Canadian food security

Maybe it was wishful thinking, but critics recently jumped the gun when they reported that the Harper government was prepared to bargain away supply managed sectors of the agricultural economy in the TransPacific trade talks.

Ottawa has since corrected the record and even put in a good word for the status quo. Canada has successfully negotiated trade deals while maintaining protections for dairy, egg and poultry producers. It will continue to do so in the future.

The government is confident of this because food security is a priority for every developed nation.

No developed nation subjects its food supply to the vagaries of the open market because everyone has some form of support in place for their farmers. Canada's approach involves remitting a share of wholesale prices directly to producers. This is more efficient and transparent than paying backdoor subsidies courtesy of the taxpayer.

We should take it with a grain of salt when organizations such as the Canadian Restaurant and Food Services Association claim consumers will enjoy lower prices if supply management is dismantled.

It is more likely that the share of food

costs currently going to farmers would instead wind up in the tills of its members.

Consumers have long complained that they pay 20% to 30% more in Canada for identical products in the United States.

Retailers reply that it has to be this way due to structural differences in the Canadian market. If so, why should anyone believe it would be different with food?

In any event, a litre of 2% milk in Ontario costs, on average, \$1.36. Of this, 81 cents goes to the guy with the cow. Is that unreasonable?

We often hear about the near-monopoly supply managed farmers have on their output. But we rarely hear about the near-monopolistic environment into which they sell. Three large processors serve the eastern half of Canada: Saputo, Parmalat and Agropur. If supply management were reformed, a level playing field would require the breakup of these conglomerates.

We must also consider that foreign farmers use pesticides on feed and administer drugs that are forbidden in Canada. The decades ahead will provide clues as to whose policies protect public health and whose are slowly poisoning their people. You lose control of that when you open your food supply to all comers.

— Monte Sonnenberg