SUPPLY MANAGMENT HISTORY LESSON PLAN

SUBJECT	Canadian History Post WWII		
TOPIC	Role of Farming in Canadian History	FOCUS	Grades 10-12

LEARNING OUTCOMES

At the end of the lesson, the students are expected to:

- Explain the "boom-and-bust" cycle that affected perishable agricultural goods.
- Identify the primary causes of the mid-20th-century dairy and poultry crises.
- Analyze the three core pillars of the supply management system
- Evaluate the trade-offs between free-market volatility and regulated stability.

MATERIALS

- Timeline
- 3 Pillars Excercise
- History Notes

REFERENCES

Chicken Farmers of Canada
www.chicken.ca

INTRODUCTION

The Scenario: Ask students to imagine they run an apple orchard.
Year 1: Apples sell for $5 a bushel. Farmers make high profits.
Year 2: Every farmer plants more trees to chase high profits. Suddenly, there is an enormous surplus. The price crashes to $0.50 a bushel—less than it costs to pick them.
Question for the class: "What do you do with apples that cost more to pick than they sell for?" (Answer: Let them rot on the tree, or dump them).
Transition: Explain that while apples can sit in cold storage for a bit, commodities like fresh milk spoil in days or weeks. In the 1950s and 1960s, this dynamic hit a tipping point.

TEACHING NOTES

Direct Instruction: The Crisis of the 1950s-1960s
The Perishability Trap
Unlike manufactured goods, farmers cannot turn off production overnight. Cows produce milk every day, and chickens lay eggs regardless of market prices. In an unregulated market, processors held immense power over farmers. Because fresh milk spoils quickly, processors could pressure desperate farmers into accepting bottom-dollar prices.

- Oversupply: Individual farmers tried to make up for low prices by producing more volume. This flooded the market further, depressing prices even more.
- Dumping & Waste: Tanker trucks dumped millions of litres of unsold milk down sewers while grocery stores experienced fluctuating prices and seasonal shortages.
- Bankruptcy: Independent family farms, under more pressure to make a profit, went under by the thousands, devastating rural communities. Big farming corporations, pushed out independent farms.

The Solution: Creation of Supply Management (1969-1973)

- Organized farm movements pressed provincial and federal governments for a national system that could stabilize the sector without relying on taxpayer subsidies. This led to the creation of the Canadian Dairy Commission (1966) and national boards for poultry and eggs in the early 1970s.

SUPPLY MANAGMENT HISTORY LESSON

TEACHING NOTES CONTINUED

Guided Analysis: The Three Pillars (15 Minutes)
Break down how supply management resolved the crisis through its three interconnected "legs":

- How It Works
- What Problem It Solved

1. Production Control (Quotas)

- Farmers buy "quota" allowing them to produce a specific amount of product based on forecasted national demand.
- Quota prevents massive oversupply and wasteful product dumping.

2. Price Stability

- Minimum farm-gate prices are set based on a transparent "cost of production" formula.
- Prices based on cost guarantees efficient farmers cover their costs without needing direct government subsidies.

3. Import Controls

- High tariffs apply to imports above specific baseline quotas. Tariffs are only applied after an import quota is reached.
- Prevents cheap, subsidized foreign surpluses from undercutting local production limits.
- Note: Remind students that removing any single pillar causes the system to collapse. Without import controls, foreign dumping ruins production limits; without quotas, internal oversupply drives prices down

INTERACTIVE ACTIVITY

Stakeholder role-play. Assign roles: Farmer, processor, (buyer) consumer, government trade negotiator, foreign competitor, and environmental advocate. Run a mock "policy review" of Supply Management.

VOCABULARY

Key Agricultural & Economic Vocabulary

- **Supply Management:**

A national agricultural policy system used in Canada for dairy, poultry, and eggs that balances domestic supply with domestic demand to ensure price stability for both farmers and consumers.

- **Quota:**

A legally binding license or permit that grants a farmer the right to produce and sell a specific quantity of an agricultural commodity (e.g., liters of milk or kilograms of chicken).

- **Cost-of-Production Pricing:**

A pricing model where the price paid to farmers ("farm-gate price") is calculated based on the actual costs required to produce the food—including feed, labor, fuel, and equipment—plus a fair return.

- **Import Controls & Tariffs:**

Border measures, including high taxes (tariffs) on imported goods above set limits, used to prevent foreign surpluses from flooding the local market and undermining domestic production limits.

- **Boom-and-Bust Cycle:**

A repeating economic pattern of extreme instability where periods of high prices and prosperity ("boom") lead to overproduction, triggering market crashes, low prices, and widespread losses ("bust").

- **Farm-Gate Price:**

The price a farmer receives for their product when it leaves the farm, before processing, packaging, transportation, and retail markups are added.

- **Perishability Trap:**

The financial vulnerability farmers face because fresh commodities (like milk or raw eggs) spoil quickly and cannot be held back from the market, forcing farmers to accept whatever price processors offer.

- **Audit:**

An official inspection and verification process conducted by industry boards or regulatory bodies to ensure farm production levels accurately align with assigned quotas and meet required operational standards.