



Dear Parliamentarians,

As Parliament resumes, I would like to take the opportunity to greet you for the first time as President of Dairy Farmers of Canada.

At our Annual General Meeting in July, it was my honor to be elected as President, taking over a job which has been handled for the past seven years by a great dairy leader, Jacques Laforge, with whom I have had the pleasure of working, as have many of you.

I come from Vancouver Island, B.C., where I own and operate a farm with my wife Julie and our two children. Since 2000, I have represented British Columbia on DFC's Board of Directors, and I will continue to bring the same level of dedication and passion to this new national role as I always have. My primary goal is to ensure Canadian dairy farmers continue to have a voice through DFC as we engage in dialogue with you, other policy makers and industry leaders.



Product innovation and marketing are crucial to the ongoing development of Canada's dairy industry, and we continue to deliver in these areas through DFC's wide variety of marketing and nutrition programs. Dairy farmers work with the dairy and food processing industry to develop new and innovative dairy products available to Canadian consumers.

We know that the health benefits of consuming milk and dairy products as part of a balanced diet contribute to the maintenance of a healthy lifestyle. Through our work with researchers and partnerships with health interest and promotion groups such as Dietitians of Canada, we strive to deliver programs to help educate Canadians about how they can make Canadian dairy products a part of their every day health.

Sustainability continues to be an important consideration in many areas of public policy, including in the agriculture sector and the dairy industry. Recognizing this, sustainability was the theme of our 2011 AGM, where dairy farmers looked at it, not only from an environmental perspective, but also from a business sense, ensuring that family farms and the dairy sector in Canada have a sustainable and profitable future.

Dairy farmers across Canada continue to closely monitor trade developments at the World Trade Organization (WTO) and the Canada-EU Comprehensive Economic Trade Agreement (CETA). We appreciate the actions taken by the Government in support of supply management at home and on the international stage, and continue to rely on the support of all Parliamentarians for a system that is serving Canadians well.

I look forward to working with Parliament this session on a range of shared interests, including the environment, health and food, international trade, agricultural policy framework, and of course, the profitability and sustainability of the dairy industry in Canada.

Sincerely,

Wally Smith
President



DFC'S ANNUAL GENERAL MEETING 2011 - SUSTAINABILITY FROM FARM TO TABLE

Sustainable Agriculture in Canada: the Future is now

Canadian dairy farmers and industry representatives were pleased to welcome keynote speaker, and agricultural leader, Jack Wilkinson, who began the day challenging farmers to continue producing food sustainably, while still focusing on a sustainable and forward thinking industry in which farm businesses flourish, and the best minds continue to be attracted to agri-food and agri-business.

Mr. Wilkinson's speech was titled "Sustainable Food Production: Are We Ready?", and called for improved infrastructure in rural communities, in order to enable farmers to be able to tap into renewable energy sources such as wind, solar as well as biogas digesters, something many dairy farmers have already taken steps towards implementing.

He praised the dairy sector and supply management, noting that it requires no taxpayer support, but acknowledged the volatility of the sector worldwide. He called on farmers to continue to be leaders in maintaining a dialogue with policy makers, working collaboratively to form and implement policies which represent the needs of farmers, and which set the foundation for a strong, profitable future.



Keynote Speaker Jack Wilkinson

Future Agricultural Policy: Canadian Farmers as Leaders in Sustainable Food Production

Jamshed Merchant, Assistant Deputy Minister of the Agri-Environment branch at Agriculture and Agri-Food Canada, kicked off the first panel, outlining Canada's agri-environmental performance, and discussed the tools and policies Growing Forward 2 needs to address environmental challenges and opportunities. Margaret Rempel with Canadian Agri-Food Policy Institute, also addressed agricultural policy, highlighting the need to re-examine how we view and operate the Canadian food system, a theme of the National Food Strategy led by the Canadian Federation of Agriculture.

Denis Boutin, Director of Environmental Economics at Éco-Ressources Consultants, presented some of the societal demands and factors affecting the future of agriculture as it pertains to sustainability. He pointed out how the dairy industry is well positioned to respond and re-invest in areas such as sustainable development, because of the stability and consistency provided by supply management.



Left to right: Jamshed Merchant (AAFC), Margaret Rempel (CAPI), and Denis Boutin (ÉcoRessources)

Sustainable Development: Making the Business Case

Delegates heard from a second panel which examined the idea that sustainability initiatives, both on-farm and in the dairy sector at-large, can lead to sustainability in other areas, such as consumer demand and economic returns. Jeff Nonay, a young dairy farmer from Lakeside Dairy Ltd. (AB), urged farmers to make small, innovative changes to their environmental practices on-farm, sharing how his use of recycled dry wall resulted in improved resource efficiency, animal welfare as well as environmental stewardship, all while benefiting his bottom line.



Processors also shared some success stories, with Martin Scuccimarri of Saputo discussing their Lifecycle Analysis. Petra Kassen-Mutch of Fifth Town Cheese, discussed her work as an advocate for change in the traditional model of food production. Her company focuses on local, authentic, sustainable and wholesome food, which in her view brings together all of society in awareness of their food. They are also Canada's only LEED Platinum (Leadership in Energy and Environmental Design) certified dairy, with sustainability built right into their infrastructure, including their building materials, energy sources and waste management systems.

All presentations from the 2011 AGM are available on Dairy Farmers of Canada's website at <http://www.dairyfarmers.ca/news-centre/events/dairy-farmers-of-canada-s-annual-general-meeting-2011>.

New Sustainability Award

As part of the "Sustainability from Farm to Table" theme, DFC took the opportunity to announce the creation of a sustainability award to recognize dairy farmers who go beyond common industry practices. Starting in 2012, this DFC award will recognize the achievements of dairy farmers who are implementing environmentally sustainable practices, which positively contribute to climate change issues and/or manage natural resources efficiently.

Finalists will be identified in each region representing the West (British Columbia, Alberta, Saskatchewan, and Manitoba), Ontario, Quebec and the Atlantic region (Newfoundland & Labrador, Prince Edward Island, Nova Scotia and New Brunswick). DFC will announce the first winner at next year's Annual General Meeting, being held in St. John's, Newfoundland & Labrador.



Nourishing a Sustainable Dairy Industry

Dairy Farmers of Canada's 100% Canadian Dairy Branding Program: A Source of Pride

Responding to consumer demand for the origin of food products to be clearly identified on packaging, Dairy Farmers of Canada (DFC) launched its 100% Canadian Dairy Branding Program in 2009. Visit a grocery retailer or a cheese shop and you will be pleasantly surprised to see the number of products bearing the 100% Canadian Milk symbol. Since its inception, over 300 dairy processors have signed on to the program for over 5,100 products. More than 2,700 products proudly display the symbol, with another 2,400 currently lined up to do the same. This symbol clearly indicates the dairy product is produced in a manner that reflects Canadian values. By adopting the 100% Canadian Milk symbol, both producers and processors are making a commitment that dairy products featuring the symbol on their packaging are made entirely from milk produced in Canada.

DFC developed the Canadian Dairy Branding Program as part of a long-term strategy to clearly promote the Canadian origin of milk in dairy products and since its launch, it's gained the full attention of the dairy industry, retailers and consumers. Many retailers have also placed the 100% Canadian Milk symbol on their private labels, demanding only 100% Canadian milk from their suppliers. DFC is committed to continue engaging Canadians about the importance of supporting our dairy farmers.





SUPPLY MANAGEMENT - A CANADIAN SUCCESS STORY

DFC Explains Supply Management

Dairy Farmers of Canada took the opportunity to contrast the stability of supply management to the volatility of the world dairy market in several forums. In June, DFC placed an advertorial in the OECD Observer issue released to commemorate the 50th anniversary, featured a special supplement on Canada. In July, DFC collaborated with the poultry and egg farmer groups to write an editorial about supply management and inserted an ad promoting the recent publication of Dr. Maurice Doyon (Laval University) which explained why we have supply management in the dairy sector in Canada. Dr. Doyon, compared it to other intervention measures or industry structures used elsewhere in the world. He offered that because governments in many countries have seen a need to intervene in their dairy sector; that the “sector needs coordination that the market alone failed to provide.”

Moreover, DFC has also highlighted the stability of Canadian dairy market with print material distributed during the September meeting of the International Federation of Agricultural Journalists (IFAJ), the Cairns Farm Leaders meeting hosted by Canada, and the WTO Public Forum.

You can see these activities online at www.dairyfarmers.ca, in our Newsroom.

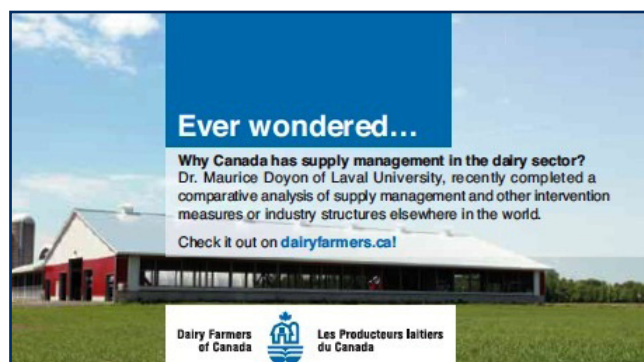
DFC Speaks to International Journalists



DFC Executive Director, Richard Doyle

This year, the Canadian Farm Writers Federation (CWF) hosted the International Federation of Agricultural Journalists (IFAJ)'s 2011 Congress, during which there was a session entitled “Canadian Agriculture 101.” DFC Executive Director Richard Doyle spoke to over 250 journalists and communicators from 32 countries, sharing an overview of the Canadian dairy market, as well as his impressions on the international dairy markets’ volatility and the success of the Canadian model. His presentation was well received and was followed by many questions and interviews. The presentation is available at <http://www.dairyfarmers.ca/news-centre/document-library/lobbying>

DFC also hosted the “Taste of Canada” reception, where farm writers and agriculture journalists were treated to an impressive display of Canadian cheeses, featuring many of the 2011 Canadian Cheese Grand Prix winners, including the Grand Champion, le Louis D’or. Journalists left raving about the incredible cheeses they tasted, all made using 100% Canadian milk!





INTERNATIONAL TRADE UPDATE

Call for Coherence

On June 20th 2011, Dairy Farmers of Canada joined farmer organizations spanning five continents, representing millions of farmers in 66 countries, in the release of the Call for Coherence. Farmers Call for Coherence urges the World Trade Organization (WTO) member states to achieve an equitable Doha Round agreement by upholding the standards and principles of existing international commitments – including climate change, biodiversity, poverty reduction, hunger elimination.

The Call for Coherence calls on governments and parliaments to reach a balanced multilateral trade agreement that recognizes the special and strategic role agriculture plays. While recognizing the need for fair and equitable trade rules for those products traded on world markets, our international coalition believes that trade is a means of enabling human development, not an end in itself.



Signatories to the Call for Coherence at the launch of the declaration.

The declaration can be viewed at <http://www.dairyfarmers.ca/content/download/1080/8388/version/7/file/declaration.pdf>

Multilateral and Bilateral Trade Negotiations

Negotiations for the Doha Round at the World Trade Organization (WTO) have now been underway for ten years; however, over the past two years, discussions have been stalled, with prospects for a successful outcome dimming. That said, the negotiations are technically still alive, and the draft proposals on the table at the World Trade Organization (WTO) since 2008, and which have been opposed by supply managed farmers and the Canadian Government, remain unacceptable. 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.

Canadian dairy farmers have, and continue to, strongly support the position of the Canadian government in these negotiations, a position which was redefined following the unanimous adoption of the November 2005 House of Commons motion on supply management and the WTO: “that, at the end of the current round of negotiations, Canada obtains results that ensure that the supply management sectors are subject to no reduction in over-quota tariffs and no increase in tariff quotas.”

Similarly, Canadian dairy farmers continue to monitor discussions between Canada and the European Union, as EU negotiators continue to push for increased access to Canada’s cheese market. This despite the fact that Canada imports from EU approximately ten times more cheese than it exports; Canada’s exports of dairy products totaled \$26 million (out of which cheese export totaled \$23 million) and we have imported dairy products worth \$217 million from the EU 27 (out of which cheese accounted for \$156 million).

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.



NEW VIDEOS ON CANADIAN DAIRY FARMERS' COMMITMENTS

DFC recently produced a series of videos on our commitments in the areas of Economic Sustainability, the Environment, Research and Development, Food Safety, and our Animals. Each video features the voices of real Canadian dairy farmers, explaining how dairy farmers across Canada are meeting these commitments on their farms, and in the dairy sector, every day. To view these videos, visit each box under "Our Commitments" on www.dairyfarmers.ca.



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.

For more information on who we are and what we do, as well as on Canada's supply management system, please visit www.dairyfarmers.ca. You can also follow us on twitter @dfc_plc.

FOR MORE INFORMATION:

Rosemary MacLellan
Director, Government Relations & Strategic Communications
rosemary.maclellan@dfc-plc.ca

Elizabeth Jarvis
Government Relations & Strategic Communications Coordinator
elizabeth.jarvis@dfc-plc.ca

Dairy Farmers of Canada
21 Florence Street
Ottawa, Ontario
K2P 0W6

Tel. (613) 236-9997
Fax (613) 236-0905