



February 18, 2019



Thank you to Everyone Who Participated in Our Meetings and Visited Us at the Farm Show Last Week!



Thank you to everyone who participated in our meetings last week starting in Elk Grove and ending in Tulare at the World Ag Expo. Our guest speaker was Dairy Farmers of Ontario Chair Ralph Dietrich,

a dairy farmer from Mildmay, Ontario who along with his wife Jane spoke to dairy producers about the Canadian supply management system and how it ensures a fair milk price. **The Canadian dairy supply management system maintains stable milk prices paid to dairy producers that average more than \$26 per cwt today.**

California Dairy Campaign invited all California dairy producers to participate in the meetings to discuss the supply management system in Canada and how that program can serve as a model to improve milk prices paid to California dairy producers. Dietrich explained how dairy farmers in Canada work together to support the Canadian dairy system to ensure a fair milk price to dairy producers throughout Canada.

**The three fundamental components of the Canadian system:**

- **fair milk prices**
- **inventory management**
- **effective dairy trade policy**

**Key details About the Canadian System Dietrich outlined:**

- Canadian dairy producers (*not the government*) decide how to match milk production with market demand and establish fair milk prices;
- Milk prices paid to Canadian dairy producers are based on the cost of production and the consumer prices index;
- Milk prices paid to Canadian dairy farmers average \$26 per cwt;
- Consumer prices in Canada are comparable to U.S. consumer prices for dairy products;
- The Canadian dairy system is no cost to the Canadian government;
- Dairy producers in Canada are able to increase their milk production based on increased demand in the market;
- The Canadian dairy system is under intense pressure from other countries, but Canadian dairy farmers work together to defend their system that enables dairy farms in Canada to prosper.

**The entire presentation can be found on our web site:  
[Canadian Dairy System](#)**

Dietrich has traveled to Wisconsin, Michigan the Northeast and other U.S. dairy states and regions to speak about Canada's dairy system and how it maintains long-term dairy farmer profitability to foster a viable dairy sector. He explained that excess milk production in Wisconsin, Michigan and New York is equal to the amount of milk production in the Ontario Province. That excess milk production lowers the U.S. milk price, while in Canada any additional milk production is matched with market demand to ensure fair milk prices paid to dairy farmers.

**Thank You for Visiting Our Booth at the Farm Show**



During the farm show this week we had a great opportunity to meet with dairy producers one-on-one to discuss the solutions that California Dairy Campaign is putting forward to improve US milk prices. We thank everyone who stopped by our booth to meet with us about a range of issues including the importance of inventory management to improve milk prices.

Based on the fundamentals of the Canadian dairy supply management system, California Dairy Campaign is proposing a [\*\*Sustainable Milk Inventory System Act \(SMISA\)\*\*](#) a three-point plan to foster a strong and sustainable dairy system in the United States that includes: supply management; fair milk prices paid to dairy farmers: and effective dairy trade policy. CDC welcomes input on the plan from all California dairy producers.

**For More Information  
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