

2017 POLICY STATEMENT



Canadian Milk Matters has been an important rallying cry since the summer of 2015, and was used again on June 2nd, 2016 during the rally on Parliament Hill.



TM/MC

Introduction

Dairy Farmers of Canada (DFC) is the national lobby, policy and promotion organization representing all dairy farmers in Canada. It is a federation of provincial milk marketing boards and dairy farmers' organizations. The operations of the organization, including promotion activities, are completely funded by Canadian dairy farmers.

Our vision

A dynamic dairy industry comprised of sustainable, profitable and independent farm businesses operating together within a system of supply management, producing high quality milk and promoting Canadian dairy products for consumers.

DFC believes in the management of production ensuring a continuous supply of Canadian milk to respond to the Canadian demand for existing and new markets, without creating surpluses over and above Canada's international trade commitments.

Role of Dairy Farmers of Canada

DFC is the voice of Canadian dairy farmers, fostering and promoting a strong and united support of farmers at the grassroots level for a national system of supply management. DFC provides a forum for constructive discussion and consensus-building that enables the organization to continue to speak with confidence for, and the support of the entire community of dairy farmers in Canada.

DFC develops strategic communication programs to continuously build the positive image of farmers and position DFC as the organization representing the interests of all dairy farmers in Canada.

DFC is taking a leadership role in finding innovative ways to grow the market in a way that is profitable for farmers.

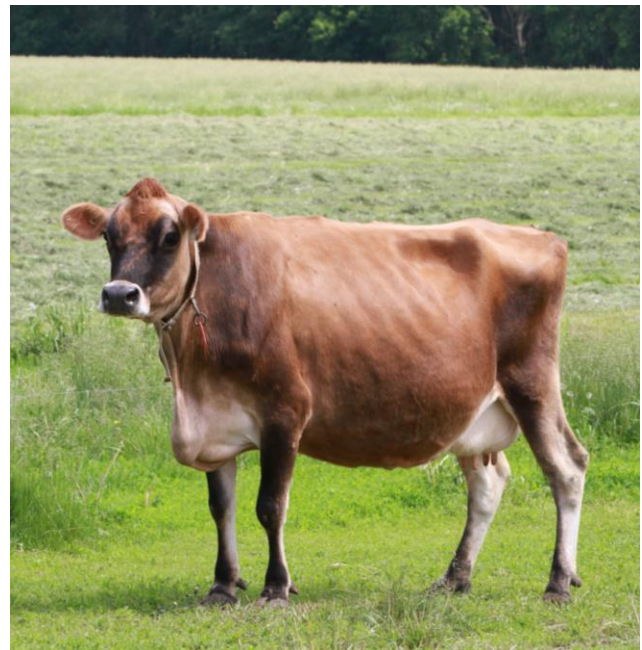


Fundamental DFC Policy Positions

1. Farmer Revenues

Dairy Farmers of Canada:

- 1.1. Believes in a system based on a market structure and a pricing system that provides fair returns to licensed dairy farmers.
- 1.2. Supports that the federal pricing policy must meet the objective outlined in the Canadian Dairy Commission Act (1966) to “provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment.”
- 1.3. Monitors the evolution of the blend milk price and the cost of production to ensure farmers remain profitable. The blend price from all markets should cover the costs of production of 50% of the farmer population over time.
- 1.4. Supports applying a series of prices within a collective approach to achieving a fair overall blend return while optimizing market size.
- 1.5. Supports both processors and farmers in their efforts to adopt an operational philosophy of continuous improvement of their respective businesses; and seeks government support for these initiatives.
- 1.6. Believes in managing production in order to ensure that Canadian demand for existing and new markets is met at all times by Canadian milk while minimizing surpluses.
- 1.7. Promotes that all milk must be marketed under the regulatory marketing system.
- 1.8. Insists the federal government adopt and support food sovereignty. DFC supports this concept internationally, particularly in the context of bilateral and international trade talks.
- 1.9. Supports that better planning of production on an international scale would resolve many problems related to world trade in agricultural products and would eliminate the need for farmers to rely on government financial support programs.
- 1.10. Defends the fact that trade agreements must recognize the right of producers to act collectively to establish farmer marketing institutions. These structures must continue to be given special status within international trade agreements. The need for enabling legislation that reflects their unique role in assuring balance in the bargaining relationships of farmers with others in the marketing chain must be recognized.



2. Government Support for the Canadian Dairy Supply Management System

Dairy Farmers of Canada:

- 2.1. Endorses the concept of supply management as a business risk management tool recognized in Canadian agriculture policy.
- 2.2. Insists that the federal and provincial governments must fully support the Canadian dairy supply management system with appropriate legislation and policies.
- 2.3. Defends supply management as the only means of providing consumers with a consistent supply of high quality dairy products while ensuring farmers receive a fair return for their labour, management and investment.
- 2.4. Supports that dairy production policy in Canada must include all elements that are essential to the effectiveness of supply management:
 - A supply management system to meet domestic demand with Canadian-produced milk;
 - A set of customized, effective and enforced import control measures that take current and future technologies into account while respecting Canada's trade commitments; and,
 - A pricing policy that ensures fair returns to farmers based on the cost of production.
- 2.5. Supports the development of federal and provincial government legislation, regulations and policies that support pooling agreements, collective milk allocation agreements and other collective policies that improve market

efficiency in Canada.

- 2.6. Holds the federal government accountable for any failure in defending Canada's laws and regulations which support and maintain the pillars of supply management.
- 2.7. Insists that the Canadian government, when pursuing any bilateral or plurilateral negotiations, exclude any discussion regarding the size of the TRQs and the level of over-quota tariffs for dairy, poultry, and egg products.
- 2.8. Recognizes and supports the Canadian Dairy Commission's important role in administering Canada's milk supply management system on behalf of farmers under the direction of the Canadian Milk Supply Management Committee.

3. Imports and Border Compliance

Dairy Farmers of Canada:

- 3.1. Supports the fact that effective and reliable import controls by the federal government are essential in ensuring the ability to plan production of milk, especially in the context of increased imports arising from trade agreements.
- 3.2. Insists that the federal government is fully responsible for the maintenance of effective border measures in support of supply management; and more specifically, must:
 - ensure trade or other agreements do not undermine the ability of Canadian governments to maintain or modify policies in support of supply management;
 - enforce rules respecting the importation and domestic use of imported dairy products and milk components or ingredients; and,

- enforce rules respecting the import for re-export of dairy products, milk components and ingredients.



4. Marketing and Nutrition

Dairy Farmers of Canada:

- 4.1. Communicates and promotes the benefits of Canadian milk and milk products as an essential and nutritional part of the Canadian diet.
- 4.2. Explores opportunities for market expansion, including the promotion of innovative products, within an evolving and profitable system of supply management.
- 4.3. Promotes wholesome and high quality Canadian dairy products made from 100% Canadian milk and ingredients.
- 4.4. Strengthens the Canadian dairy farmer image.

5. Dairy Product Integrity and Safety

Dairy Farmers of Canada:

- 5.1. Supports and defends legislation, regulations and practices that:
 - protect the integrity of dairy products and dairy terms;
 - ensure dairy product wholesomeness and safety; and,
 - ensure product labels, advertising and other marketing activities deliver meaningful and useful information to consumers.
- 5.2. Defends food labelling rules and prescribed labelling standards that enable Canadian consumers to easily identify food products that are made primarily from products of Canadian origin.
- 5.3. Will work with processors to ensure the labels of specialty milk products,
 - are clear, truthful and convey meaningful information, which explains what the product is;
 - are not implying the products are of better quality than the rest of the milk in Canada;
 - are verified by a credible independent validation or certification body.
- 5.4. Recognizes and strongly supports government efforts to maintain or implement national compositional standards for Canadian dairy products that meet or exceed international food standards (*Codex Alimentarius*).

6. Sustainable Farm Practices & Dairy Research

Dairy Farmers of Canada:

- 6.1. Develops and promotes initiatives which lead to continuous improvement in sustainable production practices related to milk quality, food safety, animal care, traceability, biosecurity and the environment.
- 6.2. Insists that federal and provincial governments maintain financial contributions to dairy science research and knowledge transfer.
- 6.3. Supports investing in research programs that:
 - enhance dairy product value, innovation and quality;
 - position milk as a sustainable source of nutrients in a healthy diet;
 - enhance the understanding of nutrition and the health value of dairy; and,
 - encourage farm efficiency, sustainability and profitability.
- 6.4. Supports ensuring that new technologies, including those dealing with genomes and biotechnology, be understood by consumers as they enhance the quality of dairy products and the profitability of dairy farms
- 6.5. Plays a coordination role in optimizing research initiatives funded by Canadian dairy farmers and manages the development and implementation of a national strategy for dairy research and knowledge transfer.
- 6.6. Collaborate with government and remain committed to initiatives that will safeguard the use of antimicrobials in the future.

7. Industry and Government Relations

Dairy Farmers of Canada:

- 7.1. Supports establishing a broad set of informal and formal relationships to advance the interests of dairy farmers and the industry as a whole. This includes: establishing productive relationships with industry stakeholders to address issues related to supply, pricing, export policy, market development and other issues of common interest; and, establishing an effective network of like-minded farmer organizations nationally and internationally.
- 7.2. Supports maintaining, and establishing where needed, productive and constructive relationships with government stakeholders to build awareness and support towards supply management and the dairy sector.