

**Show Transcript
Deconstructing Dinner
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Jon Steinman: And welcome to Deconstructing Dinner, a weekly one hour radio program and podcast produced at Kootenay Co-op Radio in Nelson, British Columbia. I'm Jon Steinman and I'll be your host for the next hour. It's been about five months since we last aired an episode of our "Packaged Foods Exposed" series here on the program. The series was launched in May of 2006 with the intention of educating ourselves about the major food manufacturers operating in Canada or shipping their products to Canada.

Back in April of this year, we ran a one hour exposé on Kraft Foods, North America's largest packaged foods manufacturer. And we have aired similar episodes on Nestle, and PepsiCo. Well on today's broadcast of Deconstructing Dinner we look into yet another global giant in the world of packaged foods. A company that most would probably not associate with food and that is the Anglo-Dutch multinational Unilever, better known for their personal care and home cleaning products. But food is indeed a major component of Unilever's operations around the world and especially here in Canada where they control a significant percentage of the country's brands of margarine, dressings, soups, tea, and ice cream.

Upon investigating Unilever's operations in Canada and abroad, we have chosen some interesting stories to cover on today's broadcast. Some of which represent some major impacts this company is having on Canadian agriculture, food security, and human health. The operations of this company raise so many interesting questions that this broadcast will be spread out over a two-part series with Part II airing in the following week.

And so featured on today's Part I of this Unilever exposé, we look into the history of margarine in Canada, and its historical and current impacts on dairy farmers. We'll explore battle that has been waged for years now over a ban on the colouration of margarine in Quebec. A battle that may soon lead to the first every interprovincial trade war since the Agreement on Internal Trade was first signed in 1994. And on Part II of the exposé we will look at Unilever's roughly 25% control of Canada's ice cream market and a controversial ingredient making its way into their ice creams around the world. We'll examine Unilever's historical and recent impact on the cod stocks off the coast of Europe, which are teetering on the break of collapse.

And so joining me on the program today for this Part I, we will be hearing from Sean McPhee of the Vegetable Oil Industry of Canada based in Toronto. And we will also hear from Therese Beaulieu of the Dairy Farmers of Canada based in Ottawa.

increase music and fade out

JS: For any listeners that may have caught our most recent "Packaged Foods Exposed" episode back in April of this year 2007, you may recall two projects that we chose to undertake following the broadcast of that show. And just before we dive into this newest episode on Unilever, I will provide an update of the

progress of these projects, if you haven't already been following this on our website. Again, that one hour broadcast was a feature on global food manufacturer, Kraft Foods. But it was during the research of that broadcast that we came across two startling findings. The first was an advertisement found on the Exclaim Magazine website promoting Kraft Singles processed cheese slices. Now the advertisement made four health-related claims, two of which had seemed to be rather odd.

The first questionable statement read this "Canada's Food Guide to Healthy Eating recommends kids get two to four servings of calcium from milk products per day." Now I proceeded to contact Health Canada and the Canadian Food Inspection Agency, the CFIA. And they indicated that this statement was indeed false – that there is no such thing as servings of calcium nor does the new food guide have a category labeled as "milk products." Instead, there is such a thing as *servings of milk* or *milk alternatives*. The second statement that raised concern was this, "According to Statistics Canada it is suggested that kids may not get the recommended amount of calcium." Again, we asked Health Canada about this and sure enough, Statistics Canada has never suggested kids may not receive enough calcium. And so, simply put, these were blatant lies and misleading statements included within the advertisement. Health Canada's Canadian Food Inspection Agency indicated that a complaint could be filed with Advertising Standards Canada, ASC.

Given how much influence advertising has on the food consumption patterns of Canadians, we chose to launch a project whereby you the listener, could learn about the process when a consumer complaint is filed with ASC. So I went to their easy-to-use online complaints submission form and filed the complaint on April 13th, 2007. On April 23rd, I received a letter from ASC indicating that the complaint was received but that the issue needed to be addressed by the Canadian Food Inspection Agency, who as you probably recall, had sent me to Advertising Standards Canada.

And so we waited. It wasn't until June 5th that we received a letter from the National Manager of Nutrition and Health Claims at the CFIA indicating this, "With regard to your complaint on the Kraft Singles Processed Cheese Product, we have forwarded this to the Dairy Program of the CFIA for any necessary action. Thank you for your views on this matter."

And so I was left questioning whether I was going to be kept in the loop as to how this complaint would continue to be handled. In the weeks following this letter, I left messages with both the author of the letter and the National Manager of Dairy, Eggs and Honey, who this letter was copied to. My attempts were never answered.

So as a concerned Canadian consumer undertaking such a process, my concern would have been allowed to evolve up until this letter I received. Well I think it's safe to say that's just simply not good enough. So I instead, switched into my role as a member of the media, a position which bureaucrats and companies are more willing to share information with. On August 27th, I contacted a media representative at the CFIA and was quickly informed that the matter had been sent to Ontario's Regional Office located in Guelph. I contacted the office and was told that the complaint would be looked into and someone would get back to me on its status.

Well, over a week went by and no word. So I sent yet another message and received a response on September 6th. And the response was as follows, "I can assure you that we have resolved this complaint with Kraft Foods. I cannot provide you with anything more specific. If you require any further details, you may wish to submit an Access To Information Request."

Now this falls under the Access To Information Act, which gives Canadian citizens as well as people and corporations present in Canada, the right to have access to information in Federal Government records. But it costs \$5.00 to submit a request. A cost that I will note is about the same price as a package of Kraft

Singles. So you can rest assured that I do intend to file an Access To Information Request to find out just what this so-called resolution with Kraft Foods was in regards to the false and misleading advertising we came across back in April.

For any of you who want to stay updated on these projects, we are keeping the webpage for that show updated with information. And you can access that through our website at [cjly.net/deconstructing dinner](http://cjly.net/deconstructing-dinner).

soundbite

JS: Moving along to the focus of today's broadcast, we are again launching Part I of a two-part exposé on global consumer products giant, Unilever. The Company is most often recognized as the makers of well-known personal care and home care products. But food is indeed a major component of this company's operations worldwide. Unilever has been referred to as the first modern, multinational company. And it was founded in the 1920s following the merger of Lever Brothers, which at the time was a British soap company, and Margarine Unie, a Dutch margarine company. And hence, the name Unilever. The Company is still headquartered in both London, England and Rotterdam in The Netherlands. They employ around 179,000 people in close to 100 countries. Their operations here in Canada are headquartered in Toronto, employing 3,300 people across the country.

Now why focus so much time on this Company as we are about to do over the course of this broadcast and the next. Well, with global revenues to the equivalent of 57 billion dollars Canadian, this is a company that wields considerable influence on how food is grown, processed, produced, distributed, and sold. Now what makes this Company also of great interest is their diversified portfolio of products often not seen among the major global food manufacturers. One would wonder why a soap company and a margarine company would choose to merge in the 1920s and more importantly, remain in this position until today, in what is a fiercely competitive marketplace. But when you look at the raw ingredients of both soap and margarine, the picture becomes clearer as both products are major users of vegetable oils. From coconut oil to palm, cottonseed, canola, and soya, Unilever has become one of the world's leading purchasers of vegetable oils.

Now the crops used for such purposes are accompanied by a host of environmental and social concerns. As it's these very crops that take up incredible amounts of land around the world. And especially here in Canada, most of these crops are genetically modified; require constant application of chemical pesticides and fertilizers. They're grown in monocultures, reducing the biodiversity that is so essential to healthy soil and natural ecosystems.

Before we get into the operations of Unilever and how their influences shapes Canada's agricultural system and food supply, we can launch the Customary Packaged Foods Exposed grocery store tour, one that can better acquaint us with the company we are about to deconstruct. Our grocery store theme music is courtesy of Toronto musicians David French and Louie Simao.

fade music in

JS: Now if we start our Unilever grocery store tour off in the refrigerated section of the grocery store, we arrive at the focus of today's broadcast - margarine. With Unilever's brands – Becel, Imperial, Blue Bonnet and I Can't Believe It's Not Butter. Stepping over into the frozen food section of the grocery store we arrive at yet another segment of Canada's food supply heavily controlled by the company. And that is ice cream. Unilever manufactures brands such as Breyers, Klondike, Good Humour, Ben & Jerry's, Cadbury, Reese, Skor, and Oh Henry Ice Cream Bars. They manufacture the well-known Popsicle brand and other frozen desserts under the Breyers logo.

Moving into the warmer sections of the grocery store we arrive at some more oily products such as Hellman's mayonnaise and salad dressings and Bertolli olive oils and vinegars. Unilever owns the Ragu pasta sauce brand along with Knorr and their extensive line of ready-to-serve soups, soup broths, bouillon such as OXO and Bovril, Knorr's frozen chicken, beef and seafood entrees, and sauces, seasonings, gravies and marinades. Skippy peanut butter is also a Unilever product. Unilever owns the Lipton brand of foods and beverages including the well-known Lipton soups such as Chicken Noodle, Cup-a-Soup, and SoupWorks, along with packaged side dishes such as Lipton's SideKicks.

Now if we move into the beverages department we of course arrive at Lipton iced tea products. But Lipton is also a major tea brand on its own and this leading brand is partly why Unilever is the world's largest purchaser of black tea, buying up to around 12% of the world's supply. Other Unilever tea brands here in Canada include Red Rose and Salada.

Now when examining any major packaged foods company and what impacts they have on the environment, on health, and on the communities in which they operate, it's imperative to understand all of the products that the company produces. And we need not leave the grocery store to find Unilever's personal care products such as Axe, Degree, Dove, Lever 2000, Pond's, Q-Tips, Thermasilk, Suave, Sunsilk, and Vaseline. Arriving in the homecare department, we arrive at their brands Snuggle, Sunlight and Vim, products that find their way into the shopping carts of many Canadians.

fade music out

JS: Now while the grocery store tour concludes on that note, Unilever does also have a considerable stake in the food service industry through their Unilever Food Solutions division. The division provides many of the products just listed to restaurants, cafeterias, and catering companies across the country. And so for the entire broadcast today we will focus on Unilever's margarine products, in particular, their Becel, Imperial, Blue Bonnet, and I Can't Believe It's Not Butter brands. What may be perhaps the most surprising news when it comes to Canadian margarine is that margarine may very well, by the end of this year, spark the first-ever interprovincial retaliatory trade war since the Agreement on Internal Trade was first signed by the provinces in 1994. How could a tub of margarine be so powerful you may ask? Well, the province of Quebec is the last place in the world that maintains a margarine colouration ban. That is a ban that prohibits margarine to be coloured yellow, like butter. Such a ban understandably infuriates a company like Unilever who now must produce two different products – one for Quebec and one for the rest of Canada. But it also has angered the Vegetable Oil Industry of Canada of which Unilever is a member. But angry too are farmers, processors, and the Alberta, Saskatchewan, and Manitoba governments. And we will shortly hear more about this margarine war when we listen in on an interview I conducted with Sean McPhee, the President of the Vegetable Oil Industry of Canada, an industry group representing oilseed growers, processors, suppliers, and manufacturers.

Before we get to that interview it's important to note that margarine isn't new to conflict in Canada and the United States. In fact, the history of margarine is probably one of the most fascinating windows into the evolution of our food system over the past 100 or so years. Margarine has significantly impacted and been impacted by famine, war, poverty, and depression, prosperity, health concerns, political lobbying, the rise of industrialized agriculture, and the list goes on.

In a 1982 issue of the Journal of Social Problems, an article appeared titled, "The Menace of Margarine: The Rise and Fall of A Social Problem." In it the authors write this, "The evolution of this problem is closely related to historical shifts from agricultural to industrial order." And as we will soon discover, this has indeed been the case. That margarine and its significant impact on its more traditionally-produced rival – butter, is a perfect illustration of our society's transition from a more natural way of eating to an industrial one. In fact author Mark Twain was once quoted speaking about margarine and he denounced

the product as another sign of the artificiality of modern life. Yet another notable comment was that from the Governor of Minnesota in the late 19th century. And he referred to margarine and its, “kindred abominations as a mechanical mixture created by the ingenuity of depraved human genius.” And with such significant statements, margarine does indeed seem to be like a product worth deconstructing, given how accepted margarine has become as part of the Canadian diet.

soundbite

JS: Now it was war that led to the creation of margarine in the first place. It was in 1869 that Emperor Louis Napoleon III of France offered a prize to anyone who could make a satisfactory substitute for butter, suitable for use by the armed forces and the lower classes. The following year, a French chemist invented what was first called “oleomargarine”; later of course changed to just, margarine.

But here in Canada the manufacture and sale of margarine was a concern. Such a scientifically created food stirred fear among Canadians and it also concerned the dairy farmers who saw margarine as a threat to the popularity of butter. In 1886, by an Act of Parliament, margarine was banned and enforced until 1917 when wartime shortages of butter brought legalization. When butter production was back to adequate levels, the ban was reinstated in 1923.

Now the Newfoundland Butter Company was established in 1925, but the island was not yet part of Canada. Unilever – the focus of today’s broadcast purchased the company in 1937. Following World War II in 1948, the battle to legalize margarine was referred to the Supreme Court. A number of factors led to such high-level decisions needing to be made, including a forecast that a shortage of dairy products was going to occur over the coming years. That along with the poor financial positions many Canadians were in, led to the legalization of margarine, a cheaper alternative to butter. And margarine has remained legal in Canada ever since.

Blue Bonnet Ad:

Male: I’ve always considered eating mashed potatoes with my Blue Bonnet (tasting potatoes) ... to be in very good taste.

Female: I’ve never French toast without my Blue Bonnet. At least I don’t think so. (tasting food)
No, I’m positive.

Male: Whatever foods you love, everything’s better with creamy delicious Blue Bonnet.

Chorus: Everything’s better with Blue Bonnet on it.

JS: Now many concerns accompanied the arrival of margarine in 1948, with the greatest opposition understandably coming from the Dairy Farmers of Canada. Now we came across an old recording from the CBC archives dating back to 1948 when a segment on the legalization of margarine was aired. Interviewed on the program was Erle Kitchen of the Dairy Farmers of Canada, and he had some interesting predictions as to how margarine was going to impact not only dairy farmers but all of agriculture in the country. But before we hear what his predictions were, here’s the introduction to this 1948 clip on the legalization of margarine with host Bill Reid. This is courtesy of the CBC. And also because of how old the clip is, there is quite a bit of static, but take a listen.

CBC Interview 1948:

Today in Ottawa the Supreme Court of Canada ruled that butter substitutes, including margarine could be manufactured and sold legally in Canada. But that they could not be imported legally. Here is Warren Baldwin of the Toronto Globe & Mail to tell you about the lifting of the ban. He reports from Ottawa.

The Canadian consumer tonight is probably giving three rousing cheers for its Supreme Court, at least for the majority of its judges. He faces the prospect of being able to buy margarine in Canadian stores within the next month. No one seems to know at all certainly yet what the price will be. In Newfoundland it's selling at from 35 cents to 38 cents a pound. But perhaps we shouldn't cheer too lustfully yet. The government, in spite of the fact that it argued in favour of its right to continue the ban isn't likely to appeal. Consumers of butter still have more votes than producers. But the government probably will suggest that the most interested party in the case is Herbert Hammond and his Canadian Federation of Agriculture. And if anyone's to appeal it is up to this organization. And Mr. Hammond says that an appeal will be considered immediately. If they do there is no doubt that they will have a very strong legal case. The fact that the Chief Justice, Mr. Justice Kerwin dissented from the majority judgment today, will carry a lot of weight with the Privy Council in London. The Chief Justice points to the right of the dominion to regulate trade and commerce under the British North America Act and sees the margarine ban as a regulation of trade and commerce. He hasn't mentioned the question of a protection of health. Even the government in arguing its case didn't go so far as contending that margarine today could be injurious to health. That's an anachronism dating back to 1880. Well, that's the legal side of the question. But there's a moral question involved. And it may be summed out by the dairy farmers of Canada will want to continue a controversy which resolves itself now into the question of whether the dairy industry should be protected against competition, particularly at the moment. Canada's butter stocks have been dropping steadily on Danish and New Zealand supplies to the extent of 15 million pounds. And even at that there's a serious threat of a butter famine in the spring. On the other side of the case, there is the very serious question of what margarine competition may do eventually to the dairy industry in Canada.

JS: As this 1948 CBC interview continues, we hear from Dairy Farmers of Canada's Erle Kitchen. In this segment Earl predicts what he believes will happen once margarine is legalized. And listen closely, as his comments will lay the foundation for the remainder of today's broadcast as we determine whether his predictions did indeed come true throughout the 60 years following this interview.

CBC Interview 1948:

And viewpoint on the question, here is Erle Kitchen, National Secretary of the Dairy Farmers of Canada. He is interviewed by Bill Beatty of the CBC.

BB: How do you feel about today's margarine news Mr. Kitchen?

EK: We feel that this judgment, simply the result of a long campaign financed by the people who expect to make money out of margarine and joined in good faith by many other people who felt that the ban was not in the public interest. We don't blame the court for giving the decision. There's the public that placed the matter before the court. And now it's up to the public to find ways of solving the problems created by the margarine decision.

BB: And what are these problems, sir?

EK: Here's what it boils down to. If you use margarine, you very likely won't use as much butter. Then the farmer won't keep as many cows. There's no getting around the fact that this is soon going to cause a marked decrease in Canada's livestock population. Not only in the number of cows that produce cream for butter but also in the number that produce whole milk. Further along the line of this vicious circle of

livestock reduction we'll have fewer hogs and poultry for they depend on a byproduct that butter making - skim milk for an important part of their diet.

BB: So is this livestock population decrease really important?

EK: It is. The amount of butter we use has a very definite affect on soil conservation. That may seem strange but stop using butter, force a decrease in animal population and you automatically affect the vitally needed supply of animal manure to enrich the soil. And when we deal with soil conservation, one thing you've got to remember is that if we grow the raw material, the oil producing crops for margarine production, they rob the soil of organic and mineral matter at a terrific rate. A few crops along this line can ruin fertility buildup by generations of careful farming. I do hope this removal of margarine ban isn't a national decision to let the soil take care of itself. If it is, there might be some possibility of saving pennies on margarine and in years to come having to spend millions on soil conservation.

BB: Well you feel the margarine decision is real hardship to the farmers?

EK: Yes I do. All during the war years and up to the present time, the farmer has received a controlled price for butter. Market outlets have been controlled. I feel that now the world market should be open so that the Canadian farmers might get the best market prices for dairy products.

BB: Thank you Mr. Kitchen. This is Bill Beatty of the CBC speaking from Toronto.

JS: Erle Kitchen predicted that there would soon be a marked decrease in Canada's livestock population and he suggested that this decrease would lead to a marked decrease in the supply of vital manure to enrich the soil. Any increase in the cultivation of crops for margarine production would further rob the soil of vital nutrients and perhaps of greatest importance, he predicts that in the future, we will have to spend millions of dollars on soil conservation. Now we are going to examine this prediction in just a moment. But first, here's the remainder of this 1948 CBC interview.

CBC Interview 1948:

BB: Well now comes the question, when will we be able to buy margarine in Canada. We've had Dave Price busy all day trying to find out. And here he is to report.

DP: This morning when the story broke in Ottawa, newsmen ran the logical manufacturers right for stories. There were stories to the effect that the manufacturer of margarine would start any minute. And one story said that Toronto housewives could begin shaving the family budget no later than Friday of this week. Margarine would be on the shelves of their grocery stores by that time. Somehow that didn't add up. It meant that if a manufacturer could get margarine to the buyers that quickly then they knew something the Supreme Court didn't even know.

The best way to ease my mind on the subject was to talk to people myself. I did.

After a number of hours on the phone, I finally contacted the margarine man of a large Canadian packing house and here's what I learned. His company which will be the first to introduce margarine to the Canadian market will definitely not have margarine ready for sale this week. As a matter of fact, this company won't offer margarine for sale until their product has been experimented with, pass rigid government inspection, and has proved to the packing house officials that it's a main number one product. He said that their margarine won't turn consumers against the product like the margarine of World War I did. So it might be one week or it might not be for four weeks. But you can be sure, he said, it won't be on the market until it's right. I asked him if the prices of 36 to 38 cents quoted in the paper were right and he said he thought the price would be nearer 50 cents. The vegetable oils needed for the manufacture had

to be imported and the duty was fairly high. I questioned him about the nutrition value of margarine and it's expected that similar to the margarine manufactured in the United States, our margarine would be fortified with 15,000 International Units of Vitamin A per pound.

I asked him if it was true that his company had machinery installed that was ready for the manufacture of margarine. He told me "no" and then invited me to come out and take a look. This I did and workmen were busy converting machinery already used for dairy products for the use of the manufacture of margarine. This company is closer than any company to the manufacture of margarine the official told me and then he said that there will not be an ounce of margarine on the market this week.

So ladies, don't buy any new hats with the money you are going to save by your purchase of this new product. That is, not until you get the green light. You'll know in plenty of time. This is David Price reporting from Toronto.

JS: And this is Deconstructing Dinner. And that was a CBC recording dating back to December of 1948 with host Bill Reid.

Now making any attempts to try and determine if Erle Kitchen's predictions as to how the legalization of margarine would impact agriculture in Canada is difficult to say the least. There have been numerous impacts to Canadian agriculture than just the introduction of margarine production itself. And I did contact Agriculture and Agri-Food Canada who also agreed that it's not possible to determine to what extent these predictions have indeed come true. I also contacted the Dairy Farmers of Canada and asked their opinion, and they too, said the same thing. But here's a quick response from the Dairy Farmers of Canada's Assistant Director of Communication and Policy, Therese Beaulieu. She spoke with me briefly over the phone from her office in Ottawa.

Therese Beaulieu: It has impacted dairy farming. It has impacted the consumption of butter. We also need to realize that over the years the markets for dairy products and for butter has changed a lot. Back in 1948, people mostly drank milk and ate butter and ate a bit of cheese but cheese was mostly a product that was exported at that time. Now that market is completely different today. Now you have a lot of various different dairy products including yoghurt and other products that did not exist at that time and part of it just goes with all the food habits that have changed as well. Today we have frozen pizzas, we have ready meals and we didn't have that in 1948 so there's been so many changes that it's very difficult to say exactly what is the impact of margarine per se on the dairy industry or dairy farming because there's been so many other changes.

JS: Now if we were to look at some of the statistics as to what has happened to Canadian agriculture since the legalization of margarine in 1948, we first arrive at Earl Kitchen's first prediction, which was, that there would be a marked decrease in the population of dairy cows in Canada. Well this is certainly the case and the numbers are startling, especially given the Canadian population between the end of World War II and today has increased from 12 million to over 32 million. And so listen to this, in 1944, Canada's population of dairy cows was the highest it has ever been in the history of the country at just around 3.7 million. Today, that number has dropped to just over 1 million.

Now in the case of butter production, these statistics are also startling, and remember, the population of Canada has increased significantly. Nineteen sixty-four was the peak of butter production in Canada at 357 million pounds. By comparison, margarine production was at 171 million pounds in that same year. By 1975, in just over 10 years, butter production had dropped to 264 million pounds, with margarine production increasing to that same amount, 264 million pounds. And today, butter production is at 184 million pounds.

Now there's no doubt that such a marked decrease in the population of dairy cows in Canada led to an equally steady decline in the availability of manure as an effective organic fertilizer. But as was the case, the end of World War II, also marked the rapid rise in the use of chemical fertilizers, which, in the case of margarine's raw materials are used in abundant amounts. And so there can be little doubt that regardless of how much of an impact margarine had had on available fertilizers in Canada, it certainly encouraged the increased prevalence of chemical agriculture in the country. Organic fertilizers such as manure were plentiful and inexpensive, especially on mixed farms where both dairy and crops were raised and cultivated. The introduction of chemical fertilizers that were produced and sold by companies, marked a steady increase in the amount Canadian farmers were required to shell out to improve the nutrient content of their soils. Looking at the statistics, in 1948, farmers growing crops on average spent about 2.8% of their total costs on fertilizers. By 1971, that number had increased to 9.2%.

Blue Bonnet Ad:

Female: Do all your sandwiches taste the same? Mine did until I started using the ideas in this Blue Bonnet sandwich book. Of course I always begin with Blue Bonnet margarine because my family loves the flavour. It makes everything taste more interesting. You know you can't beat the taste of a Blue Bonnet sandwich.

JS: But with so many factors potentially influencing such statistics, I chose to contact Ann Clark at the University of Guelph. Ann Clark is an Associate Professor who specializes in organic farming and dairy systems. And she had some interesting comments to share as to whether or not this 1948 prediction that margarine would lead to a depletion in soil quality has proven to be true.

Her first response was this, that "in principle, he is right".

Now I'll read to you a segment of Ann's email that I found really interesting as it addresses one of the new buzzwords in this age of increased environmental awareness – and that is sustainability. Ann writes this, "The best and only example we have of true ecological sustainability is nature. We just don't live long enough to know what sustainable really means. So, my fallback is nature. And it follows then that if we want to *claim* that agriculture is sustainable, then we should be crafting and designing agriculture to emulate nature. Most of us don't do well on bark and leaves, so agriculture can never be nature, but it should, arguably, be the standard."

Ann Clark of the University of Guelph also comments on the increased presence of annual crops in Canada. Now these are the crops that go into the production of margarine, canola and soy oils being the two primary ingredients. And Ann says this, "Annual crops generate nearly insurmountable ecological challenges in more humid environments."

Now another impact of the rise in the cultivation of such crops for margarine production is that of biodiversity. Virtually all of these crops are grown as monocultures – that is one crop planted over incredible distances. In regards to soil conservation, Ann indicates that biodiversity is essential both to control pests and to maintain soil structure, nutrient cycling and water infiltration. She also adds that growing annual crops requires bare soil – something virtually unknown in nature. So it's becoming clear that the rise of margarine production in Canada has indeed contributed to a rise in the depletion of soil quality where such crops are grown. Raising dairy cattle on the more traditional pasture requires that the soil indeed always be covered with grasses on which dairy cows feed and hence a better system to conserve soil quality. Now I say this tongue in cheek, but something tells me that some margarine manufacturers were well aware that margarine was fooling nature.

For anyone who watched television throughout the 1970s, you probably remember the well-known Chiffon Margarine jingle. Take a listen.

Chiffon Ad 1970:

Mother Nature: And Goldilocks said “Who’s been eating my porridge?”

Male: Mother Nature, was this on the porridge?

Mother Nature: Yes, lots of my delicious butter.

Male: That’s Chiffon Margarine, not butter.

Mother Nature: Margarine? Oh no, it’s too sweet, too creamy!

Male: Chiffon’s so delicious it fooled even you Mother Nature.

Mother Nature: Oh, it’s not nice to fool Mother Nature.

(lightning sound)

Singer: If you think it’s butter, but it’s not, it’s Chiffon.

JS: Now the question is, is the lightning at the end of this advertisement a sign of what fooling Mother Nature with margarine would do? She certainly was not very happy back in the 1970s, and she most certainly is not very happy today.

soundbite

JS: And you’re tuned in to Deconstructing Dinner, a weekly one-hour radio program and podcast produced at Kootenay Co-op Radio in Nelson British Columbia. I’m Jon Steinman. If you missed any of today’s broadcast or would like to learn more about anything mentioned on the show, you can visit our website at cjly.net/deconstructingdinner. Today’s show is titled, “Packaged Foods Exposed IV” and is the first of a two-part exposé on global consumer products company Unilever – a company based in both the U.K. and The Netherlands. The focus of today’s broadcast is margarine, with Unilever’s dominance in this market having had a significant impact on Canadian agriculture, food, and health. Unilever produces well-known brands such as Becel, Imperial, Blue Bonnet and I Can’t Believe It’s Not Butter.

This Unilever exposé will also continue next week when we will put the focus on the company’s 25% control of Canada’s ice cream market, and the impact the company has had on contributing to the near collapse of the Northern European cod stocks – an ironic position to be in given Unilever’s presence in Canada began in Newfoundland, the site of the world’s most recent cod stock collapse.

But as indicated earlier, margarine in Canada still evokes a heated debate. The health implications of margarine are perhaps in recent years the most well-known, but margarine is also setting itself up to potentially be the cause of Canada’s first retaliatory interprovincial trade war. And this traces back to the history of yet another contentious issue, and that is margarine colouration.

Ever since margarine was introduced into North America, both the U.S. and Canada had been quick to ensure that margarine was not allowed to be sold as the same colour of butter. This was said to both

protect the consumer from confusion, *and* to protect the dairy industry. Now this was taking place over 100 years ago in the United States and the battle continues today, because since 1994, Quebec has been the only jurisdiction in the world that maintains a ban on the colouration of margarine, which in its original form, is white. It was the province of Ontario that lifted its margarine colouration ban in 1994. But for anyone old enough to remember (and I can certainly count myself out), for quite some time leading up until the 1960s, margarine producers would bypass the colouration ban by including a small capsule of yellow dye with each package of margarine. Upon purchasing the product, consumers would squeeze the capsule into the margarine, mix, and voila, butter... (or what was supposed to look like butter).

Now this had of course caused quite a headache for margarine manufacturers such as Unilever. These companies were determined to sell a product that looked as similar to butter as possible. But then came the North American Free Trade Agreement (NAFTA), and along with that Canada's Agreement on Internal Trade, kind of the NAFTA between provinces. And this brings us to my guest Sean McPhee, the President of the Vegetable Oil Industry of Canada or VOIC – an industry group representing canola growers, oilseed processors, companies like Archer Daniels Midland, Cargill, and, Unilever. Sean has probably been one of the most involved individuals in fighting the margarine colouration ban that Quebec continues to maintain to this day. Prior to his role with VOIC, Sean had been operating a consulting practice and one of his main clients was Unilever.

I spoke to Sean over the phone from his office in Toronto, and he introduces Quebec's margarine colouration ban.

Sean McPhee: Quebec reinstated the ban in 1987 after a repeal in the 1960s. And it was the Bourassa government in 1987 that reestablished the colour ban. And the point of the ban is of course, to make margarine unappealing and unappetizing so consumers won't buy it in order to protect the domestic Quebec dairy industry.

JS: Sean McPhee suggests that the margarine colouration ban in Quebec has cost the oilseed industry and the manufacturers like Unilever significant amounts of money.

SM: Just in terms of numbers losses to the margarine industry when you're talking about the margarine industry you're talking about people who grow canola and soybean, and flaxseed and sunflowers, they have those people who process and refine the oil to turn it into margarine. The loss to the industry for those folks is about 25 million dollars a year, which may or may not sound like a large number but it's still a loss. And that loss has been going on for 10 years. You're talking something in the range of 250 million dollars in total since Quebec was obligated to repeal that regulation.

You also have the ongoing cost of the national margarine manufacturer whether making Becel or Imperial or whatever the case may be who has to produce two different colours, one for the rest of Canada and one for Quebec. That requires different production runs, different inventories, different distribution systems. The largest manufacturer of margarine in Canada estimates the complexity of those two different production runs and those two different inventories costs about 1.2 million dollars a year. So you add that on top of the market losses, of what I said was about 250 million dollars, and as they say you're starting to talk about real money.

JS: Now Sean McPhee is of course referring to Unilever as the company who was forced into producing two different types of margarine. I did contact Quebec's Ministry of Agriculture and found out that Unilever in fact supplies about 50% of Quebec's margarine, with most of it coming from Ontario. But Unilever's concerns over the colour of margarine might come across as confusing. As Sean McPhee of the Vegetable Oil Industry of Canada suggests, Quebec's margarine colouration ban is designed to make

margarine look unappetizing, that is margarine in its natural colour. But if you head over to Unilever's website, there is a paragraph that reads this, "It's easier to eat well when you think in colour. That's because the naturally occurring substances that give plant foods their different hues are also what makes them so good for us." So on one hand the industry agrees that margarine in its natural colour is unappetizing, yet Unilever itself encourages its customers to support the naturally occurring substances that give plant foods their different hues.

Now that aside, looking back to when Sean McPhee had Unilever as his client, Unilever chose to challenge Quebec's ban shortly after the Agreement on Internal Trade was signed by the provinces. And Sean explains.

SM: In 1993 the Canadian government, the provinces, and the federal government signed the Agreement on Internal Trade whereupon they agreed that silly regulations like margarine colour and a host of others related to labour mobility and all kinds of different regulations that didn't make any sense, should be eliminated in the context of our commitment to global free trade under the North American Free Trade Agreement and the World Trade Organization. Governments then, in 1994 had a timeline to eliminate all of these silly regulations and that timeline was 1997.

So we began in about 1996 to pressure the Quebec government to meet its commitments, to ensure they were aware of it, and put it on the public record that that this regulation would be repealed. They tabled the draft regulation in 1997 according to the timeline that they were obliged to adhere to, to repeal the colour regulation – the margarine colour regulation. After about three weeks under the pressure of the Dairy Lobby, the government withdrew it. Even though they said in the draft regulation that they had to repeal the regulation in order to conform to their commitment to the Agreement on Internal Trade and their commitments to the other provinces, they withdrew it. And it was at that point in late 1997 that Unilever chose to challenge the regulation legally by deliberately importing yellow-coloured margarine from the United States in order to institute a legal challenge which then became the subject of court challenges right from the Quebec Superior Court to the Quebec Court of Appeals and ultimately to the Supreme Court of Canada.

JS: Now at this point I think it's important to point out the absurdity of all this. Yes, Quebec had, at this point set themselves up to protect their dairy farmers. But out of principle, any community whether it be a small town of 500 people, a city of 1 million, or a province such as Quebec who maintains significantly different cultural values than any other province, it seems that out of principle, they should have the right to protect their local agriculture. This is exactly what we see happening all across the country. In the case of strawberries, Ontario farmers are packing up their farms and if not switching crops moving to cities because they just can't compete with cheaper California strawberries available almost year round. Because of open borders, Ontario has no basis on which to protect its strawberry farmers.

Here in British Columbia, slaughterhouse regulations set to come into effect on September 30th are designed for large-scale operations wishing to export meat. This is forcing small-scale producers who are raising animals for their own communities to give up altogether. And here, in the case of margarine, you have a company with headquarters in the U.K. and the Netherlands, importing margarine from the United States, all along with the intention of challenging Quebec and the protection of their local farmers. Quebec did seize the illegally imported yellow margarine, and as planned, Unilever took the issue to the Supreme Court of Canada. And Sean McPhee describes what happened.

SM: The Supreme Court of Canada upheld the lower court decision, which was -yes, this regulation is wrong, it's protectionist, it's deliberately discriminatory but if provinces wish to regulate in this manner, under the Canadian Constitution, they are legally entitled to do so. The Supreme Court upheld that position which is not terribly surprising given the Constitutional division of powers between the federal

government and the provinces. But what is disturbing about all of this is that Quebec, like the other provinces, signed an agreement that said we're going to respect your goods and services and treat them in a no less satisfactory way than we treat our own. In other words, Alberta, you can trade into Quebec with your canola-based margarines just as we trade into your province with our dairy products. That was the whole point of the Agreement on Internal Trade. Even though constitutionally you can discriminate against another province, its goods and services, Quebec committed to regulate in a manner, which respected the goods and services of the other provinces. And so, in not repealing the margarine colour regulation they violated that commitment. And they basically said to, principally Alberta, B.C, Manitoba, and Saskatchewan where canola is grown, canola oil being a major constituent in any margarine in this country, they basically said well, you know what – too bad. We're going to protect our own dairy producers, we don't care about you and your canola growers and your processing industry.

JS: As Unilever's attempts to have Quebec's margarine colouration ban repealed failed, the battle was not yet over. Following this failed attempt, the Vegetable Oil Industry of Canada approached the Western provinces and asked *them* to challenge the ban.

SM: The Vegetable Oil Industry of Canada of which I am President, asked Alberta, Manitoba, and Saskatchewan to challenge Quebec under the Agreement on Internal Trade. The exact same thing when there's international trade challenges, Australia challenges Canada on dairy issues, Canada challenges the U.S. on poultry issues wherever there are corn or whatever the case may be. It's the same thing here. And Alberta, Manitoba, and Saskatchewan referred the matter to a trade dispute panel and won on behalf of the Vegetable Oil Industry of Canada which comprises our canola growers, processors, and food makers of products like salad oil and margarine and cooking oil and so on. And that decision came through in 2005. And that's what we are referring to now when we say that Quebec has done nothing, they've been sitting on that decision for two years.

JS: And this is Deconstructing Dinner where we are listening to clips from my interview with Sean McPhee, the President of the Vegetable Oil Industry of Canada. Following the decision, Sean McPhee was so convinced that the battle was over, that he is quoted as saying, "We are delighted that Quebec's market is now open to yellow-coloured margarine. I expect manufacturers to start shipping coloured margarine into Quebec by September 1st, 2005." Now this of course never happened, Quebec continues to maintain their ban. So the big question is, what next? And here introduces what may well become Canada's first legal retaliatory interprovincial trade war.

SM: The only mechanism to force them to comply, similar to international trade conflicts, is you take retaliatory trade measures. If you've got a clear finding that says hey, your regulation is discriminating against my products, we now have a clear finding that says you should repeal that and you haven't done so. After a period of time I'm going to say as a winner in the trade dispute, well if you don't comply then I'm going to take action against your products that are traded into my jurisdiction. And that's what Alberta is going to do. And my understanding is that Alberta will come to a decision on exactly what they are going to do by the end of this calendar year. So Quebec has three months or so to sort itself out in terms of whether it's going to comply or whether they will face retaliatory trade action from the western Canadian provinces.

JS: What's perhaps the saddest part about the whole scenario is that Alberta, being one of the most polluting jurisdictions on the planet, one of the wealthiest, and providing one of the key inputs helping support the military invasions led by the United States, will be legally allowed to challenge a province trying to protect their farmers. And herein introduces what is often suggested here on Deconstructing Dinner, that food really does *not* belong in the same arena as other commodities. Food and water is recognized around the world as a right, and its ability to be challenged using the same rules that govern footwear, automobiles, and military technologies, is as seen in this case, perhaps one of the leading

reasons as to why so many communities are having such a hard time protecting their farmers and producers.

At the time Alberta challenged Quebec in this respect, the premier of Alberta was Ralph Klein. Now one of Klein's most well-known quotes dates back to over 25 years ago when, in 1980, Canada's National Energy Plan – designed to move Canada towards being oil self-sufficient, sparked outrage by Albertans, Albertans wishing to export their oil as they please. And Klein said this, "Let the Eastern Bastards Freeze in the Dark." Now if Quebec is being accused of utilizing protectionist strategies, well such a statement by Klein is pretty clear that Alberta is only concerned about one thing too, themselves.

Now if the ability for trade agreements to hinder a community's ability to protect its food supply is of further interest to you, you can check out one of our recent broadcasts titled "Trade Agreements Over Dinner." And that's accessible through our website at cjly.net/deconstructingdinner.

soundbite

JS: And you're tuned in to Deconstructing Dinner. Continuing on this topic of Quebec's margarine colouration ban, the more commonly accepted reason for such a ban is, as stated earlier, to protect the dairy industry. Now provinces like Quebec have indicated that the ban is in place to protect the consumer who may be confused when walking into a restaurant for example. Now Therese Beaulieu of the Dairy Farmers of Canada whom we heard from earlier would also agree.

TB: We support the Quebec legislation and like I told you earlier when we talked about how aggressive the oil industry has been on the margarine industry has been in attacking butter. You know they use our colour, they use the swirl that butter is associated for, you know you use to see a swirl and you know that it was butter. If you see a little yellow blob on a piece of corn you use to know that it was butter. Now they have used all those images that are traditionally recognized as being a part of, I guess, butter in their own thing. So in Quebec, just the difference in colour actually does mean a difference in what people eat. Per capita consumption of butter in Quebec is actually higher than in the rest of Canada.

JS: Now those within the Vegetable Oil Industry would suggest that such an argument is ridiculous, that the consumer can tell the difference between margarine and butter. But I know from personal experience, as a child, I can remember numerous occasions when I, for one, couldn't tell the difference, in particular when in restaurants. And one would also wonder, that if this is indeed a ridiculous argument then why is it the margarine manufacturers go to such lengths to make margarine look and even taste like butter. In fact Unilever margarines contain either whey protein or buttermilk to make the product taste like butter. It almost seems like confusing the consumer, is the goal. Take a listen to this 1960s advertisement for Imperial Margarine, a Unilever product.

Imperial Ad 1960:

Male: Pass the butter please Vicky. {pause} Vicky the butter.....Thank you.

(sound of trumpet and children laughing)

Male: Hey, what's going on?

Female: It's a crown love. I switched from butter to Imperial margarine.

Male: You mean this is margarine?!

Commentator: Not just any margarine – Imperial margarine. Once you taste it you'll agree.

Male: Sure tastes like butter.

JS: So while the Vegetable Oil Industry insists the consumer can tell the difference, they're advertising campaigns are saying otherwise. Because of the ongoing efforts companies like Unilever and the Vegetable Oil Industry are taking to have Quebec's margarine colouration ban repealed, Therese Beaulieu of the Dairy Farmers suggests that such efforts are a sign of how powerful this industry is.

TB: Well I mean that's like part of how aggressive the margarine and oil lobby has been. You know the fact that they are still personally mad, because it obviously makes a difference when you take the colour and you take the pictures that are associated with butter. You take dairy ingredients that put it in butter to make it taste like butter and then when people go to the restaurant and they are not sure if it's butter or margarine that's on the table. Of course you know what you have at home when you make a conscientious purchasing decision. But when you're going outside you don't know if it's the same colour and it has almost the same taste because they actually used a dairy ingredient in their margarine to make it taste like it. So it's misleading the consumer.

JS: And that was Therese Beaulieu, the Assistant Director of Communication and Policy for the Dairy Farmers of Canada. Therese spoke to me from her office in Ottawa.

On next week's Part II of this two-part exposé on Unilever here on Deconstructing Dinner, we will continue on the topic of margarine, but more importantly on the health implications of the product, the trans fats that have been an ingredient of the product for years. And we'll examine how Unilever has responded to the presence of trans fats in their products.

Also to explore will be a continuation of this topic on Unilever's efforts to create imitation foods that look and taste the same yet are less expensive to the consumer and significantly less expensive to the producer. As one of Canada's leading ice cream producers, we will examine how the company seems to gradually be replacing the fluid milk in their products with dried milk ingredients, some of which is imported from countries with minimal health regulations. Unilever is even producing products that look like ice cream but are so void of anything relating to cream, that they can't legally be called ice cream in Canada. And what's replacing the milk products - well, you guessed it - vegetable oil. And it's this, that has allowed Deconstructing Dinner to come across, yet again, misleading advertising like that which we found when we explored Kraft Foods.

We'll also learn more about a genetically modified yeast that replicates a protein found in a fish. Now the protein is making its way into Unilever ice creams around the world. And after all this, we will meet a former ice cream stand operator who got fed up with the quality of Unilever's ice cream and decided to go into business and start producing his own, using, yes, real fluid milk products. What a concept!

Join me next week.

ending theme

JS: That was this week's edition of Deconstructing Dinner, produced and recorded at Nelson, British Columbia's Kootenay Co-op Radio. I've been your host Jon Steinman. I thank my technical assistant John Ryan.

The theme music for Deconstructing Dinner is courtesy of Nelson-area resident, Adham Shaikh.

This radio program is provided free of charge to campus/community radio stations across the country, and relies on the financial support from you the listener. Support for the program can be donated through our website at cjly.net/deconstructingdinner or by dialing 250-352-9600.