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REFORMING SUPPLY MANAGEMENT: THE CASE OF DAIRY

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Our research shows that the time is ripe for the Canadian dairy sector to transition from playing defence to playing offense. The notion of growth in the dairy sector is now alien to the policy discourse after decades of supply management, which has focused on dividing up the domestic market as opposed to capturing growing world demand. We show how comprehensive reform of dairy policy could reposition Canada's dairy sector for international growth, by allowing more assets in the hands of Canada's best producers, which are amongst the best in the world. Even under conservative assumptions about potential global market share, Canada would see rising output, higher employment, more dairy farms and greater total welfare.