

June 20, 2005

The Honourable Mauril Bélanger  
Minister for Internal Trade, Deputy Leader of the Government in the House of Commons,  
Minister responsible for Official Languages, and Associate Minister of National Defence  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Minister:

First, on behalf the members of the Dairy Processors Association of Canada / Association des Transformateurs Laitiers du Canada (DPAC/ATLC), I would like to welcome you as Canada's first Minister for Internal Trade. Our fourteen members operate in every region of the country and purchase, process and market more than 90 percent of all milk produced in Canada. These companies employ more than 20,000 Canadians in their federally inspected plants and have sales in excess of \$10 billion annually.

DPAC/ATLC believes establishing the position of Minister for Internal Trade is an important initiative on the part of the Government of Canada. Your appointment will provide a national focus on Canada's domestic market and provide the leadership that Canadian governments need to accomplish the objective of Canada's Agreement on Internal Trade (AIT) to establish an open, efficient and stable Canadian market.

I am writing you today concerning an internal trade issue that is important to our members and to Canadian's generally. You may be aware that the *Canadian Agricultural Products Act (CAP Act)* regulates international and interprovincial trade in agricultural and food goods. Among other things it regulates standard dairy products and the use of dairy terms.

We have learned that the Standing Committee on Agriculture and Agri-Food is considering Bill C-27 that amends the *CAP Act*. Among the proposed amendments is one that will regulate the use of dairy terms for products that can be used by consumers as alternatives to standard dairy products (a copy of the proposed amendments are attached).

It is DPAC/ATLC's view that these amendments are unnecessary. Canada's current regime for regulating food product labelling and advertising effectively protects consumers and prevents the abuse of dairy terms while providing accurate and essential information to the consumer.

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DPAC/ATLC believes strongly that if they are implemented, these amendments will have the effect of: (1) restricting trade in dairy based products that are not standard dairy products; and (2) will proscribe the development of products that can increase consumer choice; and (3) negatively impact the dairy industry in the long run.

More to the point, DPAC/ATLC believes these proposed trade restrictive amendments to the *CAP Act* are inconsistent with the AIT and, if they are implemented, they will be challenged by one or more provinces.

As a Party to the AIT, the federal government's obligations are clear:

- Article 905 establishes that the Federal government or any other government will not amend an existing measure or adopt a measure so as to restrict internal trade in an agricultural or food good; *and*
- Article 907 requires that if the Federal government proposes to adopt a measure that may affect trade in an agricultural or food good it will provide copies of the proposed changes to other governments and those companies and individuals who may be interested in the issue and allow them to comment in writing. This obligation is confirmed in Article 406(2).

Since the Federal government accepts and supports the AIT, we ask that you respect these obligations and: 1) suspend consideration of these specific amendments to the CAP Act - 18.1 (1)(2)(3)(4); 2) review the impact on products affected by the amendments including dairy based alternatives to standard milk products; *and* 3) consult with Canadian governments and interested public stake holders as required by Article 907.

At the appropriate time, DPAC/ATLC intends to provide written comments as required by the AIT and we will discuss these comments with the appropriate officials.

Thank you for your consideration of this issue.

Sincerely



Don Jarvis  
President and CEO

Distribution list attached

- c.c. The Rt. Hon. Paul Martin, Prime Minister of Canada  
The Hon. Andrew Mitchell, Minister of Agriculture and Agri-Food  
Paul Steckle, M.P., Chair, Standing Committee on Agriculture and Agri-Food  
Richard Fadden, Canadian Food Inspection Agency  
Wayne Easter, M.P., Parliamentary Secretary  
Rose Marie Ur, M.P.  
Nancy Croitoru, Food and Consumer Products of Canada  
Ron Reaman, Canadian Restaurant and Foodservices Association  
DPAC/ATLC Board of Directors  
Tom Kane, Ontario Dairy Council  
Pierre Nadeau, Conseil de l'industrie laitière du Québec