

Report of the Board of Directors
Annual Dairy Policy Conference
Wednesday, February 7, 2018
Ottawa, Ontario

Introduction

On behalf of your Board of Directors, I'm pleased to present the Report of the Board. This is an opportunity to showcase the dedication of the Dairy Farmers of Canada (DFC) Board members to you, and to our dairy industry. In addition to our provincial commitments, we devote time and energy to the national organization for the benefit of the entire industry.

Meetings of the Board of Directors and Board Committees

Since the Annual General Meeting in July, the Board of Directors has met three times: September, November, and December.

The Board has welcomed new board members in recent months: Mr. Daniel Gobeil in September, Gert Schrijver in November and Gilbert Perreault in recent weeks. The Board agreed to the revised theme of this 2018 Annual Dairy Policy Conference "Together for a healthy future." It was felt that this theme speaks to the mission of DFC and permits DFC to speak to economic matters, nutrition and marketing issues and all other issues that DFC is concerned about. We hope you enjoyed the reception last night!

Of ongoing concern to the Board is the potential impact of the North American Free Trade Agreement renegotiations on Canada's dairy farmers. DFC delegates Board members and staff to attend each of the renegotiations rounds. DFC has done many media interviews; DFC President Pierre Lampron and DFC Vice-President David Wiens have been spokespersons on that matter. The sixth round took place from January 21-29, in Montreal. DFC, in collaboration with the Supply Management Five, and the dairy and poultry processor groups (Dairy Processors Association of Canada and Canadian Poultry and Egg Processors Council), hosted a reception on January 22 to assert that our trade position is in keeping with the principle of doing no harm. The next day, DFC President and Chief Executive Officer Jacques Lefebvre acted as spokespersons regarding the announced revised Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

In the fall, the Board was updated on the finalization of DFC's digital application, which is now ready to launch. We are looking forward to the presentation on this brand new application, later today.

DFC and the provincial organization are maintaining the pressure regarding Health Canada's proposed Healthy Eating Strategy through the Keep Canadians Healthy website, as well as with lobbying efforts with the Minister of Health Canada, and the Minister of Agriculture Canada, the Minister of Health Canada's office, the Prime Minister's Office, and other government members.

In November, DFC's symposium entitled "Building a Sustainable Dairy Industry" took place and was a success. All participants enjoyed the farm tours and hearing from farmers.

Promotion Committee

The Promotion Committee has met once since the Annual General Meeting on September 6.

The Committee was updated on nutrition and retail activities since the AGM, including:

- the national nutrition media campaign, "Stay Strong";
- a new partnership with Canadian Nutrition Society (CNS);
- the nutrition symposium;
- "Cuisinons en Famille", which has recently won a DUX award.

- DFC dietitians' participation with Osteoporosis Canada in "Stand Tall" events for consumers across Canada.

The Board has agreed to continue the Program for Physicians – launched in 2017 – this year nationally, except in Ontario.

Regarding marketing activities, DFC Staff informed the Committee about the results of the summer milk campaign and the results of the activations on the theme of "if it is made from Canadian milk, it is worth crying over," for which the television spots outreach was at the highest level achieved so far across any DFC 2017 campaign.

The 2018 Milk Calendar, launched in November, was highly popular this year again. Also presented to the Committee were the plans for the Holiday Campaign and Canadian Cheese Board campaign – both running in December 2017. IMI will give a full report on fall campaigns later today.

The results of the 2017 milk campaign "Pour a tall cold one" were very positive and well above the benchmark of 30%.

The Fuelling Women's Champion's Fund received over 3,000 applicants in 2017 – a 22% increase over last year.

The meeting also provided an overview of the impact on the nutrition, marketing and retail activities in 2018, due to the change in funding.

To help fluid milk programs and increase sales volume, DFC is working with Circle K and Parmalat. DFC will also be collaborating with four convenience and gas chains to promote chocolate milk. Boston Pizza has also transitioned its cheese purchasing to be 100% Canadian.

Finance and Audit Committee and 2018 Budget

Since July 2017, the Finance and Audit Committee has met twice: in November and yesterday.

In November, the Committee reviewed the preliminary year-end results and received the presentation of the auditors as to the scope of the audit for 2017. Monday, the committee reviewed the 2018 budget.

proAction® Committee

Since July, the proAction® Committee had one face-to-face meeting, in November, and two webinars.

All subcommittees have been diligently working to develop program materials, address any issues and design appropriate management tools, such as a new software, which the validators can download to a device of their choosing.

The animal care and traceability modules have been included in the validation platform in September. For the Traceability program, the Canadian Dairy Network received the authority of the Canadian Food Inspection Agency in September to act as the responsible administrator for the purpose of the Health of Animals Regulations for information related to dairy animals kept in Canada.

A number of the proAction committee requests were approved by the Board, including the new *Animal Care fact sheet* on the topic of animal assessments, and the DairyTrace Program Charter.

Canadian Dairy Research Council

The Canadian Dairy Research Council met on October 17 and reviewed the research projects submitted for funding in the Dairy Research Cluster 3. These projects previously underwent a rigorous, independent and recognized scientific review process.



At the end of November, Agriculture and Agri-Food Canada officially announced the renewal of the AgriScience Cluster program for 2018-2023. In December, the DFC Board approved the Dairy Research Cluster 3 proposals recommended by the Canadian Dairy Research Council, including 24 research projects under four themes: dairy farm efficiency and sustainability; cow health and welfare; milk safety and processing quality; and healthy dairy products, for a total budget of \$26 M over 5 years, with a DFC contribution of \$5,4 M. DFC applied for the Dairy Research Cluster 3 in December, and is expecting government response by the end of the current policy framework (March 31, 2018).

As identified in the new Dairy Production Knowledge Translation and Transfer Strategy, the Dairy Production Knowledge Translation and Transfer Experts Committee has been created and met for the first time in December to discuss the implementation of the plan for the research results of the current Dairy Research Cluster 2 (ending on March 2018), as well as the Dairy Research Symposium, which will be held this Friday.

External Meeting Participation

DFC Board members and DFC Staff attended many events in 2017, including the World Trade Organization Public Symposium, the Canadian Dairy Networks' Annual General Meeting, the Public Trust Summit, as well as the International Dairy Federation World Dairy Summit, to name only a few.

The Board of Directors also has representatives on several organizations in the agri-food industry.

From July to December, DFC representatives appeared twice before the Standing Committee on Finance, and once before the Standing Committee on Agriculture and Agri-Food. Topics discussed included taxation and a food policy for Canada. DFC also made submissions to the Health and Agriculture committees on the Healthy Eating Strategy, and to the Trade Committee on Trans-Pacific Partnership-11 and the North American Free Trade Agreement.

Conclusion

As you have heard, your Board of Directors has been extremely busy these past few months promoting farmer interests. As we are progressing through the first part of 2018, we will continue to represent you in the best way possible. We are always available to discuss any concerns you might have. We wish you a productive meeting and look forward to providing you with an update in July, at our Annual General Meeting.

