DAIRY FARMERS | 2023 **OF CANADA** 2024 ANNUAL





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MESSAGE FROM THE PRESIDENT



This year's Annual General Meeting in Newfoundland and Labrador marks one year since you entrusted me to the position of president of Dairy Farmers of Canada (DFC).

Within this time, I have had the privilege of exchanging with dairy farmers in many provinces, and I have been grateful to all those who have taken the time to talk with me. What I learned speaking one-on-one with farmers has helped inform how we approach the next phase in the evolution of DFC.

It is a best practice for an organization to periodically review its vision, mission, values, and mandate. Since our last review, significant changes have occurred both within our industry and our sector. To effectively address the opportunities and challenges ahead, we must ensure that we. as an organization, are unified in our direction. This is why, in May, DFC retained the services of Deloitte to deliver the important objective of this review. The essence of DFC can be found in its advocacy work on behalf of the interests of dairy farmers. Yet, it is important that our focus be in line with the priorities of our dairy farmers collective.

The issue of environmental stewardship and sustainability is a societal one. The practices of generations of dairy farmers have contributed to dairy farming in Canada having one of the lowest carbon footprints in the world. This is something we can all be proud of, and I look forward to the results of our next life-cycle assessment five years from now when we can aptly demonstrate the effects of our netzero strategy. As we move forward on this journey together, DFC will continue to make sure our industry has the resources necessary to achieve shared sustainability goals.

DFC has also been active at the international level, participating in COP15, the World Trade Organization's annual public form and the World Farmers' Organisation general assembly, to name a few. This work allows us to position Canada's dairy sector at key international events, to promote and protect our unique supply management system, and to ensure we align our advocacy activities to prepare for international decisions that have a direct domestic impact.

Speaking of the challenges of tomorrow and impacts from international decisions, I am very proud of the Canadian Dairy Promotion Council initiative. Given the cumulative 18% in market access we have ceded, it makes sense to find solutions to recoup part of this loss for the future of our industry. I am confident that the Dairy Council will present great opportunities for our sector.

The future of dairy looks bright, for today's farmers and those to come. We know that our families, and the Canadians who depend on us for food security, will all win together.

David Wiens

President, Dairy Farmers of Canada

MESSAGE FROM THE CEO



That old adage, "May you live in interesting times," certainly applies to our sector. We face numerous challenges, including HPAI, competition from plant-based and lab-made products, managing the surplus of solids non-fat, trade-related issues, government policies, and a new generation of consumers that are questioning dairy in the context of their value system. Yet, despite all these challenges, Canadians trust dairy farmers even more than physicians. The past year has been an exciting one for our iconic Blue Cow Logo, too. Our Blue Cow family has grown to nearly 9,000 products – adding value to brands and assuring Canadians that the dairy they love is produced under the stringent standards of proAction®.

Shining light on the untold stories of how generations of dairy farmers have been and continue to be good stewards of the land and their herds is central to this. It is a privilege for the staff at DFC to be telling these stories.

It is essential that we receive guidance from members as a collective when it comes to what is important in our activities and where we should focus our efforts going forward. Our vision, mission, values and mandate review, in which we are currently engaged, is key to this.

As we prepare for a new chapter for our organization, members can count on the DFC team's commitment in advocating on behalf of dairy farmers and the dairy sector in Canada.

Jacques Lefebvre CEO, Dairy Farmers of Canada



WHO WE ARE

Dairy Farmers of Canada (DFC) is the national policy, advocacy and promotional organization representing Canadian dairy farmers. DFC strives to create stable conditions for the dairy sector in our country. We also seek to maintain policies that support 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.

MISSION

To educate, facilitate and mobilize to ensure the sustainable production of milk and the healthy consumption of Canadian dairy products.

VISION

Canadian dairy for a healthy future.

OUR VALUES

- Teamwork
- Integrity
- Passion
- Dynamism
- Sustainability

CORE ACTIVITIES

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

REGIONAL SERVICES

DFC supports a number of provinces to streamline their activities, assisting them in the development and implementation of regional 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

BC Dairy Association

Dairy Farmers of Manitoba

Dairy Farmers of New Brunswick

Dairy Farmers of Newfoundland and 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

Gay Lea Foods Co-operative Limited

Lactanet Canada

BOARD OF DIRECTORS

- David Wiens (MB)
 President
- 2. Daniel Gobeil (QC)
 Vice-President
- 3. Greg Archibald (NS)
- 4. Marcel Blais (QC)
- 5. Don Gordon (ON)
- 6. Mark Hamel (ON)
- 7. Gilbert Matheson (NB)
- 8. Vicky Morrison (ON)
- 9. Anthony Nienhuis (SK)
- 10. Lee Noel (NL) until June 2024
- 11. Sarah Sache (BC)
- 12. Stefan Signer (MB)
- 13. Peter Strebel (QC) until April 2024
- 14. Steve Reeves (PE)
- 15. Wim van de Brake (AB)
- 16. Michael Barret (board advisor non-voting member)
- 17. Korb Whale (director at large)

SENIOR EXECUTIVE TEAM

Jacques Lefebvre

Chief Executive Officer

Paula Dunlop

Senior Vice-President – until May 2024

Annie AcMoody

Vice-President, Policy & Trade

Anne-Sophie Belzile

Vice-President, Public Affairs

Lucie Bérubé

Vice-President, Services

Fawn Jackson

Chief Sustainability Officer

Daniel Lefebvre, Ph.D., agr.

Chief Science Advisor to the CEO

Pamela Nalewajek

Chief Marketing Office

Francis Séguin

Vice-President, Finance



































STRATEGIC OBJECTIVES

To protect and enhance the social acceptability of producing and consuming dairy.

- **I.** Marketing to Young Millennial and Generation Z: Neutralize the erosion of dairy attitudes and usage amongst this demographic in Canada.
- **2. Market Development:** Leverage and promote the Canadian dairy brand through strategic partnerships with processors to develop and grow markets for high-quality dairy.
- **3. Partnerships:** Proactively maximize the impact of current and future partnerships throughout the dairy value chain.
- **4. Sector Strategy:** An offensive strategy.
- **5. Pilot Projects:** International Engagement, Harmonized Billing Mechanism, National Knowledge Translation and Transfer.



KEY PERFORMANCE INDICATORS

In 2019, DFC's board of directors established a three-year target and a five-year stretch target around consumer sentiment on the reputation of dairy farmers, support for supply management, and millennial support for the consumption of dairy.

Over the past three years, all areas of measurement have been holding, and have met or surpassed the three-year objective (fig. 1):

- Dairy farmers continue to have one of the most positive reputations of any sector tested and are the least susceptible to impact from external events. Dairy farmers continue to be well-liked, trusted, and are seen as responsible producers.
- Support for supply management is above the three-year objective and higher than the 2019 baseline.
- Millennial support for the consumption of dairy is above the five-year stretch objective and is 10 points higher than the 2019 baseline.

(fig. 1)										
MEASUREMENT	BASELINE JAN 2019	YEAR-END 2019	YEAR-END 2020	YEAR-END 2021	YEAR-END 2022	MID-YEAR 2023	YEAR-END 2023	3-YEAR Objective	MID-YEAR 2024	STRETCH OBJECTIVE (2025)
Reputation of Dairy Farmers	72.2	70.4	72.4	72.4	70.0	70	70	70	72.0	74.8
Support for Supply Management	57	60.8	61.0	63	59	59	59	57	60	61.8
Millennial Support for the Consumption of Dairy	51.33	56.3	58	60	61	60	61	51.3	64	56

2023 FINANCIAL STATEMENTS

DFC's budget structure includes three business offerings delivered on behalf of its members: **core funding, strategic objectives, and regional services and programming**. To view our complete financial statements for 2023, please visit dairyfarmersofcanada.ca.

FEDERAL GOVERNMENT RELATIONS

SUPPLY MANAGEMENT BILL C-282

In the past year, DFC's advocacy helped make significant progress on Bill C-282, An Act to Amend the Department of Foreign Affairs, Trade and Development Act, which would remove supply management from future trade negotiations. DFC, along with our provincial associations and the other supply-managed organizations, has been actively engaging with parliamentarians on this Bill. In April 2024, the Bill achieved a crucial milestone by passing second reading in the Senate and has been referred to the Standing Senate Committee on Foreign Affairs and International Trade for further study. In partnership with other supply-managed organizations, DFC initiated a digital writing campaign to assist farmers in communicating directly with senators about the importance of supporting supply management and Bill C-282.

GROCERY CODE OF CONDUCT

In the interest of consumers, DFC continues to support the work being done towards establishing a Grocery Code of Conduct that will bring transparency and balance to supplier-retailer relations.

PROTECTING BIOSECURITY ON FARMS AND BILL C-275

DFC supports Bill C-275, An Act to amend the Health of Animals Act, which aims to strengthen biosecurity exposure to animals by making it an offence to enter a place in which animals are kept without authority. Trespassing on private property and within food production infrastructure is a real threat to biosecurity and to dairy farmers' business and privacy. DFC appeared as a witness during the House of Commons Standing Committee on Agriculture and Agri-Food's study and proposed an amendment that was successfully adopted. C-275 is currently being studied by the Standing Senate Committee on Agriculture and Forestry and DFC will continue our advocacy efforts in support of this bill until it gets Royal Assent.



NATIONAL SCHOOL FOOD PROGRAM

DFC has been actively engaged with the government as it develops its National School Food Program announced in Budget 2024. DFC participated in the consultations and study for the National School Food Program and advocated for the importance of leveraging local food systems, respecting provincial expertise and responsibilities, and ensuring kids continue to have access to nutritious, healthy food – such as dairy products – as part of their diet.



DAIRY INNOVATION AND INVESTMENT FUND

In September 2023, Minister of Agriculture and Agri-Food Lawrence MacAulay announced the parameters of the \$333 million Dairy Innovation and Investment Fund (DIIF) program. This announcement was part of the Government of Canada's commitment to support supply-managed sectors for the impacts of the Canada-United States-Mexico Agreement (CUSMA). DIIF funding will be used to help processors invest in and better manage surplus solids non-fat, and to provide more opportunities for farmers.

FEDERATION OF CANADIAN MUNICIPALITIES (FCM) ANNUAL CONFERENCE AND TRADE SHOW

This year again, DFC and the Canada's other supplymanaged groups (eggs, chicken, turkey, and hatching eggs) sponsored and took part in the FCM Annual Conference in Calgary, Alberta, held in June. DFC President David Wiens and board member Wim van de Brake were onsite to engage with municipal leaders from across Canada to discuss our sector's priorities. Wiens also had the opportunity to open the first plenary session and address the 3,000 delegates. An "Ask the Experts" panel also allowed farmers to share insights about the critical role they play in sustaining Canada's food security.



METHANE REDUCTION CHALLENGE

In November, Agriculture and Agri-Food Canada launched the Agricultural Methane Reduction Challenge, committing up to \$12 million to innovative solutions aimed at reducing methane emissions from cattle. This initiative supports DFC's existing environmental target commitments to reach net zero by 2050.

BANK OF CANADA ROUNDTABLE

DFC President David Wiens participated in a roundtable with Bank of Canada Governor Tiff Macklem and his team at the Bruce Campbell Farm & Food Discovery Centre in Manitoba in June. Great discussions were had, and insights were shared around the dairy sector and its role in Canada's economic picture. The group also discussed the impacts of climate change, opportunities through innovation, interest rates, inflation, and labour challenges.





WORLD FARMERS' ORGANIZATION (WFO) 2024 ANNUAL MEETING

Also in June, DFC President David Wiens attended the WFO's 2024 Annual Meeting in Rome, Italy, as part of the delegation led by the Canadian Federation of Agriculture. It was a great opportunity to discuss challenges, opportunities, and priorities farmers around the world face, with a focus on sustainability and on-farm data collection and use. Wiens offered his congratulations and had a brief discussion with the re-elected WFO President, Arnold Puech D'Alissac (France), and built more connections with other farm leaders around the world.

2024 ANNUAL POLICY CONFERENCE AND LOBBY DAY

In February, dairy farmers from across Canada gathered in Ottawa to meet with ministers, members of Parliament, senators, and senior government officials to discuss critical issues facing the Canadian dairy sector. DFC hosted a well-attended reception providing a great opportunity to network and discuss the dairy industry.

Following our Lobby Day, dairy farmers participated in DFC's Annual Policy Conference. "Building a robust and modern Canadian dairy industry for the future" was the theme of the two-day event, which featured a lineup of insightful speakers and engaged delegates on topics ranging from sustainable farming practices and the need for enhanced data collection, to domestic and global market outlooks and trade policies.

Highlights of the conference included a fireside chat with the Honourable Mary Ng, Minister of Export Promotion, International Trade and Economic Development, where she outlined Canada's trade opportunities and challenges. Ng described Canada's supply management system as "foundational" to our food security, a sentiment that was echoed by then-Deputy Minister, Agriculture and Agri-Food Canada, Stefanie Beck in her address. Overall, the conference remains a key part of DFC's advocacy work in order to further discussions and actions for the future of the dairy sector.





POLICY AND TRADE



TRADE PANELS ON DAIRY TRQs

In a positive outcome for Canadian dairy farmers, the Canada-United States-Mexico Agreement (CUSMA) second panel issued its findings in November 2023, ultimately dismissing all claims brought by the United States regarding Canada's Trade Rate Quota (TRQ) administration. This decision represents a clear victory for Canada, upholding its right to manage TRQs in a way that supports our supply management system for dairy products.

Released in September 2023, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) panel report found Canada's TRQ administration largely compliant with the agreement. However, the panel did identify one specific area – the use of reserved pools of eligible applicant – as being inconsistent with CPTPP obligations. The Canadian government has since brought the system into compliance based on the modifications made following the CUSMA #1 panel, which were confirmed to be in compliance in the CUSMA #2 panel.

DFC remains 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 in the event that further challenges are brought forward against any aspect of the Canadian dairy system.

CUSMA REVIEW

In May 2024, the House of Commons Standing Committee on International Trade (CIIT) initiated a study to examine the upcoming review of CUSMA. DFC President David Wiens, accompanied by DFC Vice-President Daniel Gobeil, appeared as witnesses before the committee to bring forward our concerns regarding the review. The following elements were brought to the attention of the committee:

- Canada must respect its commitment to not grant any more access to our domestic dairy market, and senators need to pass Bill C-282 swiftly to protect supply management and take it off the negotiation table.
- The review process should not be used by the United States to relitigate the most recent panel decision.
 Overriding the panel decision through the review would call the whole agreement into question.
- DFC respects Canada's position of not reopening the agreement. However, if one of the other signatories were to seek gains from the review, the Canadian government would have to pursue the elimination of the surcharge on certain dairy exports.





DFC President David Wiens (left) and DFC Vice-President Daniel Gobeil (right) appear as witnesses before the CIIT commitee.

CANADA-UNITED KINGDOM BILATERAL NEGOTIATIONS

Negotiations stalled on Canada and the United Kingdom's trade agreement in January 2024. As we know, the UK's desire for access to Canada's dairy market was strongly opposed by DFC and the Government of Canada supported our position. Beyond dairy, disputes over beef, pork, autos, nontariff barriers, and the trade of goods and services further complicated the talks and ultimately led to the halt of negotiations.

OTHER TRADE NEGOTIATIONS

DFC has closely monitored several trade negotiations involving Canada, including those with Ecuador, Indonesia, and the Association of Southeast Asian Nations (ASEAN). Although access to the Canadian dairy market was discussed in these contexts, DFC's continued pressure and advocacy, along with assurances from the Canadian government, have ensured that no risks to dairy or supply management are anticipated in these negotiations at this time.

WORLD TRADE ORGANIZATION PUBLIC FORUM & 13TH MINISTERIAL CONFERENCE

In September, DFC and Canada's other supplymanaged groups (eggs, chicken, turkey, and hatching eggs) attended the World Trade Organization (WTO) annual public forum in Geneva, Switzerland. This event provided an opportunity to continue building working relationships and common understanding, and to emphasize the importance of preserving the right of respective countries to operate their own agricultural systems for the strength of domestic agriculture and food security.

In February, DFC and the other supply-managed groups attended the 13th WTO Ministerial Conference in Abu Dhabi, United Arab Emirates, taking the opportunity to highlight the strengths of supply management and the need to continue protecting the system in the context of food security and sustainability.







BORDER MEASURES

DFC is also engaged in the Border Measures Workshop with the other supply-managed groups, government departments and agencies. The workshop is to discuss import trends, import classification, trade negotiations, compliance activities under government programs available to importers, lab-made products, and arising border issues.

UNITED KINGDOM CONSULTATION ON METHOD OF PRODUCTION AND ANIMAL WELFARE LABELLING

DFC provided comments which formed the basis of the Government of Canada's submission to the United Kingdom's consultation on proposed mandatory method of production and animal welfare labelling for food products (domestic/imported). We noted that Canadian dairy farmers already adhere to what are among the world's highest standards for animal welfare and production, and we stressed the critical importance that Canada maintain sole discretion to set, direct, and improve on its own domestic policies.

EUROPEAN UNION ATTESTATIONS RELATIVE TO THE USE OF CERTAIN ANTIMICROBIALS

The European Union (EU) proposed that exporters provide attestations that products entering the EU were produced without the use of certain antimicrobials important to humans. In response, DFC requested that the Canadian Food Inspection Agency (CFIA) leverage its ongoing recognition of the requirements contained in the proAction® program should the EU's list ever include products used by Canadian dairy farmers, which it currently does not.

MARKET INTEGRITY

DFC has stressed the urgent need for the CFIA to adequately enforce Canada's dairy standards of identity and composition when it comes to the use of dairy terminology and imagery by plant-based product producers. Over the past year, DFC has conducted numerous marketplace investigations that analyzed plant-based products and the misuse of dairy terminology and imagery in their labeling and marketing. DFC maintains that terms traditionally associated with dairy, such as "milk," "cheese," and "butter," should be reserved exclusively for products derived from animal milk.



Dairy Farmers of Canada's Quarterly Skim takes a glimpse into what is happening in the marketplace and provides insight into what to expect in the upcoming months. Our goal? To help you keep tabs on how the marketplace for dairy products is evolving.







MARKETING AND BUSINESS STAKEHOLDER RELATIONS

DFC's award-winning campaigns, digital innovations and activations reached a combined audience of 63 million over the past year. Focused on nurturing deeper connections with the Blue Cow Logo and what it stands for, as well as creating a social licence for the production and consumption of dairy, our efforts have been recognized worldwide. DFC's Blue Cow Logo campaigns are specifically focused on two main audiences: Canadians who love dairy but have questions about sustainability, animal care and standards, and Young Millennials and Generation Z consumers (YMGZ).

HERE IS A LOOK AT SOME OF OUR KEY SUCCESSES.

October to December 2023

BLUE COW PRORGAM: BIODIVERSITY CAMPAIGN

Building on the momentum of our "Net Zero by 2050 – We're In" campaign, our fall Blue Cow Program focused on educating consumers on the practices farmers are implementing that contribute to achieving the sector's overall sustainability objectives. By promoting biodiversity on Canadian dairy farms, farmers showed the tangible steps they are taking towards net zero.



October to December 2023

Moo → FALSE

MARKETING TO MILLENNIALS: BIODIVERSITY/POLYGRAPH

This innovative campaign targeting YMGZ consumers leveraged a popular trend on social media featuring polygraph tests. While hooked up to a real polygraph machine, two young dairy farmers answered questions about the actions they take on their farms to protect biodiversity.

December 2023

BLUE COW PROGRAM: CHOOSE CANADIAN DAIRY HOLIDAY CAMPAIGN

Coinciding with the busy grocery-buying holiday season, and responding to the growing access imports have to our market, this campaign reminded consumers why choosing Canadian dairy is important. Our campaign linked Canadian dairy farmers' high standards, animal care and sustainability efforts to the Blue Cow Logo.



December 2023

MARKETING TO MILLENNIALS: HOLIDAY/GAMING

In this holiday campaign aimed at our YMGZ demographic, digital creators from coast to coast shared their best recipes to feature Canadian dairy, serving as a reminder of our high standards. The campaign was supported with a fun mini-game and a social media contest to maximize participation and engagement from younger consumers.



2023

MARKETING TO MILLENNIALS: DAISY THE "COW-FLUENCER"



2023 marked Daisy's second year on TikTok, garnering more than 58 million views and almost 140,000 likes across all posts since her creation. Daisy the "cow-fluencer" was created to engage with a younger audience, and was most recently used to adapt our Behind the Blue Cow logo into a game.

2024

SUPPORTING THE PROACTION PROGRAM





We supported proAction® through a variety of tactics, including campaigns, website and social media posts, showing consumers that the stringent standards of this program are behind the Blue Cow Logo.



February to June 2024

BLUE COW PROGRAM: WHAT'S BEHIND THE BLUE COW LOGO CAMPAIGN

Our "What's Behind the Blue Cow Logo" campaign built shone a light on the sustainability, animal care, and high standards that underpin the Blue Cow Logo. For the first time, various stakeholders in the Blue Cow Logo Certification program were able to have their products integrated into our advertising to seamlessly connect the logo with consumers.

NET-ZERO BY 2050: WE'RE IN



On behalf of DFC's "Net-Zero by 2050 – We're In" campaign team, Chief Marketing Officer Pamela Nalewajek (below centre), accepted the top prize in the Innovation in Marketing & Communication Initiative Building Dairy category at the International Dairy Federation's Dairy Innovation Awards as part of the World Dairy Summit in Chicago, Illinois, in October 2023.



Pamela Nalewajek was on stage again in November 2023, this time for the **World Beverage Innovation Awards**, as "Net-Zero by 2050 – We're In" was named Best Marketing Campaign at BrauBeviale in Nuremberg, Germany.









WORLD MILK DAY 2024

In June, DFC celebrated World Milk Day 2024 through various social media content that recognized the vital role dairy plays in delivering quality nutrition to sustainably nourish the world. Of the participating countries ranked by the Global Dairy Platform, Canada scored sixth overall with important contributions in engagement and impact. The Global Dairy Platform specifically noted Canada's political engagement and unique tree planting campaign in partnership with Tree Canada.



MCDONALD'S McFLURRY ROAD TRIP AND STAMPEDE EVENT

From June 28 to July 14, DFC and Saputo co-sponsored the McDonald's McFlurry Road Trip and Stampede Event, aiming to highlight the Canadian which highlighted its Canadian-sourced ice cream and the Blue Cow Logo. Working with a variety of social media influencers, the McDonald's team travelled across Canada with a McFlurry truck, stopping in Ontario, Manitoba and Alberta to interview dairy farmers and learn more about what's behind the Blue Cow Logo. The event finished up with a strong presence at the Calgary Stampede.





CINEPLEX CINEMAS

In addition to our ongoing presence in Cineplex cinemas throughout 2023, allowing us to reach almost 45 million attendees, including our YMGZ audience. Our successful contest on social media with influencers across Canada resulted in over 1 million views.



RC SHOW, TORONTO

DFC was the exclusive sponsor of the Coffee, Tea and Sweets Pavilion and its barista competition at the Restaurants Canada (RC) Show in April 2024 in Toronto.



On the RC Show's Culinary Stage, DFC showcased Canadian dairy products through its chef competition sponsorship. This enabled DFC to include key Canadian dairy products in the box of ingredients.



SIAL, MONTREAL

In May 2024, DFC was a key exhibitor at SIAL (Salon international de l'alimentation) in Montreal, hosting 21 partners, representing over 35 different processors, from different Canadian regions to showcase high standards, animal care and sustainability, including a partnership with Les Producteurs de lait du Québec, with a focus on Fromages d'ici supporting Quebec partners.

THE BLUE COW LOGO

One of the top three most trusted and influential certification logos in Canada (according to third-party research), DFC's Blue Cow Logo stands for high quality, animal care and sustainability. Backed up by the stringent standards of DFC's proAction® program, the Blue Cow Logo is recognized by 8 out of 10 Canadians and adds value to almost 9,000 dairy products nationwide.

WELCOME TO THE BLUE COW FAMILY!

























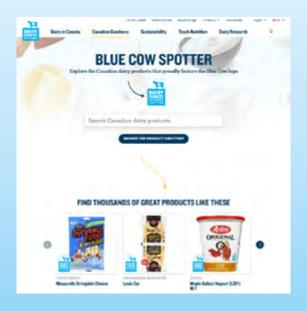
LACTALIS CANADA ADDS THE BLUE COW LOGO TO LACTANTIA BUTTER PRODUCTS

In February, DFC and Lactalis Canada were pleased to share that DFC's iconic Blue Cow logo will appear on Lactantia butter products – the country's most prominent brand of butter. Lactalis Canada first began adopting the Blue Cow logo in 2018 and has since committed to rolling it out on hundreds of milk, cream, cheese and yogourt products under the Balderson, Beatrice, Black Diamond, Cheestrings, Cracker Barrel, P'tit Quebec, Astro, IÖGO, IÖGO nanö, Khaas, Olympic and siggi's brands. With the addition of Lactantia butter to this line-up, the Blue Cow will appear on nearly 20 additional products representing several tens of millions of units per year.

MORE GOODNESS REWARDS PROGRAM

DFC's More Goodness rewards program launched in March 2024 to leverage the strength of the Blue Cow Logo by building loyalty, driving sales, increasing brand affinity and promoting Canadian dairy. In the first three months alone, we acquired approximately 50,000 members, with a robust growth plan going forward.





BLUE COW SPOTTER

This year, DFC also designed a new digital catalogue called the Blue Cow Spotter to make choosing products that feature our quality milk logo even easier, helping consumers discover and explore Canadian dairy.

NATIONAL NUTRITION

Through various education programs and partnerships, DFC's National Nutrition team provides insight, scientific support, education and communication to consumers, as well as to future and practicing dietitians. Our goal is to build support and understanding of the nutritional and health benefits of dairy products in healthy, sustainable diets.





NUTRITIONALLY SPEAKING

A new ongoing social media content campaign, including the video series *Nutritionally Speaking*, was introduced, targeting consumers and dietitians, and featuring various nutrition and health topics to further the knowledge of the role dairy products play in health, nutrition and sustainable diets. The campaign reached close to 550,000 healthcare professionals and 16 million consumers.

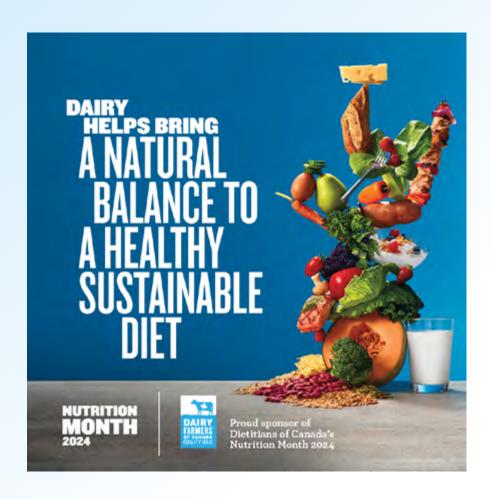
VIRTUAL FARM TOURS

Dairy farm virtual tours were again organized for students in dietetics, nutritional sciences and sustainability, reaching close to 500 participants. Students gained a deeper understanding of how Canadian dairy farmers care for their animals, along with their collective efforts and commitment to reduce the sector's impact on the environment.



NUTRITION MONTH

During Nutrition Month in
March 2024, DFC highlighted
the importance of milk products
in a healthy, sustainable diet through
a partnership with Dietitians of Canada.
The DFC campaign reached 8.7 million
Canadians, generating 39.5 million
media impressions through social
with direct-to-consumer content and
dietitian influencers. Additionally,
a campaign poster and factsheets
were developed and promoted to the
dietetic community, resulting in over
20,000 digital downloads and 6,500
poster orders.



KNOWLEDGE TRANSLATION AND TRANSFER

To help shape the narrative of future nutrition education initiatives on the role Canadian dairy products have within a healthy sustainable diet, the National Nutrition team supported provincial DFC dietitians through a seven-week training program.

NUTRINEWS® NEWSLETTER

Over 10,000 Canadian health professionals continue to receive DFC's monthly NutriNews® newsletter to learn about the most recent evidence supporting the role of dairy in a healthy diet. In the past year, topics included the critical role of dairy products in ensuring nutrient adequacy, how dairy products support health at all life stages, and many more.

HEALTH PROFESSIONAL EDUCATION

DFC sponsored three education sessions on the important contribution of animal foods to nutrient adequacy and overall health, delivered in partnership with the Canadian Nutrition Society and Dietitians of Canada to more than 700 dietitians, nutritionists and other professionals. Among the speakers was Dr. Lynnette Neufeld, Director of the Food and Agriculture Organization (FAO) of the United Nations' Food and Nutrition Division, who presented the 2023 FAO report "Contribution of terrestrial animal source food to healthy diets for improved nutrition and health outcomes highlighting the important contributions of terrestrial animal-source foods such as dairy to health.



The National Nutrition team, assisted by the DFC Sustainability team, also exhibited at the 2024 International Congress of Nutrition and Dietetics in Toronto to share Canadian dairy farmers' sustainability stories with more than 800 dietitians.



REGULATORY UPDATES

FRONT-OF-PACKAGE LABELLING

Following significant evidence-based exemptions previously granted to nutritious dairy products from Health Canada's front-of-package labelling policy, a series of additional exemptions were announced that will further reduce the impact of this policy on fine and fresh cheeses. Health Canada estimates that these exemptions will reduce the impacts of this policy on fine and fresh cheeses from 51% down to just 6% needing to carry a front-of-package label.



MARKETING TO KIDS

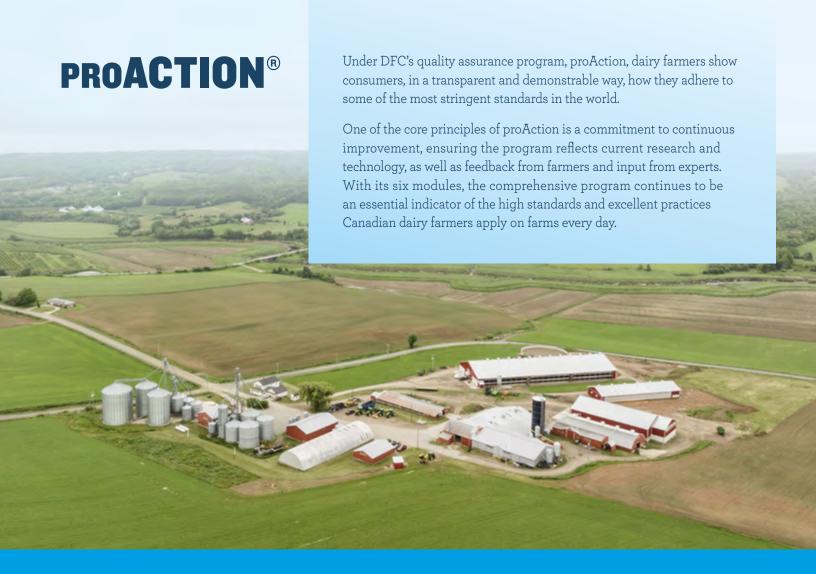
DFC is awaiting the publication of proposed regulations that would restrict the marketing of certain food and beverages to children. To avoid any unintended consequences on nutritious dairy products, DFC expects the government to provide the same evidence-based exemptions as those granted in the context of front-of-package labelling. DFC will not rest its advocacy efforts until these exemptions are recognized and the potential impacts of this policy on nutritious dairy products are mitigated.

VITAMIN D

Following joint advocacy by DFC and the Dairy Processors Association of Canada (DPAC), Health Canada recently announced that they will now permit the voluntary fortification of yogurt, drinkable yogurt, and kefir made from dairy products with vitamin D. This will enable the majority of these products to make the claim that they are an "excellent source" of vitamin D on their packaging.

PROTEIN QUALITY ASSESSMENT

In our submission to a Health Canada consultation regarding the addition of a new official protein quality assessment methodology, DFC leveraged significant evidence to highlight the issues associated with this methodology and requested that the government instead prioritize adding the more accurate Digestible Indispensable Amino Acid Score (DIAAS). This newer methodology is underpinned by a growing database and is strongly supported by the International Dairy Federation and the Food and Agriculture Organization of the United Nations.



PROACTION CELEBRATES 10TH ANNIVERSARY WITH FULL IMPLEMENTATION

As of September 2023, every farm in Canada has been validated on the Environment module, the sixth proAction module to be fully implemented, marking the final stage in the 10-year plan to implement the complete program. The Environment module's requirements aim to mitigate risks and promote continued positive action. DFC analyzed the module's Environmental Questionnaire results, which show that farmers are implementing best management practices (BMPs) across a range of areas on their farms.

As we move into our next decade of proAction, the Animal Care Technical Committee has been working diligently to incorporate new requirements from the updated Code of Practice for the Care and Handling of Dairy Cattle (March 2023) into the Animal Care module. DFC, together with the provincial dairy associations, is planning an on-farm pilot to test the requirements this winter.

DFC is in the final year of a three-year project to conduct 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.

Overall, the proAction Committee has continued evaluating opportunities to improve the program and the technical committees have completed reviews of the modules. Revisions are being finalized and the implementation timing is being considered, along with the revisions that will result from the Code of Practice.



MILK QUALITY



FOOD SAFETY



ANIMAL CARE



TRACEABILITY



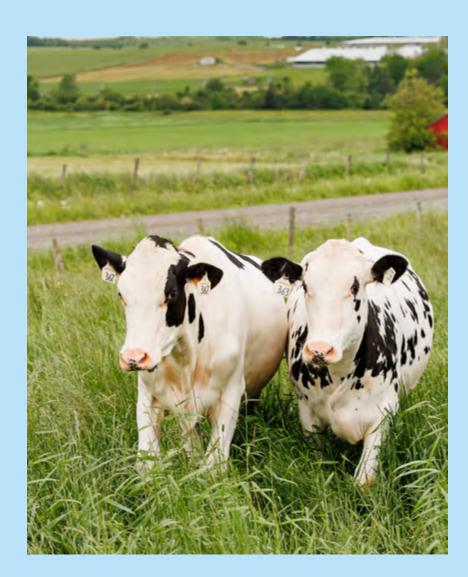
BIOSECURITY



ENVIRONMENT

RECOGNITION FOR THE PROACTION PROGRAM

- In December 2023, it was confirmed that DFC has maintained CFIA recognition, verifying 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 the CFIA signals that proAction continues to be respected, relevant and meaningful.
- DFC continues to hold its recognition for the proAction Animal Care module with the National Farm Animal Care Council.
- Finally, DFC has also maintained '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.





FUNDING SECURED FROM AAFC

DFC is very pleased to have successfully secured funding from Agriculture and Agri-Food Canada (AAFC) under the Agri-Assurance stream of the Sustainable Canadian Agricultural Partnership for two projects:

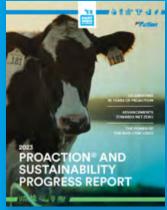


Advancing sustainability in the Canadian dairy industry:

This project covers 10 activities related to proAction and sustainability, to advance public trust in the dairy industry and support DFC's goal of achieving net zero by 2050 collectively across Canadian dairy farms. DFC will leverage proAction to strive for continuous improvement in environmental and climate change mitigation practices, animal care and health, antimicrobial stewardship and farm sustainability.



Building on dairy cattle traceability to enhance sector sustainability: Following the successful development and implementation of DairyTrace as a fully functional dairy cattle traceability system, this project will build on the existing tools and expand the current opportunities for industry progression. DairyTrace will work with multiple stakeholders across the bovine industry to create an integrated database that will provide accountability, enhance public trust, improve the integrity of assurance systems, and unify processes and procedures. The initiatives within this project will help support DFC's net-zero goal, as well as new industry federal governmental regulations.



2023 PROACTION® AND SUSTAINABILITY PROGRESS REPORT

DFC also published the 2023 proAction and Sustainability Progress Report this Spring to highlight activities across the two initiatives and how they work together. The full report can be downloaded at: www.dairyfarmersofcanada.ca/en/proaction-progress-report.

BIOSECURITY AND EMERGING ISSUES

DFC has been closely following the Highly Pathogenic Avian Influenza (HPAI) virus that emerged in the United States this spring, and has been in regular contact with the CFIA as they monitor the disease and possible occurrence on Canadian farms.

DFC prepares for animal health situations with emergency management preparation, disease prevention, response, and communications.

Collaborative emergency planning with the CFIA has shown to be particularly useful for responding to the emerging disease. DFC has also been in regular communication with the Dairy Processors Association of Canada (DPAC), different levels of government, and technical experts to share any relative information back to the provincial dairy organizations Communication materials have been shared with the provinces in addition to biosecurity measures for farmers.

Although the situation is still evolving, our dairy farmers are well-positioned to mitigate risks from HPAI, through proAction's Biosecurity and Traceability module requirements and their diligence in reporting animal identification, retirements and movements to the national dairy traceability database (DairyTrace) and SimpliTrace in Quebec. This has proved to be beneficial for specific diseases like Foot and Mouth Disease (FMD) as well. DFC continues to be highly engaged in the vaccine working group as the CFIA and commodities work together to ensure a plan is created for the use of the FMD vaccine bank if we need it. Being prudent with the Biosecurity standard operating procedures and their requirements have also benefited farmers in keeping disease off their farms.

REGULATORY UPDATES

LIVESTOCK IDENTIFICATION AND TRACEABILITY

Although DFC's submission on Livestock Identification and Traceability identified some concerns and requests to strengthen the regulations, DFC took the opportunity to strongly support the proposed regulations and encouraged the CFIA to move forward with a final version as soon as possible. The proposed requirements largely align with, and in some cases do not even go as far as, current requirements under proAction.

ACCESS AND APPROVAL OF ANTIMICROBIALS AND ALTERNATIVES

The Food Safety and Biosecurity Technical Committees have been proactively addressing the topic of antimicrobial resistance (AMR) and antimicrobial use (AMU) on farm. DFC is also engaged in broader AMR strategy discussions at both the national and international levels. Improved access to veterinary health products is of great concern for dairy farmers and is especially important in the fight against AMR. In all DFC's regulatory submissions related to antimicrobials and alternatives, DFC stressed the urgent need to improve access to a wide variety of veterinary health products in Canada. DFC also pointed to the work already being done under the proAction program to highlight dairy farmers' commitment to prudent AMU, and other efforts to ensure the health and wellbeing of animals on Canadian dairy farms. In addition, DFC is working with other agriculture stakeholders on this topic of high importance for the health of our animals.

SUSTAINABILITY

DFC remains committed to sustainability through our **Net-Zero Strategy** and **Best Management Practices (BMP) Guide to Mitigate Emissions on Dairy Farms**, both of which are available for download at **dairyfarmersofcanada.ca**. These frameworks underpin our efforts to advance environmental stewardship within the Canadian dairy sector on our pathway to net zero. Communicating on our sustainability journey is a high priority as evidenced in our latest 2023 proAction® and Sustainability Progress Report. Here is a snapshot of some of our recent activities:

- Partnerships were identified as foundational to our progress on reaching net zero and DFC worked alongside Farm Credit Canada (FCC) and Starbucks Canada to help advance our sustainability efforts. Along with DFC and Lactanet, FCC created a \$2,000 annual sustainability incentive program for eligible FCC customers. The criteria to qualify is a combination of herd sustainability metrics and proAction environmental questionnaire results. The program completed its first year at the end of 2023 with many farmers successfully receiving the incentive. The program re-launched for a second cycle in May 2024. For this year, Starbucks joined the partnership and will provide two additional incentives of \$1,000 to eligible applicants in the categories of Top Achieving and Most Improved.
- DFC has developed a process to benchmark proAction to other sustainability programs and has completed a benchmarking exercise with three programs: one domestic (Canadian Roundtable for Sustainable Beef), one international (US FARM program), and one private (Starbuck's Sustainable Dairy Program). The next steps in this project are to evaluate common areas of agreement, as well as gaps and opportunities for improvement.
- Enhancing economic opportunities is key to DFC's sustainability journey and this past year, DFC developed farmer resources to support questions being asked about carbon inset and offset markets. DFC also undertook a study to look at which BMPs in our guide for farmers require further incentives to advance adoption.
- DFC was pleased this year to see a process developed for the timely and robust approval of feed additives that help reduce greenhouse gas (GHG) emissions.

- In addition to our award-winning marketing campaign, we were also pleased to see Canadian research celebrated at the International Dairy Awards (IDF). Nominated by DFC, Lactanet and Semex were recognized during the IDF World Dairy Summit in Chicago, Illinois, for developing Canada's Methane Efficiency genetic evaluation. This is the world's first official genetic evaluation that helps dairy farmers genetically select animals that will contribute to reduced methane emissions from dairy cattle, without impacting production levels. This research was funded in part by DFC, as part of our investment in sustainability.
- Additionally, at the end of 2023, DFC attended COP28 in Dubai, United Arab Emirates, where DFC Directorat-large Korb Whale was able to share the perspectives of Canadian dairy farmers through meetings at the event as well as through the panel session on "Industry-Led Commitments to Agriculture Sustainability."



REGULATORY UPDATES

PESTICIDES

The Government of Canada consulted DFC and other agriculture stakeholders on updates to the regulatory system for pesticides. While we support the responsible use of pesticides, we pointed to the lack of approved and available pesticides in Canada. In addition, DFC insisted on the need for the government to consider the development of new and alternative products and facilitate their market entry. DFC also encouraged the government to conduct holistic assessments related to service fees for pesticides which consider a broad range of factors.



CLEAN FUEL REGULATIONS

Our submission on Clean Fuel Regulations requested that the government adjust proposed specifications to best support the development of manure-related biogas projects in Canada. Considering the implications for biogas and renewable natural gas, DFC's submission echoed comments made by the Canadian Biogas Association and Green Energy Trading Corporation.

RIGHT TO A HEALTHY ENVIRONMENT (CANADIAN ENVIRONMENTAL **PROTECTION ACT**)

Given the important role agriculture is expected to play in helping to combat climate change, DFC requested that the government consider the sector's unique position and specific needs when making any environmental decisions. DFC stressed the importance that the principles of sustainable development guide such decisions, that the sector be consulted early in the decision-making process, and that impact studies be carried out before any environmental measures are implemented.

PRIMARY FOOD PLASTIC PACKAGING

Working with DFC stakeholders, such as DPAC, on pollution prevention plans for primary food plastic packaging, DFC echoed that we should work collaboratively with all supply chain players to develop a single national pollution prevention plan for plastics. DFC also stressed the need for investments into rural recycling programs, such as those established by Cleanfarms

PARTNERSHIPS

DFC's Here for Tomorrow Partnerships Program supports a range of innovative sustainability projects being undertaken in various regions across Canada. These partnerships aim to further solidify the dairy sector's long-standing commitment to environmental stewardship and responsible farming practices.

This information reported includes campaigns that support our partnerships, as well as progress of on-farm projects which serve as proof points on our road to net zero by 2050.



ALUS

ALUS, an environmental organization that helps provide alternative land use services, has collaborated with DFC to create resilient, nature-positive landscapes on dairy farms across Canada by establishing carbon-sequestering areas. In 2023-24, DFC's investment in ALUS' New AcreTM Project expanded nature-based agricultural solutions on dairy farms in Alberta, Ontario, and Quebec. This partnership aids rural communities in addressing local environmental issues and supports the dairy sector's goal of achieving net zero by 2050.



BIOENTERPRISE

The Green Pursuit, our agriculture-specific Sustainability Innovation Challenge by DFC and Bioenterprise, helped encourage and showcase ground-breaking innovations occurring in the agri-food sector. The challenge was launched in May 2023, with winners announced in October 2023. Its purpose was to find innovative sustainability solutions in Canada's agriculture and food sectors, and included \$50,000 in prizes. Out of numerous participants, Aruna Revolution Health Inc. won the \$45,000 grand prize and Advanced Agriscience secured the \$5,000 runner-up prize. The program aimed to encourage groundbreaking innovations for a carbonneutral future, assessing submissions based on their problem-solving approach, unique solutions, team experience, and sustainability impact. This initiative highlighted dairy farmers' commitment to sustainability and sector-wide collaboration.





CLEANFARMS

This partnership is helping dairy farmers divert more agricultural plastics from landfills through innovative recycling programs and solutions, such as bale wrap and silage plastic. Through Cleanfarms, Canadian dairy farmers have recycled more than 634,000kg of agricultural plastics since the inception of our partnership. A series of animated videos showcased Cleanfarms' Zero-Plastic-Waste in Agriculture program, running from February 15 to March 15. The campaign resulted in 2.7 million video views and 71, 174 link clicks from consumers wanting to learn more about DFC and Cleanfarms. In total, 20,500 users visited our website to explore this partnership.



DUCKS UNLIMITED CANADA

Improving on-farm biodiversity and natural habitat restoration are important for the dairy sector's journey towards net zero by 2050. That's why DFC joined forces with Ducks Unlimited Canada (DUC). DFC and DUC currently have two ongoing winter wheat projects on dairy farms in Manitoba, and a forage conversion program is advancing on multiple sites, including new hay planting, sod-seeding, and along with another winter wheat project. In Ontario, a wetland restoration project is progressing.



TREE CANADA

Supporting the planting of trees on dairy farms and the re-greening of Canada to activate natural carbon sequestration and show consumers how the dairy industry is actively fighting climate change. In 2024, DFC and Tree Canada announced a project to plant 25,000 trees on dairy farms across the country. Technical support and regional resources are available to assist dairy farms wanting to plant seedlings. In honour of Earth Day, DFC drove awareness of our Tree Canada partnership on Meta and TikTok platforms from April 22 to May 20. We also invited Canadians to join our fight for a sustainable future offering in-store coupons where DFC makes a \$0.50 donation when a coupon is used at one of 948 Loblaws locations. The consumer engagement objectives resulted in 1.9 million video views and 63,880 link clicks. In total, 17.3K users visited DFC's website to learn more about our partnership with Tree Canada.



NUTRITION AND PRODUCTION RESEARCH

The Canadian dairy sector has always been a global leader in research and innovation. DFC has invested substantially 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 our 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 helps to inform new best practices and requirements such as those under proAction.

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 targeted outcomes and research priorities and 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

RESEARCH BY THE NUMBERS

46 ON-GOING RESEARCH PROJECTS

31 RESEARCH INSTITUTIONS

- > 150 SCIENTISTS
- >110 STUDENTS (MSC, PHD, POSTDOCTORAL)

\$6 MILLION INVESTMENT FROM DFC AND PARTNERS

DAIRY RESEARCH CLUSTER 4

In June 2023, AAFC approved the Dairy Research Cluster 4 under the Agri-Science program of the AAFC's new Sustainable Canadian Agricultural Partnership (SCAP) covering the period from April 1, 2023, to March 31, 2028. The Dairy Research Cluster 4 is a new partnership research program between AAFC, DFC, DairyGen and Novalait, with a total budget of \$13 million. During the five years of the program, 13 research activities will be conducted by more than 85 Canadian scientists on the topics of GHG reduction, carbon sequestration and climate change adaptation, AMU and AMR, animal health, genetic improvement, processing, and the health benefits of dairy products relating to osteoporosis.



KNOWLEDGE TRANSLATION AND TRANSFER

As part of our results sharing strategy for Dairy Research Cluster 3, DFC launched new online resources on animal health and antimicrobial stewardship, cow comfort and welfare, environmental sustainability, forages and crops, genetic improvement, and herd management. These resources were developed in collaboration with our communications partner, ACER Consulting, and research teams across the country. Hosted on a newly created "resources by topic" section on DFC's website, our Dairy Research hub now features 14 infographics, 22 podcast episodes, 14 animated and live action videos, 12 recorded webinars presented by researchers, and numerous trade articles.

DFC also launched a National Knowledge Transfer in Dairy Production Project in 2023, which is planned to run for three years. Through this project, DFC will work with Lactanet to develop and implement a national knowledge transfer (KT) structure to accelerate the awareness and adoption of best practices and innovations on Canadian dairy farms. The objective is to provide nationwide access to sciencebased information (through the creation of an online KT platform), as well as efficient tools and qualified expertise for dairy farmers and on-farm stakeholders. The project will focus on transferring science-based knowledge, including from DFC-funded dairy production research, as well as in support of DFC proAction needs and sustainability goals. So far, the project has set up a governance structure, developed KT priorities, a workplan, and started delivering on activities, such as a three-part webinar series focused on sustainability in March 2024.

FARMER RESOURCES

- @dfcplc / @QualityCanadianMilk (Quality Canadian Milk Lait canadier de qualité) / @DFCDairyNutrition (Dairy Nutrition Savoir Laitier)
- @dfc_plc
- @dairyfarmersofcanada
- in @dfeplo
- @moo_daisy / @dfe_plo

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 explore issues and seek information, while guest experts provide analysis and offer their perspectives about dairy farming and the dairy value chain both here at home and internationally.

Current and past episodes of the podcast are available for download at dairyfarmersofcanada.ca/en/the-canadian-podcow (in English) and https://producteurslaitiersducanada.ca/fr/entre-deux-traites (in French).

Dairy Express

Get updates from DFC 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 the mailing list.

Dairy Farmers of Canada continues to be recognized as one of Ottawa's Top Employers



For the second consecutive year, DFC was honoured as one of the Top Employers in Canada's National Capital Region. The highly competitive designation shines a light on DFC's commitment to supporting the organization's employees and attracting new top talent



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