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Canada plans to address concerns about imports of milk protein concentrates

For Immediate Release

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OTTAWA – The Honourable Chuck Strahl, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, and the Honourable David Emerson, Minister of International Trade, today announced that The Government will be initiating negotiations under General Agreement on Tariffs and Trade (GATT) Article 28 to restrict imports of milk protein concentrates in response to dairy industry concerns about the increasing use of these concentrates in making cheese and other dairy products.

This decision comes after Canadian dairy producers and processors failed to reach a consensus on long term solutions to the challenges facing the industry.

“Canada’s New Government is disappointed that after so much time and effort, dairy producers and processors have been unable to agree on how to ensure the long-term growth and prosperity of the sector,” said Minister Strahl. “I had made it clear to the Dairy Working Group that if they could not reach a consensus, we would take action on behalf of the industry.”

The Government of Canada plans to invoke Article 28 of the GATT to modify its World Trade Organization (WTO) commitments accordingly. Article 28 gives a country the right to renegotiate its tariff concessions in the WTO, allowing for increasing tariffs and setting new tariff rate quotas, and by providing other WTO members with equivalent compensation.

“Canada is exercising its legitimate rights under the WTO,” said Minister Emerson. “This decision will allow the Government to introduce legislation to establish tariff-rate quotas that take into account recent developments regarding the classification of milk protein concentrates.”

On a separate issue of interest to the dairy industry, Minister Strahl also announced that he would be asking the Canadian Food Inspection Agency (CFIA) to launch a regulatory process related to compositional standards for cheese. The CFIA will work together with stakeholders and take into account relevant international standards, including Codex Alimentarius standards, as well as the need to reflect industry innovation. The process should result in the further harmonization of the relevant federal regulatory instruments and will be designed to protect consumer interests and promote choice in the marketplace.

In making these announcements at the Annual Policy Conference of the Dairy Farmers of Canada in Ottawa, Minister Strahl stressed the government’s strong support of the supply management system and noted that it has served dairy producers and processors very well for many years and that it will continue to do so.

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For further comment, call (613) 992-1966 or 297-2249