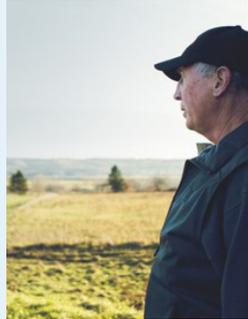


DFC UPDATE

DECEMBER 2014



Dairy Farmers
of Canada
dairyfarmers.ca

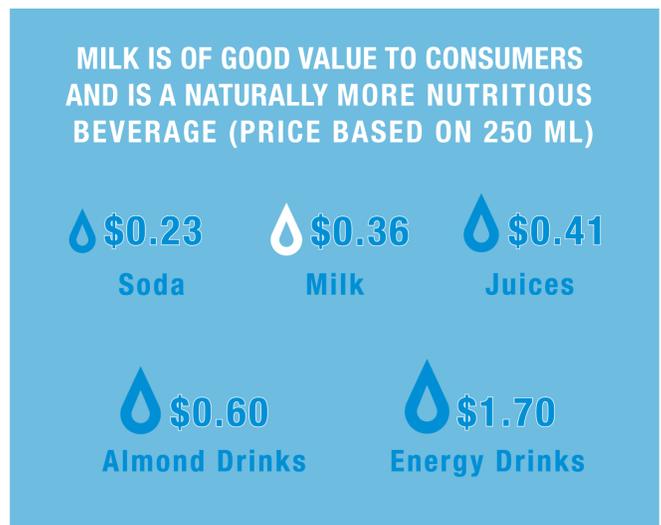


A LOOK AT MILK PRICES

Supply management provides stability for farmers and consumers by ensuring farms produce enough of the commodity to meet the demand of consumers. However, between the farm and the consumer there are several steps — including processing and retail — that have far greater influence on the retail price that is paid at the farm gate.

That being said, the store price of milk varies from region-to-region and store-to-store. Milk costs between \$1.00-1.50/litre in Canada, depending on where you shop and what format you buy. Canadians are fortunate that we live in a country where we only spend about 10% of our average income on food, ranking third in the world behind the U.S. and the United Kingdom.

Moreover, milk, compared to other beverages, is the most cost-effective product with any nutritional value offered to consumers.



**LOOKING FOR A NUTRITIOUS BEVERAGE?
MILK IS YOUR BEST OPTION.**

MILK PRICES IN CANADA AND OTHER COUNTRIES

A recent Guelph University study shows that for the second year in a row, dairy products are the only category where prices are decreasing – unlike the story unfolding in other countries.

In New Zealand, dairy farmers receive less for their milk at the farmgate (which creates lots of uncertainty for their farm businesses) with consumers seeing no benefit at the checkout. New Zealand consumers pay more than Canadians for milk, and New Zealand farmers receive less.

In the U.S., consumers pay similar prices to those in Canada – sometimes lower if they are located near border towns that want to attract Canadians. However, it is often overlooked that their taxes pay for the large farm subsidies.

With Canada's supply management system, our family farms provide a reasonable living from farming, without relying on government subsidies for milk production.



ONGOING TRADE NEGOTIATIONS: TRANS-PACIFIC PARTNERSHIP

As the Trans-Pacific Partnership (TPP) negotiations are still ongoing, DFC continues to follow the Chief Negotiators and ministerial sessions. DFC expects the Government of Canada to maintain its reiterated support for supply management by ensuring that it, and the three pillars, are fully maintained and there is no negative impact on the dairy industry.

DFC has long supported the government's balanced negotiating position, based on a strong defence of our system. Canada must not give any concessions in the TPP or any other trade negotiation that would in any way undermine the credibility of the Canadian negotiating position at the international level with respect to Canada's right to maintain its system.

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



2015 ANNUAL DAIRY LOBBY DAY: MARK YOUR CALENDARS - FEB. 3RD

The 2015 Annual Dairy Policy Conference will be held the first week of February in Ottawa, under the theme "Dairy farmers: Caring for future generations."

The conference brings together farm leaders, industry stakeholders and government officials and provides a forum to discuss issues of importance to the dairy industry.

Dairy farmers from across Canada look forward to meeting with Parliamentarians to discuss how to keep the Canadian dairy industry stable and strong during the Annual Dairy Lobby Day and Dairy Showcase Reception, on February 3rd.



2015 MILK CALENDAR

The 2015 Milk Calendar is featuring newly developed simple and easy recipes made from 100% Canadian milk, from soups to desserts, to create delicious and nutritious meals that the whole family will enjoy.

Dairy Farmers of Ontario (DFO) are celebrating their **50th anniversary** in 2015! To mark this occasion, a special edition of the Milk Calendar is distributed in Ontario, featuring content on the history of DFO.

All recipes included in the calendar, as well as additional recipes, are available for download at MilkCalendar.ca.

*Happy Holidays, and
best wishes for a very
successful New Year!*



For information:

Émilie Jadot

Coordinator, Member Relations and Internal Communications
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