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CANADA'S SUPPLY MANAGEMENT SYSTEM

Publication No. 2008-42-E

15 May 2026

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17 December 2015	Khamla Heminthavong

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Canada's Supply Management System
(HillStudies)

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Ce document est également publié en français.

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EXECUTIVE SUMMARY

Supply management, established in the 1970s for the dairy, poultry and egg sectors, is a key component of Canada's agricultural policy. This system was introduced in response to major price instability in the agriculture sector in previous decades caused by fluctuations in supply and demand, as well as in prices on world markets.

The regulatory framework of supply management relies on three pillars: production planning, which is adjusted to domestic demand to avoid surpluses; price administration, which ensures a stable and fair price for farmers; and import controls, which impose high tariffs on foreign products that exceed tariff rate quotas.

Supply-managed agricultural production – concentrated mostly in Ontario and Quebec – accounts for a relatively modest share of the total number of Canadian farms yet it contributes significantly to farm cash receipts.

As part of its international commitments, Canada has gradually granted tariff concessions, granting some foreign products greater access to the Canadian market, particularly cheeses from the United States and Europe. However, supply management remains a major point of contention in international trade negotiations. Countries such as the United States and New Zealand have called for greater access to the Canadian market. Although dispute settlement mechanisms exist, such as the one provided for by the World Trade Organization, these issues continue to fuel disagreements among parties.

CANADA'S SUPPLY MANAGEMENT SYSTEM

1 INTRODUCTION

In Canada, supply management is a system that allows Canadian agricultural producers – specifically dairy, poultry and egg producers – to control the supply or quantity of their marketed products through marketing boards. To market their products, producers must hold a permit, commonly known as a "quota," without which they cannot sell their products to a processing plant.

This HillStudy traces the origins of supply management in Canada and describes its regulatory framework and the three pillars on which it is based: production control, price administration and import controls. It also briefly examines Canada's trade commitments and provides a socio-economic overview of the agricultural sector under supply management.

2 THE ORIGINS OF SUPPLY MANAGEMENT

In theory, in a perfectly competitive market, equilibrium is achieved when the quantity of goods supplied by sellers is equal to the quantity demanded by buyers.[1] This equilibrium point determines the quantity and price of these goods.

- If the price is very low and below the equilibrium price, the demand for a product exceeds its supply. This could lead to a shortage since buyers will likely want to buy more of that product. This situation tends to cause prices to rise.
- Conversely, when the price is very high and above the equilibrium price, supply exceeds demand, resulting in a glut and falling prices.[2]

During the 1960s, price instability and interprovincial trade disputes were a source of major concern for the poultry, egg and dairy sectors.[3] At that time, the Canadian agricultural sector experienced overproduction caused by technological advances, resulting in low, unstable prices and disputes between farmers and processors.[4]

Faced with this difficult economic situation, farmers sought to strengthen their bargaining power by asking their provincial governments to create marketing boards. It was this situation – price instability and fluctuations in farmers' incomes – that led to the creation of the supply management system.

The national supply management system coordinates production and demand while controlling imports as a means of setting stable prices for both farmers and consumers. In Canada, supply management encompasses five types of products: dairy products, chicken and turkey products, table eggs and broiler hatching eggs; they are known as "supply-managed products."

3 REGULATORY FRAMEWORK AND THE PILLARS OF SUPPLY MANAGEMENT

In 1972, the *Farm Products Agencies Act*[5] created the national agencies authorized to establish supply management. The national egg, turkey and chicken marketing agencies were created in 1972, 1974 and 1978, respectively, to administer the supply management system for these farm products. The Canadian Milk Supply Management Committee, chaired by the Canadian Dairy Commission, a Crown corporation created in 1966,[6] is responsible for the administration of supply management for the dairy sector.[7]

The *Farm Products Agencies Act* also established the National Farm Products Marketing Council, which became the Farm Products Council of Canada[8] in 2009. This federal body oversees the various agencies to promote an efficient and competitive agricultural sector while ensuring that the marketing system operates well, in the interests of producers and consumers.[9]

To be effective, the national supply management system must follow three fundamental regulatory mechanisms that serve as its pillars:

- production control;
- price administration; and
- import control.

Each pillar is discussed in more detail below.

3.1 PRODUCTION CONTROL

To prevent surpluses and shortages that can cause significant price fluctuations, the national agency representing each sector (dairy, turkey, chicken and eggs) is responsible for setting the national production level based on provincial demand. The *Farm Products Agencies Act* authorizes each national agency to restrict production and set production quotas for each province. Each national agency may also impose penalties for overproduction or underproduction.

The provincial boards are responsible for allocating production among farmers, who undertake to produce within their allotted quota and pay any penalties for failing to do so. The provincial boards are also responsible for negotiating prices with buyers. Lastly, the boards set minimum quotas and quota transfer rules. The Northwest Territories – where only egg production is subject to supply management – is the sole territory in which the supply management system is used.

3.1.1 Quotas

To operate supply-managed farms, farmers must hold quota, a permit authorizing them to produce a given volume of a farm product. The provincial marketing boards also set minimum quotas.[10]

Quota sales vary by sector. In the dairy sector, the quota is negotiated not in terms of litres of milk, but in terms of daily kilograms (kg) of butterfat produced, the equivalent of one cow's production,[11] whereas in the poultry sector, quota is sold by units produced or square metres of floor space. For example, in Manitoba, one production unit is equivalent to the production of one chicken. In Quebec, one square metre of chicken production is equivalent to the production of 7 to 10 chickens.

The supply management system does not apply to hobby farmers operating small farms and producing for personal consumption. Each provincial commodity board maintains its own exemption criteria. Quota-exempt dairy production is generally permitted as long as it is for personal consumption, which is the case in Prince Edward Island, New Brunswick and British Columbia.[12] Alberta also permits quota-exempt dairy farming for personal consumption, but it imposes a limit of 50 litres of milk per day.[13]

As regards poultry production, Ontario allows up to 300 broilers, 50 turkeys and 99 laying hens to be raised without requiring production quotas.[14] Table 1 below presents quota-exempt poultry production, by province.

Table 1 – Quota-Exempt Poultry Production, by Province

Province	Chickens	Laying Hens	Turkeys
British Columbia	200	99	50
Alberta	2,000	300	300
Saskatchewan	999	299	99
Manitoba	999	300	99
Ontario	300	99	50
Quebec	300	99	25
New Brunswick	200	199	25
Nova Scotia	100	200	24
Prince Edward Island	500	299	n/a
Newfoundland and Labrador	99	99	n/a

Notes: In some provinces, grandfathered systems, special permits or start-up programs allow quota-exempt production beyond the thresholds listed here.

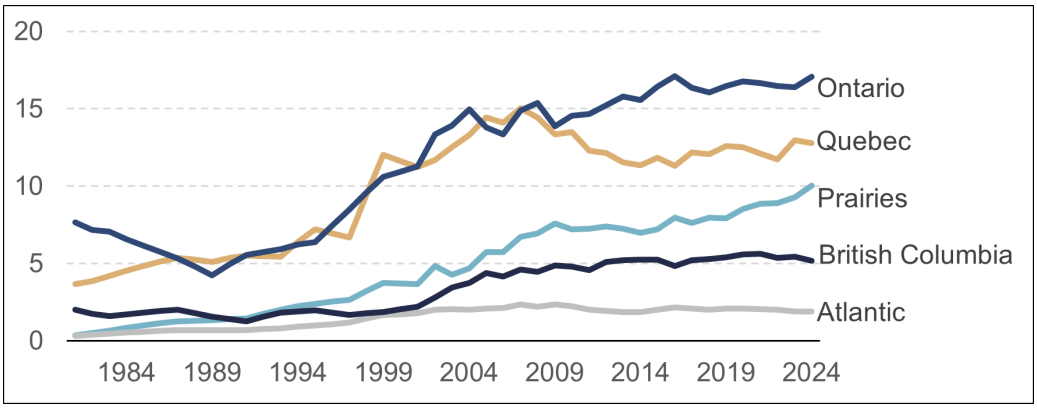
"n/a" = not applicable.

Sources: Table prepared by the Library of Parliament using data obtained from the individual provincial boards and provincial regulations.

3.1.2 Number of Quota Holders and Quota Value

In 2024, cash receipts for the supply-managed sector totalled over $15 billion, or more than 15% of the cash receipts for Canada's entire agricultural sector, which amounted to over $97 billion that year.[15] Data from the Census of Agriculture indicates that in 2021, there were over 14,500 quota holders in Canada, mostly in the dairy sector.[16] Most of the quota holders are in Quebec and Ontario, and they generated more than $28 billion of revenue from supply-managed production in 2023, as shown in Figure 1, which was more than 60% of the revenue from Canada's supply-managed production that year.[17]

Figure 1 – Quota Value in Canada in 2024 Constant Dollars, by Region, 1981–2024 ($ billions)



Source: Figure prepared by the Library of Parliament using data obtained from Statistics Canada, "Table 32-10-0056-01: Balance sheet of the agricultural sector as at December 31st (x 1 000)," Database, accessed 23 February 2026.

At first, quotas were distributed free of charge to farmers of supply-managed products, based on previous production. However, quotas acquired a market value that has appreciated significantly over the years. For example, in Manitoba, the milk quota traded at $39,813 per kg in February 2025, compared to $26,515 in February 2015, an increase of more than 50%.[18] Furthermore, across the country, the total value of quotas was estimated at over $45.9 billion in 2023, compared to $32.6 billion in 2013.

The quota exchange value varies by province. For example, in February 2025, quota for 1 kg of butterfat per day sold for $56,800 in Alberta, compared to $24,000 in New Brunswick.[19]

3.1.2.1 Quota Price

Quota is a major asset for supply-managed businesses. For example, in Quebec, a dairy farm operated with an average of 82 dairy cows in 2024,[20] requiring an investment of over $1.9 million just for the purchase of quota.[21] This amount does not include investments in other assets, such as livestock, land, buildings and machinery.

A steep increase in the price of milk quotas, coupled with concerns about excessive debt, led the five eastern provinces of Canada participating in the *Agreement on Eastern Canadian Milk Pooling* (Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Ontario – collectively the P5), to establish policies to control the price of quota.[22] In 2010, Quebec and Ontario capped the quota price at $25,000 per kg of butterfat produced.[23] In February 2016, Quebec lowered the cap for the transfer of dairy quota from $25,000 to $24,000 per kg of butterfat produced.[24] In 2024, the P5 set a dairy quota cap price of $24,000 to meet demand in that year, as well and anticipated demand in 2025.[25]

Unlike the P5, the western provinces (Manitoba, Saskatchewan, Alberta and British Columbia) do not cap dairy quota prices, which means their market dynamics are different, and their quota prices may be higher.

Other production sectors have also capped quota prices. Quebec has capped the quota price at $500 per square metre for turkey and at $245 per unit for laying hens.[26]

3.2 PRICE ADMINISTRATION

In addition to production control, supply-managed farmers are guaranteed a minimum price for their products. The minimum prices are set by regulatory bodies, such as the Canadian Dairy Commission and the provincial marketing boards. Through these boards, farmers collectively negotiate with processors the minimum farm-gate price for their product. This minimum price is based on production costs and market conditions, such as consumer demand, inventory available on the market and the price of competing products. Regular consultations are carried out with stakeholders from the supply-managed sectors in order to adjust prices based on market conditions.[27]

Unlike producer prices, which are regulated, retail prices – meaning the prices paid by consumers – are generally not regulated and fluctuate based on factors such as transportation and storage costs and retailers' profit margins. Some provinces regulate the retail price of regular fluid milk. Quebec is one such example.[28]

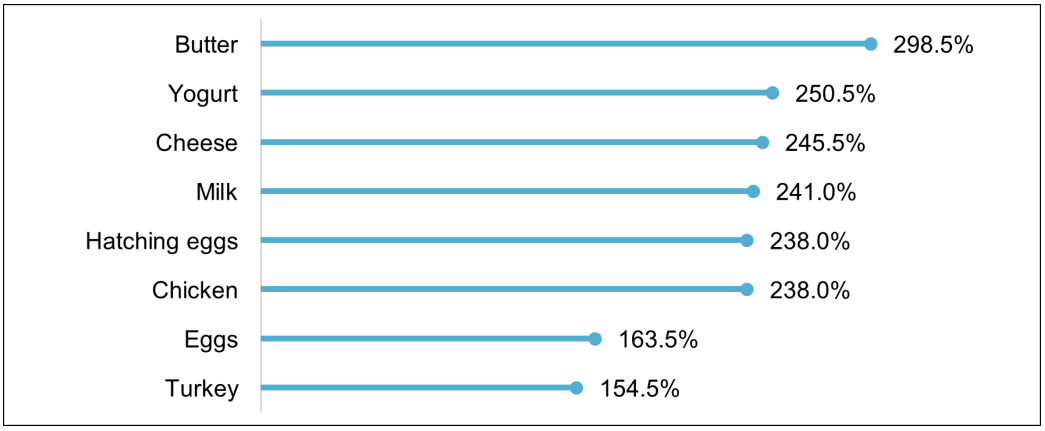
3.3 IMPORT CONTROLS

In addition to relying heavily on production control and price administration, the supply management system relies on effective import controls to function properly.

In accordance with various trade agreements, Canada restricts imports by setting tariff-rate quotas (TRQs). This means that it grants its trading partners a "minimum level of access" to imports. Beyond a certain amount, imported products are subject to a high customs tariff. This measure seeks to prevent foreign products from flooding the Canadian market.

For example, for 2025, the import quota for yogurt and buttermilk was set at 10,709,000 kg, and for chicken and chicken products, it was 120,815,700 kg in eviscerated equivalent.[29] Imports below the TRQ limits are not subject to customs tariffs or, if they are, the tariffs are low. However, high tariffs – as high as 300% in the case of butter – are imposed on imports exceeding the TRQ limits (see Figure 2).

Figure 2 – Customs Tariffs on Various Products Exceeding the Tariff Rate Quota, 2026



Note: In theory, imports exceeding tariff rate quotas are subject to steep customs tariffs – ranging from 155% to 300%. In practice, however, the tariff rate quota limits are seldom reached, and such prohibitive tariffs are rarely applied.

Source: Figure prepared by the Library of Parliament using data obtained from Canada Border Services Agency, *Departmental Consolidation of the Customs Tariff 2026*.

3.3.1 Tariff Rate Quotas

Agriculture has long benefited from special treatment in international trade, mostly owing to its importance for food security and its socio-economic role. The *General Agreement on Tariffs and Trade*, which was signed in 1947, was applicable to agricultural trade. It allowed numerous exceptions, particularly with regard to subsidies and quantitative restrictions. From the 1980s onwards, however, international pressure led to the liberalization of agriculture. The Uruguay Round – a series of multilateral trade negotiations held between 1986 and 1994 – marked a

turning point, culminating in the creation, in 1995, of the World Trade Organization (WTO) and the adoption that same year of the *Agreement on Agriculture*, which further integrated agriculture into the global trade framework.[30]

The *Agreement on Agriculture* established, for the first time, a set of rules governing trade in agricultural products. WTO member states, including Canada, committed to reforms under three main areas: market access, domestic support and export subsidies. More, specifically, the agreement aims to increase international trade through the following measures:

- lowering tariff and non-tariff barriers to improve market access;
- reducing domestic support, i.e., subsidies granted by governments to domestic producers, which can distort competition; and
- limiting export subsidies.[31]

To maintain its supply management system while meeting its commitments under the *Agreement on Agriculture*, Canada converted its quantitative import restrictions into TRQs. This measure was intended to replace import quotas with tariff equivalents while ensuring minimal market access for foreign products. A set volume of imports can thus enter at low or zero tariffs, while quantities beyond that threshold face very high customs tariffs.[32]

3.3.2 Trade Agreements

Canada is a signatory to several WTO agreements and thus has numerous obligations arising from them. As of February 2026, it was also party to 15 bilateral or regional trade agreements with 51 countries.[33] Three of these agreements contain provisions that affect Canada's trade in supply-managed products: the *Canada–United States–Mexico Agreement* (CUSMA), the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (CPTPP) and the Canada–European Union *Comprehensive Economic and Trade Agreement* (CETA).

CUSMA provides the United States with increased access to Canada's market for some supply-managed products.[34] Under the agreement, the quantities of certain supply-managed products permitted to enter Canada duty-free from the United States will increase gradually over a specified period.[35]

Similarly, the CPTPP also provides for a gradual increase, over a specified period, in the quantities of supply-managed products from CPTPP countries that are permitted to enter Canada at a preferential duty rate.[36]

The only supply-managed products covered by CETA are cheeses. Canada has established TRQs of 16,000 metric tonnes (MT) for cheese imports (all types) from the European Union and of 1,700 MT for imports of industrial cheeses.[37]

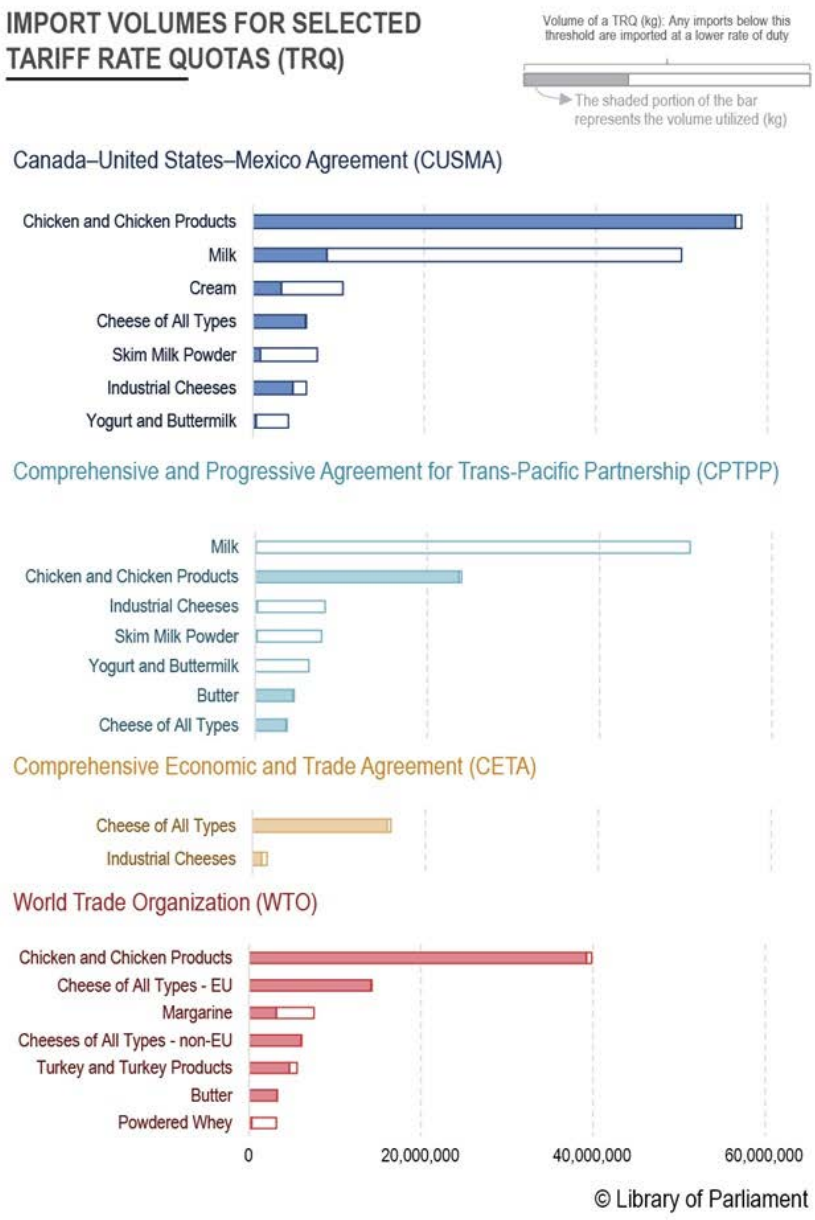
3.3.3 Impact of Trade Commitments on Supply-Managed Products

It has been noted that the maximum access volumes provided for in trade agreements through TRQs are rarely reached. The utilization rate, which is the ratio of the quantities imported to the total quantities authorized, often falls short of 100%.

For instance, under CUSMA, the volume of milk allocated for the 2024–2025 dairy year was 50,500,000 kg.[38] U.S. exports, however, totalled 8,648,640 kg, corresponding to a utilization rate of 17.3%. Under the CPTPP, the volume of milk imported represented only 0.1% of the quota. In contrast, quotas for chicken and cheese showed utilization rates of over 80%, even exceeding 95% in some cases in 2025. For butter, while the utilization rate approached 100%, it remained under the maximum authorized (see Figure 3 below). Therefore, butter imports rarely faced the prohibitive tariff of 300%.

Importers may also bring in above-quota quantities of products without a formal allocation, under *General Import Permit No. 100 – Eligible Agricultural Goods*.[39] However, such imports are subject to steep duties, making this option economically unattractive for importers.[40]

Figure 3 – Import Volumes of Selected Tariff Rate Quotas, 2025



Notes: Imports of all products are reported on a calendar-year basis (1 January 2025 to 31 December 2025) except for milk, cream, skimmed milk powder and whey powder, which are reported on a dairy year basis (1 August 2024 to 31 July 2025).

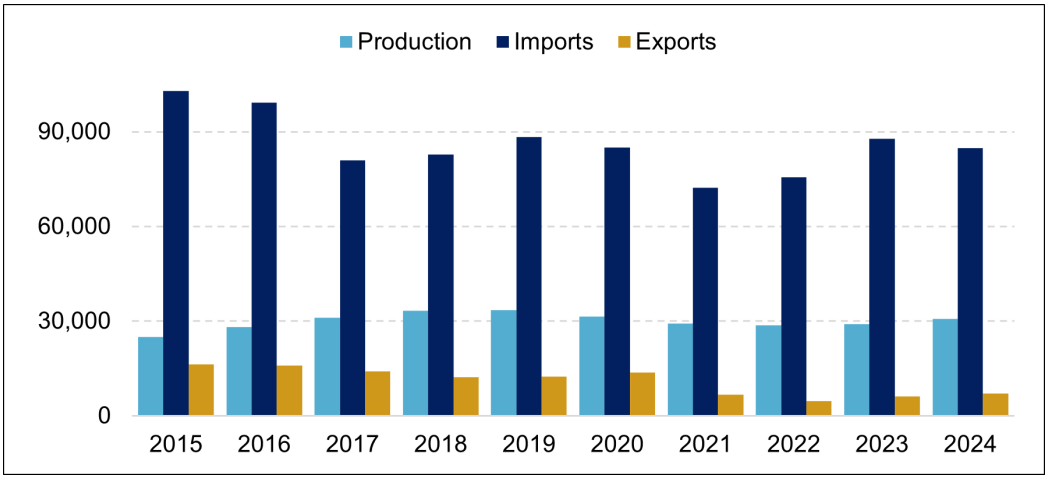
EU = European Union.

Source: Figure prepared by the Library of Parliament using data obtained from Government of Canada, *Archived – Utilization data – Supply-managed tariff rate quotas (TRQs)*.

Some importers attempt to bypass TRQs while avoiding paying prohibitive customs duties. For example, in 2012, Canada imported more spent fowl – older laying hens that are no longer productive – from the United States than the total U.S. production of this type of poultry. This implausible situation highlights the fraudulent practice of importing broiler chickens mislabelled as spent fowl.[41] Unlike broiler chickens, spent fowl are exempt from Canada's TRQ system and face only minimal customs duties. This scheme makes it possible to quickly meet the needs of the Canadian market at a lower cost while sidestepping strict import controls.

Figure 4 shows the scale of this practice: between 2015 and 2024, imports of spent fowl – almost exclusively from the United States – were more than double Canada's production. At the same time, Canada exported over 7 million kg of its spent fowl to Africa in 2024.

Figure 4 – Production, Imports and Exports of Spent Fowl, 2015–2024 (Tonnes Adjusted for Eviscerated Weight)



Source: Figure prepared by the Library of Parliament using data obtained from Agriculture and Agri-Food Canada, Animal Industry Division, Poultry Section.

3.3.4 Trade Disputes Regarding Canada's Supply-Managed Products

Trade agreements, whether bilateral or multilateral, contain provisions designed to settle disputes between signatories. At the multilateral level, the WTO's *Understanding on Rules and Procedures Governing the Settlement of Disputes* (also known as the Dispute Settlement Understanding) provides a formal mechanism to settle disputes among its members.[42] As well, Canada is a signatory to a number of bilateral and regional trade agreements that provide state-to-state dispute-settlement mechanisms to resolve disputes.[43]

3.3.4.1 World Trade Organization

On 2 February 1998, the United States initiated a complaint to the WTO with respect to export subsidies that Canada allegedly granted to its dairy producers and its administration of the milk TRQ.[44] The United States contended that these export subsidies distort markets and adversely affect U.S. exports to Canada.

Similarly, on 12 March 1998, New Zealand requested the establishment of a WTO dispute-settlement panel concerning Canada's alleged dairy export subsidy that is commonly referred to as the "special milk classes." New Zealand argued that these mechanisms are inconsistent with Canada's obligations under the WTO's *Agreement on Agriculture*.[45]

On 9 May 2003, Canada and both parties reached a mutually agreed solution regarding this dispute.[46] Canada committed to ensuring that its exports of dairy products will not exceed the quantities specified in its WTO schedule and to bringing its measures related to the export of dairy products into compliance with the country's obligations under the *Agreement on Agriculture*.

3.3.4.2 *Canada–United States–Mexico Agreement*

On 25 May 2021, under CUSMA's dispute-settlement mechanism, the United States challenged Canada's mechanism for allocating dairy TRQs.[47] The United States indicated that it was not challenging Canada's supply management system per se, but rather the fact that between 85% and 100% of its 14 dairy TRQs were reserved for Canadian processors, which it believed violated Canada's obligations under CUSMA.[48]

The dispute settlement panel ruled in the United States' favour.[49] As a result, Canada modified its TRQ allocation mechanism for dairy.[50] Among other things, it eliminated the practice of reserving a portion of TRQs exclusively for Canadian processors[51] and opened certain TRQs to distributors, particularly for industrial cheeses.[52]

A second CUSMA dispute settlement panel was established on 31 January 2023, with the United States arguing that Canada's changes to its dairy TRQ allocation mechanism were inadequate.[53] In its final report, however, the panel concluded that Canada's dairy TRQ policies were now CUSMA compliant.[54]

3.3.4.3 *Comprehensive and Progressive Agreement for Trans-Pacific Partnership*

On 7 November 2022, New Zealand requested the establishment of a dispute-settlement panel under the CPTPP concerning Canada's allocation of dairy TRQs.[55] It argued that reserving quotas for processors violated Canada's obligations under the CPTPP.

The panel agreed, finding that the Canadian practice of reserving some or all of its dairy TRQ allocations for processors alone was inconsistent with a number of Canada's obligations under the CPTPP.[56] Further, the panel found that Canada's dairy TRQ allocation mechanism unduly restricted access to quotas for other eligible applicants. Pursuant to CPTPP rules, both countries agreed to give Canada until 1 May 2024 to become compliant.[57]

On 30 April 2024, the Government of Canada amended its dairy TRQ allocation mechanism: it removed the reservation of TRQs for processors and provided distributors with access to industrial cheeses.[58] However, New Zealand considered these changes insufficient. On 18 October 2024, it requested negotiations with Canada to obtain compensation.[59]

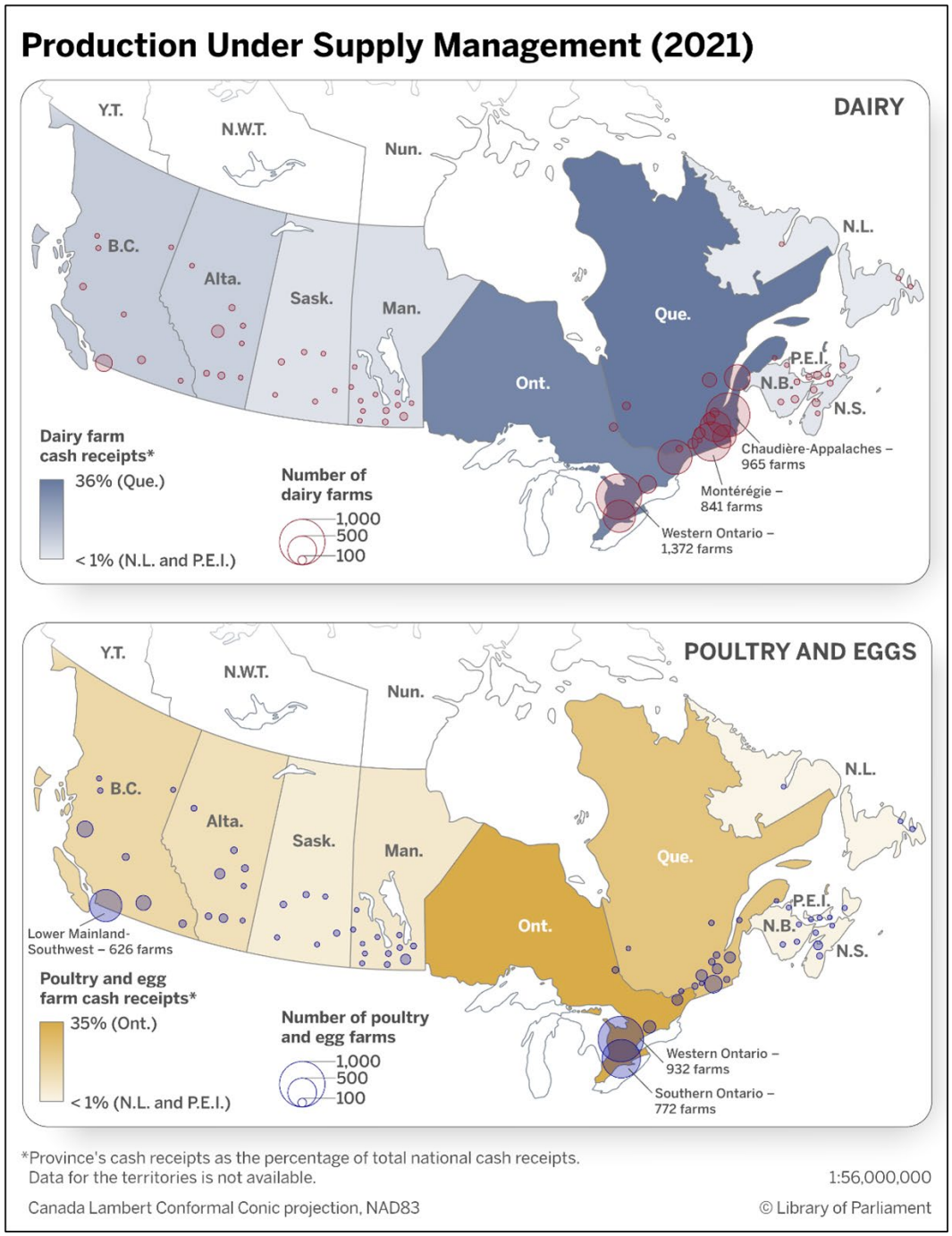
On 17 July 2025, New Zealand and Canada announced the resolution of their dispute under the CPTPP. This agreement entails minor adjustments to TRQ administration without changing Canada's market access commitments. These technical policy changes include improved data transparency and the establishment of a mechanism for underfilled TRQs.[60]

4 SOCIO-ECONOMIC PORTRAIT OF THE AGRICULTURAL SECTOR UNDER SUPPLY MANAGEMENT

In 2021, Statistics Canada's Census of Agriculture counted over 9,000 dairy farms and 5,000 poultry and egg farms.[61] Although these farms accounted for only about 6% of all farms, they generated nearly 15% of Canada's farm cash receipts.

As shown in Figure 5, dairy farms were concentrated in Quebec (47%) and Ontario (34%), while poultry and egg farms were mostly found in Ontario (39%) and British Columbia (29%).

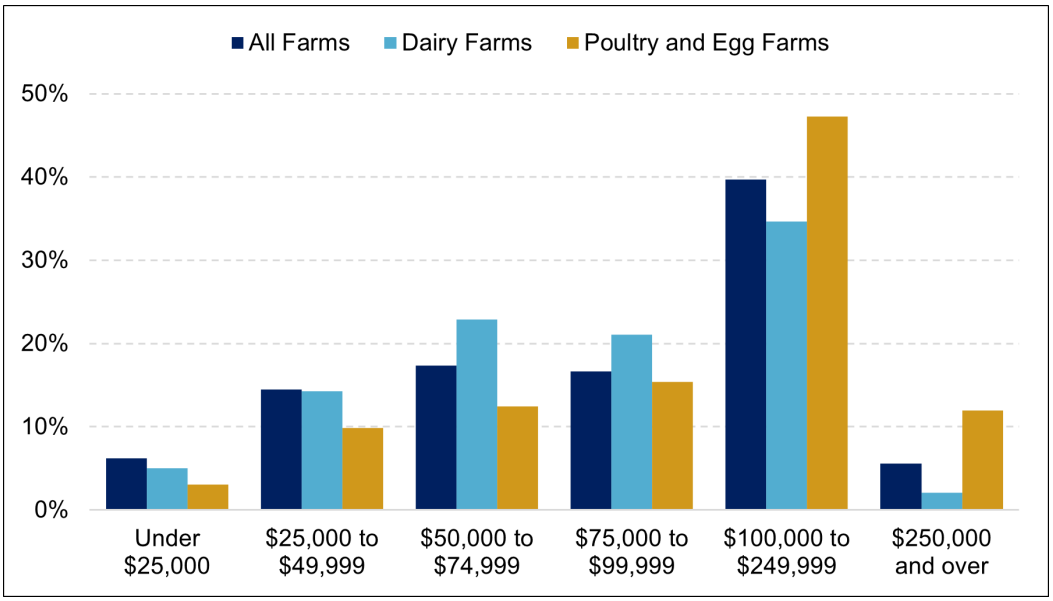
Figure 5 – Dairy, Poultry and Egg Production in Canada: Distribution of Farms and Provincial Cash Receipts as a Share of National Cash Receipts for These Sectors, 2021



Sources: Map prepared by the Library of Parliament, 2026, using data from Statistics Canada, "Table 32-10-0045-01: Farm cash receipts, annual (x 1,000)," Database, accessed 11 May 2026; Statistics Canada, "Table 32-10-0231-01: Farms classified by farm type, Census of Agriculture, 2021," Database, accessed 11 May 2026; and Natural Earth, 1:10m Cultural Vectors et 1:10m Physical Vectors, version 5.1.1. Software used: Esri, ArcGIS Pro, version 3.6.0.Contains information licensed under *Statistics Canada Open Licence*.

As shown in Figure 6 below, according to Census of Agriculture data, poultry and egg farms were mostly owned by households with higher incomes. Approximately 12% of poultry and egg farms had household incomes above $250,000 compared to only 2% of dairy farms and 6% of all farms. Conversely, 60% of dairy farms reported a household income of $25,000 to $100,000, compared to 48% of farms overall.

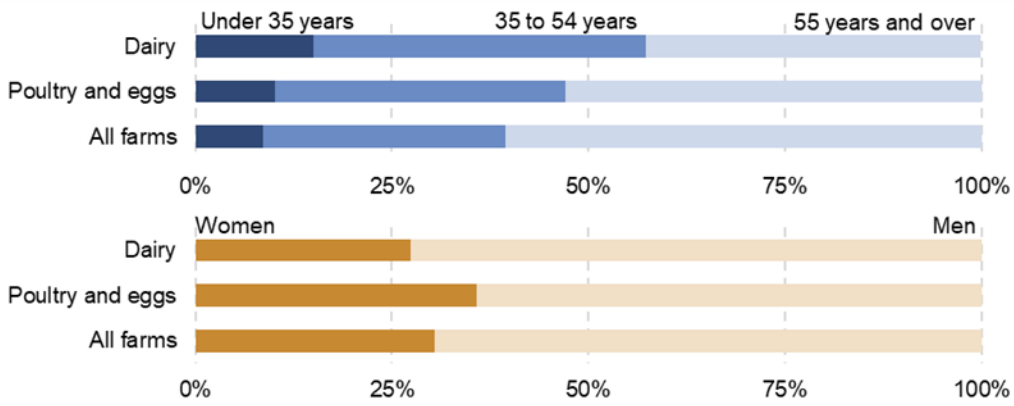
Figure 6 – Dairy, Poultry and Egg Farms by Household Income Level, 2021



Sources: Figure prepared by the Library of Parliament using data obtained from Agriculture and Agri-Food Canada; and Statistics Canada, "Table 32-10-0401-01: Farms classified by farm type and household income class, Agriculture–Population Linkage, 2021," Database, accessed 5 May 2025.

In terms of the demographics of farmers, Figure 7 shows that in 2021, 15% of dairy farmers were under 35 years of age compared to 8.6% of all farmers. A similar percentage was noted for poultry and egg farmers. Poultry and egg farms had a higher proportion of women farmers (36%) than did farms as a whole (31%). However, dairy farms had a lower proportion of women farmers (27%).

Figure 7 – Demographic Profile of Dairy, Poultry and Egg Farmers, 2021



Sources: Figure prepared by Library of Parliament using data obtained from Agriculture and Agri-Food Canada; and Statistics Canada, "Table 32-10-0230-01: Characteristics of farm operators, Census of Agriculture historical data," Database, accessed 1 May 2025.

5 CONCLUSION

The supply management system, supported by TRQs, has been a crucial tool for ensuring the stability of the Canadian agricultural market and protecting poultry, egg, and dairy producers. It has limited an influx of foreign products while ensuring stable incomes for farmers. Despite adjustments arising from international trade agreements, supply management remains a pillar of Canadian agriculture.

NOTES

1. Michael Parkin, Robin Bade and Patrick González, *Introduction à la microéconomie moderne*, 4th ed., 2011.
2. Murat Yildizoglu, *Introduction à la microéconomie*, Université de Bordeaux, 2014; and Andreu Mas-Colell, Michael D. Whinston and Jerry R. Green, *Microeconomic Theory*, 1995.
3. "A Brief History of Supply Management in Canada: Evolution of the Canadian Dairy Commission," *Western Dairy Digest*, Fall 1999.
4. Grace Skogstad, "Supply Management: Resisting Internationalization and Adjusting Policy Instruments," Chapter 5 in *Internationalization and Canadian Agriculture: Policy and Governing Paradigms*, University of Toronto Press, Toronto, 2008, pp. 141–178.
5. *Farm Products Agencies Act*, R.S.C. 1985, c. F-4.
6. Government of Canada, *Canadian Dairy Commission*.
7. Government of Canada, *Canadian Milk Supply Management Committee*.
8. Government of Canada, *Farm Products Council of Canada*.
9. Government of Canada, *Marketing Agencies*.
10. Chicken Farmers of Ontario, *Quota Policy No. 261-2022*.
11. The standard composition of a hectolitre of milk with 3.6 kg of butterfat is 103.2 kg of milk. See Government of Canada, *Statistics of the Canadian Dairy Industry*, 2016, p. 70. However, the average fat content of Canadian milk production is above 4%. See Government of Canada, *Farm Milk Composition by Province*.

12. See Prince Edward Island, Agriculture and Fisheries, *Guide for Beginning Farmers on Prince Edward Island*, 2017, p. 21; New Brunswick, Department of Agriculture, Aquaculture and Fisheries, *Farming in New Brunswick: A Road Map for New Entrants*, 2020, p. 10; and British Columbia Farm Industry Review Board, *Review of Specialty Production and New Entrant Programs Improving Access to the Supply Management System (Specialty Review)*, 28 October 2005, p. 1.

13. *Alberta Milk Plan Regulation*, Alberta Regulation 28/2022, p. 6.

14. Government of Ontario, *Publication 61 Starting a Farm in Ontario*, 2023, pp. 62–64.

15. Statistics Canada, "Farm cash receipts, January to December 2024," *The Daily*, 28 February 2025.

16. According to figures from the 2021 Census of Agriculture, there were 5,296 poultry and egg-producing farms and 9,403 dairy cattle and milk-producing farms. See Statistics Canada, "Table 32-10-0231-01: Farms classified by farm type, Census of Agriculture, 2021," Database, accessed 19 February 2026.

17. Statistics Canada, "Table 32-10-0056-01: Balance sheet of the agricultural sector as at December 31st," Database, accessed 9 April 2025.

18. Government of Canada. *Monthly exchange of milk quota by province*.

19. Ibid.

20. Les Producteurs de lait du Québec, "Size and number of farms," *Our economic contribution*.

21. As mentioned earlier, a cow's production is equivalent to 1 kg of butterfat per day. For 82 cows, the quota is 82 kg, and the quota price in Quebec is $24,000 per kg (see the following paragraph in the text), or a total of $1.968 million.

22. Government of Canada, *Milk pooling agreements*.

23. Les Producteurs de lait du Québec, *Prix des quotas dans les autres provinces du Canada : septembre 2010*.

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34. The *Canada–United States–Mexico Agreement* (CUSMA) does not contain market access provisions concerning Canada–Mexico trade in supply-managed products.

35. For example, Canada allowed 8,333 metric tonnes (MTs) of milk to enter the country duty-free from the United States in the first year after CUSMA's entry into force in 2020; this amount will gradually rise to 56,905 MT annually by the 19th year of the agreement. See Government of Canada, "Appendix 2: Tariff Schedule of Canada – (Tariff Rate Quotas)," *Canada–United States–Mexico Agreement (CUSMA) – Chapter 2 – National Treatment and Market Access for Goods*.

36. Government of Canada, *Consolidated TPP Text – Appendix A to Tariff Schedule of Canada – (Tariff Rate Quotas)*.

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38. The dairy year refers to the period of milk production: 1 August to 31 July of the following year. See Government of Canada, "Appendix 2: Tariff Schedule of Canada – (Tariff Rate Quotas)," *Canada–United States–Mexico Agreement (CUSMA) – Chapter 2 – National Treatment and Market Access for Goods*.

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41. Chicken Farmers of Canada, *Imports of Broiler Meat Mislabelled as Spent Fowl Must Be Stopped*, 2024 [BILINGUAL CONTENT].

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45. WTO, *DS113: Canada – Measures Affecting Dairy Exports*.

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47. Government of Canada, "Dairy tariff rate quota allocation measures (first dispute)," *Active and concluded State-to-State dispute settlement cases*.

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51. Canada's tariff-rate quotas (TRQs) allocation mechanism is based on a pooling system that allocates specific percentages of TRQs for "processors," "further processors" and "distributors." The specific percentages of TRQs allocated to each group, as well as the definitions of "processors," "further processors," and "distributors," are provided in separate Notices to Importers for each dairy TRQ. These notices are published by Global Affairs Canada and are updated regularly.

52. Distributors purchase dairy products from processors and further processors and resell them to third parties.

53. Office of the United States Trade Representative, *United States Establishes Second USMCA Dispute Panel on Canadian Dairy Tariff-Rate Quota Policies*, 31 January 2023.

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59. Government of New Zealand, *New Zealand takes next step in dairy dispute with Canada*, News release, 18 October 2024.

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