

## WHO WE ARE

Run for farmers by farmers, Dairy Farmers of Canada is the voice of Canadian dairy farmers.

Dairy Farmers of Canada (DFC) is the national policy, lobbying and promotional organization representing farmers on Canada's 12,965 dairy farms, which are located in every province. DFC strives to create stable conditions for the Canadian dairy sector, today and in the future. It works to maintain policies that foster the viability of Canadian dairy farmers and promote dairy products and their health benefits.

DFC is committed to a Canadian dairy sector comprised of profitable, independent farm businesses operating within a dynamic system of supply management, while producing and promoting safe and high quality Canadian dairy products for consumers.

That commitment can be found each and every day; in every drop of milk that leaves our farm; every action we take on our farms to improve efficiencies, care for our cows and ensure on-farm food safety, and every contribution felt in our communities as we provide stability and jobs to help sustain a strong and healthy Canadian economy.

[www.dairyfarmers.ca](http://www.dairyfarmers.ca)

Dear Parliamentarians,

*With this as my final President's Message on behalf of Dairy Farmers of Canada, I wish to express my deep appreciation for the work you do on a daily basis and for your support for the Canadian dairy sector and for the supply management system in Canada.*

*I welcome back the returning Members of Parliament as well as those newly elected during the recent election. Congratulations to each and every one of you; I wish you a productive 41<sup>st</sup> Parliament.*

*The dairy sector represents a strong economic contributor across the country; one of the top two agricultural commodities in seven out of ten provinces. It is a stable, profitable and innovative sector, which produces the milk used to make the safe, delicious and high-quality Canadian dairy products consumers enjoy every day. Our hard work and dedication to quality in all areas of production, is thanks to the supply management system in Canada, which allows dairy farmers to receive a fair return for their work at reasonable prices for consumers.*

*I know the new President will bring the same level of enthusiasm and dedication to DFC's work with government to ensure your continued support and commitment to collaborate as a partner with farmers and processors in the future success of the Canadian dairy sector.*

*As my term as President of Dairy Farmers of Canada draws to a close, I wish to extend to all of you my respects and deepest appreciation for the relationships I have had with many of you. I have worked continuously with parliamentarians on various files of interest to the dairy sector in Canada, and have greatly enjoyed meeting and talking with all Members of Parliament and Senators at the various events in Ottawa and across Canada over the years.*

*I wish you all the best in the years to come, and hope to see all you in the future.*

Sincerely,



Jacques Laforge  
President



## IMPORTANT ROLE OF THE AGRICULTURE SECTOR IN CANADA



Based on three pillars (import controls, producer price setting and production planning), the supply management system provides a framework that ensures stability, balance and fairness while farmers earn a reasonable return for their labour and the costs to produce milk. Processors receive a guaranteed supply of milk at a stable price while consumers are assured an abundant supply of high quality nutritious products.

This stability and predictability encourages reinvestment and innovation on-farm, as well as investments in programs to grow the market and to promote and educate on healthy eating and living. We are proud to be locally and sustainably producing with Canadian consumers being our first priority. As a result of supply management, Canada's dairy sector is profitable and consequently it is competitive. Working together we can keep it that way!

With dairy being one of the most volatile commodities in the world, and looking at the global economic and food crises of the last few years, the supply management system has allowed the Canadian dairy sector remained the calm in the middle of the storm because it allows dairy farmers to act collectively to balance the market power of increasingly large and highly concentrated businesses in the dairy sector.

In contrast, one just needs to look at the recent debates in Australia and New Zealand where there were significant price fluctuations which drew the sustained attention of the media, government, the public and sector. Dairy farmers and governments in both the US and Europe are now looking at models like supply management as they assess how to restructure their struggling dairy sectors.

Dairy farmers saw this during DFC's Annual General Policy Conference in Ottawa, as they heard from Henri Brichart, President of the Fédération Nationale des Producteurs de Lait (FNPL) in France, who spoke about the shift between pre- and post-implementation of the Common Agricultural Policy (CAP) in Europe. Mr. Brichart highlighted the increasing volatility being experienced in the dairy sector in the EU, calling CAP "a policy without a rudder." He went on to state that deregulation by the government has created tremendous price volatility and increases the imbalance in the relationship between farmers and processors to the advantage of the latter.

### INTERNATIONAL TRADE DEVELOPMENTS

The draft proposals on the table at the World Trade Organization (WTO) since 2008, and the report released in April 2011 by David Walker, Chair of the Agriculture Negotiations Committee at the WTO, remain unacceptable. The report still refers to provisions that are detrimental to supply management in Canada, and which were opposed by supply managed farmers and the Canadian Government in 2008, but have not been acknowledged by the WTO as part of the report. The current WTO proposal would result in **revenue decline of one billion dollars** for Canadian dairy farmers or an average **annual loss of \$70,000** per farm.

Dairy farmers appreciate the strong actions that the government has taken over the last few years to maintain a strong supply management system for dairy. Canada must continue to strongly defend supply management in all international forums and bilateral negotiations to ensure no negative economic impact for our dairy farm families. To this end, dairy farmers strongly support the Canadian government's position both at the WTO and in bilateral trade negotiations according to which Canada will oppose any TRQ expansion and over-quota tariff reductions for supply managed products.



## OUR COMMITMENTS

Dairy farmers reaffirmed their commitments for sustaining a strong Canadian dairy sector during the 2011 Annual Dairy Policy Conference under the theme of “An overview of international trends and developments in the international dairy markets – what can be learned from developments in other countries and what are we already doing right here in Canada ?” Dairy Farmers across Canada work hard to be able to deliver in many areas of innovation and programs benefiting consumers. Through work with the federal and provincial governments, processors, researchers, dieticians and nutritionists, dairy farmers continue to improve and innovate in areas of priority to the sector.



Many of these programs were showcased at DFC’s Annual Dairy Policy Conference in Ottawa this winter, both as part of presentations made to those in attendance, as well as during the Annual President’s Reception.

Dairy farmers welcomed the opportunity to hear from the Minister of Agriculture and Agri-Food Gerry Ritz on the Canadian government’s continued interest to work with the dairy sector on our priorities and of the continued recognition of the strength of the supply management system for Canada.

## MARKETING AND NUTRITION

Among dairy farmers’ priorities is a commitment to maintaining and growing the market. Farmers devote significant dollars to generic marketing of milk and dairy products to grow the market through promotional advertising, education and recipe development like the Milk Calendar, which will celebrate 35 years in 2012. Farmers also support category development and innovation by partnering with Canadian dairy and food processors. Partnering is important to DFC in everything we do including our work with groups that are promoting healthy eating and healthy living.



The need for this type of focus was evident during presentations at the Conference, when farmers heard from presenters on the subject of nutrient density in the dairy category, and its rising increasing importance to promoting and protecting the consumption of dairy foods globally and in Canada. Ian MacDonald, DFC’s National Director of Marketing and Nutrition spoke about the Get Enough campaign in Canada which strives to increase consumption of milk products (milk, yogurt and cheese) among under-consumers so they reach their recommended daily amounts by presenting milk products’ lesser known benefits prompt under-consumers.

## SUSTAINABLE DEVELOPMENT



Canadian dairy farmers also apply this level of dedication to their efforts in sustainable development. Dairy farmers have already taken actions to reduce their carbon footprint but recognize that more can be done at the farm level. Supply management and collective marketing are excellent tools for a sustainable sector. With this goal in mind, Canadian dairy farmers are developing a national strategy on sustainable development to ensure Canadian consumers continue to receive nutritious, quality dairy products, and that the sector remains viable while acting in a socially and environmentally responsible way.

## ON-FARM FOOD SAFETY

To ensure that Canadian dairy products are of the safest and highest quality, dairy farmers across Canada work hard to deliver On-Farm Food Safety through the Canadian Quality Milk program, designed by dairy farmers for dairy farmers, and with approval from the Canadian Food Inspection Agency. It is an international leader as an on-farm food safety program that outlines the ways in which farmers can best maintain the safety of milk and meat through risk prevention on the farm.



## RESEARCH

Committed to continuous improvements in how to deliver in areas such as sustainable development; on-farm food safety; animal welfare and health and nutrition; while also staying competitive, cost efficient and innovative, dairy farmers continue to deliver on investments in research.

Canadian dairy farmers are proud to partner with the federal government in the dairy research cluster, a nearly \$12 million, three-year commitment bringing together the best scientific and technological expertise from universities and research institutions across Canada to promote innovation and the long term viability of the sector. The focus on research in the areas of nutrition/health and sustainable development is in keeping with our commitment to provide Canadian consumers with healthy, safe and sustainably produced dairy products.



## LABELLING

Dairy farmers are committed to ensuring truthful and accurate labeling for Canadian consumers, and as such are calling for effective and enforced standards and labelling rules. For this reason, dairy farmers advocate that the Canadian Food Inspection Agency (CFIA) must have the necessary resources to meet its responsibilities including the inspection and enforcement of consumer packaging and labelling acts and the extent to which products, labels, and advertisements are accurately represented. Furthermore, dairy farmers firmly believe that in order to maintain quality and ensure the integrity of dairy products, milk should be the primary ingredient in all dairy products.



Misleading labelling practices by food processors can often confuse consumers, making it difficult for them to see the difference between products. An example seen in the case of ice cream., which is why DFC has once again launched it's "real ice cream" campaign for summer 2011, to educate consumers on the difference between real ice cream, made from milk, including ingredients derived from milk, and frozen desserts, made mostly with edible vegetable oils that lack the nutrients naturally found in milk.

## ANNUAL DAIRY LOBBY DAY 2011: A SOURCE OF CANADIAN PRIDE



The reception, again a resounding success, allows DFC to show the policy and programs that support and sustain a prosperous dairy sector. Dairy farmers were pleased to see many parliamentarians in attendance and thank you for your ongoing support!

*We are proud of our sector achievements and success story.*

*The federal government has been pivotal in ensuring this great Canadian success story and we want to continue to build on it for the benefit of all Canadians.*

*We count on your continued support and commitment to collaborate as a partner with farmers and processors in the future success of the Canadian dairy sector.*



## *Identified Steps to Continued Success:*

- o Commitment to review and consider the development of national compositional standards for dairy products;
- o Recognition of the importance of all CFIA responsibilities and ensure the Agency has the means to implement and enforce their labelling policies;
- o Continue to support and defend a system that is working for Canada;
- o No negative economic impact for dairy, poultry and egg farmers from any trade negotiations at the WTO or that Canada may join;
- o Trade policies that reflect the need for all countries to have the right to produce for domestic consumption in order to improve self-sufficiency and ensure their own food security;
- o Recognition and government support for what farmers are doing on environment and sustainable development;
- o Recognize the priority that industry places on research and provide flexibility to the sector to effectively manage the projects.

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