

DAIRY FARMERS
OF CANADA'S

2022
2023

ANNUAL REPORT







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MESSAGE FROM THE PRESIDENT

President, Dairy Farmers of Canada

PIERRE LAMPRON



It's hard to believe it's been six years since you first put your trust in me as president of Dairy Farmers of Canada (DFC). I am very grateful for you renewing that support twice, to the full extent allowed in our by-laws.

I began my mandate as president of the Board of Directors, with the additional responsibility of leading DFC's operations, as we were recruiting for a Chief Executive Officer at the time. Jacques Lefebvre later joined us in January 2018. We engaged on a path of change and modernization through an initiative we called DFC 2.0. We first sought the opinion of our members, dairy farmers and key stakeholders as the first step.

This led to a restructuring with an aim of providing stable and predictable funding to DFC. Our funding was no longer to be the levy collected from dairy farmers to support the strategic objectives set by our members. That was done through an annual strategic planning session in which our members set the course for our industry and established measurable objectives for staff to pursue.

Another important element of DFC 2.0. was to further engage with dairy farmers. This is why we modernized our Annual General Meeting and our Annual Policy Conference by having open sessions where delegates could ask questions directly to senior staff.

In addition, we put in place interactive sessions with delegates and dairy farmers participating remotely, to seek their perspective on key issues for the industry. This is of great value for the DFC Board of Directors and staff. The programs we put together featured guests such as leading policy makers, academics, representatives from the business community, and politicians to engage with our delegates, including two former Prime ministers and a US Presidential candidate. In the last six years, we have also expanded our Blue Cow campaign to embody not only the quality milk we produce, but the commitment of dairy farmers across the country to be good stewards of the land today and for future generations. We have told those stories and consumers have reacted very positively, making our logo one of the most recognized food brands in Canada.

We should also take great pride in the completion of the last module of proAction on Environmental Sustainability. This program is an asset to our industry and shows the leadership of dairy farmers. The strength of our Blue Cow logo rests on proAction's six modules and the commitment farmers across Canada make to meeting their high standards. There is no doubt that successive trade agreements have had a negative impact on our industry. We advocated with great resolve for dairy farmers to be compensated for the losses they would experience. We secured some \$3-billion dollars in compensation and an additional investment fund in dairy processing to offset these negative impacts.

Our actions were not only in response to a current dynamic environment, but our Board also sought to address the future of the industry. I am particularly proud of the work that was done by our elected team in developing the blueprint of key pillars on which a vision for the future of our industry can rest so that generations of dairy farmers can continue to live and prosper producing milk.

I want to express my profound gratitude to all Board members who have given their time and energies in tackling the complex issues we are faced with as an industry. I also want to express my gratitude to DFC staff. Not because they are very competent, nor because they work hard on our behalf, but because they truly care about us, as dairy farmers. That, you cannot buy! When I ran to be president of DFC, I set out to ensure that dairy farmers from coast to coast would have a forum where they could share their perspectives and engage in consensus building so that our sector could remain strong, united and we could advocate with one voice. There is no doubt that we will face tough challenges in the future, but, with a strong national voice, we will address them head-on. As the saying goes: "United we stand, divided we fall," so let us continue to stand strong, together!

Thank you for the honour you have offered me in representing dairy farmers both here at home and abroad.

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PIERRE LAMPRON
President, Dairy Farmers of Canada

MESSAGE FROM THE CEO

CEO, Dairy Farmers of Canada

JACQUES LEFEBVRE



This has been a year of transition at Dairy Farmers of Canada (DFC).

First, staff came back to the office in a hybrid model after more than two years working remotely as many organizations did during the pandemic. Second, two of our executive team members, Sylvie Larose and Bobby Matheson, retired. Fawn Jackson joined DFC as its first chief sustainability officer and Anne-Sophie Belzile came on board as vice-president of public affairs. Furthermore, Dr. Daniel Lefebvre is now working part-time for DFC as its chief animal science officer. Daniel continues to serve Lactanet, but also dedicates time to DFC. Conversely, Fawn and our senior vice-president, Paula Dunlop, also dedicate some of their time to support the work of Lactanet. This initiative is driven by a shared vision to expand industry collaboration and use our resources, both human and financial, in the most efficient and effective way.

As an organization, the value we offer our members comes through our employee's knowledge, experience, skills and passion for dairy. In an era of labour shortage, retaining and recruiting top talent has become a competitive advance for organizations such as ours. While being financially responsible with our member's

funding, DFC deployed initiatives to help our staff adapt to a hybrid working environment. Inspired by the work of Patrick Lencioni, our organizational culture is based on three principles: humble, hungry and smart. We are deploying training in the areas of coaching and mentoring for our people managers to offer employees a different experience, one where they know that their manager is committed to helping them achieve success and develop to their full potential. Our approach towards staff is also recognized externally as DFC has been named one of Canada's Top Employers for the National Capital Region. Today's workforce is no longer satisfied with a paycheck, it seeks an experience, a culture where they matter and can reach their full potential. This is what DFC aspires to be!

As it relates to advocacy, we have made significant headway on the challenging policies our sector has been submitted to, yet we continue to chip away to further neutralize the negative impact of issues such as front-of-pack labelling. We were also busy negotiating compensation payments for dairy farmers for the negative impacts of the CUSMA trade deal. In addition, we obtained from the federal government a \$333 million investment into much needed dairy processing capacity.

Sustainability has also been at the centre of our activities, working with provinces and a dairy farmer advisory group to set the course towards carbon neutrality by 2050. An important deliverable this year was the completion of our Best Management Practices sustainability guide, an essential tool for dairy farmers. Few industries have such a tool, and this further exemplifies the continued leadership of our industry on this important global issue.

I am very grateful for the guidance and support of our elected team, under the leadership of President Pierre Lampron. Our Board has created the conditions by which staff can do what they do best on behalf of dairy farmers. I also want to express my profound gratitude to DFC's senior executives for the leadership they exercise in our organization.

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JACQUES LEFEBVRE
CEO, Dairy Farmers of Canada



WHO WE ARE

Dairy Farmers of Canada (DFC) is the national policy, lobbying and promotional organization representing Canadian dairy producers.

DFC strives to create stable conditions for the dairy sector in our country. It also seeks to maintain policies that promote the sustainability of Canadian dairy production and promote dairy products and their health benefits. Dairy farmers have set a goal of net-zero emissions from farm-level dairy production by 2050.

COMMITTED TO CANADA'S DAIRY FARMERS

DFC's origins trace back to 1934, and while the organization's mandate has evolved, our commitment to Canada's dairy farmers remains as strong as ever. Headquartered in Ottawa, we represent dairy farmer organizations in all 10 provinces across the country, working hand-in-hand with our provincial counterparts, as well as other stakeholders in the dairy value chain.

CORE ACTIVITIES

- Federal Government Relations
- Communications
- Policy and Trade
- Legal
- Business and Market Intelligence
- Blue Cow Logo Certification Program
- National Nutrition
- Nutrition and Production Research
- Business Stakeholder Relations proAction®
- Sustainability
- Market Integrity

REGIONAL SERVICES

DFC supports a number of provinces to streamline their activities, assisting them in the development and implementation of regionalized programs that help broader engagement with local consumers. These services and programs are offered on a cost-recovery basis under regional service agreements. Program support currently offered for provinces includes nutrition, marketing and social media.



MEMBERS

Alberta Milk
 B.C. Dairy Association
 Dairy Farmers of Manitoba
 Dairy Farmers of New Brunswick
 Dairy Farmers of Newfoundland & Labrador
 Dairy Farmers of Nova Scotia
 Dairy Farmers of Ontario
 Dairy Farmers of Prince Edward Island
 Les Producteurs de lait du Québec
 SaskMilk

ASSOCIATE MEMBERS

Agrifoods International Cooperative Ltd.
 Agropur Dairy Cooperative
 Amalgamated Dairies Limited
 B.C. Milk Marketing Board
 Gay Lea Foods Co-operative Limited
 Lactanet Canada

DFC BOARD OF DIRECTORS

1. Pierre Lampron (QC)
President
2. David Wiens (MB)
Vice-President
3. Greg Archibald (NS)
4. Marcel Blais (QC)
5. Daniel Gobeil (QC)
6. Mark Hamel (ON)
7. Gilbert Matheson (NB)
8. Blaine McLeod (SK)
9. Vicky Morrison (ON)
10. Steve Reeves (PE)
11. Gert Schrijver (AB)
12. Murray Sherk (ON)
13. Peter Strebel (QC)
14. Dave Taylor (BC)
15. Robert Walsh (NL)
16. Korb Whale (Lactanet)
17. Michael Barrett
(Non-Voting Member)

DFC'S SENIOR EXECUTIVE TEAM

Jacques Lefebvre
Chief Executive Officer

Paula Dunlop
Senior Vice-President

Francis Séguin
Vice-President, Finance

Annie AcMoody
Vice-President, Policy & Trade

Anne-Sophie Belzile
Vice-President, Public Affairs

Pamela Nalewajek
Chief Marketing Officer

Fawn Jackson
Chief Sustainability Officer

Lucie Bérubé
Senior Director, Services

Dr. Daniel Lefebvre
Chief Science Advisor to the CEO

KEY PERFORMANCE INDICATORS

By executing on our 2022 strategic objectives, DFC made significant progress on the organization’s overall key performance indicators (KPIs). Year-end national tracking research, completed by third party Abacus Research, showed that all three areas of measurement outlined below have improved since our January 2019 baseline. Dairy farmers continue to be well-liked, trusted, and are seen as responsible producers. **The reputation of dairy farmers continues to be high and strong,** the impression of dairy farmers among millennials has improved and their support for the consumption of dairy remains above our five-year stretch objective.

| AREAS OF MEASUREMENT | JAN 2019 | YEAR-END 2019 | YEAR-END 2020 | YEAR-END 2021 | YEAR-END 2022 | MID-YEAR 2023 | 3-YEAR OBJECTIVE | 5-YEAR OBJECTIVE |
|---|----------|---------------|---------------|---------------|---------------|---------------|------------------|------------------|
| Reputation of dairy farmers | 72.2 | 70.4 | 72.4 | 72.4 | 70.0 | 70 | 70.2 | 74.8 |
| Support for supply management | 57 | 60.8 | 61.0 | 63 | 59.2 | 59 | 57 | 61.8 |
| Millennial support for the consumption of dairy | 51.33 | 56.3 | 58 | 60 | 61 | 60 | 51.3 | 56 |

2022 FINANCIAL STATEMENTS

DFC's budget structure includes three business offerings delivered on behalf of its members: **core funding**, **strategic objectives**, and **regional services and programs**.

To view Dairy Farmers of Canada’s complete 2022 financial statements, [click here](#).





2023 STRATEGIC OBJECTIVES

1

MARKETING TO YOUNG MILLENNIALS AND GEN-ZS

Neutralize the erosion of dairy attitudes and usage among the Young Millennial and Generation Z demographics in Canada.

2

MARKET DEVELOPMENT

Develop and grow markets for high-quality Canadian dairy products/ingredients to mitigate some of the lost domestic market because of trade agreements.

3

PARTNERSHIPS

Maximize the impact of current and future partnerships to ensure they are leveraged in support of organizational objectives proactively throughout the value chain.

4

SECTOR STRATEGY

An offensive strategy to neutralize negative claims against dairy.

5

SPECIAL PROJECTS

International Engagement and Harmonized Billing Mechanism, and National Knowledge Translation and Transfer Strategy.

DAIRY FARMERS OF CANADA NAMED ONE OF OTTAWA'S TOP EMPLOYERS

In February, Dairy Farmers of Canada (DFC) was named one of the Top Employers in Canada's National Capital Region for 2023. This annual competition, announced jointly by the editors of *Canada's Top 100 Employers* and the *Ottawa Citizen*, recognizes companies in the Ottawa metropolitan area that lead their industries in offering exceptional places to work. The highly competitive designation shines a light on how DFC supports the organization's employees and attracts new top talent.

DFC was selected as one of National Capital Region's Top Employers for 2023 based on a number of variables including staff benefits (competitive compensation and health coverage), maternity/paternity leave, a hybrid work environment, training and professional development, plus other programs to support employee health and wellbeing.

ADVOCACY, POLICY & TRADE

THE UNIFIED VOICE OF CANADIAN DAIRY FARMERS

CUSMA COMPENSATION

In November 2022, the federal government fulfilled its promise to provide full and fair compensation for supply-managed sectors for the impacts of the Canada-United States-Mexico Agreement (CUSMA). For dairy producers, \$1.2 billion were granted in compensation and will be paid over a six-year period under the Dairy Direct Payment Program. Payments will start at the end of this year now that compensation for the Canadian-European Union Comprehensive Economic and Trade Agreement (CETA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) have been paid in full.

DFC will continue to advocate that any future trade deal negotiated by Canada should be done without granting any more domestic dairy market access to its trading partners.

DAIRY INNOVATION AND INVESTMENT FUND

The federal Budget 2023 confirmed the announcement first made by Minister Bibeau in November 2022 to allocate \$333 million dollars to support research and the development of new products based on solids non-fat (SNF). DFC advocated for the Fund to be included in Budget 2023 during our Lobby Day earlier this year, and we welcomed the confirmation of the funding. While we still await the details of the Fund, DFC considers this to be a step in the right direction and will continue to advocate for the federal government to support innovation in the dairy sector.

BILL C-282 ON SUPPLY MANAGEMENT

DFC has been steadfast in its support and advocacy for Bill C-282, a Private Members' Bill from Bloc Québécois MP Luc Thériault that would take supply management off the table in future trade negotiations. On March 9, DFC President Pierre Lampron and Vice-President David Wiens appeared as witnesses before the Standing Committee on International Trade to answer questions from MPs and support the legislation on behalf of dairy farmers across Canada. The Bill received support from all party leaders in the House at 2nd reading and was adopted. It was later approved without amendments at committee in April.

Before the House of Commons rose for the summer, Bill C-282 passed 3rd reading with overwhelming support. DFC and its supply-managed sector colleagues will continue to advocate in favour of the legislation in the fall when it will be studied and debated in the Senate.

TRADE PANELS ON DAIRY TRQS

Both the United States and New Zealand have initiated trade challenges disputing the manner in which Canada allocates import permits (more formally known as 'Tariff Rate Quotas,' or TRQs) under CUSMA and CPTPP. With the panel selection process completed, on March 20, the disputing parties under both the CUSMA second dispute on Canadian dairy TRQ policies and CPTPP panels filed their initial submissions to Canada. The panel hearings will occur on June 14-15 for CPTPP and July 19-20 for CUSMA, with the final reports being released in September.

DFC is confident that Canada's approach to TRQ allocation remains consistent with the terms of each agreement and will continue to work closely with the government as it navigates the dispute resolution processes. Canadian officials have reiterated the commitment of the government to vigorously defend the dairy industry as this process continues to unfold.

CANADA-UK TRADE AGREEMENT

Negotiations on a future trade agreement between Canada and the UK kicked off in the first quarter of 2022. Throughout the past year, five rounds of negotiations have been held; during each round of negotiations the UK expressed its clear interest in having access to Canada's dairy market.

In response to the UK's intentions on market access, DFC has continued to advocate that no new market concessions be granted in any future trade agreement during meetings with officials and with the office of the Minister of International Trade. DFC has been repeatedly assured by officials that the Canadian government has committed that market access for supply-managed goods is not on the table in the context of these negotiations.

UK ACCESSION TO CPTPP

At the end of March 2023, the Canadian government announced the conclusion of negotiations for the UK's accession to the CPTPP. Following a year of discussions between UK and CPTPP members on market access for agricultural goods, parties made considerable progress.

The UK will not have any new access to dairy TRQs above and beyond what has already been granted to members of the CPTPP. This outcome is aligned with DFC's position, which was reiterated regularly throughout sessions with Canadian officials in the past year.

Amongst the six applicants that formally requested accession to the CPTPP (UK, The People's Republic of China, Taiwan, Ecuador, Costa Rica and Uruguay), the only accession to advance at this point is the UK. DFC will continue to monitor developments on other CPTPP accession requests and reaffirm its position on market access.

12TH WTO MINISTERIAL CONFERENCE

DFC and other agricultural groups were on the ground in Geneva to network with various trade delegations and farm organizations of other countries during the 12th Ministerial Conference of the World Trade Organization (WTO) in Summer 2022. In its efforts to have more presence in international fora, DFC along with other supply-managed sectors (eggs, chicken, turkey and hatching eggs - "SM5") delivered messages explaining the system of supply management and the need to continue to protect it in the context of food security and sustainability.

The presence of DFC and the SM5 in the WTO public forum in September 2022 was another opportunity to continue to build working relationships, common understanding, and to impress how preserving the right of respective countries to operate their own agricultural systems is important for the strength of domestic agriculture and food security.



GROCERY CODE OF CONDUCT

DFC and other stakeholders support a Canadian ‘Grocery Code of Conduct’ to bring greater balance to supplier-retailer relationships, improve competition in the grocery retail environment, and foster greater collaboration throughout the supply chain. The Code that is currently under consideration is voluntary. DFC considers a voluntary Code of Conduct not as an end in and of itself, but a step towards a mandatory Code and that is what we will continue advocating.

VACCINE BANK FOR FOOT-AND-MOUTH DISEASE (FMD)

DFC was pleased that this important Lobby Day ask was included in the federal Budget 2023. Budget 2023 proposes to provide \$57.5 million over five years, starting in 2023-24, with \$5.6 million ongoing, to the Canadian Food Inspection Agency (CFIA) to establish a FMD vaccine bank for Canada, and to develop FMD response plans. The government will seek a cost-sharing arrangement with provinces and territories.

FRONT OF PACKAGE LABELLING REGULATIONS

In late 2022, Health Canada published new regulations that require warning labels on products deemed to be high in sugar, salt, or saturated fat. Following several years of ongoing advocacy on this critical file, Health Canada granted significant evidence-based exemptions for nutritious dairy products, drastically reducing the potential impact of these regulations on the dairy sector. To build on this important progress, DFC has continued its advocacy with Health Canada and continues to seek additional evidence-based exemptions from this policy.

MARKETING TO KIDS REGULATIONS

In April 2023, Health Canada published a proposal that would restrict the marketing of certain foods and beverages deemed to be high in sugar, salt, or saturated fat to children. This echoes a similar Health Canada proposal put forward by Health Canada in 2018. Given that this policy is based on similar nutrient thresholds as front-of-package labelling, DFC is seeking that any evidence-based exemptions obtained for nutritious dairy products be similarly extended across both policies. Draft regulations are slated for publication in Canada Gazette 1 in Winter 2024.



ACCESS AND APPROVAL OF ANTIMICROBIALS AND ALTERNATIVES

DFC made individual and joint submissions to several consultations related to antimicrobials and alternatives throughout the past year, stressing in each the urgent need for government to address barriers and facilitate the access and approval of new antimicrobials and other animal health products into the Canadian market. DFC is currently leading the development of a pan-sectoral advocacy strategy relative to this important issue to coalesce industry partners around a common narrative and identify top universal barriers and solutions to present jointly to key government officials and representatives in Fall 2023.

TRAINING PROGRAMS FOR BORDER INSPECTION AGENCIES

Canadians expect that the products they buy are produced according to strict Canadian standards. Unfortunately, Canada does not have commodity-specific training programs for CBSA and CFIA agents to inspect imported dairy products. DFC will continue to advocate for both agencies to be provided with the resources and training required to fulfil their important roles, and we remain committed to working with the government in developing those training programs.



LOBBY DAY AND ANNUAL POLICY CONFERENCE

In March 2023, dairy farmers from across Canada came together both in person and online to discuss key issues and opportunities for our sector at DFC's 2023 Annual Policy Conference in Ottawa. The conference featured experts and leaders from the team at DFC, as well as an outstanding lineup of guest speakers that included:

Marie-Claude Bibeau
Minister of Agriculture and Agri-Food

John Barlow
Conservative Shadow Minister for Agriculture, Agri-Food and Food Security

Robert Asselin
Senior Vice President, Policy – Business Council of Canada

Torsten Hemme
Founder of the IFCN Dairy Research Network

Ron Kind
Former U.S. Democratic congressman for Wisconsin

Dr. Andrew VanderZaag
Research scientist at Agriculture and Agri-Food Canada

Dr. Débora Santschi
Innovation and Development Director at Lactanet

Curtis Grainger
Director of Lending Products and Sustainability Programs at Farm Credit Canada

J.P. Brouwer
Dairy farmer from Alberta with extensive involvement in new farming methods

DFC's annual Lobby Day followed the conference, taking place on Parliament Hill where dairy farmers from across the country held more than 110 meetings with over 160 parliamentarians. The day concluded with a reception that attracted hundreds of parliamentarians, plus ministerial and political staffers.

PROACTION®

Under Dairy Farmers of Canada (DFC)'s quality assurance program, proAction®, dairy farmers show consumers, in a transparent and demonstrable way, how they adhere to some of the most stringent standards in the world.

One of the core principles of proAction is a commitment to continuous improvement, ensuring the program reflects current research and technology, as well as feedback from farmers and input from experts. With its six modules, the comprehensive program continues to be an essential indicator of the high standards and excellent practices Canadian dairy producers apply on farms every day. New versions of the proAction Reference Manual and Workbook are being planned for publication in July 2023, replacing the previous versions published in 2021.

2023 CODE OF PRACTICE FOR THE CARE AND HANDLING OF DAIRY CATTLE

In March 2023, the National Farm Animal Care Council and DFC jointly published the updated *Code of Practice for the Care and Handling of Dairy Cattle*. The final document reflects feedback received during the public comment period in 2022. It includes important requirements for animal care, ensuring dairy farmers' practices remain scientifically informed, practical, and relevant to societal expectations for responsible farm animal care.

Currently, DFC is in year two of a three-year project, conducting a third-party management audit of proAction including the national office, provincial offices, IT controls and validators at the farm-level. The project is identifying opportunities for improvement to strengthen the credibility and consistency of proAction's management.



RECOGNITION FOR THE PROACTION® PROGRAM

In winter 2022, the Canadian Food Inspection Agency (CFIA) started the next scheduled review of DFC's proAction program. At the time of writing, the process is still ongoing, but DFC expects to maintain CFIA recognition, confirming that the Food Safety module continues to be effective and technically sound, and that the overall registration system, which supports all modules, continues to meet government requirements and be implemented effectively. Maintaining government recognition by CFIA signals that proAction continues to be respected, relevant and meaningful.

In addition, DFC successfully updated its recognition for the proAction Animal Care module with the National Farm Animal Care Council.

Finally, DFC once again received the prestigious 'Sustainable Supplier' status from Unilever, meaning that all milk produced in Canada meets their Sustainable Agriculture Code. This serves as yet another affirmation of Canadian dairy farmers' commitment to sustainable milk production, this time from one of the world's largest multinational companies.



MILK QUALITY



FOOD SAFETY



ANIMAL CARE



TRACEABILITY



BIOSECURITY



ENVIRONMENT

SUSTAINABILITY

WORKING TOWARDS A MORE SUSTAINABLE FUTURE

In February 2022, Dairy Farmers of Canada (DFC) unveiled a goal to reach net-zero greenhouse gas (GHG) emissions from farm-level dairy production by the year 2050. 'Net zero' means achieving an overall balance between the GHGs emitted, and the GHGs removed, from the atmosphere. To reach 'net zero' by 2050, farmers will adopt best management practices (BMPs) to reduce emissions as much as possible, as well as to increase carbon sequestration (capturing and storing emissions from the atmosphere) to remove what's left. This target not only aligns with the Government of Canada's goal of net-zero GHG emissions by 2050, but international commitments as well, aiming to foster climate resilience and lower greenhouse gas emissions globally for a sustainable future.

DELIVERING ON OUR COMMITMENT

Across Canada, dairy farmers are already taking meaningful steps on their farms to help make this a reality, adopting new soil management techniques, new strategies for manure and water management, technologies such as solar panels and biodigesters and much more. Each farm is taking different steps, but all these measures add up to make a difference in the overall environmental footprint of dairy farms.

In working towards a net-zero future, actions will be driven and shaped by farmers as an approach would not be practical. A Farmer Sustainability Advisory Group has been created involving producers from across the country to provide their input and guidance. At the national level, DFC is also working with farming organizations, research institutions, sustainability groups, food industry partners, and governments to help reduce our overall footprint.

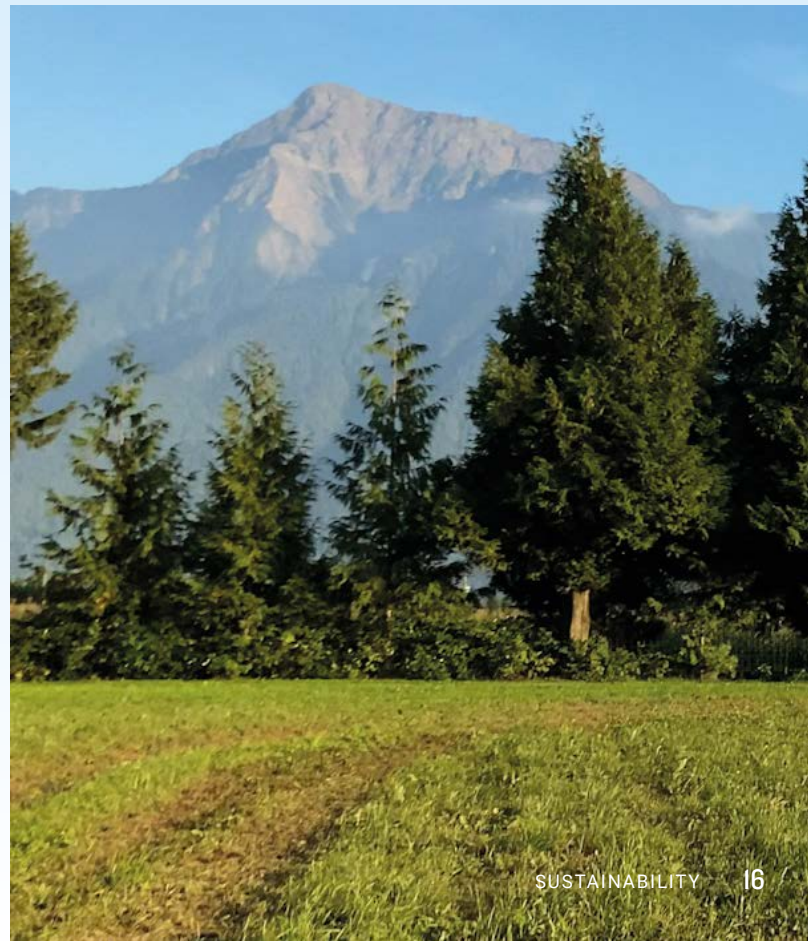
Not only will our net-zero initiative ensure dairy is relevant in the eyes of consumers, but adopting more sustainable practices can support resilience and adaptation to the effects of climate change at the farm-level, and in some cases, reduced costs or new revenue streams for farmers. Additionally, we will continue supporting on-farm innovation by leveraging new and existing government programs.

BEST MANAGEMENT PRACTICES GUIDE

To support dairy farmers on the path to net zero, DFC released our *Net Zero by 2050 Best Management Practices Guide to Mitigate Emissions on Dairy Farms* in March 2023, developed in consultation with experts to help farmers identify and implement best management practices (BMPs) that make the most sense for their farms.

The new guide is designed to help with future farm planning. The 44-page downloadable booklet provides an overview of 30 on-farm practices identified in current research that outline opportunities for reducing emissions, increasing carbon sequestration, and improving overall environmental sustainability.

The BMPs are organized according to the following five categories: **Livestock Management, Feed Management, Manure Management, Energy, Infrastructure and Transportation** and **Land Management**. Each BMP highlights the benefits associated with each practice, tips for implementation, and resources for additional information.



HERE FOR TOMORROW: PARTNERSHIPS IN SUSTAINABILITY

DFC has joined forces with several other forward-thinking organizations to further solidify the dairy sector's long-standing commitment to environmental stewardship and responsible farming practices.

The Here for Tomorrow Partnerships Program supports a range of innovative projects being undertaken in various regions across Canada. These projects include pilot programs to create new recycling opportunities, as well as initiatives to restore and nurture wetlands and forests to promote biodiversity.

CURRENT PARTNERSHIPS

Agriculture in the Classroom Canada

DFC has teamed up with Agriculture in the Classroom Canada to provide scholarships to help ensure sustained interest in agri-food careers.

ALUS

To help farmers reduce carbon emissions, we're working with ALUS on nature-based climate solutions that are deployed on and off farms to benefit communities and biodiversity.

Bioenterprise

To encourage and showcase the ground-breaking innovations occurring in the agri-food sector, DFC partnered with Bioenterprise to launch an ag-specific Sustainability Innovation Challenge.

Cleanfarms

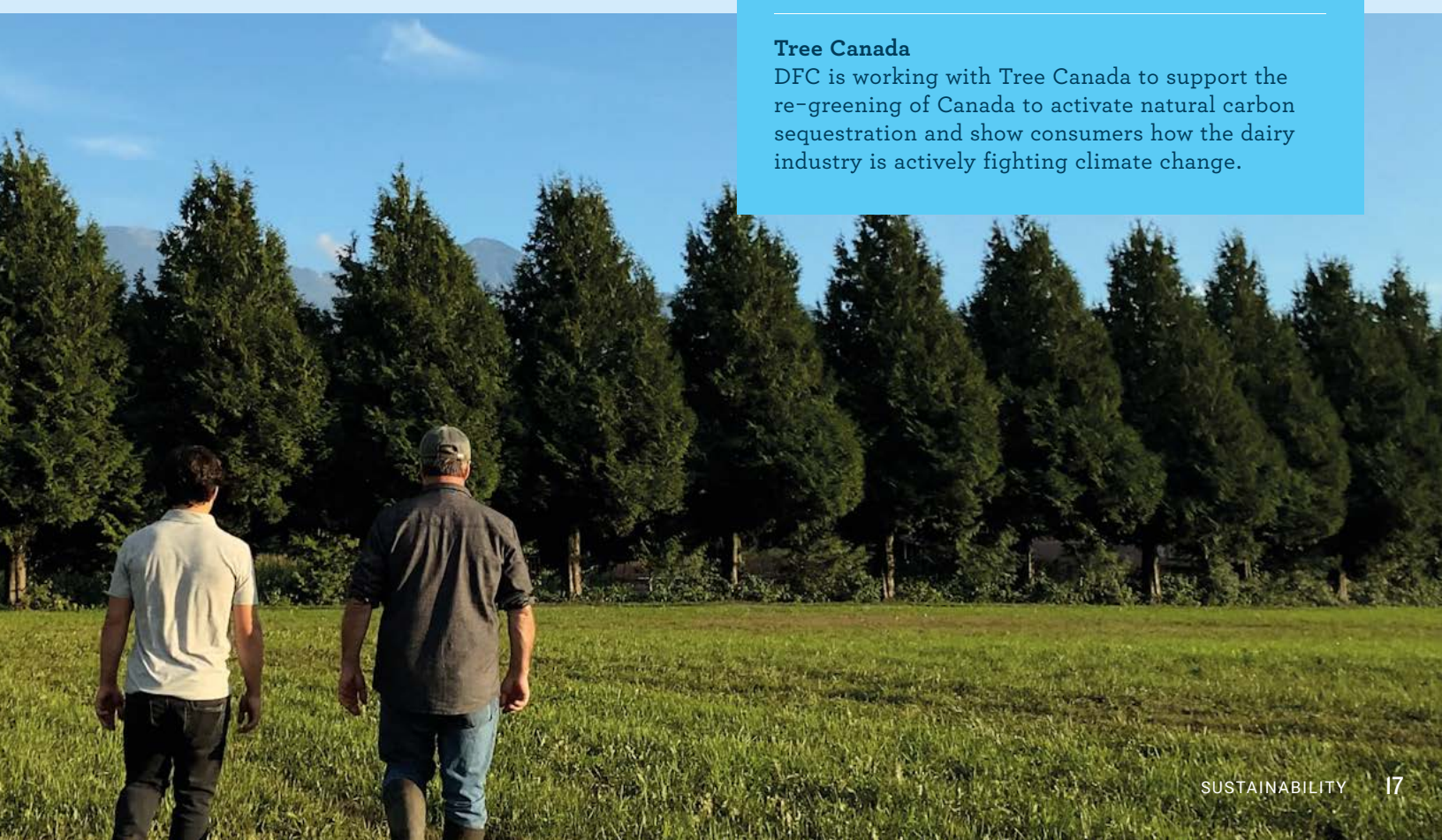
Our partnership with Cleanfarms is helping dairy farmers divert more agricultural plastics from landfills through innovative recycling programs and solutions.

Ducks Unlimited Canada

To help us reach our collective goal of *Net Zero by 2050*, DFC is continuing its work with Ducks Unlimited Canada to improve on-farm biodiversity and natural habitat restoration.

Tree Canada

DFC is working with Tree Canada to support the re-greening of Canada to activate natural carbon sequestration and show consumers how the dairy industry is actively fighting climate change.



MARKETING & BUSINESS STAKEHOLDER RELATIONS



THE BLUE COW LOGO: A SYMBOL OF TRUST

Through multi-platform promotional activities, Dairy Farmers of Canada (DFC) works to enhance awareness of DFC's Blue Cow Logo, which stands for the stringent standards followed on Canadian farms under the proAction® quality assurance program. One of the most trusted brand images in the country, our Blue Cow Logo is recognized by 86% of Canadians.

One of the
TOP
most influential
& trusted food
logos according
to Cohesion
Strategies



89%
brand equity

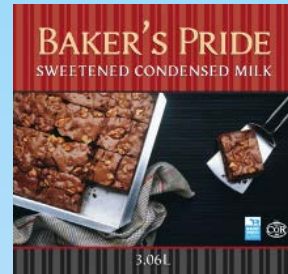
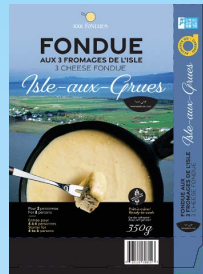


More than
8,500
products now feature
the Blue Cow logo

44
new licencees
in 2021-22

Recognized by
9 OUT OF 10
Canadians

WELCOME TO THE BLUE COW FAMILY!



EXPANDING OUR RELATIONSHIP WITHIN THE VALUE CHAIN :

Smoke's Poutinerie
Tim Hortons
Cineplex

+ Baskin-Robbins, Golden Dawn, Nature's Choice Yogurt, Sugarplum Desserts, Fromagerie des Trois Rapides, Twin Peaks Creamery, Fromagerie de la République, Chic! Fondue, Fromagerie Nouvelle-France, Demetres, L'SQIE and Ridgecrest.

A LOOK AT SOME OF OUR MOST SUCCESSFUL MARKETING CAMPAIGNS FROM THE PAST YEAR:

July 1 to August 14, 2022

BLUE COW LOGO: 'I'M IN' – SUSTAINABILITY CAMPAIGN

Sustainability is one of the most important topics today – it's top of mind for consumers, government, and dairy stakeholders alike. In DFC's 'I'm in' campaign, real Canadian dairy farmers boldly declared that they're working together to reach net-zero greenhouse gas emissions from farm-level dairy production by 2050, championing the journey they've been on for decades.

This campaign helped launch DFC's *Net Zero by 2050* target and highlight the trust Canadians have in dairy farmers, positioning them as committed stewards of the land and showcasing some of the extraordinary work being already undertaken across the country to advance sustainability.

December 5 to December 31, 2022

BLUE COW LOGO: 'CHOOSE CANADIAN DAIRY' – HOLIDAY CAMPAIGN

This national TV and digital campaign leveraged a key dairy consumption period, the holiday season, to reassure and remind consumers about choosing high-quality Canadian dairy. DFC combined marketing campaigns under the same umbrella to reach target audiences through appropriate complementary assets. The campaign aimed to connect the Blue Cow Logo through the voice and visuals of our dairy farmers, with our pillars of quality standards, environmental sustainability, and animal care.

June 24 to July 27, 2022

DFC & SMOKE'S POUTINERIE PARTNERSHIP

As a way to showcase the Blue Cow Logo in face-to-face interactions, DFC partnered with popular Canadian restaurant chain Smoke's Poutinerie for a national cross-country tour promoting this well-known traditional dish. The Smoke's Poutinerie Great Canadian Tour allowed DFC to drive dairy consumption and helped in neutralizing the erosion of dairy attitudes. This collaboration demonstrated to young Millennial and Gen-Z consumers that 100% Canadian dairy is a fun, delicious and indispensable part of their everyday lives.

October 17 to November 27, 2022

BLUE COW LOGO: 'HEY DAIRY FARMER/HERE FOR TOMORROW' – SUSTAINABILITY CAMPAIGN & PARTNERSHIP

DFC continued to leverage the successful Hey Dairy Farmer concept on the theme of sustainability. Joining forces with DFC's Here for Tomorrow partnerships, this unified campaign featured two renowned Canadian chefs who are committed to sustainable choices in their cooking. Focusing on how composted manure helps reduce a dairy farm's methane emissions, the campaign also shared real stories of recycling projects already underway on Canadian farms in partnership with Cleanfarms, further reinforcing the sector's longstanding commitment to environmental stewardship and responsible farming practices.

2022



2023

March 8, 2023

INTERNATIONAL WOMEN’S DAY

International Women’s Day is a global day celebrating the social, economic, cultural and political achievements of women. The theme for 2023 revolved around innovation and technology for gender equality. DFC developed a custom asset to highlight women dairy farmers, which was published cross-platform and overperformed, delivering more than 2 million impressions on TikTok and Meta.

June 9 to July 30, 2023

BLUE COW LOGO: ‘CANADIAN DAIRY FARMERS DO THAT’ – SUSTAINABILITY/REGENERATIVE AGRICULTURE CAMPAIGN

DFC’s most recent campaign further reinforces the dairy sector’s long-standing commitment to environmental stewardship and responsible farming practices. This new consumer-facing marketing campaign demonstrates that dairy farmers have been taking care of the land, from generation to generation, through the practices of regenerative agriculture (such as minimizing tillage, planting perennials, crop rotation). The campaign aims to build further meaning to the Blue Cow Logo by highlighting the tangible actions that dairy farmers are practicing on-farm as part of the ongoing work to get to *Net Zero by 2050*.

February 9 to March 26, 2023

BLUE COW LOGO: SUSTAINABILITY – ENERGY MANAGEMENT CAMPAIGN

Our early 2023 campaign continued to build further meaning to the Blue Cow Logo and instill confidence in Canadian dairy by highlighting some of the tangible steps farmers are taking in the area of energy management practices. Research shows that now more than ever, consumers want to see meaningful actions on sustainability, and we made sure to demonstrate actions ranging from energy conservation to the use of renewable energy sources (wind, solar and bioenergy). We also launched an experience-driven on-farm energy management game to drive awareness and add value for young consumers.

April 22 to May 19, 2023

SUSTAINABILITY PARTNERSHIP – TREE CANADA EARTH DAY CAMPAIGN

To create awareness of the DFC Here for Tomorrow program and highlight the partnership between DFC and Tree Canada, DFC launched a donation campaign around Earth Day, encouraging Canadians to join DFC in support of Tree Canada by purchasing/donating tree plantings.

GET TO KNOW “DAISY” DFC’S CANADIAN HOLSTEIN COW INFLUENCER ON TIKTOK

DFC developed Daisy, the world’s first virtual ‘cowfluencer’ [@moo_daisy](#) as an always-on tool to share dairy content with young audiences in a style that both reflects their cultural values and feels native to TikTok. Through evergreen content, Daisy has been able to build a direct relationship with this young audience and proudly communicate the benefits of Canadian dairy and the contribution of Canadian dairy farmers.

Behind the scenes, Daisy represents a major technological achievement that leverages text-to-speech AI generation, a software algorithm that matches her mouth movements to audio, and character animation that captures live camera facial and body gestures. The end result is a sophisticated virtual influencer who speaks many languages, collaborates with other TikTokers, and responds to trends in real time.

To attract and retain followers, Daisy shares trending content that TikTokers are looking for, including recipes, viral dances, contests to give out prizes to followers, and other pop culture trends, and mixes it in with ‘edutainment’, such as key facts and stats about dairy farmers’ commitment to sustainability, high standards and animal care.



DFC’S NET-ZERO GAMING EXPERIENCE

In 2022, DFC spread our *Net Zero by 2050* message to young Canadians on the audience’s own turf – the gaming world. Turning dairy farming into dairy fun, we created quick-hit edutainment about sustainable dairy practices by developing five custom-built video games that focused on different aspects of DFC’s Net Zero commitment.

Each game translated the benefits of sustainable dairy production, such as reduced greenhouse gas emissions, soil health and biodiversity, into playable digital experiences. Most importantly, the games were short, mobile-first, fun and education was seamlessly woven into the game objectives (e.g. collecting solar and wind energy and finding biodiversity on-farm). To support these games, we created a custom-built gaming hub on DFC’s website. We also partnered with influencers to drive reach and traffic to the gaming hub and share our *Net Zero by 2050* message.

We leveraged Daisy, our virtual cow influencer on TikTok – who happens to be the main character of three games – to promote the games to followers.



WORLD MILK DAY

This year, World Milk Day focused on how dairy is reducing its environmental footprint, while also providing nutritious foods and livelihoods. This strongly connects to Canadian dairy farmers’ ongoing efforts around sustainability and helps further strengthen the Blue Cow Logo. To efficiently drive our messaging, we developed assets based on our sustainability efforts and developed new social content that leveraged influencers and Daisy, our own ‘cowfluencer’.

RESTAURANTS CANADA SHOW

From April 10 to 12, 2023, DFC participated in the 78th Restaurants Canada (RC) show. The show gathered over 20,000 industry professionals. Being the title sponsor of the Coffee, Tea and Sweets Pavilion, positioned at the center of the trade show, DFC was the key sponsor of the baristas competition and also had the opportunity to speak at the event about the work that DFC does to advance the Canadian dairy industry.



SIAL
INSPIRE FOOD BUSINESS



SIAL CANADA (SALON INTERNATIONAL DE L'ALIMENTATION)

DFC was excited to participate in SIAL (Salon international de l'alimentation) Canada once again. This is the largest national business-to-business (B2B) trade show, in scale as well as reach and variety, fostering meetings between over 1,200 exhibitors from 50 countries and over 20,000 buyers from Canada, the United States, and 60 other countries. DFC worked with 20 partners to promote over 30 Canadian dairy products. We hosted a kiosk strategically located in the cheese section, showcasing Canadian cheesemakers from coast to coast.

2023 WORLD DAIRY INNOVATION AWARDS

In June, Dairy Farmers of Canada (DFC) was honoured to win two World Dairy Innovation Awards at the Global Dairy Congress in London, England. DFC's "Net Zero by 2050 - I'm In" campaign won in the CSR/Sustainability Initiative category and in the Marketing Campaign category, while our "Meet Daisy and her Mini-Games" campaign was a finalist in the Marketing Campaign category. The World Dairy Innovation Awards are a celebration of innovation and excellence across every category of the international dairy industry, and this recognition of DFC's campaigns helps show the world how Canadian dairy farmers are working day in and day out to reach our *Net Zero by 2050* objective.



NUTRITION

DAIRY AS PART OF A HEALTHY, BALANCED AND SUSTAINABLE DIET

Dairy Farmers of Canada (DFC)'s national Nutrition team works to engage Canadian university students, dietitians and those they serve, on the role of dairy products in a healthy, sustainable diet. DFC's goal is to develop tools and resources, and establish credible partnerships, to improve the understanding of the true impact of Canadian dairy on the environment, appreciate its contribution to sustainable agricultural ecosystems, and value the inclusion of milk products in the diet for overall health and nutritional adequacy.

SUSTAINABLE NUTRITION INFORMATION AND RESOURCES

In May, an exhibit was held by DFC at the Canadian Nutrition Society 2023 Annual Conference and the Dietitians of Canada's (DC) national conference, sharing sustainable nutrition information and resources with research and health professional delegates. The participation of a DFC Sustainability Specialist at the DC conference was valuable to address dairy farm production and sustainability questions from delegates and to share the dairy farming sector's commitment to reach *Net Zero by 2050*.

PARTNERING WITH THE CANADIAN NUTRITION SOCIETY

In collaboration with the Canadian Nutrition Society (CNS), DFC presented a three-part webinar series on Cardiometabolic Health & Risk Reduction, attracting over 2,100 health professionals. A series of podcasts, created by the CNS and sponsored by Dairy Farmers of Canada, also reinforced the role of dairy in the prevention and management of cardiometabolic diseases. An independent survey of attendees found that over 85% improved their knowledge on the role of dairy products in reducing cardiometabolic risk and 93% said they would integrate what they had learned into their practice.

VIRTUAL FARM TOURS FOR POST-SECONDARY STUDENTS

Designed to appeal to the interests and needs of future food and nutrition professionals, DFC's virtual farm tours provide a unique opportunity for nutritional sciences



and dietetic post-secondary students to gain a first-hand understanding of current dairy farming practices and efforts to improve sustainability practices.

Over the past year, eight virtual farm tours were conducted at universities across Canada, reaching over 500 participants. Students were able to better appreciate that dairy farmers in Canada care about their animals and the environment, see a low impact of milk production on the environment, and address concerns they may hear about artificial growth hormones or antibiotic residues after the tour.

DFC SPONSORS NUTRITION MONTH 2023

In March 2023, Dairy Farmers of Canada (DFC) leveraged the high credibility of Dietitians of Canada through our sponsorship of Nutrition Month 2023 to reach Canadian dietitians and consumers. This year, the DFC campaign had a strong focus on healthy, sustainable diets with the tagline "*Unlock the Potential of Food for Simple, Nutritious, Sustainable Meals*" continuing to build and reinforce third-party support for milk products and their importance within a healthful, sustainable diet. A consumer-directed social media campaign and influencer strategy reinforced key healthy, sustainable nutrition messages and encouraged visits to DFC's consumer-facing nutrition website, [Whatyoueat.ca](https://www.whatyoueat.ca)

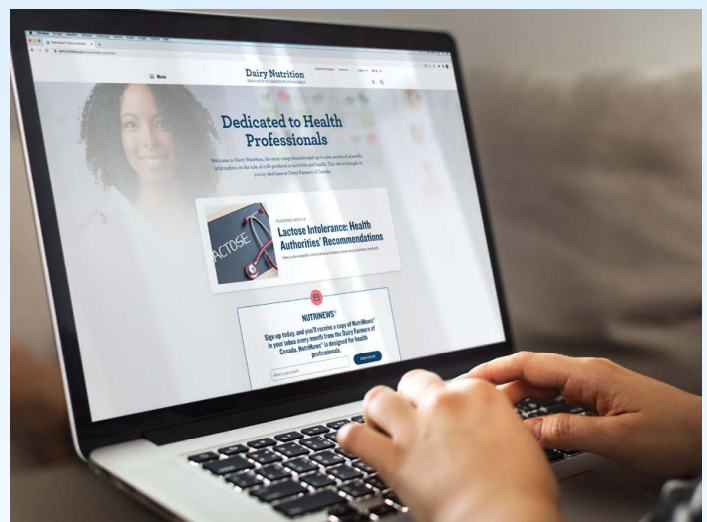
More than half of dietitians in Canada visited DFC's health professional website, resulting in extensive resource downloads and orders. The campaign scored best-in-class for impact on DFC equity, impact on purchase intent for millennials, any actions taken as a result of the ads, and campaign cost-effectiveness.



NEWSLETTER AND WEBSITE

Knowledge transfer and translation is aided by DFC's health professional newsletter. With 11,000 subscribers, our monthly newsletter, NutriNews®, continues to provide timely research highlights that underscore the nutritional and health value of milk products as part of a healthy sustainable diet.

DFC's recently redesigned [DairyNutrition.ca](https://dairynutrition.ca) website is a key communication vehicle with influential health professional community, especially dietitians. Improvements continue in 2023, with downloads increasing six-fold and visitors twice more likely to subscribe to DFC's NutriNews® newsletter.



RESEARCH & INNOVATION

INVESTING IN THE FUTURE OF DAIRY

The Canadian dairy sector has always been a global leader in research and innovation. DFC has invested millions over the past quarter-century to:

- Foster innovation
- Increase farm efficiency and sustainability
- Enhance animal health and care practices
- Improve milk quality
- Strengthen the understanding of the role of dairy in human nutrition and health

DFC leverages its investments through multiple partnerships and by taking advantage of grant programs offered by various organizations such as: Agriculture and Agri-Food Canada (AAFC), Genome Canada and the Natural Sciences and Engineering Research Council of Canada (NSERC), to name a few.

This research provides the basis for our communications with health professionals and the public, and helps to inform new best practices and requirements such as those under proAction.

THE NATIONAL DAIRY RESEARCH STRATEGY

The 2022-2027 National Dairy Research Strategy, developed through extensive consultations, guides the organization's investments in science. The strategy outlines research needs and priorities, establishing targeted outcomes and research priorities for the next five years. This strategy forms the basis of calls for proposals to the Canadian scientific community. Targeted outcomes and research priorities are identified under the three following areas:

- Dairy farm sustainability
- Animal health, care and welfare
- Dairy in human nutrition and health

SHARING KNOWLEDGE AT THE HEART OF OUR ACTIVITIES

From 2018-2023, the Dairy Research Cluster 3 (under the Canadian Agricultural Partnership), has supported 15 multidisciplinary and multi-objective research activities involving 124 Canadian scientists and more than 135 graduate students affiliated with 18 universities and 12 federal research centres across the country,

BY THE NUMBERS

43 ongoing research projects

30 research institutions

126 scientists

>115 students (M.Sc., Ph.D., Postdoctoral)

+1000 dairy farms collaborating

\$12 MILLION investment from DFC and its partners

with a total budget of approximately \$16.5 million (cost-shared: \$2.8 million from DFC, \$1 million from Lactanet/DairyGen, \$703,500 from Novalait, \$75,700 from Dairy Farmers of Ontario, \$11.4 million from AAFC and in-kind contributions from dairy sector partners). The overall objective of Dairy Research Cluster 3 was to stimulate productivity, sustainability and profitability on farms, and to improve knowledge of the health benefits of milk and dairy products.

Knowledge translation and transfer (KTT) has been at the heart of our activities this year with series of webinars, in-person events, podcasts, trade publications, videos and infographics. A 12-part webinar series and six in-person events in four provinces showcased the work going on in dairy research across Canada for a total of over 1,000 dairy farmers, technical advisors and other interested parties.

In anticipation of the renewal of the Agri-Science program under AAFC's new Sustainable Canadian Agricultural Partnership (SCAP), covering the period of April 1, 2023, to March 31, 2028, DFC, in collaboration with its partners (Lactanet and Novalait Inc.), have submitted an application for Dairy Research Cluster 4, including research projects on the topics of GHG reduction, carbon sequestration and climate change adaptation, AMU/AMR and animal health, genetic improvement, and processing and dairy products health benefits relating to osteoporosis, type 2 diabetes and obesity – all major health burdens in Canada.

FARMER RESOURCES

 @dfcplc / @QualityCanadianMilk / @DFCDairyNutrition / SavoirLaitier

 @dfc_plc

 @dairyfarmersofcanada

 @dfcplc

 @moo_daisy / @dfc_plc



NEW ONLINE HUB

Dairy Farmers of Canada (DFC) has recently launched a new resource hub for farmers on our website! Find the latest news, important documents related to issues affecting your farm – such as the Code of Practice updates and Net Zero tools, as well as other useful information.

Visit dairyfarmersofcanada.ca/en/farmer-resources.

DAIRY EXPRESS NEWSLETTER

Get updates on current affairs, industry news and more, all in your inbox! Sign up for the Dairy Express newsletter today!

Email communications@dfc-plc.ca to join our mailing list.

THE CANADIAN PODCOW

DFC is proud to sponsor the *Canadian Podcow*, a podcast made by Canadian dairy farmers for dairy producers, the broader dairy community, and their friends. Hosts Sarah Sache and Andrew Campbell, dairy producers from BC and Ontario respectively, explore issues impacting the dairy industry. Now in its second season, recent episodes featured guest experts providing information and analysis about the latest news and trends. For example, the *Canadian Podcow* recently looked at the best management practices to mitigate emissions on dairy farms and reviewed the global dairy market outlook. Episodes are available at Canadianpodcow.ca or on your favourite streaming platform. For Francophone and Francophile producers, DFC also sponsors the podcast *Entre deux traites*, hosted in French by dairy producers Sabrina Caron and Jean-François Janelle.





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