



YOUNG FARMERS PROGRAMS IDEAS FOR TOMORROW

BY CANADIAN YOUNG LEADERS | 2018

DAIRY FARMERS OF CANADA



BRITISH COLUMBIA

LUKE VAN HUIZEN

DAIRY FARMERS OF CANADA



BRITISH COLUMBIA

DAIRY PRODUCTION

- 485 dairy farms
- 55: Middle age
- 758,891,123 L of milk produced each year

DAIRY YOUTH FARMERS

- 65 young farmers
- 85.5% established farms vs 14.5% start-ups

DID YOU KNOW...

- 74% of milk production occurs in the Fraser Valley, close to Vancouver?



BRITISH COLUMBIA PROGRAMS

NEW ENTRANT PROGRAM

- Will replace the Graduated Entry Program
- Minimum 3 new entrants will start each calendar year
- Details to be announced August 2018, first applicants accepted January 2019



MAINLAND YOUNG MILK PRODUCERS

- Mission statement: 'To develop, connect and educate young dairy farmers.'
- Supported by Mainland Milk Producers, BC's largest regional group
- Board of 8 young producers (18-40 yrs)
- Hosts 5-7 social events per year, each with an element of learning
 - Each event has attendance of 30-120 young farmers



PROVINCIAL ISSUES



AGRICULTURE WASTE REGULATIONS

- BC Ministry of Agriculture trying to force incredibly tough requirements on producers
- Fantastic staff at BCDA have been working tirelessly to ensure producers are able to continue farming successfully
- Likely to be tied to proAction environment module, including nutrient management plan

COMBINING TWO BOARDS

- Currently only province with two boards (BCDA & BC Milk Marketing Board)
- Many benefits seen of a single entity
- BC Farm Industry Review Board keeping BCMMB separate



ALBERTA
GREG DEBBINK

DAIRY FARMERS OF CANADA



ALBERTA



DAIRY PRODUCTION

- 40,638 farms total
- 519 dairy farms (May 2018)
- 740,710,762 L of milk produced (2016-17)

DAIRY YOUTH FARMERS

- 115 farmers aged under 35 years
- 130 farmers aged 35-44 years
- 97.1% established farms: vs. 2.9% start-ups (519:15)

DID YOU KNOW...

- Alberta Milk works under a representative democracy – producer elect delegates; delegates elect the Board members?
- 99% of Alberta dairy farmers meet or exceed our milk quality standards?
- \$77,175 worth of milk donated to those in need in Alberta last dairy year (2016-17)?

ALBERTA PROGRAMS



NEW ENTRANT ASSISTANCE PROGRAM (NEAP)

- 75kg of butterfat per day is available every year for up to 3 startup farms
- Loans 2kg of quota for every 1kg bought up to a maximum of 25kg of loaned quota
- A maximum of 3 new entrants are accepted in the NEAP each year

NEAP ANALYSIS



THE POSITIVE

- 18 new farms started in 5 years including the 3 that were approved to start this year
- Program has evolved with input from the successful New Entrants

THE NEGATIVE

- A lot of time and money goes into the application process if you don't get approved
- Only accept up to 3 farms per year - could miss a few farms at the beginning who do not want to wait another year to reapply

SUGGESTED IMPROVEMENT

- Give priority to new market milk (a2a2, grass fed, etc)



ALBERTA PROGRAMS

ORGANIC ENTRANT ASSISTANCE PROGRAM (OEAP)

- 50kg of butterfat per day is available for up to 2 organic startup farms
- Loans 3kg of quota for every 1kg bought up to a maximum of 25kg of loaned quota
- A maximum of 2 organic new entrants will be accepted in the OEAP on a first-come, first-served basis

OEAP ANALYSIS



THE POSITIVE

- Organic sector is growing, we need new producers
- Great option for additional farms

THE NEGATIVE

- Limits on where these farms can be located. Difficult to transport small amounts of special milk

SUGGESTED IMPROVEMENT

- New program just opened - too early to suggest improvements

ALBERTA PROGRAMS



NEXT GENERATION FORUM (NEXT GEN)

This forum is open to young dairy farmers who wish to take over their parents' farms or want to start a new dairy farm

- How the dairy industry is governed in Alberta
- Understanding and managing quota
- Succession planning – when and how to start
- How to be a dairy advocate

NEXT GEN FORUM ANALYSIS



THE POSITIVE

- Commitment from Alberta Milk to future generations
- Provides a foundation for those interested in succession of the farm to starting to dairy
- Good networking opportunity for young and new farmers

THE NEGATIVE

- Not overly specific (other programs are better suited for that)

SUGGESTED IMPROVEMENT

- Provide a better overview of national programs/policies (proAction, milk class pricing, etc)

SASKATCHEWAN

TOM MUFFORD

DAIRY FARMERS OF CANADA



SASKATCHEWAN



DAIRY PRODUCTION

- 165 farms
- 290,000,000 L of milk produced each year

DEAP (New Entrant Program) STATS

- 23 DEAP farms shipping milk
- 7 accepted but not yet shipping
- No age requirement/not tracked
- Since September 2015

SASKATCHEWAN PROGRAM

DEAP (DAIRY ENTRANT ASSISTANCE PROGRAM)



- Saskmilk grants 15-20 Kg quota on a 1:1 basis
- New Entrant can buy up to 60 kg for a total (owned+DEAP quota) of 80 kg for first 5 years
- No clawback. Grant quota is with producer as long as they ship milk. Also never owned.
- Quota is assignable from day 1. Can be used as security at financial institutions. ***** Most Important Part *****

DEAP ANALYSIS



THE POSITIVE

- Quota is assignable, anyone can start/built in equity
- Set up for anyone to use. New producers from other provinces/succession planning

THE NEGATIVE

- Increases do not count on DEAP quota, therefore you grow less than the rest of the province
- 20 KG match maybe not enough for full time job

SUGGESTED IMPROVEMENTS



➤Increases Count

- Growth rate of farms is the same. Does not put you at a disadvantage vs other farms
- It could be calculated as a DEAP increase, so that portion is not saleable/ownable

➤Multi Step Program

- After "X" amount of time, you can upgrade in the program, buy another 5-10kg on the 1:1 matching.
- Allows for larger growth after a time period of "getting foot in the door" when often things on the farm begin to evolve and cash flow/equity positions may prevent needed changes
- Example: Producers that start off renting a farm needing to buy own place or those starting in ancient facilities needing to upgrade.



MANITOBA
JEREMY DUECK

MANITOBA

Dairy Farmers
of Manitoba



DAIRY PRODUCTION

- **282** farms (August 2018)
- **358.1 million** L of milk produced (2016-17)

DAIRY YOUTH FARMERS

- **266** established farms (94.3%) + **16** new entrant farms (5.7%)
(as of August 2018; 16 New Entrants total from 2006-2018)

DID YOU KNOW...

- DFM established its New Entrant Program in **2006**? There is no age limit.

MANITOBA PROGRAM



NEW ENTRANT PROGRAM (NEP) SUMMARY

- Assists Manitobans who have a keen interest in owning and operating a dairy farm in the province
- Each year, the NEP selection committee recommends up to 3 new entrants to the DFM board for approval

NEW ENTRANT PROGRAM DETAILS

- DFM provides successful applicants 20 kg of unsaleable daily butterfat quota for life, as long as they own 51% of the farm. New entrant (NE) buys 20 kg.
 - NE also gets 10 kg start-up daily quota via DFM's Incentive Program (must meet criteria, e.g.: proAction, to keep all 10 kg).
 - NE may buy more quota any time, but daily quota can't exceed 60 kg.
- DFM Expansion Program – introduced in 2017: NE (producing milk for min. 3 yrs) can apply to expand beyond 60 kg daily quota limit.

NEP ANALYSIS



THE POSITIVE

- A true opportunity for someone to make a successful living as a dairy farmer
 - Becoming part of a supply-managed industry
- 20 kg of unsaleable quota provided by DFM
- The NEP has evolved to help ensure long-term success

THE NEGATIVE

- None – the program works well

SUGGESTED IMPROVEMENTS

- DFM is always looking at how to improve the NEP (consultation with New Entrants), for example:
UNSALEABLE QUOTA
- Helped with debt load

EXPANSION PROGRAM

- New Entrants who want to grow have the opportunity to keep pace with the rate of growth

ONTARIO TYLER HENDRIKS

DAIRY FARMERS OF CANADA



ONTARIO



DAIRY PRODUCTION

- 3,567 dairy farms
- 7,850 dairy farmers
- 2.99 billion L of milk produced each year

DAIRY YOUTH FARMERS

- 170 New Entrant Program Entrants (with assistance and without):
- 91% established farm: vs. 9% start-ups

ONTARIO PROGRAMS



THE PROGRAMS

New Producer Program (NPP)

- One new producer has priority access to purchase quota on the quota exchange per month
- Initial quota purchase is from 10 kg to 35 kg

New Entrant Quota Assistance Program (NEQAP - P5 program)

- 112kg of butterfat per day is available every year (7 to 9 positions)
- New entrants have priority access on quota exchange to purchase 12 kg to 16 kg and receiving matching amount on loan
- Repayment period begins in year eleven

THE POSITIVE

- Continued demand for both programs
- Allows new producers to enter into the industry

THE NEGATIVE

- Long waiting list for the NPP
- Always receive more applicants for NEQAP than available positions

NEW ENTRANT WTH ASSISTANCE ANALYSIS



THE POSITIVE

- Increase producer numbers
- Positive PR for industry (open system)

THE NEGATIVE

- 32Kg limit is too low

NEW ENTRANT 35KG ANALYSIS



THE POSITIVE

- Increase producer numbers;
- Positive PR for industry (open system)


THE NEGATIVE

- 35kg limit is too low; may still need to offset farm income

SUGGESTED IMPROVEMENT



- A child with post secondary education coming home to an existing operation will be given priority access to 10kg of quota so long as the operations quota holdings are below the provincial average.



QUEBEC

MARIE-PIER G. VINCENT

DAIRY FARMERS OF CANADA



QUEBEC



Les Producteurs
de lait du Québec

DAIRY PRODUCTION

- 5,300 farms
- 3.3 billion L of milk produced each per year
- 74 cows per farm

YOUNG DAIRY FARMERS

- Account for **37%** of established young farmers in Quebec
- Establish themselves in the following ways: **82%** take over the family business | **11%** start up their own | **7%** take over the business of an unrelated farmer
- **32%** of dairy enterprises have at least one established young farmer

DID YOU KNOW...

- **50%** of members of The FRAQ are milk producers?



Fédération
de la **relève agricole**
du Québec

QUEBEC PROGRAMS



Les Producteurs
de lait du Québec

DAIRY FARM STARTUP ASSISTANCE PROGRAM

- 144 kg of butterfat per day is available every year for startup farms
- Loans range from a minimum of 12 kg of butterfat per day to a maximum of 16 kg of butterfat per day
- 110 dairy farms have benefitted from the program since 2006

5 KG LOAN PROGRAM

- 1 kg of quota for young farmers who hold at least 21% of the value of the enterprise + 4 kg if they hold at least 50% of it
- 97 loans in 2017

FINANCIAL SUPPORT PROGRAM FOR ASPIRING FARMERS (Quebec government)

- Financial support ranges from 10K to 50K for existing farms or for starting a new business under certain conditions

ANALYSIS



Les Producteurs
de lait du Québec

THE POSITIVE

- Helps young farmers start from scratch
- Allows new entities to be created

THE NEGATIVE

- The number of kilos granted by the program is not enough to ensure sustainability
- The farm's development is slowed by the reimbursement of the kilos
- These kilos could be better used in many cases where an enterprise is transferred

SUGGESTED IMPROVEMENTS

- Increase the number of kg for young farmers
- Make it possible to pair the two programs

NEW BRUNSWICK

JERRY BOS

DAIRY FARMERS OF CANADA



NEW BRUNSWICK



DAIRY PRODUCTION

- 189 dairy farms
- 2 largest sectors:
potato and dairy
- 159 million L of milk
produced each year



NEW BRUNSWICK



YOUNG DAIRY FARMERS

- Less than **25%** under age of 40
- **55:** Average age
- 12 New Entrant farms, 3 of which exited the industry this year
- 2 New Entrant approvals this year
- Very few new farms outside of New Entrant program (less than 10)



NEW BRUNSWICK PROGRAM



NEW BRUNSWICK NEW ENTRANT PROGRAM

- Loan of 16 Kgs of Quota based on matching purchase
- On year 10, 1 Kg of quota will be taken away per year
- Priority on Quota exchange for the loaned quota buy-back

NEP ANALYSIS



THE POSITIVE

- Loan of 16 Kgs of Quota
- Allows for secure cash flow for lending purposes
- No Cap at 32 Kgs

THE NEGATIVE

- Little to no support other than the 16 Kgs of Quota
- Loan repayment at 10 years which forces a NE to start purchasing quota to maintain farm size
- Not designed for growth, or scale of today's farms

SUGGESTED IMPROVEMENTS

➤ QUOTA GIVE-AWAY

The idea of a quota giveaway would enable the new entrant to pursue growth and modernization around year 10 rather than forcing them to start buying back quota. This will help them remain progressive and competitive, rather than forcing further hardship on a new entrant.



SUGGESTED IMPROVEMENTS



➤ MORE FLEXIBILITY

Enable New Entrants more flexibility when it comes to how they purchase their initial quota holdings, ie. an on-going farm transfer + new entrant program combined.

This will allow a new entrant the flexibility of taking over a current operation and being able to produce more milk to generate income to help offset the purchase costs associated with buying a turnkey operation.



MESSAGE TO FARMERS



QUESTIONS?

DAIRY FARMERS OF CANADA





THANK YOU

DAIRY FARMERS OF CANADA





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