



Ottawa, Canada K1A 0C5

JUN 22 2005

Quote: 313659

Mr. Don Jarvis  
President and CEO  
Dairy Processors Association of Canada  
205-408 Queen Street  
Ottawa, Ontario K1R 5A7

Dear Mr. Jarvis:

Thank you for meeting with me on May 31. While I understand the different perspectives relating to the dairy industry between the producers and the processors, I have taken note of the industries overall support of supply management.

As I indicated during our meeting, the government believes the most effective means of maintaining the supply managed system is with a positive outcome at the WTO negotiations. That said, we do not believe the use of Article 28 at this time would best suit that strategic objective and we have stated that we will not be invoking it at this time. We are though prepared to reconsider our stance as circumstances dictate.

As you are aware, the Government of Canada has recently made the decision to appeal a ruling of the Canadian International Trade Tribunal regarding the tariff classification of Advidia's milk protein isolate, Promilk 872B, because it raises a number of concerns about the proper classification of various types of milk protein products. We will monitor this case accordingly.

Further, I will be regularly provided with all available data from CBSA regarding imports under the four tariff lines for which concern has been expressed, and I will invite a small group in confidence, to review the data with my officials. This review will allow us to develop a common understanding of trends and developments and to discuss any action that may be required in the event of import changes.

As you indicated during our recent meeting there are many complex issues facing the dairy industry. The success of the industry depends on good cooperation among the entire value chain. In order to attain this cooperation and reach some common ground between dairy processors and the dairy producers, it is my intention to strike a working group as soon as possible. I will be encouraging both parties to work towards consensus on issues of mutual interest, beginning with creating the framework for the working group and its agenda.

Canada

As you are well aware, the issue of standards of identity for dairy products is quite complex and controversial. To resolve some current inconsistencies between regulations, the Canadian Food Inspection Agency (CFIA) intends to initiate steps to propose that the *Dairy Products Regulations*' definition of milk product be consistent with the definition in the *Food and Drug Regulations*. To ensure transparency and opportunity for comment, there will be pre-consultation with stakeholders.

As you may have already noted, the Standing Committee on Agriculture and Agri-Food with all party support have amended C-27 in respect of dairy labelling. I have enclosed a copy of that amendment.

I believe a close collaboration within the industry to work around all the above mentioned issues is the most productive means to move forward on these difficult issues. I look forward to your active participation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andy Mitchell', written in a cursive style.

Andy Mitchell

## C-27

New Clause/Nouvel Article 65.1

**COMMITTEE STAGE**

June 2, 2005

Ms. Ur (Lambton-Kent-Middlesex)

That Bill C-27 be amended by adding after line 3 on page 32 the following:

**“65.1 The Act is amended by adding the following after section 18:**

## Dairy ingredients

18.1(1) No person shall market an agricultural product using a dairy term on the label unless that product contains the dairy ingredient represented by the dairy term.

## Substitute product

(2) No person shall market an agricultural product that has a dairy term on the label if the agricultural product is intended to substitute for a dairy product.

## Exceptions

(3) Subsection (1) does not apply

(a) where the label of an agricultural product contains the term "artificial", "simulated" or "imitation" together with the name of a dairy ingredient and the word "flavour", and where that product has the artificial flavour of that dairy ingredient added to it;

(b) where the label of an agricultural product contains the term "flavour" or "flavoured" together with the name of a dairy ingredient, and where that flavour is derived from that dairy ingredient;

**ÉTAPE DU COMITÉ**

2 juin 2005

Md. Ur (Lambton-Kent-Middlesex)

Que le projet de loi C-27 soit modifié par adjonction, après la ligne 3, page 32, de ce qui suit :

**65.1 La même loi est modifiée par adjonction, après l'article 18, de ce qui suit :**

## Interdiction

18.1(1) Il est interdit de commercialiser un produit agricole portant une étiquette sur laquelle figure un terme laitier sauf si le produit agricole contient l'ingrédient laitier représenté par le terme laitier.

## Produit de remplacement

(2) Il est interdit de commercialiser un produit agricole portant une étiquette sur laquelle figure un terme laitier si le produit agricole est destiné à remplacer un produit laitier.

## Exceptions

(3) Le paragraphe (1) ne s'applique pas lorsque:

a) sur l'étiquette d'un produit agricole figure le mot <<artificiel>>, <<simili>>, ou <<imitation>> avec le nom d'un ingrédient laitier et le mot <<saveur>>, et que le produit agricole contient réellement la saveur artificielle de cet ingrédient laitier lui conférant une telle saveur;

b) sur l'étiquette d'un produit agricole figure le mot <<saveur>> avec le nom d'un ingrédient laitier, et que cette saveur est

(c) where the nature of the agricultural product is clear from traditional usage or from the name by which the agricultural product is generally known; or

(d) where the name of a dairy ingredient is used to describe a sensory characteristic, other than taste, of the agricultural product.

(e) where, in the case of, an agricultural product that is derived from the normal lacteal secretion obtained from the mammary glands of any animal other than a cow, genus *Bos*, the product is labelled so as to identify that animal.

#### Definitions

(4) For the purposes of this section,

(a) "dairy ingredient" means butter, buttermilk, butter oil, cream, cheese, ice cream, milk, sour cream, whey, yogurt or any other thing prescribed;

(b) "dairy term" means a word, name, designation, symbol or pictorial which refers to a dairy ingredient; and

(c) "milk" means the normal lacteal secretion obtained from the mammary gland of an animal.

dérivée de cet ingrédient laitier;

c) la nature du produit agricole est évidente selon l'usage traditionnel ou selon le nom sous lequel le produit agricole est généralement connu;

d) le nom de l'ingrédient laitier est utilisé pour décrire une caractéristique organoleptique du produit agricole autre que le goût.

e) le produit agricole est dérivé de la sécrétion lactée normale tirée des glandes mammaires de tout animal autre que la vache, genre *Bos*, et le produit est étiqueté de façon qu'il soit fait mention du nom de cet animal.

#### Définitions

(4) Pour l'application du présent article:

a) « ingrédient laitier » s'entend du beurre, babeurre, huile de beurre, crème, fromage, crème glacée, lait, crème sûre, lactosérum, yogourt ou de toute autre chose prévue par règlement;

b) « terme laitier » s'entend d'un mot, nom, appellation, symbole ou image qui désigne un ingrédient laitier;

c) « lait » sécrétion lactée normale tirée des glandes mammaires d'un animal.

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Member's SIGNATURE du député