

DAIRY INDUSTRY WORKING GROUP

Since June of last year, representatives from the Dairy Processors Association of Canada (DPAC/ATLC) worked closely with Dairy Farmers of Canada (DFC) representatives in the Dairy Industry Working Group and with Agriculture and Agri-Food Canada and Canadian Food Inspection Agency officials on a strategy to move the industry forward. The guiding principles underlying that strategy were:

- Consumer focus/benefits
- Supports supply management
- Enables growth
- Fact-based analysis
- WTO / NAFTA compliant
- Simplicity/clarity/transparent
- Encourages innovation
- Enable competitiveness
- Foster partnership and trust

Within that framework DPAC/ATLC developed and offered a “safety net” (a guaranteed use of fresh milk in all cheese manufactured in Canada) using a new compositional standard regulatory approach. The proposal required producers to commit to new competitive pricing for dairy ingredients.

A proposal with both new regulatory and pricing components was presented last month to the Working Group participants by Agriculture and Agri-Food Canada but was unacceptable to the DFC. Now DFC is preparing to again pressure the Prime Minister to take immediate action to control imports of dairy proteins.

Dairy processors are disappointed in this result. The “safety net”, together with a competitive pricing approach, was a way to grow the industry and to offer consumers affordable, high quality and new and innovative dairy products.

DFC in the past lobbied for an Article 28 action against imported dairy ingredients. If that direction is taken up again, the Government will need to assess if such an Article 28 action is feasible at this time. Such a trade action against our trading partners – EU, US, Australia, New Zealand, etc. – does not address the need for Canada’s dairy sector to find new ways to adjust to an increasingly competitive environment from dairy imports and competing food products.

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