

July 9, 2009

Dear Producer,

### **Ontario Quota Rights Group Appeals August 1 Quota Policies**

The purpose of this letter is to advise you that the Ontario Quota Rights Organization, together with Doyle Harrigan, Jacques Lamarche and Jean-Marie Menard, have appealed to the Agriculture, Food and Rural Affairs Appeal Tribunal (Tribunal).

For the purposes of the hearing before DFO that occurred on June 23, 2009, the Ontario Quota Rights Organization consisted of 75 members, made up of 34 former producers and 41 active milk producers.

The appellants are asking the Tribunal to declare the Harmonized Quota Policies scheduled to take effect on August 1, 2009 as null and void.

As a result of the appeal, an automatic “stay” is triggered. DFO believes that there is no need for a stay on all of the new quota policies and that to the extent a stay is in effect, it should be limited to the 41 active dairy producers that are part of the Ontario Quota Rights Organization. Accordingly, DFO is asking the Tribunal to lift the stay, or alternatively, define the scope of it so that implementation of the Harmonized Quota Policies can proceed as planned.

The issue of the stay will be considered by the Tribunal at a "pre-hearing conference" on July 17, 2009. It is not known when the Tribunal's decision on the matter of the stay will be released, although DFO will ask for a decision as soon as possible in view of the significant consequences to the industry.

As a result of this appeal, the opening of the August 2009 quota exchange will be delayed. If the Tribunal's decision is not available by July 24, 2009, the Board may have to cancel the August 2009 quota exchange.


The new policies are on track to be implemented in the four other P5 provinces. New Brunswick recently announced the implementation of a price cap on quota and, while an appeal has also been discussed, to date, there is no actual appeal in Nova Scotia.

DFO has invested considerable time and energy into developing the new policies at both the provincial and the P5 level and continues to believe that these policies are in the best interests of Ontario producers and represent a substantially positive direction within the P5 structure.

As events unfold, the Board will make every reasonable effort to keep producers up to date.

Thank you for your patience as events relating to this appeal develop.

Yours truly,

A handwritten signature in black ink that reads "Bill Emmott". The signature is written in a cursive style with a prominent initial "B" and a long, sweeping underline.

Bill Emmott  
Chair

BE:ss