



## Ontario Dairy Council 2020 Pre-Budget Submission

### WHO WE ARE

Ontario Dairy Council (ODC) is the voice for the dairy processing industry in Ontario. This growing industry proudly and consistently provides high quality, nutritious and delicious milk and milk products locally, nationally, and even around the globe. Collectively, ODC members contribute \$6 billion annually to Ontario's economy, employ approximately 8,000 people, and process 98% of the 3 Billion litres of fresh milk produced on Ontario farms. The impact of the dairy processing sector in Ontario is indeed significant our provincial consumers and economy.

ODC, incorporated in 1971, is a provincial not-for-profit trade association representing the interests and concerns of dairy processors in Ontario. ODC's mission is to promote progressive policy making decisions within government and regulatory bodies to ensure a profitable dairy processing industry responsible to consumer interests. Not only does ODC provide a strong united voice for the dairy processors in Ontario, it also keeps members up-to-date on current industry issues, facilitates access to technical expertise, provides continuing education offerings, and organizes important networking opportunities.

Our members range the full spectrum of the dairy processing industry which operates across Ontario. ODC categorizes our inclusive set of members under two categories:

#### Members

- Members are dairy processors who create the full range of high-quality dairy products, including milk, cream, butter, cheese, ice cream, yogurt, powders and ingredients. These companies range from small artisan manufacturers to on-farm operations, to mid-size companies to multinational corporations. While their products are made primarily with bovine milk, they also make products using goat, sheep and buffalo milk.

#### Associates

- Associates are companies who supply products or services (such as ingredients, packaging, and equipment) to Ontario's dairy processing community.

Over the years, ODC has been an important voice within the processing industry and government regarding a number of policy-related issues that affect consumers and members, whose interests are connected through quality, consistent and affordability across the country.

## RECOMMENDATIONS

The following three areas of concern are of significant importance to our processors and the consumers we serve around the province. These key areas include a number of recommendations that we look forward to working with the Ministry of Finance on implementing.

**Recommendation One:** Dairy Tariff Rate Quotas (TRQs) be allocated to dairy processors who are currently manufacturing dairy products in Ontario.

**Recommendation Two:** Prioritize collaboration with the Ontario Dairy Council as the government continues “Cut the Red Tape” with OMAFRA, and take greater consideration into discussing ODC’s suggested changes.

**Recommendation Three:** In an effort to increase skilled labour, the Government should support of the development of our two cheese schools, the first in North America, being built in Ontario.

## Recommendation One – Dairy Tariff Rate Quotas (TRQs)

The Canadian government has secured 3 new trade agreements in the last 6 years which has resulted in nearly 10% of the Canadian dairy market being lost to the trading partners. All dairy processors, from small artisanal operations to large multi-nationals, will feel this impact. Dairy processors, in Ontario and across the country, are still waiting fulfillment of federal government's promise to provide a full and fair compensation to mitigate the impact of these free trade agreements.

**Action: We are asking that all dairy tariff rate quotas be allocated to dairy processors who are currently manufacturing dairy products in Canada.**

Dairy processors are the most significantly impacted by these agreements - more than any other stakeholder in the dairy supply chain. As such, and in addition to the promised compensation, the Ontario Dairy Council are asking that all dairy tariff rate quotas be allocated to dairy processors who are currently manufacturing dairy products in Ontario.

## Recommendation Two – “Cut the Red Tape” Initiative

The Ontario Government is considering exempting a select group of dairy processors from licensing requirements under *The Milk Act* if they are a food service premise or grocery store, and they make their dairy products with pasteurized milk products. ODC wants the government to postpone any decision in this area until CUSMA is ratified and a Class 7 solution is found and implemented. Otherwise, such a change can have a serious impact on the implementation of dairy's pricing structure and verification system.

ODC is always interested in innovative policy-making discussions that aim to simplify, streamline and/or reduce redundancy in regulations so that dairy processors can continue to innovate, thrive and expand in Ontario. As such, we are supportive of the government's “Cut the Red Tape” initiative. In fact, ODC submitted 7 additional regulatory change suggestions for government to consider.

**Action: Prioritize collaboration with the Ontario Dairy Council as the government continues “Cut the Red Tape” with OMAFRA, and take greater consideration into discussing ODC's suggested changes.**

## Recommendation Three – Lack of Skilled Labour

Dairy is not alone in the challenge to fill many skilled labour jobs within their manufacturing plants, especially skilled cheesemakers. Ontario dairy processors, via ODC, took it upon themselves to conduct two comprehensive studies to quantify the current and future cheesemaker shortage in the province. The research revealed that over 200 cheesemakers in the next 10 years alone will be needed.

ODC secured two college partners, who through two new state-of-the art cheesemaker hands-on training schools, will begin extensive training in September 2020 to create a supply of Canadian-made cheesemaking exports who will be available for the future of this industry.

**Action: In an effort to increase skilled labour, the Government should support of the development of our two cheese schools, the first in North America, being built in Ontario.**

## CONCLUSION

ODC, in consultation with our members and the broader industry, has always focused on the best interests of Ontario consumers. Our growing industry proudly and consistently provides high quality, nutritious and delicious milk and milk products across Ontario for Ontario consumers. We are proud of our \$6 billion annual contribution to Ontario's economy, the approximately 8,000 people we employ, and our plans to continue expanding across Ontario. The three highlighted concerns and their corresponding recommendations each aim to support that goal.

We thank the government of Ontario for its ongoing commitment to address many of the above issues, and look forward to reviewing our recommendations in each area further with an aim to continued reform.