



As the leaves change colours, I would like to take the time to provide you with a quick update on some topics precious to DFC.

The Canadian dairy industry has adapted over the years to a changing national and global commercial environment. The governance, structure and logistics have evolved and moved collectively to ensure the long-term viability and stability of farmers and the industry. As President, one of my main objectives is to build unity between provinces to achieve an All Milk National Pooling Agreement. I believe that increasing the flexibility in our system would not only improve the marketing of milk in Canada, but also ensure a sustainable future for both farmers and processors.



DFC President Wally Smith

Dairy farmers across Canada continue to closely monitor trade developments in the Trans-Pacific Partnership (TPP) 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.

As you know, “predictable imports” allow the Canadian dairy market requirements to be primarily met by Canadian milk production. In order to sustain this pillar, and ultimately keep supply management strong, DFC counts on the proper enforcement of border measures and tariffs. That way, farmers can plan production to meet Canadians’ needs without creating a surplus.

We look forward to working with parliamentarians 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.

FARMERS’ VOICE

In the summer, DFC created the **Farmers’ Voice**, a blog for farmers who are committed to share their stories and talk about life on a dairy farm, in their own words. You will also find posts from a number of guest bloggers, who are not farmers themselves but support and work with Canadian dairy farmers. Farmers’ Voice carries content that is relevant to Canadian dairy farmers and aims to engage the public who want to know more about their food and farmers. You can:

- *Comment the blogs*
- *Talk about the Farmers’ Voice and share blogs on Twitter and Facebook*



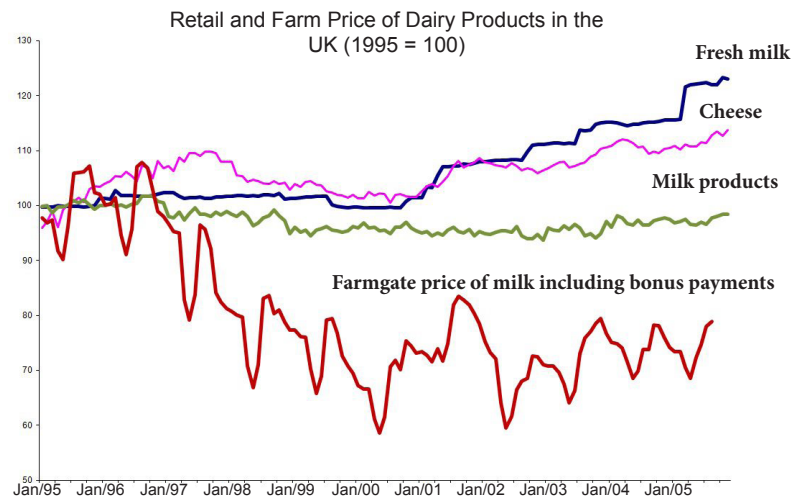
The Stability Story in Canada's Dairy Industry

In 2012, the world dairy markets saw prices go down again, while feed prices are increasing. American dairy farmers are generally losing money as a result, a situation that is similar to the story of Canadian pork producers and other sectors. The Farm Bill has expired on September 30th, temporarily leaving the US dairy farmers without a safety net until Congress returns in November. The ongoing debate around the Dairy Security Act, which focuses on the margin between farm-level milk prices and feed costs, clearly indicates the failure of existing programs to create a stable environment.

On the other side of the ocean, farmers have protested low prices in the streets of Brussels, Scotland and Great Britain. A number of co-ops and retailers were proposing to reduce the price they paid to farmers as these farmers faced increased costs. The UK farmers organized the "SOS Dairy" campaign, complete with a social media component and a song that went viral. Thankfully, the public support made the buyers back away from the proposed cuts.

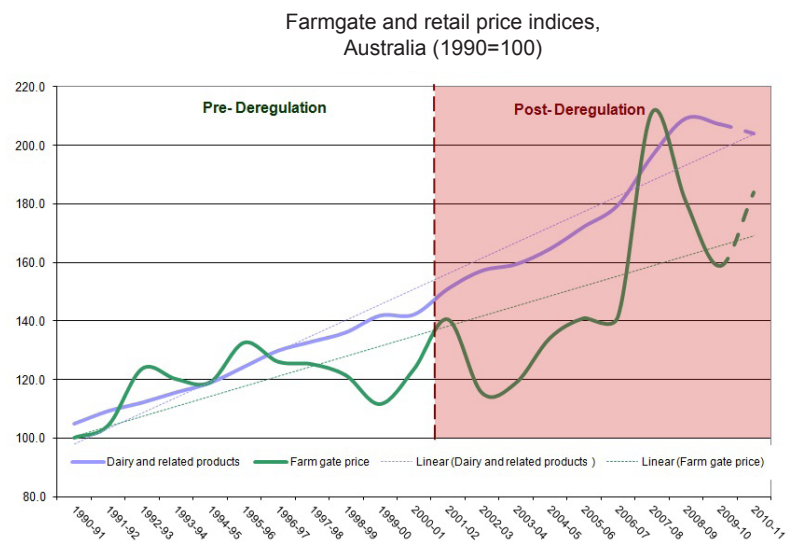
In the mid 1990s, the United Kingdom deregulated its dairy industry. As a result, farm prices went downwards and became more volatile. Meanwhile retail prices for milk, cheese and other dairy products kept increasing at different rates. In Australia, deregulation also created more price volatility at the farm level while retail prices increased.

Deregulation and volatility do not benefit consumers and fail farmers. Canadian dairy farmers are quite aware of the difficult situations their fellow dairy farmers in other countries are facing. It reinforces our belief that supply management remains the best system in the world. Farmers are actively working to meet and anticipate the needs of the evolving marketplace in Canada. DFC sees supply management as a key to maintaining the prosperity and viability of the Canadian dairy industry and expects the government to live up to their commitment to continue to defend supply management, so Canada's dairy industry stays strong.



Source: UK National Statistics, UK Department for Environment, Food & Rural Affairs

UK deregulated in 1995. Price behaviours show no gain for farmer or consumer.



Source: Dairy Australia; Australian Bureau of Statistics; DFC compilation

Deregulation in Australia was announced three years in advance of its coming effective in 2000. Retail prices went up prior to deregulation, down slightly, then up again following the inflation trend. Meanwhile, farm price fluctuations increased.



DFC's Inaugural Dairy Farm Sustainability Award

At the July Annual General Meeting held in St. John's, Newfoundland and Labrador, DFC presented the first Dairy Farm Sustainability Award to Ms. Anita Grenier and Mr. Rock Grenier, from Ferme M. Grenier et fils. Lely Canada, well-known supplier of dairy equipment, was proud to partner with DFC and sponsor the award.

This newly-established Award recognizes Canadian dairy farmers who have adopted on-farm management practices that extend beyond standard or generally recommended practices to reduce their environmental footprint. It points out the achievement of the objectives defined in Dairy Farmers of Canada's sustainability strategy to:

- Reduce greenhouse gas emissions from dairy farms,
- Promote the efficient and sustainable management of natural resources, and
- Benchmark the socio-economic performance of Canadian dairy farms.



Left to right: Mr. Wally Smith, DFC President, Mr. Rock Grenier, Ms. Anita Grenier and Mr. Jerry Claessens (Lely Canada)

"It is an honour to accept this award. On our farm, it is important to explore new and better agricultural practices, and we work a lot with our local agri-environmental club. The need to reduce soil erosion on hilly fields drove our pursuit of environmental stewardship. Trials and discussions with other farmers and agronomists help us improve our own practices. As farmers, we never stop learning."

~ Anita Grenier ~

"Farms of all sizes and from various areas of our great country can make small, incremental improvements, which add up to a more sustainable industry," said Mr. Wally Smith. "The four finalists have seen a net gain from implementing best environmental practices on their farms."

See the [video](#) showcasing the winners' farm and check out the profile of each finalist on www.dairyfarmers.ca! Click on the pictures to know more about each finalist.



Charles Hill and Son Farm Family



Jeff Nonay, Lakeside Dairy



Sunholm Farms Family



100 Good Reasons to Choose 100% Canadian Milk – The Campaign Continues

As Thanksgiving approaches, we thought it is appropriate to thank farmers who donate to help more Canadian families put milk on their table. Here are some of their stories:

Alberta milk has sold milk & cookies at the Calgary Stampede, helping the Children's Milk Program and, since 2000, the Calgary Food Bank.

Dairy Farmers of Ontario, the Ontario Dairy Council, and the Ontario Milk Transporters Association donate fresh milk to local food banks every month. About 90 food banks which serve over 300,000 people every month, including children.

Every year, the Fédération des producteurs de lait du Québec, in collaboration with Québec milk transporters and processors, donates about 800,000 litres of milk to help needy families from all over the province. Since 2003, over 350,000 persons benefited from their contributions.

Since 2005, Dairy Farmers of Nova Scotia has been donating skim milk powder annually to Feed Nova Scotia, to prepare meals for NS food banks and soup kitchens.

Manitoba dairy farm families are committed to giving back to their community. For the past 20 years, Dairy Farmers of Manitoba has been donating milk to Winnipeg Harvest and works with Bothwell cheese to produce cheese to help families in need.



Check out our other good reasons at www.100canadianmilk.ca

For information:

Ava Leigh Eastman

Government Relations Coordinator
Government Relations and Strategic Communications
avaleigh.eastman@dfc-plc.ca

Émilie Jadot

Communications Coordinator
Government Relations and Strategic Communications
emilie.jadot@dfc-plc.ca

Dairy Farmers of Canada
21 Florence
Ottawa (Ontario) K2P 0W6
Tel.: (613) 236-9997
Twitter: @dfc_plc

