

August 31, 2005

SAMPLE of letters sent to
Provincial Ministers of Agriculture

On June 21, 2005, the Hon. Steve Peters, then Minister of Agriculture and Food for Ontario, wrote to the Hon. Andy Mitchell, Minister of Agriculture and Agri-Food concerning issues related to the use of dairy terms on food labels and the regulation of non-dairy products that compete with standard dairy products. You were copied on this letter.

The Dairy Processors Association of Canada / Association des Transformateurs Laitiers du Canada (DPAC/ATLC) represents the interests of the dairy processing industry nationally. Our fourteen members operate in every region of the country and purchase, process and market more than 90 percent of 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 that Mr. Peters' comments are not accurate in three respects:

1. Mr. Peters says that it is the industry's view that there is a misuse of dairy terminology on non-dairy products and that the industry wants to regulate products that consumers use instead of standardized dairy products (dairy analogues and blends). Milk producers may take this view. Dairy processors do not and we understand that other sectors of the food industry also do not take this view. There is no objective evidence that dairy terminology is misused nor does Canada's food labelling system allow the improper use of dairy terms.
2. Mr. Peters says that amendments to the *Canadian Agricultural Products Act (CAP Act)* proposed in Bill C-27 now before Parliament is intended to restrict the use of dairy terms on products that can be used instead of dairy products that do not contain dairy ingredients. In fact the proposed amendment restricts the use of dairy terms on products that *compete* with standard dairy products. Most of these products contain dairy ingredients so the effect of the amendment will be to remove non-standard dairy products from the Canadian market. We also believe that the proposed amendment to the *CAP Act* will break the domestic trade rules established by Canada's *Agreement on Internal Trade (AIT)* and that the Federal government is ignoring its obligations to other Canadian governments in introducing this measure without consultation.

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3. There is no pressing need to develop standards for products that consumers use instead of dairy products (dairy analogues and blends) as Mr. Peters asserts. In fact what Mr. Peters proposes is the introduction of trade restrictions on products that compete with dairy products. The notion of using a system that should be used to protect consumers to protect some products from competition is questionable public policy and probably trade illegal. If trade in products that contain dairy ingredients that compete with standard dairy products is restricted it is likely that dairy and dairy based products will continue to lose market share.

DPAC/ATLC does not support any measures that would restrict the use of dairy ingredients in the manufacture of products that consumers use instead of standard dairy products or in the marketing of these products. Such measures do not protect consumers, will not contribute to the stability of the dairy industry and would contravene Canada's domestic and international trade obligations.

It would be helpful to know your views on this matter.

Sincerely,

original signed by

Don Jarvis
President and CEO

- c.c. The Honourable Andy Mitchell, Minister of Agriculture and Agri-Food
The Honourable James S. Peterson, Minister for International Trade
The Honourable Mauril Bélanger, Minister for Internal Trade
Ministers responsible for Internal Trade (Provincial)
Tom Kane, President, Ontario Dairy Council
Pierre Nadeau, Président-directeur general, Conseil de l'industrie laitière du Québec