

# DFC UPDATE

February 2013

Dairy Farmers  
of Canada





## SUPPLY MANAGEMENT WORKS IN CANADA

**Supply management helps create a stable and predictable economic environment for all partners in the dairy supply chain.**

- Dairy farmers earn a fair and stable return from the market.
- Consumers enjoy a wide variety of Canadian dairy products, including 1,050 cheeses.
- Processors receive a guaranteed supply of milk at predictable and stable prices.
- Governments do not pay subsidies to support dairy farmers' income.



## MANAGING OUR INDUSTRY AND SYSTEM

For more than 40 years, farmers, processors and governments have worked together to improve and strengthen supply management and increase the diversity of dairy products offered to Canadians. This includes a wide selection of cheese, various butters, milk with various fat content or format, fresh or UHT and yogurts.



## Growth

Dairy farmers welcome opportunities that increase demand for quality Canadian dairy products made with Canadian milk, from existing and new processors.

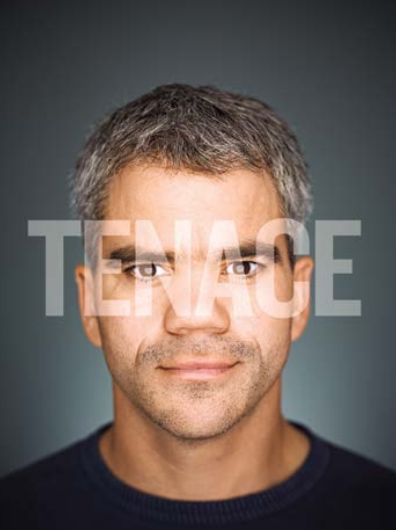
Greek yogurt is one of the fastest growing products in Canada. In 2011, Greek yogurt represented less than 1.5% of the total Canadian yogurt market. Now, this product represents already close to 10% of the Canadian yogurt market.

## Research and Efficiency

Dairy farmers are proud to work with universities and government research centres in contributing to Canada's knowledge economy. Research helps farmers make productivity gains. Investing in nutrition research helps make the world a healthier place.

A success story of Canadian investments in research can be found on the genetics side. Canada is at the forefront of new and innovative research into dairy genetics, for which the international demand is high. Total exports of animals, embryos and semen were valued at \$121.5 million in 2011. A number of Canadian Holstein cows were among the top performers at the 2012 Wisconsin World Dairy Expo and the Toronto Royal Winter Fair.

Dairy farmers are committed to research, along with industry stakeholders and government.



## CANADIAN DAIRY: AN ENGINE FOR JOBS

12,746 farms



455 processing plants



**\$16.2B** to Canada's GDP

**\$7.8B** to GDP



**\$8.4B** to GDP



**218,330** Canadian jobs

**129,273** jobs

**89,057** jobs

Source: ÉcoRessources, 2011 data

## TRADE COMMITMENTS AND BORDER MEASURES

Dairy farmers understand and support the government's priority on the economy. Dairy is a stable and consistent contributor in every province; there's reinvestment and spin-offs throughout the agricultural value chain and social fabric of Canada's rural communities.

Dairy farmers also recognize the role that trade plays for many sectors in Canada and the country's overall prosperity. That's why we continue to support the government's balanced trade negotiating position. The Canadian government has successfully concluded several trade deals and maintained supply management. Dairy farmers are confident that the government will maintain its position to defend supply management in all international forums and trade negotiations.

DFC will continue to closely monitor trade talks and oppose any proposals that could negatively affect the Canadian dairy supply management system, which is crucial to maintaining the prosperity and viability of the Canadian dairy industry.

Canada also needs to fully enforce its existing trade laws, including the tariff rate quotas (TRQs) established under the Customs Tariff, as part of its commitment to the continued maintenance of supply management.

Government needs to ensure tariff classification rulings and interpretations are effective in controlling imports and consistently applied to TRQs that cover dairy products.

### **Dairy supply management imperatives for government trade policy:**

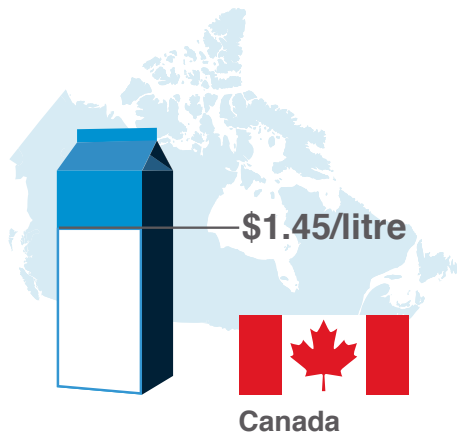
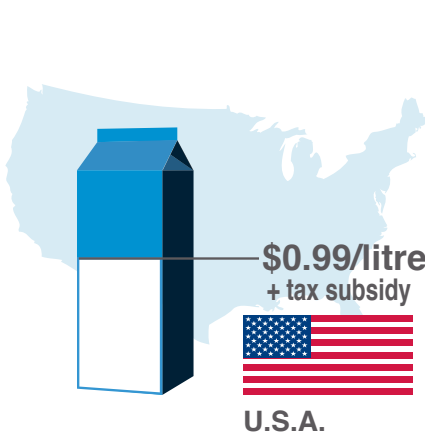
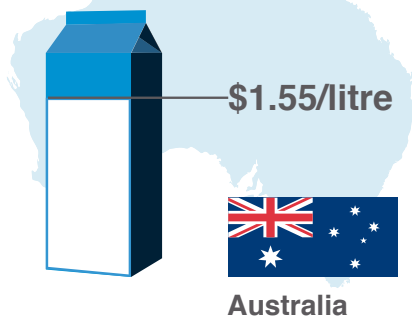
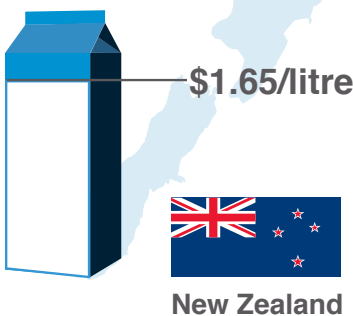
- 1. No increase in market access and no decrease in TRQs.**
- 2. Continued enforcement of existing trade rights and obligations that have already been negotiated.**



## CANADIAN DAIRY SNAPSHOT

- In 7/10 Canadian provinces, dairy is one of the top two agricultural sectors.
- Canadian dairy farms shipped 7.8 billion litres in 2011, up from 7.6 billion litres of milk in 2009.
- The sector's GDP contribution has risen from \$15.2B in 2009 to \$16.2B in 2011, and jobs grew from 215,104 to 218,330 over the same time.
- The Canadian dairy industry contributes annually more than \$3B in local, provincial and federal taxes.
- Canadians spend 11.8% of disposable income on food, one of the lowest in the world; 1.07% is spent on dairy products.

### RETAIL PRICE OF MILK

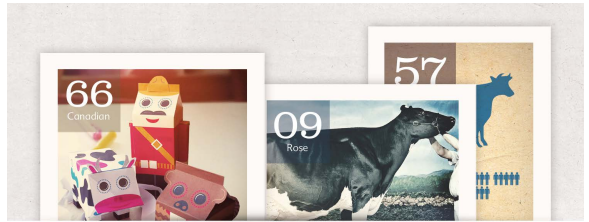


A 2012 study by AC Nielsen shows average fluid milk prices in various countries, weighted to consumption patterns. Higher prices were observed in free-market models.

# WHAT'S YOUR REASON?

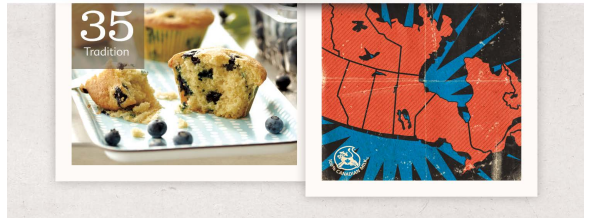
There are 100 reasons  
to choose Canadian milk.

Visit [100goodreasons.ca](http://100goodreasons.ca)  
to find yours!



## There are 100 Good Reasons

to look for the 100% Canadian Milk symbol  
on your dairy products



## WHO WE ARE

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

DFC is the national policy, lobbying and promotional organization representing Canada's farmers living on 12,746 dairy farms. 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.



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



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