



UPDATE ON UNITED STATES-MEXICO-CANADA AGREEMENT (USMCA)

October 5, 2018

What we know

DFC has been working hard to analyse the potential impact of the agreement on farmers and the industry. The federal government has not yet provided official text and details regarding the USMCA. Other than the text released by the US on the USTR site on October 1ST, there is still no official text official text and details regarding the USMCA. Furthermore, some parts of the text are still being negotiated. In this context, it remains challenging for DFC to confirm details that were published on Oct. 1, 2018 about the new agreement. We are therefore still gathering information to assess the impact.

We understand that some parts of the text are still being negotiated, we want to be prudent in our assumptions and analysis. We continue to assess the impact of this deal with provincial staff as information is shared with us.

What we are doing

1. Focus on government understanding the impact of this deal:

Since the announcement, DFC has met with various important politicians of all stripes, political staff and federal government civil servants to ensure they understand the significance of this trade deal for farmers and the dairy sector as a whole. We want to ensure they understand the level of concern and disappointment so they understand the need for government action.

This past week, DFC has:

- Briefed key policy staffers in Opposition parties. Among the key MPs we met, Opposition Leader Andrew Scheer, ministers, senators, and Prime Minister Justin Trudeau;
- Taken a firm tone with the federal government, releasing five statements and press releases and videos to media in three days. We have conducted media interviews and have been active on social media. These activities has been picked up by media and noted by government;
- Encouraged farmers, through our social media platforms and provincial organizations, to tell the government and MPs how they feel. A Q&A and 'spin vs fact' document was developed and circulated to help farmers communicate the seriousness of the situation;
- Maintained relations with industry stakeholders to align our lobby efforts.

DFC continues to work closely with provincial dairy farmer organizations to strategize ways to hold the government accountable to its commitment to the dairy industry and insist the government communicate its vision for the future of the dairy industry as an economic engine in Canada.

2. Cultivate public support for Canadian Farmers and Canadian Dairy

There is a lot of support for Canadian dairy farmers and consumers want to know how to make sure they buy Canadian milk and dairy products. DFC and the provincial organizations have been busy with outreach to media, consumers and stakeholders as well to help them identify Canadian dairy products in stores.

You will find attached two documents related to this: a consumer Frequently Asked Questions (FAQs) document and infographic (how do I know the dairy product I buy is Canadian?). These are being shared by all farmer organizations – and many of you. We know several farmers have taken on various initiatives to share information to consumers about the logo or labelling of imported products. Thank you and please feel free to continue to share widely. DFC will turn up the volume on this as well.

3. Ongoing Communications with farmers

DFC and the provincial organisations appreciate and understand that farmers and families are very concerned about their future and the future of their farms. Until we have confirmation from the government about a number of details that are not exact, we will continue to stress the highlights below. We will also continue to share communication tools with you, including media statements, video declarations, comments from meetings and the overview of analysis on the DairyExpress+ app¹.

What's next

Your dairy organisations will continue to assess the impact of the agreement to our markets, and work with stakeholders to:

- Mitigate losses as best as possible;
- Share relevant information as it becomes available on the app, social media and via the provincial marketing boards;
- Produce a tool-kit for producers to help you advocate for your industry;
- Foster broad support in Canada for Canadian dairy farmers; and
- Ensure the federal government articulates its vision for the future of the dairy industry as an economic engine in our country.

We fully expect the Liberal government MPs will be reaching out to dairy farmers with a 'charm exercise'. We want farmers to be equipped to continue to tell the government how they feel let down that actions have not followed their words. Please see attached FAQs and 'spin vs fact' to help you handle a conversation with Liberal MPs and ensure they understand the seriousness of the situation.

¹ If you don't have it yet, please download 'DairyExpress+' from the iStore or the play store. Note that there is an approval process in place to ensure only licensed dairy farmers download the app.