



Dairy  
Farmers  
of Canada

2018-2019  
**ANNUAL  
REPORT**



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# Introduction about DFC

Dairy Farmers of Canada (DFC) is the national lobby, policy and promotion organization representing all dairy farmers in Canada. DFC strives to create stable conditions for the Canadian dairy industry, today and for the future. It works to foster the sustainability of Canadian dairy farms and promote dairy products and their health benefits. DFC's operations, including its promotional activities, are funded entirely by Canadian dairy farmers.



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On the cover, Ana-Maria Martin from Henryville, Que., is one of the dairy farmers starring in this summer's Blue Cow campaign ads.

## DFC Vision

Canadian dairy for a healthy future.

## Our Mission

To ensure the sustainable production of milk and the healthy consumption of Canadian dairy products.

Educate

Facilitate

Mobilize

## Our Values

Teamwork

Integrity

Passion

Dynamism

Sustainability





President, Dairy Farmers of Canada  
**Pierre Lampron**

I am very pleased to present Dairy Farmers of Canada's annual report for 2018-2019, a year of challenges and change. It has been a time in which our organization, with the support of dairy farmers across the country, has succeeded in protecting their interests, renewing our goals and achieving new heights of recognition among Canadians of the Blue Cow logo.

In the past year, your elected board members and senior DFC staff closely monitored trade negotiations and worked diligently to mitigate their negative effects. Speaking with one voice, our industry ensured that the federal government committed to compensate dairy farmers for the impact of trade concessions. The \$3.9 billion commitment for supply-managed sectors in the 2019 federal budget is a reflection of that work. This was no small feat and DFC appreciates the engagement of its members in this effort. Now, we are working to ensure the government follows through on its commitment to dairy farmers.

DFC and its members also worked hard to preserve the recognition of the

nutritional value and health benefits of dairy products within the government's Healthy Eating Strategy. In particular, by maintaining a presence in the new Canada's Food Guide, preventing the mischaracterization of many dairy products as 'unhealthy' by Bill S-228, and continuing to ensure any future Front-of-Package labelling regulations recognize the broad nutritious value of products.

We are delighted to confirm that our Blue Cow certification logo reached new heights in terms of awareness, it is now recognized by 20 million Canadians. Consumers clearly recognize and prefer products that carry our logo. Our tremendous promotional efforts over the last year took several forms that included: A campaign aimed at the all-important millennial market, initiatives to better inform health professionals, and the stellar work of our registered dietitians within the education systems of several provinces. Our message, backed by science, never wavers: Milk has proven benefits to human health.

We also further developed proAction® and released the

program's first report on animal stewardship, and initiated 22 new research projects.

With DFC 2.0, the reengineering of our organization, we are modernizing our operations to ensure DFC adopts best practices. By doing so, it will be better equipped to represent its members and strengthen our ability to meet internal and external challenges.

One of the immediate transformations is how our organization is funded. Other than our base funding, DFC revenues are contingent on the objectives that are now set by the P10 Chairs and our Board of Directors as part of an annual strategic planning process. This is supported by solid performance messages.

While it has been a challenging year, with your continued support, I see great promise for the future of our national association. I hope you will find our annual report interesting and rewarding.

Pierre Lampron



CEO, Dairy Farmers of Canada  
**Jacques Lefebvre**

The past year demonstrated to all the vital importance of sustaining Dairy Farmers of Canada as an agile, effective and responsive organization. An organization that can engage Canadians and maximize the opportunities for our members to speak with one voice nationally during a challenging time of trade agreements, shifting consumer demands and changing government policies.

In response, we are moving ahead steadily with our reengineering under DFC 2.0, a modern and inclusive rethink of our operations focused above all on meeting the expectations of our members.

The foundation for DFC 2.0 is putting Canada's dairy farmers in the driver's seat when it comes to setting our objectives, approving the budget, measuring performance and providing insights on how to best implement our strategies.

In keeping with the mandate from DFC members, we have reassessed and realigned our internal strengths, streamlined operations and directed more resources to the objectives determined by members, P10 chairs and the DFC Board, our industry's objectives. These include ensuring DFC rests on a strong governance structure, engaging Canadians in support of dairy farmers and supply management, and securing consumers' confidence in dairy products and production. Another goal is to strengthen our strategic capability by building and maintaining effective partnerships with third-party stakeholders.

The challenges we face as an industry require a culture shift, and this begins with DFC. Moving ahead, we must strive to be visionary, cooperative and forward-looking. For our reengineering to fulfill its goals, DFC, in collaboration with our

members, will need to play a leading role in charting a course that guarantees a successful and prosperous future for dairy farmers in Canada.

I want to thank our staff, the elected and all DFC members for their support in this transition. Please review this annual report for more details on our plans and the implementation of DFC 2.0.

Jacques Lefebvre

# A Message from the Executive

## Board of Directors

The Board of Directors is comprised of the President and 15 members representing Canada's 10 provinces and Lactanet Canada. The Board sets and oversees the organization's mandate and ensures that every province has a voice at the table.



2019-2020 Dairy Farmers of Canada's Board of Directors

### THE EXECUTIVE

- **Pierre Lampron**  
President
- **Reint-Jan Dykstra**, New Brunswick  
Vice-President
- **Bruno Letendre**, Quebec  
Vice-President
- **Nick Thurler**, Ontario  
Vice-President
- **David Wiens**, Manitoba  
Vice-President

### BOARD OF DIRECTORS

- **Gerrit Damsteegt**, Nova Scotia
- **Bonnie den Haan**, Ontario
- **Albert Fledderus**, Ontario
- **Ed Friesen**, Lactanet Canada
- **Daniel Gobeil**, Quebec
- **Gordon Macbeath**, Prince Edward Island
- **Blaine McLeod**, Saskatchewan
- **Jeff Peddle**, Newfoundland
- **Gert Schrijver**, Alberta
- **Peter Strebel**, Quebec
- **Dave Taylor**, British Columbia

### EXECUTIVE TEAM

- **Jacques Lefebvre**  
Chief Executive Officer
- **Paula Dunlop**  
Chief Operating Officer
- **Sylvie Larose**  
Vice-President | Finance
- **Bobby Matheson**  
Vice-President | Advocacy
- **Pamela Nalewajek**  
Vice-President | Marketing

### COMMITTEES AND EXTERNAL ORGANIZATIONS

- Promotion Committee
- Audit and Finance Committee
- proAction® Committee
- Canadian Dairy Research Council
- Canadian Forage and Grassland Association
- Lactanet Canada
- National Farm Animal Health and Welfare Council
- National Farm Animal Care Council
- Code of Practice for the Care and Handling of Dairy Cattle Committee
- Industry-Government Advisory Committee on Traceability
- DairyTrace Advisory Committee
- Regulatory Implementation Committee (Traceability)
- Canadian Cattle Identification Agency
- Beef Value Chain Roundtable
- Canadian Roundtable for Sustainable Beef
- Animal Health Canada
- Livestock Management Interruption Strategy
- Canadian Animal Health Surveillance System
- Lab accreditation program, with Canadian Lab Services
- Canadian Supply Chain Food Safety Coalition
- Canadian Global Food Animal Residue Avoidance Database Advisory Board
- Canadian Animal Health Products Regulatory Advisory Committee
- Dairy Sustainability Framework
- International Dairy Federation Canada / International committees

# LOOK FOR THE LOGO

#BUYCANADIAN



## The Blue Cow Effect

Awareness of the Blue Cow logo has reached an all-time high since its introduction. Over four in five Canadians, or roughly 20 million people, are now aware of the Quality Milk logo.



DFC's national campaign promoting the image and reputation of Canadian dairy products was launched in January 2019 and ran for six weeks targeting millennials. Millennials, now aged 23 to 38, have become the largest demographic in Canada and DFC, through its marketing activities, is working diligently to ensure they can appreciate the unique qualities of dairy products and dairy production.

Appearing in both English and French on television, billboards and online, the ads addressed areas of concern for millennials such as animal welfare, sustainability, quality and nutritional value. The campaign also separated myths from reality. The Blue Cow logo was prominently featured to increase its recognition factor. This enabled us to make sure that people associate it with the good things we do on Canadian farms and that they look for it when they buy dairy products.

## Key elements of success for the image campaign

1

Awareness of the Blue Cow logo is now at its highest point since its launch, with 4 out of 5 Canadians aware of the logo.

2

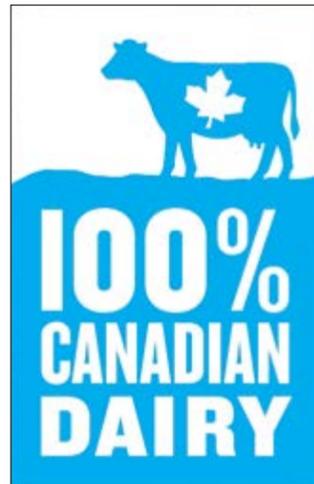
Far more Canadians understand key messages about dairy farming: namely that Canadian dairy is free from antibiotics and produced without artificial growth hormones and that our industry is composed of small family-run farms.

3

Almost 14 million Canadians saw the ad campaign, an exceptional breakthrough in today's fragmented media landscape.

4

Those who saw the campaign said they felt better about dairy farmers and that they were more likely to consume more dairy as a result.



To measure the effectiveness of our activities, we have been monitoring logo recognition since its launch. Consumers have been exposed to the logo through a number of touchpoints. DFC carried out eight product-centric campaigns in 2017 and another three in 2018. Processors have put the logo on their packaging and in their ads. Partnerships and visibility gained through provincial dairy activities have also increased awareness. After the first flight of the 2019 campaign, awareness of DFC's logo reached 83 per cent.

This is important because logo recognition helps position dairy products as high quality and to associate the logo to positive emotions in the hearts of Canadians. Our Blue Cow logo continues to gain momentum, prompted in large part by consumer pressure. We assigned 48 new licenses in the first five months of 2019 and we saw a 300 per cent increase in Blue Cow certification requests in the months following the CUSMA trade announcement. The Blue Cow logo is occupying a bigger part of the retail shelf space in dairy and has been garnering impressive momentum.

We are excited to report that Danone has joined the growing number of processors to include the Blue Cow logo on its yogurt brands. Danone leads the yogurt category with 34.4 per cent market share. Agropur continues to innovate in the dairy category with the launch of a new Japanese-style mochi ice cream dessert, and has added the Blue Cow logo to its packaging and advertisements. Parmalat is now on board and has put the logo on its packaging for milk and cream. Saputo is in the process of adding the logo to several product lines, which include a new brand of protein-rich ultrafiltered milk Joyya.

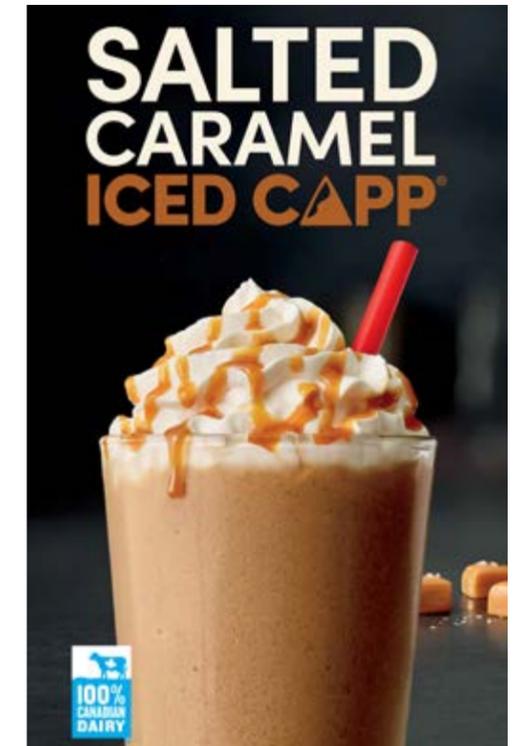
Tim Hortons has signed on to use the certification sub-brand "100% Canadian Dairy.", displaying it on their heavily promoted iced and frozen beverages across the country. Burger King has also signed the license agreement. Finally, Lassonde is planning to launch two new innovative specialty products in the health and wellness category, and ATwoProteins, a brand of A2 milk, has also signed the license agreement and will add our logo once they are in production.

We continue to work to have the logo added to private label and regional brands. More great news is expected in the forthcoming year!

### New Certification Logo

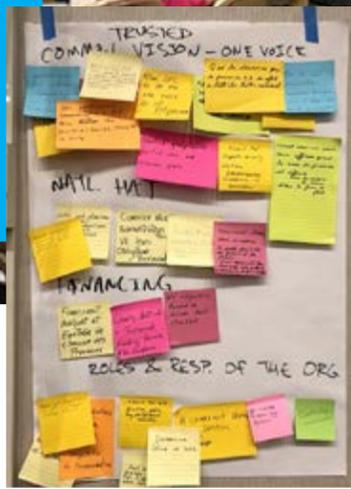
In an effort to evolve and respond to the growing demand for DFC's Blue Cow certification logo from our business stakeholders for their various platforms, we have developed a new sub-brand Blue Cow certification logo and introduced it into the Canadian market. This sub-brand is our way of addressing members' and stakeholder's feedback on the fact that our Blue Cow logo reflected a corporate design and was not a true certification logo. By removing the wording "Dairy Farmers of Canada", this new sub-brand certification removes DFC's implied endorsement and delivers clarity for consumers: that the products bearing it contain 100% Canadian dairy.

The DFC version of the logo will continue to be used for corporate communications, but not for certification purposes.



# DFC 2.0

## The Reengineering of DFC



Under the leadership of the Board of Directors, DFC has worked hard over the last year to re-envision its operations to ensure it is equipped to deal with the significant challenges that face the industry as well as to seize today's opportunities.

The result is DFC 2.0, a wide-ranging effort to chart a course for the organization's future and ensure that the supporting governance practices and relationships support and deliver on DFC's vision and mission.

The development of DFC 2.0 began with a consultation of our members and dairy farmers followed by a robust strategic planning process driven by the P10 Chairs and the DFC Board.

The consultation and the subsequent strategic planning exercise pointed to a clear consensus on:

- the unprecedented pressures and challenges facing the dairy sector, both internally and externally;
- the need for a united national voice for dairy farmers;
- the importance of sustaining DFC's unique role as a strong, national organization;
- the need for stable and predictable funding; and
- greater collaboration between dairy organizations.

The consultation results and outcomes of the strategic planning session also showed that producers and P10 Chairs believe DFC can excel in delivering activities on behalf of members in three key areas:

- core foundational business functions;
- priority strategic objectives established each year by the Board; and
- provincial services and programs offerings.

This new approach to strategic planning at DFC is a sea change that truly puts producers in the driver's seat. The P10 Chairs and the Board now set DFC's annual objectives, approve the strategic plans, measure performance and adopt the budget to achieve these objectives.

Other than the core portion of DFC's budget, the organization's revenues are now tied to the objectives that are set through a solid strategic planning process, with provincial chairs and our Board of Directors leading the exercise.



Region Specific Service Agreements (Optional)

**Core DFC Business**

### DFC's Core Foundational Business Functions

The member consultation and strategic planning session indicated that DFC's core business lines include:

- federal government relations;
- communications and issues management; and
- trade issues.

Core DFC business includes activities that support the core business lines and are essential to achieving DFC's mandate. These include:

- the Blue Cow certification program;
- communications and issues management;
- trade issues;
- business and market intelligence;
- national nutrition program;
- business and stakeholder relations;
- policy development and economic analysis;
- proAction®;
- production and nutrition research;
- legal services; and
- operations.



DFC President Pierre Lampron had the pleasure of welcoming Parmalat Canada's new President and CEO, Mark Taylor, for a tour of his farm. It was Mr. Taylor's first farm visit since he settled in Canada.

### DFC's Priority Strategic Objectives for 2019

#### GOVERNANCE

Ensuring that an effective DFC governance structure and best practices are in place will result in a strong Board and make for a strong DFC.

#### ENGAGING CANADIANS

Educate Canadians on the value of supply management and ultimately enlist their support and that of key stakeholders for supply management.

#### MARKETING TO MILLENNIALS

Millennials, with their significant purchasing and political power, are our current and future dairy customers. A proactive approach is required to ensure that millennials feel they have a social licence to consume dairy, in other words, demonstrating that their values are reflected in dairy products and dairy production.

#### PARTNERSHIPS

Leveraging target audiences – be they decision-makers or consumers – in developing and leveraging networks of like-minded individuals and organizations to achieve shared goals. These networks will help raise awareness, promote our brand and lend credibility to our initiatives.

The 2019 Strategic Plan contains strategies for each of these four objectives and outlines the performance metrics that will be used to measure and report on results.

#### DFC's Regional Service and Program Offerings

Starting in 2019, in consultation with provinces/regions, DFC is offering services and programs over and above those provided as part of its core business and the Board's strategic objectives. All programs and services will be delivered on a full cost-recovery basis in keeping with established agreements.

# It's not just a logo. It's a sign of quality.

When you see this logo on dairy products, you can be assured that those dairy products are made in Canada with 100% Canadian milk.



## Advocacy: Working for Farmers

### Canada-United States- Mexico Agreement

DFC staff along with members developed and executed strategies that delivered on Board-established objectives. Here are some of the highlights of the many activities undertaken over the past year.

Throughout the Canada-United States-Mexico Agreement (CUSMA) negotiations, DFC was present on the ground by attending each round of the negotiations. The DFC delegation was led by President Pierre Lampron. We kept a close eye on the talks, interacted with Canadian officials, made sure dairy farmers' concerns were front and centre, and provided media with the dairy farmer's perspective.



Senator Joseph A. Day, Senator Diane Griffin, dairy farmers Gordon MacBeath and Nelson MacKinnon, Casey VanDiepen of Amalgamated Dairies Limited, then Minister of Agriculture Laurence MacAulay, and Robert Morrissey, Member of parliament for Egmont chat during DFC's annual Lobby Day reception, in Ottawa on February 5.



In support of our advocacy efforts, DFC leveraged a series of public opinion polls. These polls demonstrated public support for Canadian dairy farmers and were used to advocate with the government to hold firm in the negotiations.

In addition, DFC launched an online letter-writing campaign that gathered over 26,000 signatures from Canadians who wrote to their local MPs and federal cabinet ministers asking them to protect the dairy sector in the negotiations.

DFC also organized a news conference where all 10 Chairs of the provincial dairy associations (P10) were able to reiterate their concerns. This was an important show of unity and received a high level of media coverage. On its social media channels, DFC posted a series of videos featuring the P10 Chairs and DFC spokespeople. The videos underlined the dairy industry's importance to the Canadian economy, and the potential negative impact of losing a portion of the market to the U.S.

President Lampron and CEO Jacques Lefebvre met with Prime Minister Justin Trudeau and Foreign Affairs Minister Chrystia Freeland to further reinforce the economic messaging and express producers' apprehensions.

At every DFC board meeting held during the negotiations, members of the board met with MPs and representatives from all parties to express their deep concerns about potential concessions.

The CUSMA trade negotiations were also a major topic of discussion during DFC's annual Lobby Day on Parliament Hill in February 2019, where delegates shared their concerns with more than 150 Members of Parliament from across the country.



DFC representatives met with Minister of Agriculture, Laurence MacAulay during the CUSMA negotiations in February to voice the concerns of dairy farmers on the repercussions of trade deals on the dairy sector.



As part of its World Milk Day celebrations on June 1<sup>st</sup>, DFC organized a fireside chat on the role of dairy as a key driver of Canada's rural development for municipal politicians attending the Federation of Canadian Municipalities' Annual Conference and Trade Show in Quebec City. The moderated panel discussion included views from a farmer, a processor and an economic analyst. Panel members from left to right: moderator Karl Bélanger of Traxion Strategies, dairy farmer and Commissioner of the Canadian Dairy Commission Jennifer Hayes, Luc Boivin from Fromagerie Boivin, and François Allard from BMO Bank of Montreal.

Once the CUSMA negotiations concluded, DFC worked to ensure all political parties had a common understanding of the negative impacts on the dairy sector of the concessions granted in all of Canada's recent trade agreements. These efforts were supplemented by a public relations campaign built on a series of media interviews and public statements. The campaign, which put the emphasis on the Blue Cow logo and the value of nutritious and quality dairy products, sparked growing public support for Canadian dairy products.

DFC's Board met with Leader of the Opposition Andrew Scheer in a closed session following the signing of the agreement, and the Conservative Party leader was also a featured speaker during DFC's annual policy conference, where he responded to questions from dairy producers on his party's position on the trade deal.

After CUSMA was signed, DFC and its provincial partners sought to obtain federal government compensation for producers for recent trade agreements as soon as possible. This contributed to the federal government's decision to announce a compensation package for the Comprehensive Economic

and Trade Agreement (CETA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in the 2019 Budget. The details of the package, totalling some \$3.9 billion for all of the supply-managed sectors (SM-5), were still pending when this annual report was finalized. However, of that amount, \$1.5 billion would be available for a Quota Value Guarantee Program, while \$2.4 billion would be available for income losses for SM-5 – \$250 million of which has already been invested in the dairy sector for concessions made under CETA.

As the federal government proceeds with the legislative process of ratifying CUSMA, DFC has requested that the government convene a working group of industry and government representatives to consider and make further recommendations related to compensation for the impacts of CUSMA.

## Communications to Members

Throughout CUSMA negotiations and after the deal was announced, DFC informed and shared key messages with its provincial member associations and sought their input on various strategies. Our dairy farmers were kept informed through the DairyExpress+ app and newsletter (Dairy Express), tweets, Facebook posts and videos of our spokespeople. Special packages were developed for farmers to help them communicate with their federal MPs.



Vice-President, David Wiens conducted several media interviews during the trade negotiations to voice the concerns of dairy farmers across Canada.

## Other Trade Negotiations

DFC continues to scrutinize trade talks, with a special focus on Mercosur and the Pacific Alliance. Negotiations, which are in the early stages, include agriculture. DFC is also watching BREXIT, which, if a new bilateral deal with the United Kingdom is struck by Canada, could potentially increase overall access to the Canadian dairy market. DFC is also following the World Trade Organization (WTO) process leading to the elimination of all export subsidies in agriculture in 2020, (in keeping with the agreement announced in Nairobi in 2015).



Isabelle Neiderer, DFC's Director of Nutrition and Research conducted several interviews on Canada's new Food Guide to highlight the evidence based nutritional value of dairy products.

### Canada's Healthy Eating Strategy

Since the federal government announced its Healthy Eating Strategy (HES) in 2016, DFC has continued to advocate on behalf of dairy farmers to ensure that federal politicians understand the potential unintended impacts of these policies on nutritious dairy products. The HES includes three components: Canada's Food Guide, front-of-package nutrition labelling, and legislation restricting the marketing of certain foods and beverages to children (Bill S-228). All three policies are linked by their narrow focus on sodium, sugar, and saturated fat as the sole determinants of the overall healthfulness of a food. DFC continues to work in close collaboration with provincial associations, the Dairy Processors Association of Canada, and other agri-food stakeholders on each of these files.

### New Canada's Food Guide

The new Canada's Food Guide, released on January 22, 2019, combined the "dairy and alternatives" and "meat and alternatives" categories into one "protein" category. In the lead-up to, and following the launch of, the Food Guide, DFC's team of registered dietitians conducted a series of media interviews to ensure that the positive public perception of nutritious dairy products remained rooted in scientific evidence. These messages were supplemented by ads in several papers across Canada and on social media, focusing on the evidence supporting the nutritional value of dairy and its contributions to a healthy, balanced diet. DFC also worked in support of the mobilization of a number of external scientific experts and third-party validators known to support the broader nutritional and health values of milk.

DFC has continued to engage with all political parties on this issue, seeking their commitment to request that Health Canada review the evidence base supporting the nutritional benefits of milk products, and adjust the Food Guide. DFC has also developed three new resources for physicians based on the new Food Guide, which will be used in its Health Professional Programs.



### Front-of-Package Labelling

DFC continues to hold discussions with federal politicians and officials aimed at enhancing Health Canada's understanding of the nutritional and health benefits of dairy products. The government planned launch of front-of-packaging labelling (FOPL) has been postponed.

### Bill S-228

On June 21<sup>st</sup>, the Senate rose for the summer without passing Bill S-228, which proposed to restrict the marketing of "unhealthy" foods and beverages to children. Although S-228 had been awaiting final approval and ratification by the Senate since September 2018, and its passage was viewed by many as imminent, DFC, its provincial members, and the Dairy Processors Association of Canada continued their advocacy with Senators and MPs. DFC highlighted that while dairy farmers supported the objectives of the Bill, it would unintentionally lead to the mischaracterization of many dairy products as "unhealthy" regardless of their beneficial impacts on health. At its February Annual Policy Conference, dairy representatives met with more than 150 MPs and Senators to propose an amendment which would have seen the word 'unhealthy' removed from the Bill. Many MPs and Senators indicated their support for DFC's constructive approach.

### Life Cycle Analysis: Improved Environmental Performance

In an effort to demonstrate the increasing environmental efficiency of Canadian milk production, DFC released the findings of the latest life-cycle assessment of the industry's environmental performance. The results show that dairy farmers continue to adopt practices that increase production efficiency and benefit the environment.

Through improved nutrition and genetics, as well as improved crop production practices such as increased use of crop rotations, reduced tillage and precision agriculture techniques, dairy farmers were able to dramatically lower their environmental footprint.

Thanks to dairy farmers' commitment to environmentally-friendly practices, Canadian milk production is responsible for generating less than 1 per cent of Canada's total greenhouse gas emissions.



The carbon footprint of each litre of milk has decreased by



7%



Water consumption has decreased by



6%



Land use associated with the production of each litre of milk has decreased by



11%

2011 - 2016

### Sustainable Production and proAction®

Through proAction, Canadian dairy farmers collectively demonstrate responsible stewardship of their animals and the environment, sustainably producing high quality, safe and nutritious food for consumers.

During the past year, DFC worked with provincial associations to release the first proAction Progress Report. It provided an overview of on-farm performance with respect to proAction requirements in food safety, animal care and traceability. The report indicated that farmers follow high standards set by and for the Canadian dairy industry. For example, the results of the cattle assessments showed that, on average, 98 per cent of sampled cows in a herd scored within the conformity range for body condition, an average of 90 per cent scored within the conformity range for locomotion, 85 per cent for hocks, 94 per cent for knees, and 97 per cent for necks.



On January 28, 2019, Agriculture and Agri-Food Canada announced a \$2.7 million grant to DFC to help the organization further develop and implement proAction. From left to right: Dairy farmers Christian, Jasmin and Gerald Benoit from Ferme Geranik in Ontario, Lawrence MacAulay, Minister of Agriculture and Agri-Food, DFC President Pierre Lampron and Francis Drouin, member of parliament for Glengarry-Prescott-Russell.



### Some other sustainable production highlights from the past year:



The proAction® Committee approved a new version of the *Integrated Reference Manual and Workbook*, which now integrates the requirements of all proAction modules, including

- biosecurity**
- environment**

The **Environment Working Group** met face-to-face and designed the second phase of requirements for the Environment module. DFC and the provincial associations are planning an on-farm pilot in **>>>2020**

The **Biosecurity module** is ready for full implementation into the validation process for



In collaboration with the National Farm Animal Care Council, DFC initiated an update to the 2009 Code of Practice for the Care and Handling of Dairy Cattle to reflect the most recent science and best on-farm practices.



Agriculture and Agri-Food Canada provided a **\$2.7 million**

grant to DFC to help the organization further develop and implement proAction, pursue stakeholder engagement and initiate an industry environmental sustainability strategy.

Agriculture and Agri-Food Canada also provided a **\$5.1 million**

grant for DFC to further develop and implement the Livestock Traceability module of proAction and DairyTrace. The project activities and objectives encompass seven different areas of priority for the period from April 2018 to March 2023, and includes an assessment of various opportunities to add value to the DairyTrace program.

Participants from the red meat sector, processing industry, and provincial and federal governments have come together to champion the development of "Animal Health Canada". They plan to work together on a new governance model built on an industry-government partnership in decision-making, resource-sharing and management.

Staff have been working with Unilever to benchmark the Canadian dairy industry and proAction with Unilever's Sustainable Agriculture Code. DFC is proud to announce that it has achieved that recognition.

DFC completed the two year benchmarking pilot for the cattle assessments with Holstein Canada and its team of assessors, and the next round of assessments has begun.



# Rounding out 2018 Marketing Activities

DFC was the principal partner, Cow Mik Cheese, at the Canadian Cheese Awards which took place in Toronto in June 2018. DFC presented the award for Best Cow's Milk Cheese, which was won by Cows Creamery, from P.E.I.

DFC participated in music and food events throughout summer 2018 to reach millennials – offering gourmet cheese samplings to showcase the creativity and quality of Canadian cheese. Between the Winnipeg Folk Festival, the Cavendish Beach Music Festival, the Halifax Jazz Festival, the Calgary Chasing Summer Music Festival, the Regina Folk Fest, the Vancouver Skookum Festival, the Victoria Rifflandia Music Festival



DFC ambassadors hand out sample grilled cheese sandwiches to festival attendees in Cavendish, P.E.I.

and the Indulge festival in New Brunswick, we calculate that over 205,000 people saw our cheese trucks and had the opportunity to speak with our brand ambassadors and sample local cheeses or grilled-cheeses.

At several events we handed out ice cream samples in partnership with Chapman's. For Canada Day in Ottawa, DFC organized life-sized games of Jenga and balance board. To celebrate National Ice Cream day, DFC sent out a fleet of ice cream bikes for three days over two weekends across five cities (Winnipeg, Calgary, Saskatoon, Halifax and Vancouver), capitalizing on major summer events like the Calgary Stampede and Halifax Pride, as well as



From April 30 to May 2, 2019, DFC hosted a booth at SIAL Canada, the largest food and beverage trade show in Canada, to offer dairy processors the chance to showcase their products bearing the Blue Cow logo to buyers from across the country and the world.

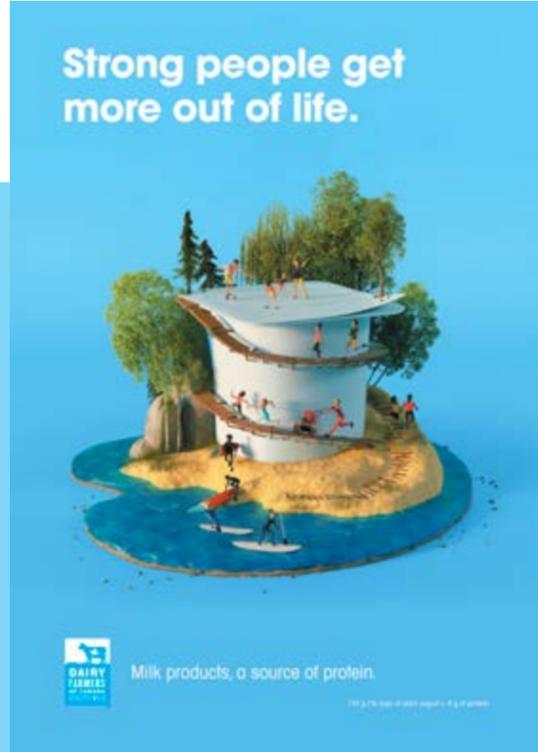
high-pedestrian traffic areas, to spread the message that great-tasting ice cream starts with 100 per cent high-quality Canadian milk. Over 52,000 ice cream samples were handed out by our ambassadors.

The benefits of drinking chocolate milk after an athletic activity were promoted at several events, including the Blue Nose Marathon in Halifax, Maritime Race Weekend in Eastern Passage and Cow Bay, N.S., the P.E.I. Marathon in Charlottetown, and Legs for Literacy in Moncton, as well as the Edmonton Marathon in partnership with Alberta Milk. DFC ambassadors handed out samples of chocolate milk to participants, explaining its health benefits.

Finally, the Holiday Milk campaign ran in the weeks leading up to Christmas in eight provinces. Ads were seen in Cineplex theatres (and in Cineplex media), on Spotify, online and in social media, and reached an estimated 6.3 million Canadians. Research showed that the campaign resonated well with viewers and positively influenced their opinion of dairy farmers and dairy purchasing intentions.



A DFC ambassador offers cheese samples to festival goers during summer 2018.



The nutrition campaign Strong people get more out of life ran for a last time from July to September 2018 in eight provinces. Its objective was to motivate consumers to increase their consumption of milk, yogurt and cheese by showing the valuable role these products can play in a healthy lifestyle.



DFC ambassadors hand out Chapman's ice cream samples to delighted consumers in Vancouver.

### Farm Tours

Several farm tours were organized throughout the year with the objective of reaching millennials, specifically health professionals in training, to correct misconceptions before they can impact their future practices. Students in nutrition and food sciences from the University of Alberta (AB), the Université de Montréal (QC), and Mount Saint Vincent University (NS), along with faculty members, were invited to tour dairy farms and, for some, a dairy processing facility. These tours allowed DFC to address students' concerns around artificial growth hormones, antibiotics, animal care and to highlight modern dairy farming practices. Our surveys indicate that these visits positively impacted their perception of dairy farming.



# Research and Nutrition

Research provides the fact-based scientific evidence to support DFC's policies and best practices. Twenty-two new projects were initiated in the last year. Key new research activities include:

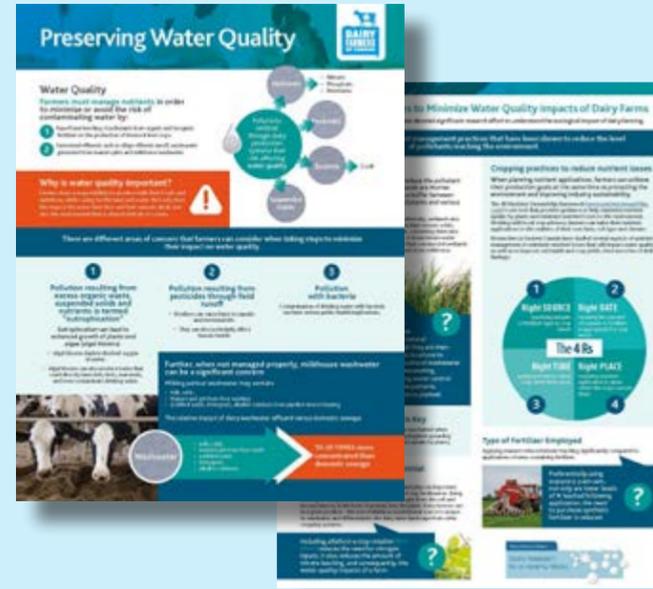
- the Industrial Research Chair in Infectious Diseases of Dairy Cattle, which has been renewed by the Natural Science and Engineering Research Council of Canada and focuses on two of the most important diseases affecting the dairy industry: Johne's disease and mastitis;
- a new DFC provincial partnership program with dairy organizations centering on euthanasia and handling of non-ambulatory animals;
- a project looking at the effect of cheese, yogurt and milk on blood glucose control, insulin sensitivity and reducing the risk of type 2 diabetes.



DFC's recurring sponsorship of the Dietitians of Canada's Nutrition Month campaign affords DFC a platform to promote dairy products to both health professionals and consumers. This year, DFC produced three short supporting videos which recorded four million impressions, and distributed over 7,000 copies of the official Nutrition Month poster, which, thanks to DFC's involvement, was designed to feature dairy products.

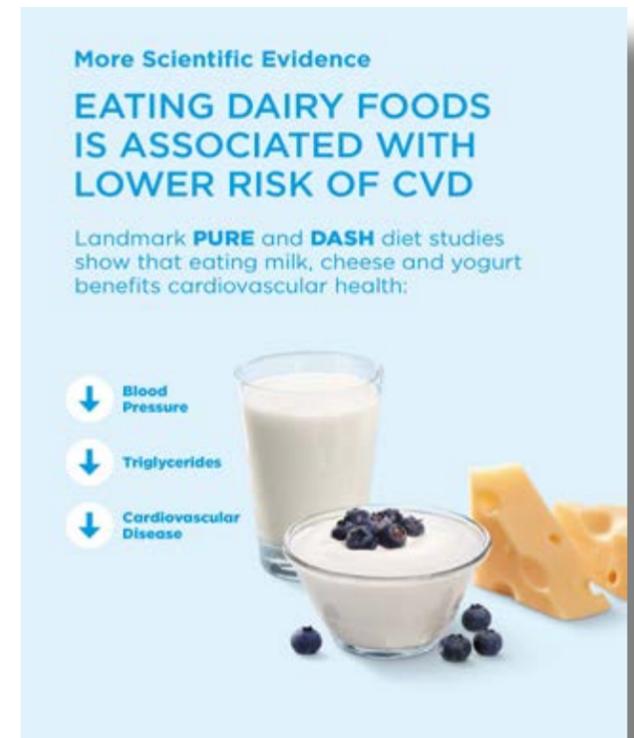


DFC's registered dietitians also participated in several health professional conferences across the country, as well as some consumer events, including the National Women's show in Toronto and Québec City, where DFC hosted a bone health exhibit in partnership with Osteoporosis Canada.



The Dairy Research Cluster 2 projects have been completed and summaries highlighting the benefits to the Canadian dairy sector were published and made available on DairyResearch.ca. Fact sheets based on recent research on water conservation, water quality and footbaths were also widely distributed and are available on the website for free download. These tools ensure farmers across Canada are able to access the latest information and research and apply it to their own operations.

Following the release of the new Canada's Food Guide, it is crucial that doctors and other health professionals be well aware of the new scientific evidence related to the benefits of milk and dairy products. Our team of medical representatives continues to meet with doctors across the country and highlight research which demonstrates that dairy products do not increase the risk of cardiovascular disease and are in fact associated with heart health. Research conducted by IPSOS reveals that doctors who have been visited by DFC representatives are significantly more likely than not to say their opinion of dairy products has improved in the past two years, and the number of doctors who previously recommended that patients limit or eliminate dairy foods but now feel they are acceptable has almost tripled since 2016.



**All Canadian milk is produced without artificial growth hormones**

- Artificial growth hormones, such as rBST, are legal in Canada.
- However, rBST is approved for use in dairy production in the US.
- Dairy imported to Canada from the US may contain rBST.

**In Summary:**

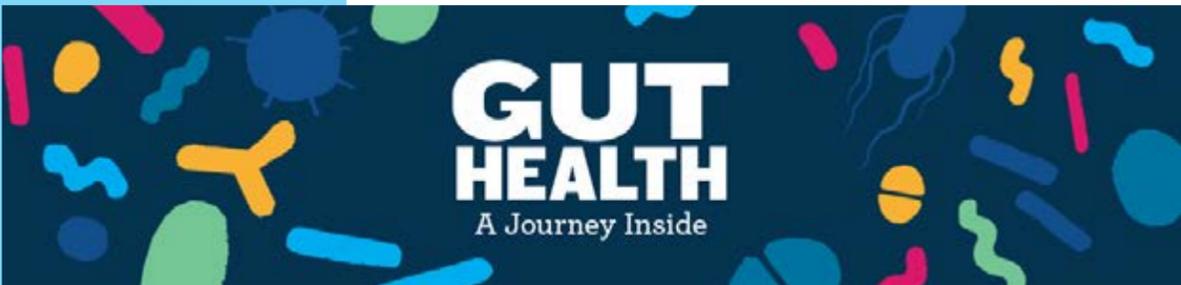
- Eating dairy foods is associated with lower risk of CVD.
- Dairy foods, including full-fat milk, cheese and yogurt, help lower blood pressure and CVD risk.
- To be sure you are buying Canadian dairy products, you can look for the logo.

**Based on current scientific evidence, you can feel confident encouraging your cardiovascular patients to enjoy milk, cheese and yogurt.**

**HIGHER FULL-FAT DAIRY** (2 servings or 10%)  
CVD risk by **12%**

**Higher dairy consumption was associated with lower blood pressure and lower triglycerides; and, had no impact on LDL-C.**

DFC has also been organizing conferences and webinars for health professionals with key opinion leaders, mainly renowned surgeons and doctors, on the beneficial role of milk products in cardiovascular health. One of these webinars was delivered in collaboration with our partner, Hypertension Canada. Per this new partnership, Hypertension Canada has undertaken an evidence-based review of the relationship between the consumption of various dairy products as part of a balanced diet and cardiovascular health. The report is expected to be completed later this year.



Under the theme of Gut Health: A Journey Inside, DFC's annual cross-country educational event for dietitians took place Oct. 29 – Nov. 1 in Vancouver, Montreal and Moncton. The event attracted over 2,100 health professionals and allowed DFC to position milk products favorably in the context of lactose intolerance and gut health, which are two major barriers to dairy consumption.

Finally, DFC's NutriNews monthly newsletter is now sent to over 10,800 health professionals across the country. Topics featured in the past year included cardiovascular diseases, diabetes, bone health and healthy weight.



# Nutrition Services to Provinces

In addition to programs run at a national level targeting consumers and health professionals, provincially based DFC dietitians work with early childhood educators, school childcare providers, school teachers, fitness professionals and parents to impart the importance of milk products on health and well-being. Comprehensive and credible nutrition programs developed for the education sector in support of provincial curricula are delivered by DFC in Alberta, New Brunswick, Nova Scotia, Prince Edward Island, and Quebec.

## Alberta

DFC's dietitians are pursuing their efforts to educate teachers, fitness leaders and consumers as well as provide them with resources to reinforce the place of milk products in a healthy diet.

Initiatives in 2018-2019 included:

- ✓ Participation in teacher conventions across the province to promote DFC's school programs and delivering training, programs, resources and newsletters to Alberta.
- ✓ Review, revision and development of new resources to address new food guidance.



DFC's school programs in Alberta and in other provinces are well recognized by teachers and we continue to update them to address the evolving needs of teachers and educators.

- ✓ New resources and blogs for fitness leaders through the Nourish, Move, Thrive website, dealing with topics such as protein requirements, lactose intolerance and gut health.
- ✓ Blog campaign focusing on dairy quality, dairy technology and dairy joy.

## Maritimes

Our team of dietitians in the Maritimes (New Brunswick, Nova Scotia and Prince Edward Island) focuses mainly on the school sector, from early childhood education to university, providing educators, teachers and students with the resources to support healthy eating habits and highlight the value of dairy products.

Here is a sample of the activities the team worked on:



- ✓ The Art of Cooking with Kids workshops were offered to early childhood educators across the Maritimes, students from the Nova Scotia Community College Early Childhood Education program, and attendees at the Early Childhood Development Conference in Prince Edward Island.
- ✓ The team delivered the Multizone program which explains the nutritional value of milk products and their role in keeping bones strong and healthy, to over 50 elementary schools.
- ✓ Sponsorship and participation in the fall Milk Sport Fair in Halifax and the Milk Sport Fair in Bridgewater, N.S., catering to elementary and junior high school students, teachers and parents.
- ✓ New resources featuring milk products were introduced to encourage Canadians to prepare meals on the go. Available at TeachNutrition.ca, these were also handed out at various events such as the Halifax's Meet Your Farmer at the Mall event in August and Farm Day in the City in Charlottetown in September.
- ✓ Collaboration with Chartwell in select Nova Scotia university cafeterias from November to December for the creation of special new meals to-go containing milk products (which met demands for sustainable packaging and balanced meal options), and the creation of educational experiences on several campuses during which a DFC dietitian taught students how to create nutritious meals and snacks using milk products.
- ✓ In partnership with the New Brunswick Department of Education, creation of a new program for elementary school teachers to be launched in 2020.



## Quebec

DFC's team of dietitians continued to lead a number of programs to reach early childhood educators, elementary school teachers and school daycare providers, providing them with the skills and tools to help toddlers and children acquire healthy eating habits.

Initiatives in 2018-2019 included:

- ☑ Workshops for early childhood educators and school daycare providers across the province.
- ☑ New educational resources including videos, online illustrated quizzes, cooking workshop plans, and more were made available at TeachNutrition.ca. Highlights include:

01. A new resource created in collaboration with Équiterre, the Commission scolaire de Montréal (CSDM) and the Direction régionale de santé publique de Montréal. It aims to help elementary school teachers and educators in the planning and facilitation of cooking workshops throughout the year, guiding them to use staple foods including dairy products.
02. A new educational poster and activity leaflet Food Mission: Conquer the Galaxy of the 5 Senses, putting forward a variety of healthy foods, including dairy products, for early childhood educators in Quebec and the Maritimes: over 1,800 copies were distributed.



The Québec team continued to provide workshops for early childhood educators and school daycare providers across the province: We estimate that over 1,500 educators benefitted from these programs during the school year.



- ☑ The Tennis Québec School tour: our registered dietitians visited schools to give workshops to school daycare educators, discuss nutrition education activities with teachers, and host classroom nutrition activities.
- ☑ A summer camp program in partnership with the regional councils of Les Producteurs de lait du Québec. Nearly 275 day camps were visited in summer 2018 by a DFC-trained animator who hosted cooking activities with the children: over 18,000 children were impacted by this program!

- ☑ Updates to Alimentora, DFC's online training tool for college/university teachers to help teach healthy eating skills to future daycare educators.
- ☑ Participation in several events and fairs open to the public, including open farm days organized by the Union des producteurs agricoles, Parents and Kids Fairs, education fairs, and more.

### ☑ Cuisinons en famille program

The Quebec team of dietitians is also mandated to promote the benefits of milk and healthy eating to the general population. The *Cuisinons en famille* program encourages parents to involve their children in the kitchen and to cook with basic ingredients, including dairy products. From October to December 2018, the site and its resources were advertised online and in social media through partnerships with select Quebec digital influencers such as bloggers.

Advertisements and content integration were also initiated on Télé-Québec's new online platform dedicated to cooking, *Cuisinez*. We are proud to report that this campaign was awarded first prize at the DUX Awards 2019! These awards honour innovation and leadership in healthy nutrition among agribusinesses, non-profits and other organizations.



# Financial Report 2018

The 2018 budget was a transition budget pre-DFC 2.0 to reflect the significant decrease in DFC's revenue of approximately 44 per cent. The budget was approved in February 2018 and an assessment of programs and human resources was completed before the launch of activities. Resulting from the Board /P10 Chairs strategic session, the 2019 new budget/funding structure was implemented.



The DFC 2.0 budget structure includes three business offerings delivered on behalf of the members:

01. Core funding, which includes DFC's foundational activities such as advocacy, legal, policy, operations and our Blue Cow certification program;
02. Strategic objectives, established by the Board on an annual basis;
03. Regional service and program offering.

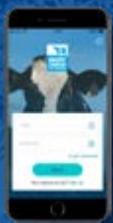
To view DFC's complete financial statements

[CLICK HERE](#)



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