
The direct employment provided in the production and processing sectors of the dairy industry is 80,000 to 100,000 full-time jobs, with further employment in related industries.

Dairy production, particularly industrial milk, is concentrated in Quebec and Ontario, although all provinces produce milk to satisfy their fluid milk requirements. Industrial milk production occurs under a federal-provincial agreement which retains, in large part, the split of production that existed in 1969. As a result, about 80 per cent of industrial milk is produced in Quebec (47 per cent) and Ontario (33 per cent). Dairy production is, however, important in several other provinces such as Alberta, British Columbia and Prince Edward Island.

The Canadian dairy sector is mainly oriented to the domestic market. Restrictions on dairy product imports are imposed under the Export and Import Permits Act. As a result, imports are mainly of cheese (where licences are issued for 20 400 tonnes of imports annually). The total value of dairy product imports in 1986 was \$122 million. Exports consist of dairy animals and genetic material, skim milk powder and various other specialty products. In 1986, the value of dairy product exports was \$193 million and the value of dairy animal and genetic material exports was \$51 million.

The Canadian dairy herd contains about 1.6 million dairy cows and 0.6 million heifers (young females not yet in milk). Over 90 per cent of the animals are Holsteins. The herd is an important source of lower quality beef (from the slaughter of spent dairy cows) and calves for veal, and of material for other beef sector activities.

Assessment

Specific Elements of the Agreement Affecting Dairy

Tariffs on dairy products will be eliminated over 10 years.

Effect of Tariff Rate Changes

Most Favoured Nation tariffs in effect are noted in Table 4.5.