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May 4 2022

Honourable Marie-Claude Bibeau  
Minister of Agriculture and Agri-Food Canada  
1341 Baseline Road  
Ottawa, ON  
K1A 0C5  
[Marie-Claude.Bibeau@parl.gc.ca](mailto:Marie-Claude.Bibeau@parl.gc.ca)

Re: Increased Cost of Production on Dairy Farms

Dear Honourable Marie-Claude Bibeau:

I write to you today as a proud Canadian dairy farmer and a father of four. I have owned and operated a successful dairy farm in Newfoundland and Labrador for over twenty years. When I purchased the farm, we were milking 50 cows and farming 150 acres of land. Presently, we milk over 200 cows and farm close to 1500 acres. This type of growth did not come without sacrifice. My lifelong purpose as a dairy farmer has been to establish a sustainable farm operation to pass down to my children. With the state of economic chaos in our country and the unprecedented cost increases that farmers are facing, there will be very few farms left to pass down to future generations.

Since the onset of the global pandemic and the war in Ukraine, dairy farmers have experienced a rise in the cost of production that they can no longer withstand. Without financial intervention, the collapse of many family owned and operated farms is imminent. To offer some insight into the increased expenditures that dairy farmers are encountering, I would like to highlight some of the increases that my farm has endured:

- *My fertilizer bill has increased by 100% since last season*
- *My fuel bill has increased by 186% since last season*
- *My grain bill has increased by 109% since last season*
- *My seed bill has increased by 25% since last season*
- *My insurance bill has increased by 46% since 2020*
- *The price of animal bedding has increased by 29% since 2020*
- *The price of steel, lumber and pasture materials has increased by 107% since 2020*
- *My freight bill has increased by 55% since 2020*
- *The price of farm equipment has increased by 40% since 2020*
- *The price of parts and repairs has increased by 25% since 2020*
- *The price of chemicals and milk-house supplies has increased by 30% since 2020*
- *The price of herbicides has increased by 101% since last season*
- *My interest payments have increased since last season*
- *In order to recruit and retain employees I have had to increase wages by 10-20% since 2020*

Due to the geographical nature of Newfoundland and Labrador, farms in this province are at a higher disadvantage compared to other Canadian provinces. In Fall 2021, Dairy Farmers of Newfoundland and Labrador held its Annual General Meeting where Dairy Farmers of Canada expressed that dairy farmers were experiencing a 21% increase in cost of production. Since this meeting took place, Russia invaded Ukraine and the price of essential farm supplies has further skyrocketed. Collectively, the cost of production on my farm has increased by approximately 50% since the pandemic began. The Canadian Dairy Commission implemented an 8.4% increase in the price of milk in February of 2022. Unfortunately, this milk price increase was too little and too late.

With respect, Honourable Marie-Claude Bibeau, where does my farm obtain the money to cover such drastic increases in farm expenses? How are Canadian farmers expected to produce food if they cannot afford to pay their bills? Honourable Marie-Claude, if we cannot afford to feed our animals, we cannot afford to feed our family or our population.

Dairy farmers need real solutions in order to weather this rising cost in production. The Canadian Dairy Commission must reconsider the price of milk and the frequency of its adjustments to milk price. Modifying the milk price once a year does not work in an industry where expenses are climbing at astounding rates daily, weekly and monthly. Other agricultural commodities have the ability to alter price when it is necessary. If dairy farmers are going to persevere in spite of the challenging economic environment they face, Government must take action to support them.

Respectfully Submitted,



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Cc. Premier Andrew Furey – Government of Newfoundland & Labrador  
Cc. Honourable Derrick Bragg – Provincial Minister of Fisheries, Forestry and Agriculture  
Cc. Honourable Gudie Hutchings, MP – Federal Minister of Rural Economic Development  
Cc. Honourable Seamus O'Regan Jr., MP – Federal Minister of Labour  
Cc. Mr. Pierre Lampron – President of Dairy Farmers of Canada  
Cc. Mr. Serge Riendeau – CEO Canadian Dairy Commission