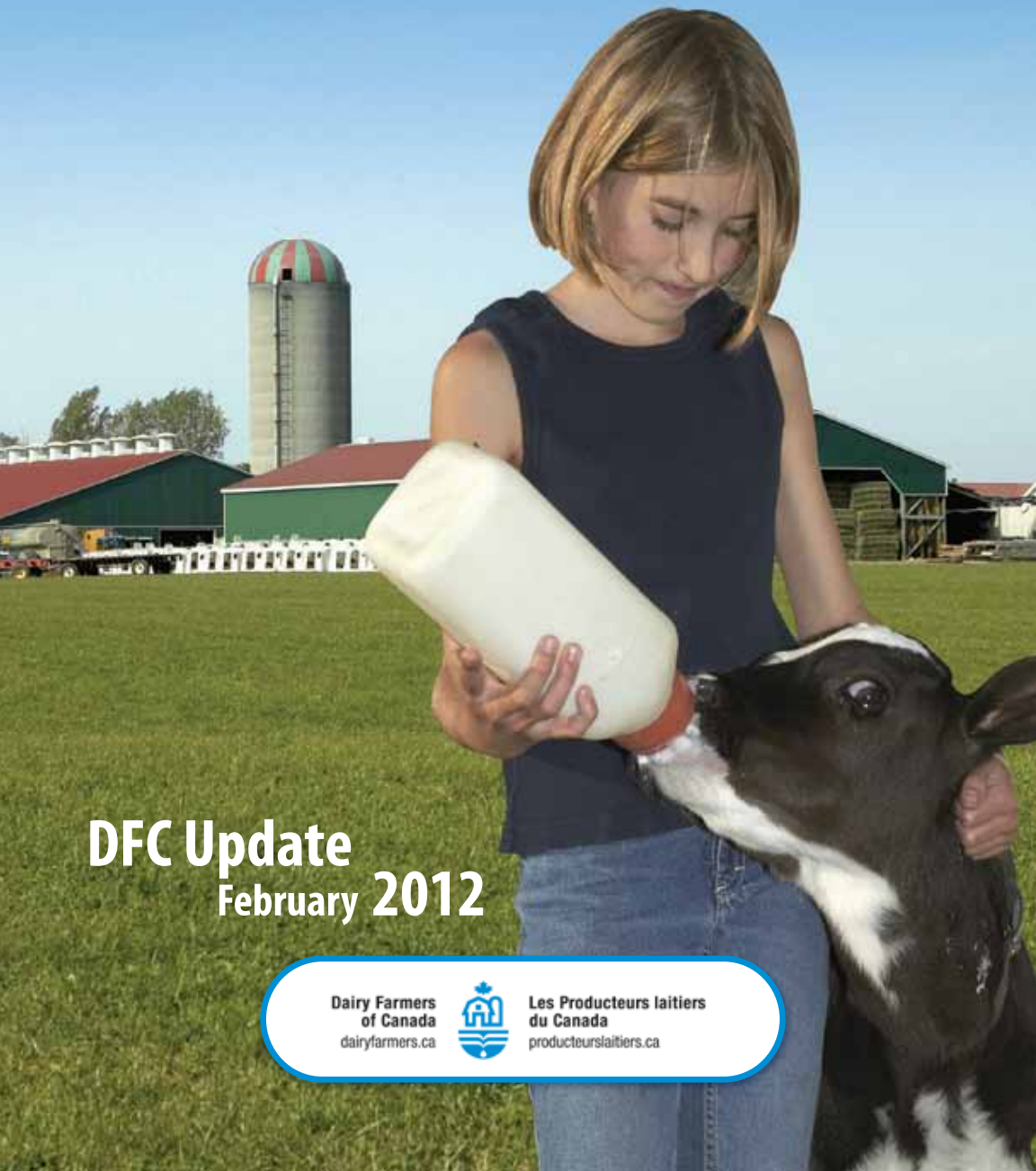


Dairy Farming
for Tomorrow

La production laitière
de demain



DFC Update
February 2012

Dairy Farmers
of Canada
dairyfarmers.ca



Les Producteurs laitiers
du Canada
producteurslaitiers.ca



Ever wondered why Canada has supply management in the dairy sector?

In 2011, Dr. Maurice Doyon of Laval University completed a comparative analysis of supply management and other intervention measures or industry structures elsewhere in the world.

dairyfarmers.ca/our-commitments/to-economic-sustainability

Supply management works!

Canada's dairy industry is profitable and competitive. Supply management helps create a stable economic environment for all partners in the dairy supply chain.

Dairy farmers:

- earn a fair and stable return from the market.
- can collectively balance the market power of an increasingly concentrated food sector.
- invest in long-term quality care, feed, housing and equipment to ensure the health and comfort of cows and calves.
- have long invested in improving dairy cow genetics; as a result, the Canadian Holstein is renowned worldwide for its health and milking capacity.

Central planning of milk transportation from farm to plant in each province minimizes costs and impact on environment.

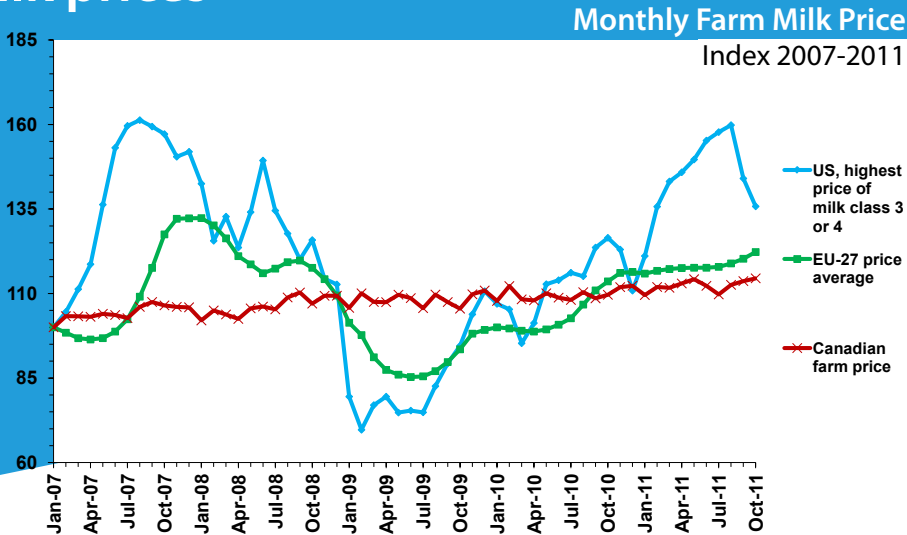
Processors receive a guaranteed supply of milk at predictable and stable prices.

Consumers have choice among a wide variety of Canadian dairy products, including 1050 cheeses.

Federal and provincial governments do not pay subsidies to support the income of dairy farmers.

The industry pays \$3 billion in taxes to the three levels of governments.

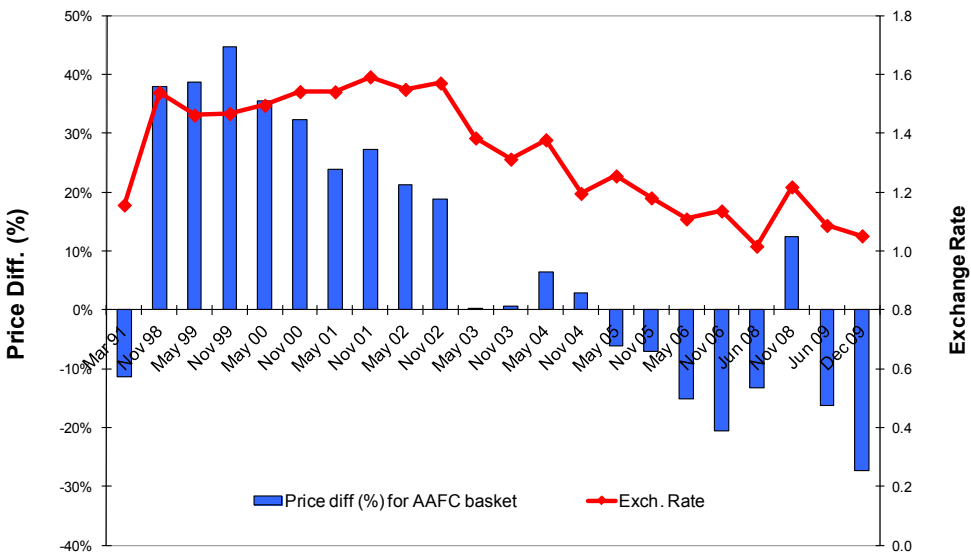
Volatile milk prices



Source: USDA-AMS, CIRCA Group, Canadian Dairy Commission

This graph shows the volatility of world farm milk price, which contrasts with Canada’s more stable prices for farmers. For example, following a period of unprecedented high prices, world dairy prices fell to \$20 US per 100 kg of milk in 2008/2009. At that price, the cost of production of only 10% of the world’s milk supply is covered. Unlike other countries, Canada did not have to spend money on direct subsidies for dairy farmers, thanks to supply management.

Comparing retail prices Canada vs U.S.



Does supply management makes milk more expensive? No! In fact dairy products were cheaper in Canada than in the United States for many years. Why? Because farm price in Canada is more stable, there are benefits throughout the chain. Also, what a farmer gets paid is only a part of the retail price. It is worth noting that in a more volatile market, like the United States, the farmer’s share of the retail price actually fell over the years.



What other value do dairy farmers bring to Canada?

Dairy research knowledge economy

Dairy farmers are proud to work with universities and governments research centers in contributing to Canada's knowledge economy! Indeed, much of the research funded over the years has enriched the knowledge we have in Canada on genomics, environment and sustainability, the discovery of a potential new antibiotic, and several other accomplishments.

Sustainable development

Canadian dairy farmers strive to produce safe, nutritious food. DFC promotes sustainable development in the dairy sector and its economic and societal benefits. DFC encourages farmers to reduce emissions from dairy farms, and to protect biodiversity and natural resources like land, soil and water. 2012 marks the first year of DFC's Dairy Farm Sustainability Award, which will be presented to a farmer who has implemented exceptional practices to preserve the environment.

Trade: all countries have offensive and defensive interests

In the fall, we heard several opinions about what would happen to supply management if Canada joins the Trans-Pacific Partnership trade talks, as if this is the only contentious issue in a trade negotiation! However, Canada's position is not extraordinary. As pointed out by Ministers Fast and Ritz, all countries have offensive and defensive interests, and the federal government has been very clear that they intend to continue defending supply management in these trade talks as in other talks.

Food safety

Dairy farmers in Canada are implementing an on-farm food safety program. Called Canadian Quality Milk, this program keeps track of a dairy farmers' actions to prevent and minimize the risk of exposing food to safety hazards. All milk produced on Canadian farms is tested for antibiotic residues upon its arrival at the processing plant. Any milk that tests positive for antibiotic residues is discarded, not sold to the public. Farmers are paid for the quality of their milk, and are fined heavily if it does not meet proper standards. Also, rBST, a growth hormone for dairy cows, is not approved for sale in Canada, even if it is used in the neighbouring United States.

your milk.ca

Did you know...



A farmer receives only a small portion of the price of a glass of milk in a restaurant: 21 cents out of \$2.00 or more

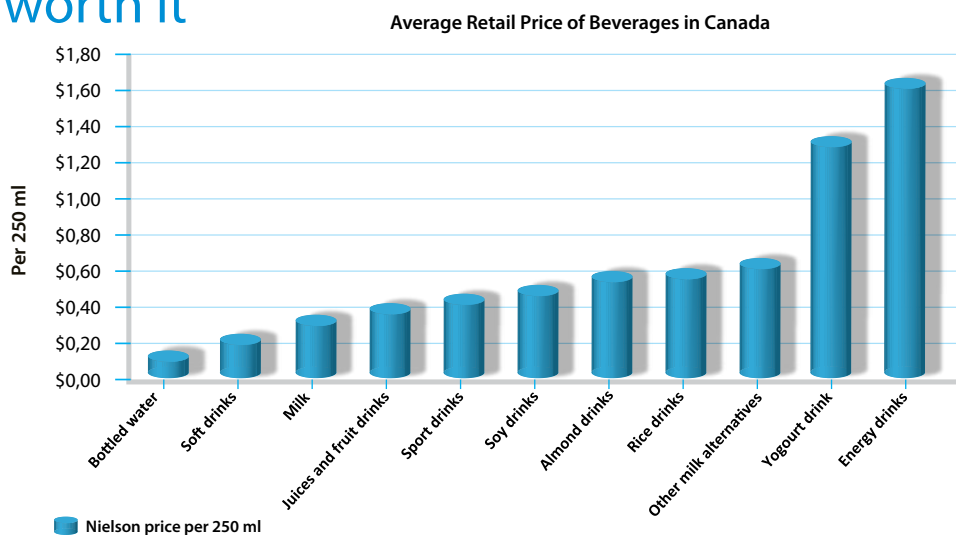
Milk is the cheapest nutritional beverage on store shelves in Canada

Paying subsidies to farmers is not the most efficient use of taxpayers' money

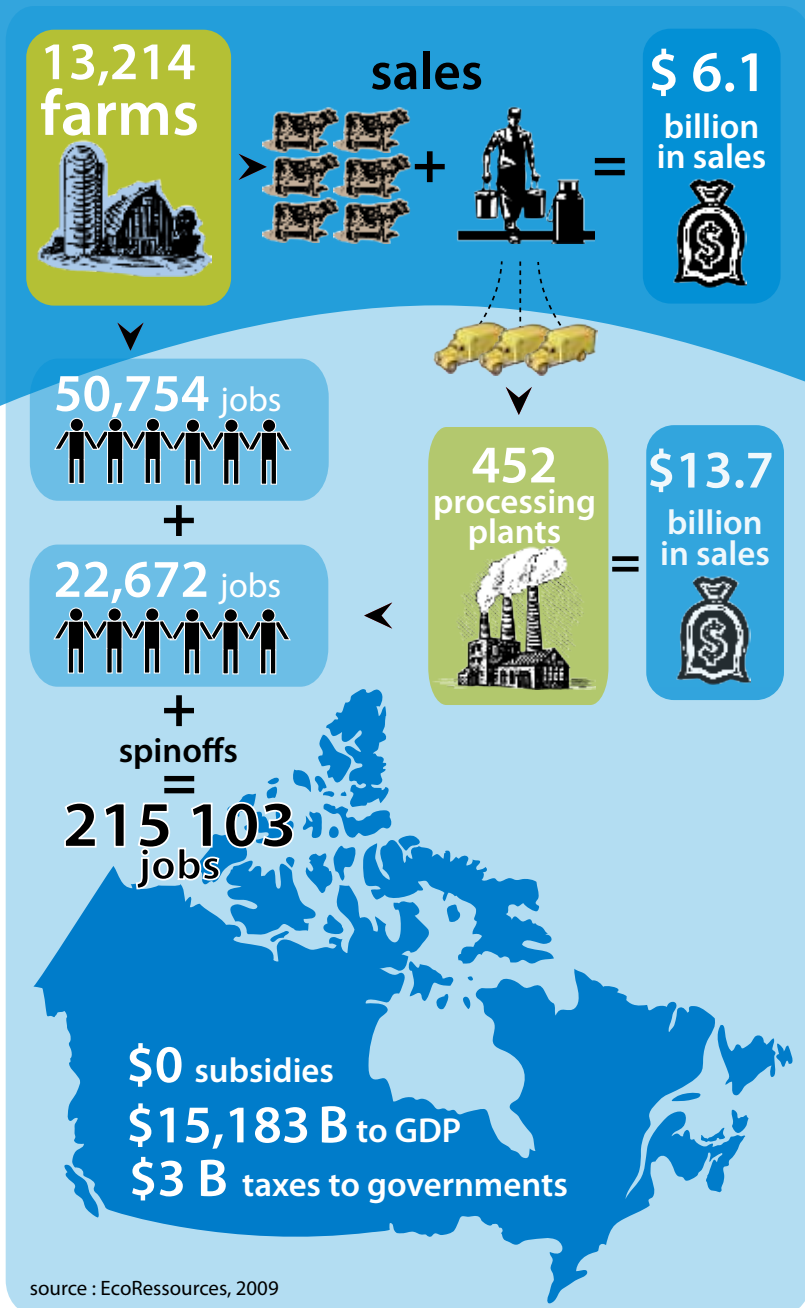
There are many reasons to support supply management in Canada

DFC has launched a new microsite to explain the Canadian system and provide facts through videos, pictures and testimonials. This website yourmilk.ca will be updated frequently during the year. Check it out!

Milk is worth it



Milk is the cheapest beverage that has a nutritional value on store shelves in Canada. That is according to extensive data compiled by AC Nielson from grocery stores, drug stores and convenience stores across Canada.



Who we are

Run for farmers by farmers, Dairy Farmers of Canada (DFC) is the national policy, lobbying and promotional organization representing Canada's dairy farmers.

DFC strives to create stable conditions for the Canadian dairy industry, 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.

Contact: Rosemary MacLellan

613-236-9997 x2772

rosemary.maclellan@dfc-plc.ca

