

A complex formula for prison farm milk

Canadians have footed a steep bill to put prison-produced milk into their grocery chains, and into international infant formula supply chains

BY CALVIN NEUFELD

Babies in China are now drinking milk from a Canadian prison, and so are Canadians.

For the first time in history, the Correctional Service of Canada (CSC) has entered commercial dairy markets with an 80-cow operation that took seven years and \$36-million to set up at Joyceville Institution, a federal penitentiary in Kingston.

Dairy Farmers of Ontario buys the prison's milk and pools it with the general supply to the P5 provinces (Ontario, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island). Among the buyers of that milk is Feihe International, a Chinese corporation whose Canada Royal Milk infant formula factory in Kingston was announced in 2016 by Chinese and Canadian officials.

CSC did not intend to get into the cow dairy business. The plan, as revealed in documents that the government withheld until 2024, was for CSC to compete in the goat dairy industry, "to sell goat milk to Feihe International Inc. that will produce infant formula in Kingston."

For this, the Trudeau government allocated \$4.3-million over five years, beginning with 800 kids in 2018 and expanding to 2,200 milking goats. The plan for CSC to "build a partnership" with the Chinese company was "only shared with a very limited group of individuals even at CSC" and was "subject to cabinet secret protection."

These documents were kept secret for six years, withheld from access to information releases, until a multi-year investigation by Canada's information commissioner forced the government to release them to this reporter. Throughout those years, officials denounced reports of the infant formula connection as "speculation" that was "not grounded in fact."

The released records not only reveal the planned partnership between Feihe and the Correctional Service, but also awareness of the plan and its cover story at the highest levels of government. On the day of the 2018 media event promoting the farm program's launch as an alleged investment into public safety, Prime Minister Trudeau's staff were laughing in an email exchange about the "goats that inmates will use to make infant formula for Chinese babies...Public safety – fun and games."

In addition to the \$4.3-million in federal funding, CSC was to invest \$5-million from its existing budget to build an industrial goat barn at Joyceville Institution in 2018-2019. Under this original plan, the cost to taxpayers to boost a Chinese corporation's goat milk supply with prison labour would have neared \$10 million, had it gone according to plan and according to budget. It did neither, and the reason was cows.

Cow dairy was explicitly excluded from the penitentiary agribusiness announced in March, 2018. This angered members of the government-appointed advisory panel overseeing the program, who were shareholders in a co-operative that owned cows with genetic lineage from a dismantled penitentiary herd.

Although the advisers were bound to a conflict-of-interest agreement prohibiting them from influencing "the objectivity or fairness of deci-

sions" or benefiting financially "directly or indirectly, regardless of the size of the benefit," they openly lobbied for the public safety minister to change his mind and consent to CSC's purchase of the co-op's cows.

Their lobbying was being closely monitored by the Privy Council Office, which recently destroyed all records and communications relating to the penitentiary agribusiness. In previously released records that the government now claims no longer exist, the prime minister's staff were concerned about the panel members speaking to media about the goat dairy plan.

In response to the public pressure, the Public Safety minister swiftly reversed the decision to exclude cows and approved CSC's purchase of cattle from the advisory panel members, successfully diverting media attention away from CSC's seismic shift into commercial goat milk production.

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Since 2019, CSC has spent \$582,000 buying cattle, of which \$19,000 was paid to the advisers for their cows, in what one MP called "an obvious conflict of interest." The government has insisted that there has been no conflict of interest and the cattle were purchased "to ensure the value for money for Canadians."

The minister approved adding cows on the conditions that it must not impact the timeline and must be achievable "at no extra cost" within the \$4.3-million budget. The advisers assured the minister that this was "feasible" since the cows could be milked "under one roof" with the goats. With the minister's authorization, CSC redesigned the goat barn into a "dual function barn," only to discover that this did not meet agricultural codes. Two barns would be needed.

In 2019, after a year's delay, it was estimated that separate goat and cow barns would cost \$11-million. By 2020, the construction estimates had risen to an alarming \$26-million, compounding the "political sensitivities" of the government's "super-high priority" goat dairy.

Once maximum milk revenues are reached, the cow barn is projected to lose over \$12,000 per month

By 2021, all of CSC's attempts to buy goats had failed, "disenchant[ing] the few tiny industry interest" bidders, and CSC quietly announced the decision to "temporarily pause" the goat program, citing financial challenges. Not to be interpreted as cancellation, the news release said, "the dairy goat program will resume" after the cow dairy is established.

The cows at the prison, purchased under media fanfare in 2019, had by then spent years in "inadequate" temporary housing. The situation had become "urgent" as the "animal welfare conditions" and the "facilities and equipment for handling and treating animal waste" were "not to industry standard." This did not stop the CBC from financing a film in 2019 to promote the

"remarkable rehabilitation" of prisoners interacting with cows in the prison's "state-of-the-art" facilities.

In March 2022, after four years and millions spent accommodating the addition of cows, a \$10.48-million contract was awarded for the cow barn's construction. According to industry experts, a comparable barn would have cost "ten cents on the dollar" at an estimated \$1.3 million.

CSC cannot use the milk, having contracts for all milk served in penitentiaries. The advisers had proposed feeding the cows' milk to goat kids, to "offset some longer term kid feeding costs," but since the cow cost overruns forced CSC to pause the goats, CSC needed quota to sell the milk. As a supply-managed sector (unlike goat dairy), the only cow dairy quota option available to CSC was "research."

In 2024, after CSC's cows had spent five years in substandard temporary housing, Dairy Farmers of Ontario granted 100 kg of research quota to CSC, enough for an 80-cow dairy. To qualify, CSC struck up partnerships with the University of Guelph and McGill University. For undisclosed reasons, Guelph withdrew, leaving the Ontario quota covering the Quebec university's research.

To meet McGill's research requirements, major mid-construction revisions had to be made to the barn, adding to the cost and complexity. The cow barn construction has been ongoing for three and a half years. By this time last year, the barn's cost had risen to \$19.5-million, including taxes and design fees, which the Conservative shadow minister for agriculture called "insane."

In addition to the new barn, CSC has spent over \$6-million renovating older existing barns for heifers and calves, raising construction costs for the prison cow dairy to \$26-million. Operational expenses have topped \$7.6-million, averaging over \$1 million per year, and \$2.2 million has been spent on equipment, bringing the cost of adding cows "at no extra cost" to \$36-million.

In July 2025, CSC extended the cow barn construction contract to 57 months – just shy of five years – and issued a further \$3.2-million to complete additional amendments, and to settle delay claims by the contractor, by December 31, 2026.

The contractor has not yet handed the barn over to CSC, and has objected to CSC's premature use of it, according to CSC's farm manager, but CSC negotiated access to move cows into the barn in late 2024.

The first shipment of prison milk into commercial streams took place on Oct. 30, 2024.

Once maximum milk revenues are reached, the cow barn is projected to lose over \$12,000 per month.

CSC is now applying for more public funding to keep the cow dairy afloat, while McGill has been giving CSC's cows "access to toys and seeing how it impacts the life of the animal," and tracking "how many hours a cow stands, lies down and walks."

When the government told CSC to add cows to the goats-only operation, CSC warned that cow dairy would not be feasible unless "coupled with later revenue generation from the dairy goat operation." Since the 2021 pause of the goat program, the unchanging official position has been that CSC "currently" has "no plans" for its resumption. As recently as 2024, however, records show that preparations were underway "in anticipation of a goat barn" should the government decide "to pro-

ceed with the expansion [into] goats.”

The newly released government records outline the “advantages” of the partnership between the Chinese “baby formula processing plant” and the Correctional Service of Canada: “First, the production would be sold to the Feihe plant and secondly, it would offer employment opportunities for offenders upon release.”

Even with a pipeline of labour and milk for Feihe, the prospect of prisoners gaining employment through farm training is a “pipe dream,” according to one prisoner in Kingston. According to another, it’s “hogwash.”

The alleged justification for this prison agribusiness is reducing crime by giving prisoners “transferable” skills through farm work, but only 12-16 prisoner farm positions have been created by the tens of millions spent, and CSC “does not track” the results. In 2017, CSC flagged the “challenge” of “demonstrating cost-benefit” of a farm when existing programs offered the “same transferable skill sets.”

Under grilling in the House of Commons, the government has defended the prison agribusiness with the incorrect assertion that farm work is “proven to reduce crime.” The released documents prove otherwise.

CSC’s Research Branch told the government from the outset that there is no evidence that “agri-business employment programs” reduce crime. CSC was strongly opposed to the Liberals’ “non-evidence-based” farm proposal on the basis that it can “actually make public safety worse” and even “increase crime” by diverting resources away from proven and effective programs.

Not only would a farm be “unlikely to lower criminality,” according to CSC, it would be “expensive and inefficient,” and would likely “have negative economic bottom lines.”

The government ignored these recommendations, withheld them from access to information releases, and proceeded to siphon correctional resources and public funds into this carceral agribusiness, while falsely claiming that penitentiary farming is “evidence-based” and keeps “Canadian communities safe, all while providing Canadians good value for money.”

The irrecoverable cost of the farm program exceeds even the \$36-million in direct spending to date. Ongoing parliamentary inquiries are uncovering millions more in hidden costs, such as seven years of consultancy fees in what one government procurement officer sarcastically described as “the project that keeps on giving (to the consultants in any case).”

How consumers will feel about drinking experimental prison milk, how farmers will feel about competing with a federally funded prison farm, and whether goats will join what a Joyceville prisoner termed the “Clown Show Canada Farming Experience,” remains to be seen.

What can be seen, now that the government’s secret records are exposed, is how a Canada-China deal shaped a prison goat dairy plan, how that plan was misshaped by a runaway cow dairy cover story, and why prison milk is now streaming into Canadian and international markets.

(Calvin Neufeld is a researcher and investigative journalist. In 2024, he published Prison Farms Exposed: Revelations from Access to Information, based on six years of investigation, 130 Access-to-Information requests, and 40,000 pages of government records. In 2025, he was awarded the King Charles III Coronation Medal for his work)



Bean harvest

Soybean combining was well underway in Oxford, Perth and Waterloo counties recently. Perth’s Dave Wilhelm was custom combining a field of beans for farmer Brian Bell. Beans were drier and smaller than other years, and instead of rain and wet weather, dust and dirt are more in the offing. Wilhelm said after the bean harvest, corn was not too far behind (PHOTO BY GARY WEST)



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Deutz 5080G TB, 2022, 200 hrs.....	\$99,700
Deutz 9340TTV 2016, 3200 hrs.....	\$299,900
JCB 3200 Fastrac, 12, 3400 hrs. \$438,900	\$124,900
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Salford 4006 Plow, 6 furrow, 1995.....	\$5,900 \$5,300
Salford RTS 450, 2004.....	\$36,900
Salford RTS 570, 2010.....	\$40,500
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JD 7200, 6R Vac, Conservation Com Planter	Krause 5200 15' No Till Drill w/Coulters
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Unverferth 7250 Grain Buggy, Scale, Excellent	JD 2210 44' Cult., 5 Bar Spike Harrow Excellent
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