

proActionTM

Leading the way
for sustainable
dairy farming

*Providing assurance
to customers about
farm practices*

Dairy Farmers
of Canada



Les Producteurs laitiers
du Canada

Inside

A time for <i>proAction</i>	1
The vision	5
Principles for success	6
Why <i>proAction</i>?	7
Commitment to Canadians	8
Leadership: Setting our own agenda	9
Being transparent	10
Advantages of taking action now	11
Branding Canadian dairy products	12
What is <i>proAction</i>?	13
The programs	14
Milk Quality	15
Food Safety: Canadian Quality Milk Program	16
Traceability	18
Animal Care	19
Biosecurity	20
Environment	22
Proposed timelines	23
Conclusion	24



A time for *proAction*:

Canada's dairy farmers are recognized as world leaders in producing quality milk. Both processors and consumers believe this to be true and have confidence in the milk we produce. The key to our ongoing and future success, however, is to maintain both processor and consumer confidence in the quality and sustainability of the Canadian milk that goes into the dairy products they enjoy.

Dairy Farmers of Canada's (DFC) *proAction* Initiative is an efficient and co-ordinated national framework. It will allow Canada's dairy industry to continue its business leadership in producing quality milk by integrating on-farm customer assurance programs on our own terms and realistic timelines.

The *proAction* Initiative groups six key programs under one umbrella. These programs are all currently at different stages of development or implementation across the country:

1. Milk Quality
2. Food Safety (Canadian Quality Milk)
3. Livestock Traceability
4. Animal Care
5. Biosecurity
6. Environment



A new era of assurance

In the past, food safety inspections and testing were adequate to reassure customers about the quality of milk and dairy products. Today, however, our customers want further proof. They want to know that:

- Milk and dairy products they buy are safe and wholesome
- Milk and dairy products have been produced responsibly
- The food they buy meets clearly defined social standards. This trend is gaining momentum across all food sectors. As a result, food manufacturers and retailers are taking note and are proactively developing their own programs to demonstrate their commitment. We can think of fair trade coffee or chocolate or other examples of food production that respects ethical concerns.

As dairy farmers, we have several options for how we choose to deal with the increasing demands for quality assurance on our farms, including:

- Wait for the government to regulate because of outside pressure. New regulations will then be implemented based on the government's timelines
- Wait until our customers such as processors or retailers dictate programs to us, on their timelines
- Take the initiative to develop national, dairy specific on-farm programs, in consultation with farmers and expert stakeholders, driven by farmers and administered by our organizations, on our timeline

Being proactive:

The DFC Board of Directors chose to take initiative and consult with farmers and develop this proposal. Based on direction from the July 2012 Annual General Meeting, DFC representatives have travelled across Canada talking to farmers during 20 different occasions.

In July 2013, DFC delegates formally endorsed the initiative, with strict parameters (see p.6). The potential benefits from *proAction* far outweigh the challenges:

- Standards adhered to by all dairy farmers will strengthen our already solid reputation with consumers
- *proAction* will provide proof to our customers – processors, retailers, consumers that we produce safe milk, responsibly
- *proAction* will help us maintain respect instead of undue scrutiny from government and stakeholders



- The *proAction* Initiative will let us to chart our own destiny
- The initiative will build a more cohesive, professional image for dairy farmers, more on par with other professionals that have to follow certain standards (doctors, engineers, accountants)
- *proAction* will create more value for the 100% Canadian Milk brand
- *proAction* will allow us to have one consistent and responsible story to tell the well organized and well financed opponents of animal agriculture
- *proAction* will encourage continuous improvement on farms
- *proAction* will reinforce the dairy industry's leadership
- *proAction* will let a dairy farmer claim, "I guarantee the quality of my milk and that I produce it responsibly."

With supply management, milk prices are based on actual producer costs. Extra costs incurred on-farm or efficiency gains – due to *proAction* – should be reflected in the cost of production study.

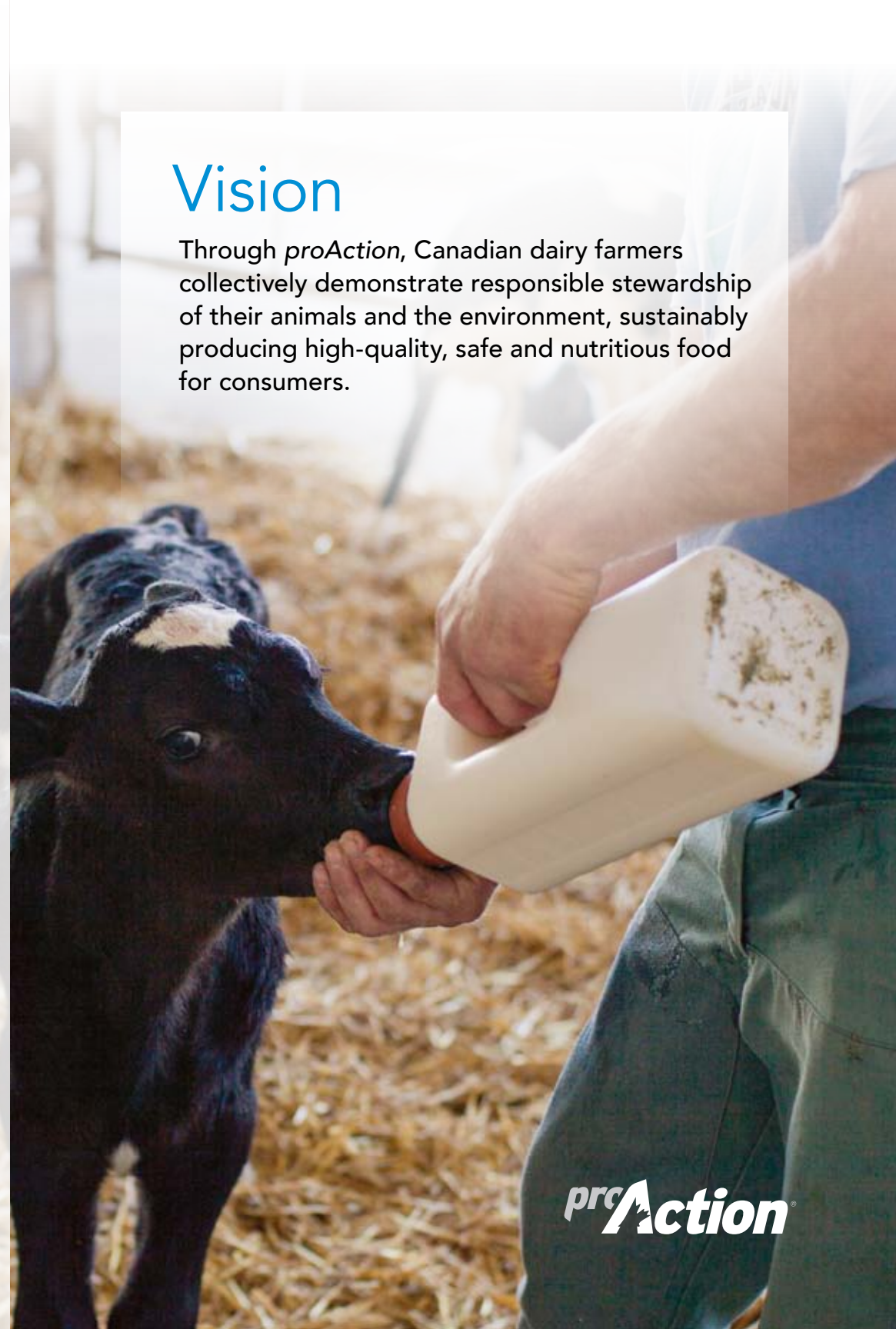
The business case for responsible stewardship: If the market demands proof of good stewardship on the farm and rigorous practices, costs and savings should be passed on to the marketplace.

“Increasingly, full accountability has become a business imperative throughout the supply chain. Where these products originate and how they're harvested and processed matters.”

— Kruger Products, second annual
Leaders in Sustainable Thinking roundtable

Vision

Through *proAction*, Canadian dairy farmers collectively demonstrate responsible stewardship of their animals and the environment, sustainably producing high-quality, safe and nutritious food for consumers.



*pro***Action**

Principles for success:

The General Council is committed to these principles for *proAction* to be successful:

1. *proAction* will be designed by farmers for farmers
2. Striving for continuous improvement, *proAction* will provide reasonable time periods to let farmers meet the programs' targets
3. *proAction* will be mandatory for all dairy farms in Canada
4. *proAction* will be transparent and recognized by regulators, stakeholders and society
5. *proAction* will improve the sustainability of Canadian dairy farms
6. *proAction* will be cost-efficient, user-friendly and valuable to farmers
7. *proAction* will use existing expertise to minimize the number of required on-farm visits
8. *proAction* will have the same timelines for all dairy farms in Canada
9. *proAction* will have the same obligations and consequences for all dairy farms in Canada
10. *proAction* will use the existing CQM program framework and infrastructure to facilitate consistent administration
11. *proAction* will use credible and independent audits
12. *proAction* will partner with governments in the implementation of the programs
13. DFC and member organizations will provide the necessary resources to implement the programs

The General Council also specified that details of each program and its implementation plan will be brought back to them for approval when ready.

Why

commit to
proAction?



Commitment to Canadians

Trust has to be earned. *proAction* provides a national platform for dairy farmers to continue to build trust with customers and consumers.

We know that Canadians have tremendous respect for Canadian farmers. In a recent Angus-Reid.com poll, Canadians ranked farmers third as a profession they trust (95%), just below doctors and nurses (96%) but well above engineers (87%), journalists (63%), bankers (55%) and politicians (27%). A survey in Quebec during February 2013, showed 97% of Quebecers fully trust or mostly trust dairy farmers in their province.

The bottom line is that the Canadian public has confidence in the dairy industry and dairy farmers are proud of this trust. On the other hand, we must continue to earn that trust every time a consumer buys a Canadian dairy product. The expectations of today's Canadian consumers and wholesalers are evolving, becoming more specific and more demanding.

To continue to earn trust and ensure our business is viable, we must set, evaluate and, when needed, raise our high standards for our industry. Canadian dairy farmers are committed to producing world-class dairy products in world-class facilities with high standards of care for their animals. Canadian raw milk quality has never been better. Every year, dairy farmers invest millions of dollars to monitor milk quality and improve cow comfort and quality of life.

proAction provides a vision and a framework for consistent standards and measurable results that will allow farmers to continue to earn the trust of consumers into the future. The platform will provide farmers with tools for continuous improvement and will drive more efficient use of existing resources.

Leadership: Setting our own agenda

As dairy farmers, we must set our own agenda in order to maintain our reputation, trust and freedom to operate in a responsible manner.

Establishing *proAction* standards for all dairy farmers and providing measurable proof of compliance will counter pressure from special interest groups asking distributors and governments to regulate according to their agenda.

Around the world, other dairy organizations have already recognized this need and have begun to set their own programs. For example, the National Milk Producers' Federation in the United States has developed its own voluntary welfare program, "Farmers Assuring Responsible Management (FARM)," and Australia Dairy in Australia is implementing a sustainability strategy.

By setting our own agenda we can:

- Use a single platform for six programs
- Set our own goals, objectives and timelines
- Set standards that others around the world can use as benchmarks, or get inspired by excellent programs developed elsewhere
- Maintain control of the best practices on our farms
- Provide the appropriate level of investment in research and development
- Maintain and enhance the reputation of Canadian dairy farmers.

Transparency

It is important any programs we implement under *proAction* be transparent to the public, and meet third party standards such as those set by the Canadian Food Inspection Agency. As respected professionals, this is part of our responsibility to society, but it also allows us to tell our story by:

- Strengthening the value of, and pride in, our 100% Canadian Milk Branding Program by documenting and measuring our commitment to quality and sustainability
- Ensuring consistency of dairy industry messages for consumers related to dairy products
- Building the business case and relationships with stakeholders by encouraging them to follow and support our vision
- Benchmarking the dairy industry against agreed outcomes and demonstrating accountability
- Capitalizing on existing expertise within the industry.



The benefits of acting now

Make hay while the sun shines. Timing is important for farmers to get the most out of the *proAction* Initiative. There are several reasons why we believe this is the best time to move ahead with *proAction*:

- The AgriMarketing Program, under Growing Forward 2, offers funding to develop “assurance programs” that are credible and demonstrate farmers’ commitment to socially responsible food production
- The current consumer and business trends indicate the time is right to develop standards with our stakeholders
- We need to keep moving forward to maintain our reputation for industry leadership in the Canadian agriculture industry
- *proAction* provides an opportunity for us to improve the productivity of our farms and the prosperity of our industry – we will all benefit
- We can take advantage of new technologies that will allow easier record keeping and can increase the efficiency of the implementation of *proAction*.



Branding Canadian dairy products

The *proAction* Initiative will help support DFC's Canadian Dairy Branding program. Having all Canadian dairy farmers meeting the national standards of *proAction* will convey a powerful message that will boost the credibility and value of our brand and marketing programs. *proAction* will inform customers and consumers about how milk is produced by farmers committed to quality and sustainability. It will be the basis for establishing a stronger connection between consumers and Canadian dairy farmers. More than just strengthening trust, an independent validation will drive consumers to choose 100% Canadian Milk and dairy products.



What

is *proAction*?





The six programs of proAction:

proAction will set national standards for six key areas:

1. Milk Quality
2. Food Safety (Canadian Quality Milk)
3. Livestock Traceability
4. Animal Care
5. Biosecurity
6. Environment



We are moving from a marketing world where we make claims, to one where we must show. Instead of taking things for granted, we need to prove them. Consumers are asking for concrete proof.

— Mercedes Erra, CEO, Havas Worldwide, an international group of marketing and communication agencies

1 Milk Quality

Milk quality has long been a focus for Canadian dairy farmers, DFC and provincial milk marketing agencies. Farmers deal with milk quality criteria every day: somatic cell count (SCC), bacteria levels, freezing point and inhibitors. These criteria are regulated and used by the industry to assess raw milk quality.

DFC and provincial milk organizations have long monitored quality trends and have recommended regulatory changes over time to ensure Canadian milk quality standards remain high, relative to other countries.

From 2010 to 2012, farmers improved somatic cell count levels, and now Canadian farmers are above or at least in-line with the major milk-producing countries when it comes to somatic cell count.

Many countries have been at the 400,000 SCC level for some time and are considering further reductions.

To maintain our reputation for quality milk, it is important for Canadian Milk Quality Standards to continue to remain high, relative to other countries. Continuous improvement will help ensure Canadian milk remains among the best in the world.



2 Food Safety: Canadian Quality Milk Program



The Canadian Quality Milk (CQM) program is designed to help prevent, monitor and reduce food safety risk on farms. Almost all dairy farmers in Canada are now trained under the program and almost 80% are registered! CQM was the first DFC program to help farmers manage those risks on their farm and provide proof of those efforts through independent validators. The CQM infrastructure will provide an ideal platform for the other programs under *proAction*. The expertise already exists, in program design, the validation process and the modern, efficient electronic management of data. A system of checks and balances and the ability to audit the validators has already been created.

Using CQM's model means on-farm visits will be minimized, since validation for new *proAction* programs will be done at the same time as CQM validation.

Under CQM, farmers provide proof over time that they continue to meet program requirements. The credibility of the on-farm validators is assured through training programs based on Codex and ISO international standards.

DFC is proposing to validate other programs under *proAction* through the same validator network.

A national administration system to manage tasks and documents electronically already exists, and can be expanded to encompass the other programs of *proAction* over time. This will drive efficiencies. The network can be accessed by validators, vets and producers.

Handhelds are already used to collect and upload validation data. In the future, mobile technology will be increasingly used to improve farm management and performance, and this could include any management information related to *proAction*.



3 Traceability



Currently, milk is traceable from farm to plate across Canada. However, there is no Livestock Traceability System that spans the entire food chain in Canada.

Product traceability – from the farm through to the consumer – builds trust with our customers. It is also one of the key attributes consumers value in a product, along with

nutrition, consistency, taste and cost. Traceability is also important in maintaining the trust of trading partners, keeping markets open and gaining access to new markets.

Food distributors that have implemented traceability systems have found that costs can be reduced. Traceability helps to identify and eliminate logistical inefficiencies in the production, transportation and marketing system.

Farmers are familiar with tagging all of their cattle and maintaining those tags throughout an animal's life. Unfortunately, this information is not being fully used and maintained throughout the entire food production chain.

Governments are planning to regulate traceability within the next five years across Canada to allow rapid response to animal health emergencies, avoiding heavy losses and a large-scale cull of animals. This would protect your farm and others from rapidly spreading animal disease.

With a traceability system, the origin of an agricultural product is known, along with the route it took, and any contact it had with animals or other products at various premises.

4 Animal Care



Treating animals well and providing excellent care comes naturally in the dairy industry. We all know that healthy cows

are the most productive, require less work and are the most profitable animals on our farms.

Under *proAction*, an animal welfare assessment program, based on the requirements in the *Code of Practice for the Care and Handling of Dairy Cattle* will prove to consumers dairy farmers meet high standards. The Code of Practice, updated in 2009, under the National Farm Animal Care Council (NFACC), with extensive industry and stakeholder input, reflects current and leading dairy management practices.

The code was distributed to every dairy farmer in Canada in 2009 and is available at www.dairyfarmers.ca/what-we-do. In 2013, with the collaboration of NFACC and stakeholders, DFC has tested a first draft of the assessment program on a modest number of farms. DFC will use the lessons learned from the pilot project to make the draft program more useful for farmers.

The goal is to implement this program on Canadian dairy farms over a four-year period, starting with a training phase, after approval of the national delegates.



5 Biosecurity



Service workers, salespeople, veterinarians and feed and delivery trucks are all regular visitors to multiple dairy farms. They present a potential biosecurity risk. The introduction of new animals is also a disease risk to the herd.

In addition to maintaining the health of the herd, farm-level biosecurity management practices minimize or prevent the introduction of infectious disease agents which could have an adverse effect on the economy and human health. Biosecurity practices need to minimize the spread of disease both within a farm operation and off the farm.

Biosecurity is becoming increasingly important to the Canadian dairy sector, which continues to evolve toward fewer farms with highly productive animals. Canadian dairy genetics are in demand, especially through the international marketing of semen and embryos, and should be protected.

The global emergence and re-emergence of bovine diseases in recent years has had a major impact on the cattle industry, both within Canada and abroad. Outbreaks of contagious diseases, such as Foot and Mouth Disease, BSE and Rinderpest in cattle in other countries, have resulted in significant economic losses, as well as animal health and environmental concerns. These outbreaks serve as a warning sign of the need for a comprehensive, co-ordinated approach to bovine biosecurity in Canada.

Benefits of improved biosecurity include:

- Increased productivity and profit
- Healthier animals
- Improved animal welfare
- Wholesome and high-quality product
- More efficient use of resources
- Reduced use of medication
- Reduced risk of resistant pathogens emerging
- Enhanced value of the herd
- Enhanced trust throughout the distribution chain

6 Environment



Environment and sustainable development are among the priorities of DFC. It has taken several steps toward this commitment to the environment. They include:

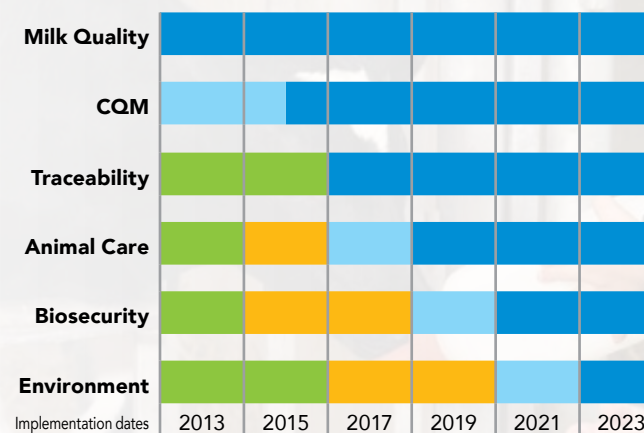
- A review of provincial regulations related to environment and farming (such as manure storage, spreading and pesticide use)
- A life cycle analysis, which shows farmers in Canada are doing well compared with other countries in terms of environmental impact
- The Canadian dairy industry is the first agriculture sector to conduct a socio-economic analysis. This includes, for example, commitment to society and responsible sourcing
- DFC has a sustainability strategy and two years of recognizing farmers with outstanding sustainable practices
- DFC invests in research and promotion of greenhouse gas emission reduction. It has also long promoted best practices related to the environment such as no-till planting and seeding.
- Many dairy farmers already have an environmental farm plan.

In November 2013, DFC held a symposium for farm leaders to look at next steps in delivering a strategy to help assure customers and consumers that dairy farmers are committed to producing milk in an environmentally sustainable way.

Proposed timelines

The *proAction* initiative recognizes that each program needs to be implemented in a reasonable timeframe. The figure below illustrates the proposed implementation timelines associated with each program, pending specific approval.

To make the implementation of the programs fair and equitable to all producers in Canada, there must be at least two years between the implementation of one *proAction* program to the next program to use the CQM framework.



Standard Development: Developing requirements and measurements for each program. For quality and traceability, they are the regulations that exist or will come.

Pilot Projects on farms and training period for validators and service providers who play a role in assessing farms. The electronic system and mobile technology would also be updated during this period.

Implementation refers to the gradual adoption of the program on all Canadian dairy farms.

Validation: All Canadian farms validated for particular program.



Conclusion

The *proAction* Initiative will help Canada's dairy farmers maintain global leadership in milk quality and responsible milk production. It will let dairy farmers set their own agenda and timelines to meet the increasing requirements for assurance from consumers, customers and governments. The standards established through *proAction* will also provide supporting evidence for the 100% Canadian Milk brand.

proAction will be designed by farmers, for farmers. This means DFC needs farmer input. You are encouraged to get involved! For example, what "best practices" on your farm could be implemented by other farmers under *proAction*? If you are interested in helping, please contact your provincial office, or Dairy Farmers of Canada.

Canadian dairy farmers will have the opportunity to increase productivity, profit and grow market share by taking hold of the agenda and demonstrating responsible animal care and environmental stewardship.



*pro***Action**



Dairy Farmers
of Canada



Les Producteurs laitiers
du Canada

21 Florence Street, Ottawa, ON K2P 0W6
Voice: (613) 236-9997 Fax: (613) 236-0905
info.policy@dfc-plc.ca