



## MYTHBUSTING 101: Supply Management and Job Creation

May 15, 2017 Aline Porrior

Written by Bernadette Cox

*Have you ever heard that supply management prevents job creation? Some folks like to make this claim, but they are wrong! It is another myth. The supply management sectors are significant contributors to Canada's employment rate and national economy. Our mythbusting team is here once again to set the record straight.*

Did you know that supply management generates 348,000 agriculture and agri-food jobs in the production and processing of chicken, eggs, turkey and dairy products? Combined, these five sectors contribute \$29.6 billion to Canada's gross domestic product (GDP) and over \$6.9 billion in tax revenues to the government. In the chicken sector alone, 2,803 farmers and 191 processors sustain 87,200 jobs, contribute \$6.8 billion to the GDP and pay \$2.2 billion in taxes.

As you can see, those are a lot of jobs, and that's a solid benefit to the financial well-being of the country.

Because supply management spans across all provinces, the resulting jobs support the entire country. In British Columbia alone, for example, supply management supports nearly half of all agriculture jobs. In fact, a major study prepared by PriceWaterhouseCooper (PWC) found that

while agriculture jobs declined by over 9,000 from 2009 to 2011 in that province, the supply-managed sectors offset that decline by adding 3,351 jobs.

Quite possibly, the supply management sector is the most successful employer in Canadian agriculture. And that's because supply management provides a lot of stability for farmers, processors and consumers, as well as the other upstream and downstream businesses relying on its success.

Thanks to supply management, the amount of poultry, dairy and eggs produced in Canada is carefully matched to domestic demand. This eliminates wasteful surpluses while ensuring that producers receive fair returns for their products, processors enjoy consistent access to a fresh supply of Canadian food, and shoppers are able to purchase high-quality, locally-sourced, nutritious food at stable, reasonable prices. Federal and provincial governments value supply management because it supports a strong domestic agricultural sector that provides gainful employment and makes significant contributions to the country's wealth, without relying on subsidies.

The domestic focus of supply management provides economic stability, whereas export-oriented agriculture industries pursue interests on the riskier global market. Supply management is a blue-chip investment, and all levels of government recognise that strong farms are the backbone of strong rural communities.

The financial sector, too, likes the economic stability provided by supply management. Farmers in supply management are able to access capital when needed because banks are confident investments in supply-managed farms are good ones. In fact, the Bank of Montreal called supply management a standout sector in its 2014 economic report.

Besides the jobs sustained in farming and processing, supply management also contributes to the financial stability of allied industries up and down the supply chain. Transporters haul farm supplies. Veterinarians and their employees provide care to chickens. Mills grind and mix feeds and then sell the products to us for our farm animals. Equipment manufacturers supply us with needed machinery.

The list of various sectors benefitting from our farms goes on and on. Supply management is a major contributor to the urban and rural economies, supporting small, medium and even large-sized towns with bustling populations that need schools, post offices, doctors and many other services. The vibrancy of the urban and rural communities that dot the vast landscape of Canada is in large part due to the success of chicken, egg, turkey and dairy farmers.

Without supply management, our family farms, many of them multi-generational, would shut down as would many of these reliant businesses. In countries where supply management has been dismantled, such as New Zealand and Australia, prices have increased for consumers while revenue for farmers has decreased. These are the kinds of impacts that result in fewer farms, damage to the economy and lost jobs.

**LET'S REVIEW THE FACTS:**

- **The supply management sector is a major contributor to the national economy and generates 348,000 jobs.**
- **Federal and provincial governments, political parties and financial institutions support supply management because of its stability and the jobs it sustains.**
- **Chicken, egg, turkey and dairy farmers form the backbone of a vibrant economic agricultural sector, supporting allied businesses from feed mills to equipment dealerships to retailers.**
- **Because of supply management, rural and urban communities remain vibrant, ensuring their residents have the schools, shops and medical and other services they need.**

**Supply management sustains employment in rural communities and benefits the national economy.**

*Want us to bust some other supply management myths? Send us your questions via Twitter using the hashtag #IHeartChickenFarmers – stay tuned to see if your myth gets busted!*