

DFC Update





October 2009

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To Members of Parliament,

Dairy Farmers of Canada held its Annual General Meeting in Regina in July 2009. Over 200 farm leaders and stakeholders attended and participated in meetings, discussions and presentations surrounding issues of international trade, traceability, animal welfare and marketing.

The current crisis in the international dairy markets was clearly of interest for delegates who expressed both concern for their international counterparts as well as much appreciation for the stability provided by Canada's supply management system.



Jacques Laforge President

With the Doha Round negotiations slowly picking up again in the hopes of completing the agreement in 2010, DFC reiterated its commitment to continue to closely monitor talks for potential impact on farmers and the Canadian supply management system. The current WTO proposals for agriculture are detrimental to supply management and dairy farmers. The proposals would make the Canadian dairy industry more vulnerable to international market volatility, which experts have said could continue.

For example, in August 2009 the Organization for Economic and Co-operative Development (OECD) and the United Nations Food and Agriculture Organization (FAO) stated: "Episodes of extreme price volatility similar to the hike in 2008 cannot be ruled out in coming years, particularly as commodity prices have become increasingly linked to oil and energy costs and environmental experts warn of more erratic weather conditions."

DFC remains committed to collaborate with provincial and territorial governments as well as the Federal Government to continue defending supply management during trade talks.

As part of it's Annual Meeting, DFC hosted two expert panels, one on traceability, and the second on dairy animal care and welfare. Each panel was comprised of government officials and industry experts.

Traceability

Traceability was a timely issue for DFC's AGM considering the Federal and Provincial Agriculture Ministers had agreed the week prior to deliver a national traceability program by 2011. DFC discussed how to collaborate with dairy industry stakeholders and government to best implement the dairy part of the national traceability program. DFC supports that farmers should pay the cost of animal identification if given a strong commitment by the Federal and provincial governments

Letter from DFC President (cont'd)

for long term funding for other costs related to traceability. Traceability is a tool to mitigate economic and health risks for industry and the Canadian public in the event of a disease outbreak. In many industries, traceability can also help promote Canadian products internationally.

Animal Care

DFC has received high praise from industry experts for developing and adopting the Code of Practice for the Care and Handling of Dairy Cattle. The Code was published and distributed to farmers across Canada in June. DFC hosted a panel on animal care and welfare at it's Annual General Meeting to explain the Code to industry leaders. Scientific research and data contributed to the Code's requirements and recommendations to improve the well-being of dairy cattle. The Code is designed to be the-farmers reference document on animal care practices. DFC also developed a draft self-assessment tool that farmers can use to evaluate and improve their onfarm animal care practices. Research shows comfortable cows produce more milk, providing obvious business benefits to farmers. DFC continues to be a leader in the area of animal well-being through the adoption this Code of Practice that reflects high standards of animal care, which are acceptable to society as a whole and by continuing to support ongoing animal welfare research.

100% Canadian Milk

DFC continues to take a leadership role in providing Canadian consumers with the information to be able to make informed buying decisions. DFC understands that it is important for consumers to know what is in their food and where it comes from. With this in mind, the 100% Canadian Milk branding campaign was launched this year and at last count 83 processors had signed onto the new branding license, putting the logo on over 3,900 products.



On a personal note, I am humbled by having been re-elected by the producers for a 3rd term as President of DFC. I am committed and looking forward to continuing to representing dairy farmers and their interests.

Jacques M. Jaforge Jacques Laforge

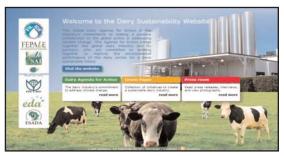
Climate Change: Dairy Farmers Are Part of the Solution

The agricultural sector has huge potential in providing solutions to mitigate and adapt to climate change. While agriculture is responsible for 13.5% of global man-made greenhouse gases (GHG), it is also the sector which will be most impacted by an increasingly variable climate. Moreover, farmers are often unrecognized in their efforts to adapt to climate change and also to mitigate its effects. These actions range from sustainable agricultural practices such as conservation agriculture to the production of renewable and clean energy on farms.

DFC was involved in the development of the recent International Dairy Federation's (IDF) Declaration entitled *Global Dairy Agenda for Action - Climate Change*, which was signed in September in Berlin, and includes five points of action to reduce greenhouse gas emissions (GHG) and promote the long term sustainable supply of milk and dairy products. This declaration includes a committment to the

Climate Change: Dairy Farmers Are Part of the Solution - (con't)

development of a standard methodology to assess the carbon footprint of milk and dairy products, which will allow the dairy industry worldwide to use the same basis for calculating the carbon footprint of their dairy products and to identify areas for improvements. In conjunction with this event, IDF also unveiled the "Green Book" entitled *Initiatives to Create a Sustainable Dairy Industry*, which presents case studies from over 40 countries. Both publications can be found on IDF's new "Dairy



Sustainability Website": http://www.dairy-sustainability-initiative.org

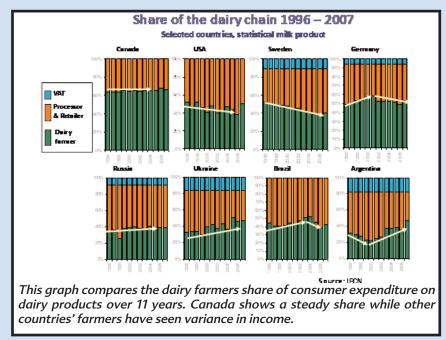
DFC was instrumental in having the IFAP Dairy Group be included as a signatory on the above mentioned Declaration by presenting the opportunity available for the dairy industry towards mitigating climate change. The Dairy Group agreed, with Chair Wesley Judd (Australia) remarking that this implies the promotion of best practices from farmers around the world and IFAP will be including its case studies in the Green Book.

DFC is committed to mitigating GHG emissions through on farm practices, support for ongoing research on climate change, as well as by contributing to international efforts to have dairy farmers be part of the solution to climate change.

International Federation of Agricultural Producers (IFAP) Discusses World Farm Crisis

Several of DFC representatives attended the IFAP Commodities Meeting in Dublin Ireland this summer and reported to the Dairy Group on the current dairy situation in Canada. The theme of the meeting was "Proactive Farmers and Resilient Pathways: Sustainable Markets and Safer Systems". Presentations focused on the past year and current situation in many sectors across the globe: grappling with price volatility, credit crisis, lower demand and severe drops in farm gate prices. The Canadian dairy sector was one of the few exceptions in the commodity reports with stable pricing and demand throughout the value chain, from farmers to consumers.

DFC believes strongly that supply management for Canada's dairy industry is the reason Canada has remained stable in the current volatile commodities market.



Nutrition: Are You Getting Enough Dairy?



DFC's Nutrition and Marketing teams have embarked on a new campaign this fall, to educate Canadians about the need to increase their daily consumption of milk and dairy products.

Studies by Ipsos Reid (2009) and Statistics Canada (Canadian Community Health Survey 2004) have shown that Canadians are not getting the minimum daily levels of dairy products and alternatives recommended by the Canadian Food Guide. This is a cause for concern amongst dieticians as the benefits of milk and dairy products toward daily and long-term health are proven to be wide-ranging. From bone strength to cardiovascular health, dairy continues to be a leading nutrient in achieving a healthy lifestyle.

Recent studies, and subsequent media reports, have confirmed that children who drink milk live longer and adults with high blood pressure who increase their dairy consumption to the Canada's Food Guide recommended levels can effectively lower their blood pressure and manage hypertension.



DFC aims to educate Canadians about what a recommended serving is, what the recommended daily intake of dairy is, as well as the multiple health benefits of consumption. Dietitians will provide factual information to all age groups about the need to increase their intake of essential foods, including dairy products.

To learn more, please visit: www.getenough.ca

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