

**DAIRY
FARMERS
OF CANADA**

**LES PRODUCTEURS
LAITIERS
DU CANADA**

TM/MC

16/17 Annual Report

In 2016, Dairy Farmers of Canada (DFC) reviewed and refined the organization’s mandate. As a result, the mission, vision and values were also revised to more accurately capture Dairy Farmers of Canada’s mandate.

Dairy Farmers of Canada is the national lobby, policy and promotion organization representing all dairy farmers in Canada. It is a federation of provincial milk marketing boards and dairy farmers’ organizations. The operations of the organization, including promotion activities, are completely funded by Canadian dairy farmers.

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Our Mandate

To enhance the revenue and image of the Canadian dairy farmer and contribute to the growth of the Canadian dairy market.

We will:

- Be the voice of all Canadian dairy farmers on the national and international level.
- Lead (in collaboration with members) the development of national dairy position statements and advocate for dairy related policies and regulations.
- Develop, implement and administer designated programs and strategies on marketing, nutrition, policy, communication and government relations.
- Maintain strong and united support for a national system of supply management.
- Be a credible source of information on dairy related issues and initiatives.
- Support research in dairy production and nutrition.

Our Mission

**Educate
Facilitate
Mobilize**

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

Our Vision

**Canadian dairy
products for
a healthy future.**

Our Values

**Teamwork
Integrity
Passion
Dynamism
Sustainability**



A Message from the Executive

President's Message



As I look back over my six-year term as president of Dairy Farmers of Canada this July, I am confident that I leave at a time when the future is bright for our industry, and I am very proud of what we have accomplished through working together on behalf of our dairy farmers. Indeed, our unity has been key to our past successes and is critical for our future long-term sustainability.

The coming year will be challenging, that is certain. It has never been more important to speak with one voice to champion the benefits of supply management. As we enter a new period of increased scrutiny as a result of the discussion around the North America Free Trade Agreement renegotiations, I know that an industry working together allows us to succeed in protecting supply management and keeps the system firmly in place.

I am grateful for the time I have spent as Dairy Farmers of Canada's President, and I want to thank the Dairy Farmers of Canada team, our provincial members, and Canada's dairy farmers for their support over the years. I know that the Canadian dairy sector will continue to grow, thrive, and evolve because of the commitment of our farmers to producing safe and nutritious milk for Canadians.

Wally Smith
President

Board of Directors

Dairy Farmers of Canada governance comprises a board of directors which sets the direction for, and oversees adherence to, the organization's mandate. The 16 member board comprises Dairy Farmers of Canada's president, four vice-presidents and 11 administrators who represent each of Canada's provinces and the Canadian Dairy Network. Their counsel and stewardship ensures that all provinces receive equal representation for Canada's dairy sector at a national level.

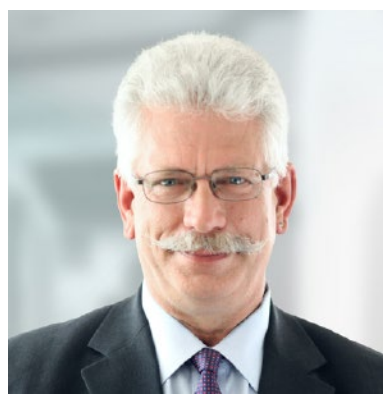


Wally Smith, President

Wally Smith resides on Vancouver Island, BC where he owns and operates a 75 cow dairy farm. He was elected President of Dairy Farmers of Canada in July 2011 and completed his mandate in July 2017.

Wally became a full-time dairy farmer in 1985. He has actively participated to the leadership of the dairy industry in British Columbia: he was President of the BC Milk Producers Association from 1999-2004 and on the Board of Directors of the BC Dairy Foundation from 1998-2002.

Wally became involved with the Dairy Farmers of Canada Board of Directors in July 2000 and was elected to the Executive Committee in July 2003. In 2005, he was elected to the International Federation of Agricultural Producers' Group on Dairy Products where he served as Vice-Chair from 2008-2010.



Reint-Jan Dykstra (NB), Vice-president

Born and educated in the Netherlands, Reint-Jan Dykstra moved to Canada in 1979 and became involved in the dairy industry early into his farming career. Reint-Jan and his wife Bethany have four sons.

Together with three of their sons and one employee, they operate two dairy farms, located 7 km apart, milking 100 cows on each.

Reint-Jan has served as a member and Vice-Chairman of the Moncton Area Local Milk Committee. In 1995, he was elected to the farmer-owned provincial R & G Transport (Milk Trucking) Board. Reint-Jan was elected as a director of the New Brunswick Milk Marketing Board in 1997, serving on various committees over the last 16 years; elected as Vice-Chairman in 2001 and Chairman in 2004. He began his involvement with Dairy Farmers of Canada through his appointment to the Promotion Committee in 1999. He was further appointed to the Dairy Farmers of Canada board as the New Brunswick representative in 2006 and elected to the Executive Committee in 2013.



**Ian Harrop (ON),
Vice-president**

Ian Harrop, a dairy farmer from Fergus, Ontario, was elected to the Board of Dairy Farmers of Ontario in 2006 and was appointed to the Dairy Farmers of Canada Board in February 2014. He was elected to the Dairy Farmers of Canada Executive Committee in July 2014.

Ian and his wife, Janet, own Harrcroft Acres in Fergus with Ian’s brother, Roger, and his wife, Susan. They milk a herd of 105 purebred Holsteins on the 700-acre farm where they grow corn, wheat, soybeans and hay for their cows’ feed. Ian and Janet also run a 100-head commercial sheep operation.

As a Dairy Farmers of Ontario Board member, Ian chairs the Governance Committee and also serves on the Audit and Planning Committee, the Transportation Committee, and the Organic Task Force Committee. He also serves on the Dairy Farmers of Ontario’s Advisory Committee for Transportation and serves on the Industry Committee for proAction®.

Ian and his wife have two children, Ashley and Ryan.



**Bruno Letendre (QC),
Vice-president**

Since 1978, Bruno Letendre has owned a dairy farm in Saint-Georges-de-Windsor, Estrie, and has been a partner with his brother Georges since 1981. With an area of 500 crop acres, the farm has roughly 200 head.

Bruno was Executive Vice-President of the Fédération des producteurs de lait du Québec (now Les Producteurs laitiers du Québec) from April 2009 to December 2011, the date when he became President.

In addition to being President of the Syndicat des producteurs de lait de l’Estrie since April 2002, he has represented DFC at the Canadian Milk Supply Management Committee (CMSMC) and P5. He is also a member of the Board of Directors of the Food Sovereignty Coalition.

He was elected to Dairy Farmers of Canada’s Executive Committee in 2012. He is also a member of Dairy Farmers of Canada’s Policy Statement Review Committee.



**David Wiens (MB),
Vice-president
Chair of the proAction®
Advisory Committee**

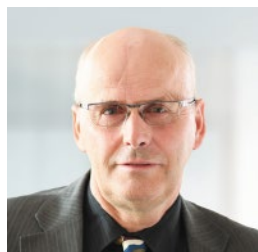
In July 2011, David Wiens was elected to the Executive Committee of Dairy Farmers of Canada. He was elected to the Dairy Farmers of Manitoba (DFM) board in the fall of 1995 and to the DFM Chair in December 2006. He was Chair of Dairy Farmers of Canada’s Promotion Committee from 2002 to 2005.

Since 2000, David has sat on the Ste. Anne Co-op Oil Board of Directors. In 2009, he was appointed as a director on the Manitoba Cattle Enhancement Council.

Administrators

In 2016-17, Dairy Farmers of Canada’s Board of Directors was joined by Ed Friesen, representing the Canadian Dairy Network. Denis Morin and Gary Bowers completed their terms on the board and have stepped down. Dairy Farmers of Canada would like to express its gratitude and thanks for their contributions to Canada’s dairy sector.

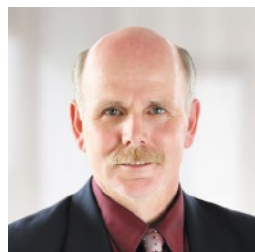
2016-17 Administrators



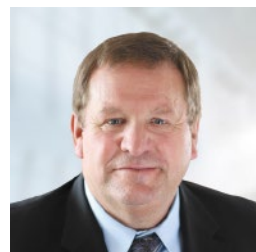
Sid Atkinson, ●●
Ontario



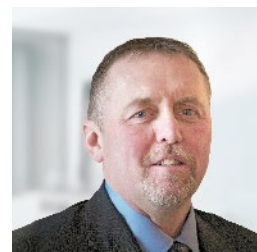
Leslie Brophy,
Newfoundland



Gerrit Damsteegt, ●
Nova Scotia



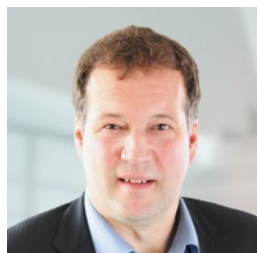
Ralph Dietrich,
Ontario



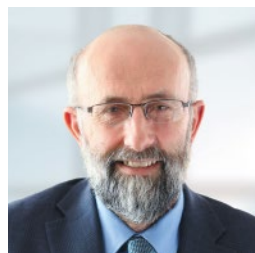
Ed Friesen, ●
(Canadian Dairy Network)



David Janssens,
British Columbia



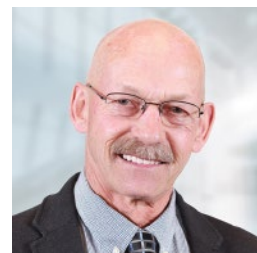
Pierre Lampron, ●
Québec



Ron Maynard, ●
Prince Edward Island



Blaine McLeod,
Saskatchewan



Klaas Vander Veen, ●
Alberta

Management Team

Sébastien Bergeron, Acting Director, Marketing

Isabelle Bouchard, Director, Communications and Government Relations ●

Pamela Harrod, General Counsel

Sylvie Larose, CPA, CA, Director of Finance

Yves Leduc, Director, Policy and International Trade

Isabelle Neiderer, Director of Nutrition ●●

Jim Selman, Director, Business Stakeholder Relations

Committees

- International Dairy Federation (IDF) – Dairy Summit
- Beef Value Chain Round Table
- Canadian Forage & Grasslands Association
- Canadian Animal Health Coalition—Program Development Committee
- Dairy Research Cluster (Committees)
- National Farm Animal Care Council; National Farm Animal Health and Welfare Council
- Industry-Government Advisory Committee on Traceability
- Canadian Cattle Identification Agency (Board of Directors)
- International Dairy Federation (IDF) – Canada

Organizational Affairs

Priorities 2016-17

In support of Dairy Farmers of Canada's Business Plan 2017 – 2020, a strategic plan is developed each year to ensure the organization remains on track for achieving its stated objectives. Dairy Farmers of Canada's management team produced and presented the 2017 Strategic Plan to the Board of Directors for approval before finalizing it at the annual general meeting (AGM) held in Charlottetown, Prince Edward Island, in July 2016.

Focusing on the year ahead, the 2017 Strategic Plan outlined four key pillars in support of its overall objective:

Contribute to the growth of the industry and profitability of the farmers

Dairy Farmers of Canada adopted a four-prong approach to ensure this objective was achieved. These pillars include:

1. Creating an environment that supports Canadian dairy farmers and dairy products, while being socially responsible. Dairy Farmers of Canada is committed to educating Canadians about dairy farming and dairy products, engaging and mobilizing dairy farmers' supporters and industry stakeholders, while maintaining strong relationships with decision-makers.
2. Ensuring cohesion in terms of strategies, messages and actions with the members of the organization and among all industry partners. In collaboration with its members, Dairy Farmers of Canada will develop national strategies and common messages. It will also foster collaborations with both the Canadian Dairy Commission (CDC), and processors, to contribute to the growth of the dairy sector and profitability for farmers.

3. Demonstrating the value of Canadian dairy farmers and their products to Canadians. Dairy Farmers of Canada is committed to educating consumers, health and education professionals, opinion leaders and decision makers on the nutritional value of dairy. Dairy Farmers of Canada will also tell the story behind milk.
4. Being an effective organization, through:
 - Accountability
 - Transparency
 - Collaboration
 - Continuous improvement

Individual Departmental *Work Plans* were also developed by the communications and government relations, policy and international trade, strategic partnerships, nutrition, and marketing teams which serve as a roadmap for each group for the year ahead. The goals outlined in each of these plans reinforce and contribute to Dairy Farmers of Canada's strategic objectives. The 2016-17 Annual Report summarizes and provides accountability for the initiatives outlined in these plans and accomplished over the previous year.

As Dairy Farmers of Canada achieves the goals set out in a given year's strategic plan, it begins the process of outlining the vision for the year ahead. To this end, the 2018 Strategic Plan has been developed and will be presented for approval at Dairy Farmers of Canada's AGM in Edmonton, Alberta in July 2017.

Dairy Farmers of Canada Unveils New Logos

Between 2015 and 2016, Dairy Farmers of Canada’s Board of Directors reassessed and refined the organization’s mandate, and in the process revised its mission, vision and values.

In 2015, Dairy Farmers of Canada conducted extensive market research among Canadian consumers to determine how the public perceived the Canadian dairy sector. Canadians maintained a highly positive perception of Canadian dairy farmers as trustworthy and associated milk produced in Canada with quality. However, the public did not associate dairy products with Canadian farmers, nor did they make a connection between milk as the key ingredient found in cheese, ice cream, yogurt and butter. Inadvertently, Dairy Farmers of Canada’s own marketing strategy had contributed to this disconnect by positioning several dairy products as stand-alone items.

Dairy Farmers of Canada’s brand identity:
We are Dairy Farmers of Canada and we believe in the power of dairy to give Canada a healthier future.

Dairy Farmers of Canada undertook a re-branding initiative to shift the focus away from individual dairy products to Canadian dairy farmers. The essence of Dairy Farmers of Canada’s new brand identity, or Masterbrand, is a reflection of what Canadian consumers had long perceived, that Canadian milk is quality milk. All Dairy Farmers of Canada initiatives such as marketing, policy, and farm standards, to name a few, are integrated within this brand identity.

Dairy Farmers of Canada also reassessed its old logos. Research showed that while the blue cow logo had been in the marketplace for several decades to represent dairy products of Canadian origin, its use had been extended over time to represent dairy farmers generally. Dairy Farmers of Canada research clearly indicated that Canadians could not easily locate the 100 percent Canadian milk products they wanted in stores because not enough dairy products carried the 100 percent Canadian milk blue cow logo. Dairy Farmers of Canada determined that it needed a certification of origin logo that would be more widely used, easier for consumers to understand, and encourage consumers to buy more Canadian milk and Canadian dairy products.

A reception celebrating the launch of the new logo was held at the Arc Hotel in Ottawa with key stakeholders who were treated to a signature cocktail specially created for the event.

Udder Delight

- ½ oz Coconut rum
- ½ oz Godiva liqueur
- ½ oz Bols Blue Milk



The new organizational logo and the certification of origin logo show the dairy industry in a more accurate way. The logos celebrate the hard work of dairy farmers, and their contributions to the physical, emotional and economic health of Canada and Canadians. Canadian dairy farmers needed a more modern look that will give confidence to those buying Canadian dairy products.



On November 1, 2016, **Dairy Farmers of Canada launched a new organizational logo** featuring a realistic cow and the words "Dairy Farmers of Canada". The new organizational logo, with its complementary certification of origin logo, have been designed to be eye-catching, be easier to understand, to create a stronger brand identity and to leverage the positive relationship farmers have with consumers.



The new certification of origin logo was introduced in January 2017, and will transition into Canada's dairy sector over a three to five year period. **The new certification of origin logo signifies that products that bear it are made with 100 percent Canadian milk or dairy ingredients.** Although the certification of origin logo has changed, its use remains the same as the former blue cow logo.



Demand for Dairy in Canada

Over the past year consumer demand for dairy products including butter, cheese, ice cream, yogurt and cream, has outpaced the Canadian dairy sector's supply. This has resulted in a significant increase in the requirement for butterfat. The annual amount of butterfat dairy farmers are required to produce has increased by 5.3 percent over the past year.

To meet the consumer demand for dairy, Parmalat, Agropur, and Gay Lea are among the processors who have invested in developing new processing capacity across the nation in various regions, including Manitoba, Ontario and the Maritimes.

National Ingredients Strategy Agreement in Principle

Farmers and processors have always adopted new technologies, practices and strategies to improve and develop Canadian dairy products. The sector continues to make efforts in response to Canada's changing business environment. The farmer-processor discussions, held over the last two years aimed to foster innovation and create a dynamic sector in Canada.

The discussions and negotiations between farmers and processors have focused on developing an overall strategy to upgrade our capacity to provide a wider array of various products for use in foods and non-food applications, as well as to simplify our supply-chain management, and increase flexibility to supply the market demands in a more timely

and efficient manner. The strategy is intended to improve competitiveness in Canada's dairy sector and encourage growth in the market. An agreement in principle was reached in July 2016. As part of this strategy, Class 7 was introduced in February 2017 to determine the value of innovative products that contain dairy proteins. Class 7 does not change Canadian regulations related to dairy imports, nor does it impact Canadian dairy tariffs.

The collaborative approach between farmers and processors is encouraging for on-going negotiations regarding the completion of various aspects of the strategy.

Communications and Government Relations



The Communications Department protects and enhances the reputation of Dairy Farmers of Canada and supports its strategic vision. In cooperation with all of Dairy Farmers of Canada's departments it promotes DFC's values while advancing understanding and support for DFC in the public eye.

Dairy Farmers of Canada's Government Relations serves as a liaison with all levels of the federal government. Through the formation and enhancement of strategic relations, it advances understanding of, and support for, Dairy Farmers of Canada's

mission. To support this mandate, Dairy Farmers of Canada's Government Relations team maintains close two-way contact with the Prime Minister's Office; key government Ministers, MPs, and their staff; leaders and members of the opposition; and bureaucrats.

The Communications and Government Relations departmental priorities reflect Dairy Farmers of Canada's and government priorities and evolve and adapt to unfolding situations.

Advocacy

Committee Appearances

Dairy Farmers of Canada appeared a total of five times before a variety of House and Senate committees (Agriculture and Agri-Food, International Trade, and Agriculture and Forestry, respectively) between September 2016 and May 2017. Each in-person appearance was also accompanied by a written submission. The meetings covered a variety of topics, including: border management issues, such as the Duties Relief Program and diafiltered milk; the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union (EU); the North America Free Trade Agreement (NAFTA), the Next Agricultural Policy Framework; and the impact of climate change on the agricultural sector. Throughout these appearances, Dairy Farmers of Canada took every opportunity to publicly state its position on other issues impacting Canadian dairy farmers including: Compensation and Mitigation for the negative impacts of CETA; the need for investment into processing capacity; funding for sustainability initiatives such as proAction®; and the need for continued support from the government on our dairy research initiatives. While not appearing in person, Dairy Farmers of Canada also made one additional written submission on the Dairy Farm Investment Program and the administration and allocation of the new CETA Tariff Rate Quotas at the request of the Senate Committee on Foreign Affairs and International Trade in view of their study on CETA implementation.

Submissions and Consultations

In addition to appearing before committees, Dairy Farmers of Canada's Communications and GR, Policy and International Trade, and Nutrition and Research departments also collaborated to make several submissions to government. Topics covered included: Dairy Farmers of Canada's expectations for the 2017 Federal Budget; the administration and allocation of CETA TRQs; the design of the CETA transition program; and the misuse of the duties relief program.

Dairy Farmers of Canada's ongoing advocacy and submissions directly contributed to government announcements and the launching of consultations on each of these topics (with the exception of the 2017 Federal Budget).

Nutrition and Food Labelling Submissions

In October 2016, Health Canada announced a multi-year *Healthy Eating Strategy*. While Dairy Farmers of Canada recognizes that the intention guiding the strategy is laudable, some of its proposed components, such as, the proposed Front-of-Pack labelling highlighting sodium, fat and sugar content in food, and restrictions pertaining to marketing of food and beverages to children, could inadvertently adversely impact the Canadian dairy sector.

Front of Packaging Labelling

As part of its multi-year Healthy Eating Strategy, Health Canada will be introducing mandatory front-of-package labelling for foods high in sugars, sodium and saturated fat. In the fall of 2016, Health Canada began consulting with the public and stakeholders.

In December 2016, Dairy Farmers of Canada made a comprehensive submission to Health Canada outlining its concern regarding the negative effects of placing a warning on foods that contain 15 percent or more of the daily value for fat, salt and sugar. Dairy Farmers of Canada has recommended that Health Canada should recognize and differentiate between nutrient-rich foods, such as dairy products, and nutrient-poor foods when amending labelling regulations.

Dairy Farmers of Canada has worked collaboratively with several other like-minded individuals and organizations in nutrition and agriculture who share this concern, and have been advocating for an abandonment of this proposal first, and secondly an exclusion of dairy products considering the important distinction between nutrient-rich foods and nutrient-poor foods.

Canada's Food Guide

Health Canada announced it would revise *Canada's Food Guide*. In early December 2016, Health Canada conducted online consultations to gather comments from the public, health professionals and organizations. While industry representatives were not invited to participate in the public consultation process, Dairy Farmers of Canada ensured members were kept up-to-date on the issues so they could provide their feedback.

During Dairy Farmers of Canada's Lobby Day in February 2017, the nutrition team met with the Parliamentary Secretary to the Minister of Health to discuss these nutrition policies. A further meeting was held in April 2017 with the Minister of Health's policy staff to gauge the degree of advancement of individual policies and perceived priorities from the Minister's office.

Dairy Farmers of Canada will continue to closely monitor each of these initiatives and advocate on behalf of the Canadian dairy sector while ensuring members are regularly updated.

Food Labelling Modernization

In 2013, the Canadian Food Inspection Agency (CFIA) launched the Food Labelling Modernization consultation process focusing on how food labels accurately represent food.

In 2016, the public consultations focused on certain proposed changes to improve the current labelling system for all food sold in Canada. Dairy Farmers of Canada reaffirmed its support for Canadian date marking requirements that align with the *Codex Alimentarius* Commission's General Standard for Labelling of Prepackaged Foods. Dairy Farmers of Canada also supported the idea that a percentage amount of ingredients be declared, in the ingredient list, to reduce or eliminate deceptive representations on food labels. The list of ingredients on a product label currently states what the ingredients are but does not list the ingredient proportions. Finally, consumers want to be able to identify the ingredients contained in their food, therefore class names, such as "modified milk ingredients" and "milk ingredients" should be discontinued because they do not promote transparency.

DFC has been and will continue to monitor this initiative as it evolves.

Lobby Day and the Dairy Showcase Reception

During Dairy Farmers of Canada's annual Lobby Day held on Parliament Hill on February 7, 2017, farmers from across the country participated in 140 meetings with more than 160 Members of Parliament and Senators. On behalf of Canada's dairy farmers, Dairy Farmers of Canada stressed the importance of continued support for supply management and emphasised the dairy sector's contributions to Canada's economy. In addition, Dairy Farmers of Canada addressed possible taxation on sugar sweetened beverages and the importance of exempting nutrient-rich beverages such as chocolate milk, flavoured kefir or yogurt-to-drink from additional taxes.

Each MP and Senator also received an information kit that included the newly-updated [Dairy Sector Overview booklet](#), which highlighted the critical issues impacting Canada's dairy sector.

That evening, Dairy Farmers of Canada hosted the annual Dairy Showcase Reception that also marked the beginning of the Annual Policy Conference held at the Château Laurier in Ottawa. More than 500 government officials and industry stakeholders attended the reception. Given the day's high number of meetings with MPs and Senators, the number of attendees at the reception, and the feedback from both farmers and parliamentarians, it is clear that the 2017 Lobby Day and Reception were very successful.

Dairy News

In 2017, Dairy Farmers of Canada launched *Dairy News*, a quarterly publication disseminated to all Members of Parliament. The newsletter informs and updates members of parliament on the issues and points of concern pertinent to the Canadian dairy industry. The inaugural issue addressed Front-of-Pack labelling and the Healthy Eating Strategy.

Canadian Milk Matters

Dairy Farmers of Canada launched a revamped version of the [Canadian Milk Matters](#) website in November 2016. The Canadian Milk Matters campaign was created to show public support for the dairy industry during the Trans-Pacific Partnership negotiations in 2015, and as a symbol for the June 2, 2016 rally on Parliament Hill. The campaign has generated such a large amount of public support that Dairy Farmers of Canada re-launched the website as a portal to share the issues impacting Canadian milk with concerned Canadians; to connect with like-minded advocates at the grassroots level; and to harness grassroots support for continued Canadian food sovereignty, especially for milk.



Wally Smith, President, DFC; the Honourable Lawrence MacAulay, Minister of Agriculture and Agri-Food; and Caroline Emond.

External Communications

Dairy Farmers of Canada's audiences include the Canadian public, consumers, farmers and processors, members of parliament, other food industry, business community and legislators. To ensure stakeholders are kept apprised of both Dairy Farmers of Canada's on-going initiatives and updated on issues impacting the dairy sector, DFC produces a suite of publications, sponsorships, and media campaigns targeting different audiences.

Publications

To commemorate Canada's 150th anniversary, Dairy Farmers of Canada published a special edition booklet *Dairy Farmers – Deeply Rooted for a Strong Future*, to celebrate the contributions Canadian dairy farmers have made to the emergence and growth of our country. In addition the book traces the emergence of dairy farming in each of Canada's provinces in the order in which they joined Confederation. By featuring a different dairy farm from every province Dairy Farmers of Canada has captured the unity of a sector that has, and will continue to, feed Canadians.

The book was presented for the first time to MPs and Senators at the Dairy Farmers of Canada Lobby Day and Reception in February, 2017. Copies have been made available to each provincial dairy board for distribution to their members.

The publication has also been promoted through each of the provincial newsletters—with emphasis placed on the individual dairy family representing each province. An article outlining the contributions of Canada's dairy families throughout history was also submitted to *Info Holstein* and *Progressive Dairyman*. Dairy Farmers of Canada also promoted the book to the public through social media and media relations outreach.



Tim Hortons®: Mount Kilimanjaro Charity Challenge Climb 2017

DFC Board member Pierre Lampron represented Canadian dairy farmers when he summited Kilimanjaro on February 24, 2017 and hoisted the DFC flag.

Mr. Lampron, along with 24 climbers, raised

\$595,000

for the Tim Horton® Children's Foundation.



Sponsorships

Each year, Dairy Farmers of Canada receives requests from organizations that seek external funds for their activities. Dairy Farmers of Canada views donations and sponsorships as an opportunity to connect with and support Canadians from coast-to-coast, in both urban and rural communities. Dairy Farmers of Canada provides financial support to organizations that fit DFC's objectives, values and areas of priority.

During 2016-17, Dairy Farmers of Canada sponsored the following initiatives:

- Federation of Canadian Municipalities
- Agriculture Day
- BConnected Conference
- Food Bloggers of Canada
- Canadian Farm Writers Federation
- Canada's Outstanding Young Farmers
- Agriculture More than Ever
- Food and Drink Summit 2016
- Canadian Dairy XPO
- Advancing Women in Agriculture Conference
- Food Day Canada/University of Guelph 2016

FarmFood360°

Dairy Farmers of Canada partnered with Farm & Food Care to produce a new virtual farm tour. The latest video provides a 3D virtual reality tour of a robotic milking farm in PEI. Farm and Food Care has been adding to its virtual farm tours site—now rebranded as the FarmFood360° initiative, to reflect the use of new 3D video technology. Announced in January 2017, the new tours feature a dairy farm with a Voluntary Milking System™, and videos that explain Gay Lea's milk and cheese process. Canadians from coast to coast can access the tours through their tablets and desktop computers.

With new standards and technology on the farm, Dairy Farmers of Canada will continue to provide information about dairy production in Canada. Visit FarmFood360.ca.



Newsletters

Dairy Farmers of Canada's bi-weekly electronic newsletter *Dairy Express* covers approximately 170 articles on topics pertinent to the Canadian dairy sector. The newsletter is read by 675 subscribers from coast to coast—540 in English, and 135 in French.

Dairy Insights was launched in March 2017 and covers a broad range of issues pertaining to economic, social and environmental sustainability in Canada's dairy sector. The newsletter targets Canadian dairy stakeholders and will be published four to five times a year in both official languages.

Each month, Dairy Farmers of Canada contributes articles outlining its activities on behalf of Canada's dairy sector to 10 publications produced by the provincial dairy organizations. DFC also submits stories on an on-going basis to five national publications.

Media Relations and Social Media

Dairy Farmers of Canada uses a mix of traditional and social media to convey messages to its stakeholders. Key issues affecting the dairy sector, and public reaction to these, are monitored on an on-going basis—in print and broadcast mediums, as well as on social media sites. Dairy Farmers of Canada asserts its position and provides commentary on various issues through interviews, news releases and position statements. On a daily basis, Dairy Farmers of Canada's Facebook and Twitter accounts encourage engagement with the Canadian public. The blog also provides a platform for spokespeople to comment on and address issues pertinent to Canada's dairy sector.



 Twitter

 Facebook

Social Data
July 1 – May 9

+1,032 
New Followers


+1,937 
New Followers

In total **+2,969** New Followers

Gender

 **52%**
Female

 **48%**
Male

 **63%**
Female

 **36%**
Male

In total **57(.5)%** Female & **42%** Male

*Doesn't equal 100% due to rounding

**Primary
Age Groups**

 **25-34**
Years Old
42%



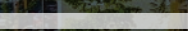

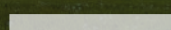

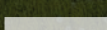
 **35-44**
Years Old
22%


 **55-64**
Years Old
17%

 **25-34**
Years Old
10%

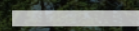
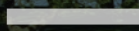


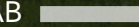
Location

88% of audience is from
Canada

Ontario		48%
Quebec		12%
Alberta		7%
British Columbia		7%
Manitoba		3%
Nova Scotia		3%
Saskatchewan		3%

16,857 fans from
Canada 

Top 5 cities

Toronto ON		763 fans
Ottawa ON		532 fans
Montreal QC		523 fans
Calgary AB		327 fans
Edmonton AB		322 fans

Additional Regions
(City per province missing)

Winnipeg MB		305 fans
Vancouver BC		169 fans
Saskatoon SK		151 fans
Charlottetown PEI		66 fans
Halifax NS		78 fans
Moncton NB		76 fans

Engagements

22,109

182,834

(includes reactions
and comments,
counted manually)

In total **204,943**

Policy and International Trade

The Policy and Trade Department is responsible for providing analysis and recommendations pertaining to both domestic and international policy areas. The Department collects and disseminates market information in support of our members, represents dairy farmers' interests in various fora as well as develops, implements and/or administers national programs such as proAction®.

The Department has undergone major restructuring. The policy/economic team has welcomed two new economists responsible for providing members and all Dairy Farmers of Canada departments with necessary data and analysis relative to the dairy sector. The proAction® team's structure was reorganized with existing staff experts under the leadership of an Assistant Director, National On-Farm Programs who oversees the development of the proAction® elements, integration and ongoing maintenance.

Policy Statement

Dairy Farmers of Canada's Policy Statement summarizes Canadian dairy farmers' collective stance on a range of issues impacting the Canadian dairy sector including, the supply management system, revenues, imports and border compliance, dairy product integrity and safety, marketing and nutrition, sustainability, farm practices and research, and industry and government relations. The statement encapsulates the issues identified by farmers across the country as priorities and is formalized by Dairy Farmers of Canada's Board of Directors. The 2017 Policy Statement was disseminated to members in February 2017. The complete [Policy Statement](#) is available for review.

Favouring Market Development

Market Analysis

Dairy Farmers of Canada and provincial dairy organizations have become increasingly aware of the need to broaden their understanding of the national and international dairy markets. As a greater quantity of milk was sold at or near world prices, producers were increasingly confronted with market volatility. Dairy Farmers of Canada continued to closely monitor the evolution of the domestic and international market conditions and the competition from other sectors as well as from abroad. Dairy Farmers of Canada also took every opportunity to discuss market indicators and their potential impact on farm revenues with provincial members.

Over the last year, Dairy Farmers of Canada developed and launched new interactive tools, or "dashboards", for economists to track real-time data pertinent to both national and international dairy markets.

In February 2017, Dairy Farmers of Canada staff and provincial members were provided access and training on these interactive tools. The extensive data and analysis presented in these "dashboards" will be an invaluable tool for market analysis.

These "dashboards" compile data and analysis from a variety of sources: Statistics Canada, Nielsen, as well as the CDC and the US Department of Agriculture (USDA) reports to name a few. They provide market intelligence on:

- 1 Milk Utilisation and Sales;
- 2 International Dairy Markets;
- 3 Retail Sales, and;
- 4 An analysis of tariff walls.



International Trade

On the international trade front, Dairy Farmers of Canada was expecting a period of relative peace following the conclusion of both CETA and TPP and the lack of progress at the World Trade Organization (WTO). The election of President Trump and the renegotiation of NAFTA has brought international trade back to the top of Dairy Farmers of Canada's priorities.

World Trade Organization

Dairy Farmers of Canada regularly monitors the activities of the WTO, including the activities of the WTO Committee on Agriculture where Canadian dairy policy developments have been under the spotlight. Within the context of the Doha Round Negotiations, Dairy Farmers of Canada attended the WTO's Public Forum in Geneva in September 2016. Dairy Farmers of Canada, through its involvement in the Canadian Federation of Agriculture, has organized a session during the Forum at which participants discussed the latest developments in world trade and proposed ways to enhance the multilateral trading system. The WTO will meet at the ministerial level in 2017.

The Canadian-European Union Comprehensive Economic and Trade Agreement

In November 2016, the Federal Government announced a \$350 million transition package for the Canadian dairy sector in response to increased market access granted under CETA. Two programs were announced: the Dairy Farm Investment Program, with an envelope of \$250 million, will help Canadian dairy farmers increase their productivity through upgrades to their on-farm equipment and technology; the remaining \$100 million has been allocated toward investments in Canada's dairy processing infrastructure.

Upon the government's request, Dairy Farmers of Canada, in close collaboration with the provinces, prepared a joint submission outlining DFC's proposed position and expectations relative to the Dairy Farm Investment Program, which was delivered in a consultation held on December 12, 2016. No announcement on the final details of the program has yet been made.

In addition to awaiting the details of the Dairy Farm Investment Program, Dairy Farmers of Canada also expects to learn from the Government of Canada how the new CETA tariff rate quotas (TRQs) for cheeses will be administered and allocated. On July 22, 2016, Dairy Farmers of Canada made a submission on the administration and allocation of the new TRQs at the request of Global Affairs Canada. In the submission, Dairy Farmers of Canada urged the government to ensure that only those who are negatively affected by the opening of the Canadian market be eligible to receive a share of the new TRQ; Dairy Farmers of Canada strongly recommends that the new cheese TRQ only be allocated to cheese makers. That position is also echoed by the Dairy Processors Association of Canada and the Canadian Alliance of Cheese Makers.

The ratification of CETA by the European Union and Canadian Parliament was postponed to 2017, with provisional implementation of the agreement expected around July 2017. DFC continues to expect that the full details of both the Dairy Farm Investment Program and TRQ administration will be released in advance of provisional implementation.

Trans Pacific Partnership – North American Free Trade Agreement

Shortly after taking office President Trump withdrew the US from the TPP. This curtailed the TPP as it currently exists. Since that time, the 11 remaining partnering countries, including Canada, have met several times, including a meeting in Toronto in May 2017, to discuss a potential deal without the United States. The discussions are ongoing, and it remains unclear whether or not they will yield any results; DFC continues to monitor this situation closely.

Conversely, the US government is preparing to reopen NAFTA renegotiations with Canada and Mexico. Following a consultation period of at least 90 days, negotiations between the countries will begin by late summer 2017. Dairy Farmers of Canada will monitor the situation closely, advocate on behalf of, and provide updates to Canada's dairy sector.

Sustainability

proAction® Initiative

Dairy Farmers of Canada and provincial members held farm pilot projects in 2016 to test the last two proAction® modules: Biosecurity and Environment. Farmers, validators, provincial coordinators and industry stakeholders provided feedback, and the Technical Committees have considered revisions that will maintain the proAction® program's level of credibility, while respecting the core principles emphasizing continuous improvement.

In the summer of 2016, Dairy Farmers of Canada contracted Holstein Canada to be the service provider for a pilot project to conduct cattle assessments, as part of a new Animal Care module, on Canadian dairy farms. The pilot project began in October 2016 and will run until October 2018. The results will provide farmers with a benchmark for each herd that can be used as a comparison point for improvement over time. Holstein Canada started assessments in British Columbia in October 2016, and is rolling out the service across all provinces, following its normal classification schedule.

Simultaneously, provinces are communicating with, and offering training sessions to, farmers to help them learn about the Animal Care and Livestock Traceability program requirements, and implement them on their farms. Both modules will be added to the Food Safety validation process in September 2017.

Throughout 2016, the provincial coordinators worked on integrating the proAction® modules. They identified areas of overlap and packaged all of the modules into one program.

Early in 2017, Dairy Farmers of Canada and the provinces ran a pilot project on more than 100 farms across the country to test the integrated program. The feedback was due at the end of March, and from April to June the proAction® committees analyzed the results to identify necessary revisions.

Antimicrobial Resistance

Society is becoming increasingly concerned about the incidence of Antimicrobial Resistance (AMR) in humans and in animals. To ensure Canada's dairy sector remains responsive to the issue, DFC held an information session on issues surrounding AMR and Antimicrobial Use (AMU) at the Dairy Farmers of Canada AGM in Charlottetown, July 2016.

Dairy Farmers of Canada developed a policy that committed to contribute to the reduction of AMR in dairy animals—and its subsequent impact on farmers and other humans. This policy was approved by the delegates at the February 2017 Dairy Farmers of Canada APC.

Intersectoral Collaboration

AMR is a complex topic with implications for human and animal health that are not fully known to scientists as yet. The federal government is leading several initiatives with multiple stakeholders, including Dairy Farmers of Canada, in agriculture and human health to address the issue, and ensure antibiotics continue to work effectively.



Canadian Roundtable for Sustainable Beef and the Beef Value-Chain Roundtable

The sale of dairy animals for beef accounts for approximately \$800 million dollars per year in farm revenue, and as such Dairy Farmers of Canada's participation in two national beef roundtables is important.

The *Canadian Roundtable for Sustainable Beef* (CRSB) is a multi-stakeholder organization that comprises more than 100 members representing the food chain – from suppliers, farmers, and processors to retail and restaurants, as well as non-governmental organizations (NGO) interested in sustainability issues. The CRSB's mandate in advancing sustainability aligns with the proAction® initiative's focus on on-farm sustainability and its role in producing safe, quality milk and meat.

As the CRSB is committed to economic, social and environmental aspects, it is important that Dairy Farmers of Canada representatives work with the other round table stakeholders to avoid duplication between programs for beef, dairy and crops. Dairy Farmers of Canada participation in CRSB provides Canada's dairy sector with an opportunity to network with a wide variety of stakeholders while positioning the proAction® initiative as a credible, world-class program for sustainably produced milk among major retailers.

In 2016, Dairy Farmers of Canada and McDonald's Canada conducted a verification of the proAction® Initiative as part of McDonald's Canada's sustainable beef pilot, using two Alberta dairy farms as test cases. The pilot results indicated that both

the proAction® and McDonald's programs were complimentary, and identified areas in which information could be better streamlined and shared. Dairy Farmers of Canada provides CRSB with these types of case studies drawn from proAction® as an example of best practices in the cattle industry as a whole.

Dairy Farmers of Canada also participates in two meetings a year of the *Beef Value Chain Roundtable* (BVCR) in which multiple stakeholders in the beef industry, and government discuss competitive market opportunities. The BVCR also addresses issues such as diseases, as well as government policies and research priorities.

Humane Transport Submission

In February 2017, Dairy Farmers of Canada provided comments on behalf of the Canadian dairy sector to the Canadian Food Inspection Agency (CFIA) regarding proposed amendments to the *Health of Animals* (Humane Transport) *Regulations*. Dairy Farmers of Canada supports the overall objectives of the proposed regulatory amendments, and understands the need for regulatory updates concerning the health and welfare of animals. In its submission to CFIA, Dairy Farmers of Canada also sought clarifications in cases where CFIA's new guidelines pertaining to transportation of animals were unclear.



Strategic Partnerships

A new Director, Business Stakeholder Relations was appointed in October 2016 to build strong relationships with Canadian dairy processors, retailers and food service operators to identify market opportunities across the country.

Partnerships

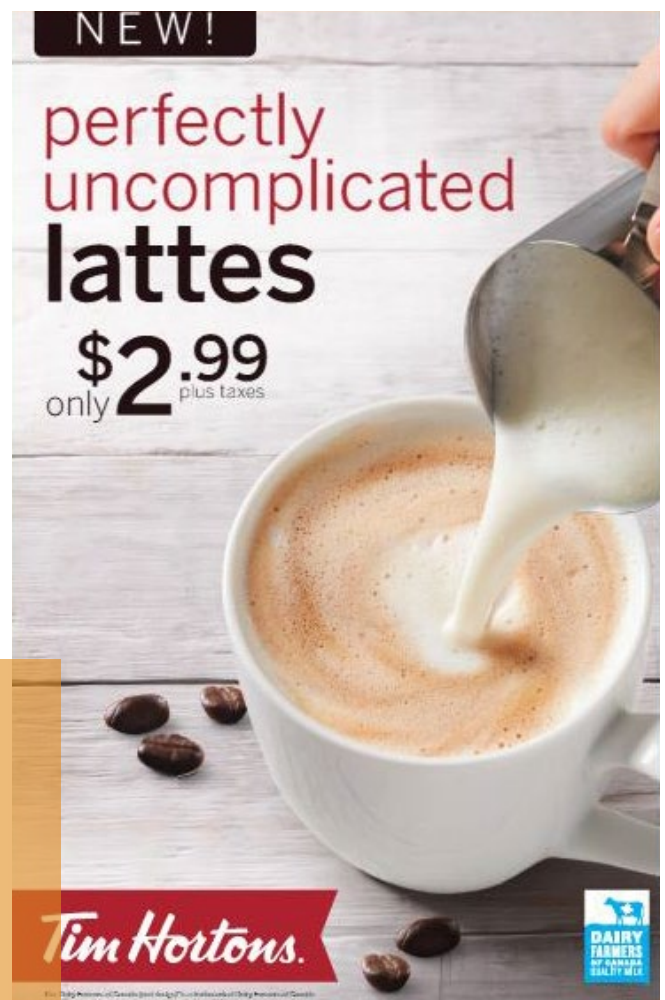
Dairy Farmers of Canada and Tim Hortons® launched three private-label bottled drinks featuring the 100% Canadian Milk symbol in August 2016. These drinks are now sold across the country in all Tim Hortons® locations as well as in major grocery store chains. This event was supported by an extensive integrated media campaign, which included mass media, digital, and public relations activities.

As of May 2017, Tim Hortons® introduced lattes in its locations across Canada. Each latte contains 10 ounces of 100 percent Canadian Milk. The partnership with Dairy Farmers of Canada will be promoted on in-store point-of-sales (POS) and Tim's TV across Canada.

Dairy Farmers of Canada is proud to have partnered with the Tim Horton® Children's Foundation (THCF) to support the 20,000 Canadian children and youth who benefit from their programs every year. Their flagship program is the THCF camps, where children and youth from low-income families get to spend two weeks at camp, where they build leadership skills, improve their confidence and leave feeling empowered to achieve their goals.

Through this partnership, Pierre Lampron, a Dairy Farmers of Canada board member, joined a group of passionate people who took on a great personal challenge and climbed Mount Kilimanjaro to raise funds for the THCF. Pierre raised \$13,950.

DFC is proud
to have partnered with the
Tim Horton® Children's Foundation
(THCF)



Marketing

Dairy Farmers of Canada’s marketing team develops and executes campaigns to promote a positive image of Canadian dairy farmers and the quality milk their cows produce. The campaigns are designed to encourage a wide variety of Canadian consumers to include dairy in their diets and choose products made with Canadian milk. Increased awareness of, and interest in, Canadian milk products contributes to the Canadian dairy sector’s bottom line. Marketing and awareness campaigns that generate dairy sales result in increased profits for farmers.

In 2016, a new Assistant Director of Digital and Innovation joined the marketing team. The position is responsible for auditing and consolidating Dairy Farmers of Canada’s numerous websites, and streamlining content by target audiences—consumers, business and nutrition. The digital team is also responsible for implementing digital marketing, nutrition, and organizational strategies.

The marketing team has also added an Assistant Marketing Director—Retail and Partnerships and Synergies who oversees a team of provincially-based marketing staff. These staff provide input for strategic planning and implement Dairy Farmers of

Canada’s sponsorship and retail programs at the provincial level, in collaboration with the province’s dairy organizations, to support DFC’s national campaigns.

Two new marketing managers have been added, one covering Ontario and Atlantic Canada, and one covering Canada’s Western provinces. Each new marketing manager will be supported by marketing coordinators based in the western and in the Maritime provinces.



Marketing Dashboard

In response to requests from the provincial dairy organizations, and to better measure and assess Canadian consumers' awareness and perceptions of Canadian dairy products, the marketing team introduced a Key Performance Indicator (KPI) dashboard in April 2017. The dashboard also measures Canadian consumers' perceptions of Dairy Farmers of Canada.

The interactive KPI dashboard draws from multiple sources including, Dairy Nielsen Sales and Nielsen Advertising, to provide key stakeholders with a real-time snapshot of the evolution of consumer attitudes, perceptions and behaviours in response to specific marketing campaigns. The marketing team will now be able to evaluate and determine the return on investment (ROI) on a variety of campaigns as they unfold.

In addition, the Nutrition and Retail department's campaigns will also be integrated into the dashboard to provide Dairy Farmers of Canada users with one user-friendly repository for the data generated by all DFC's marketing efforts.

Prior to the KPI dashboard launch, a national survey of Canadians between the ages of 13 to 69 was conducted in December 2016. The survey established a benchmark measurement for Canadians' perception of Dairy Farmers of Canada, and dairy products.

The results of on-going and future campaigns will be compared against these baseline metrics.



2016 Campaigns

Project Sleep

Project Sleep was launched in 2015-16 in response to increased rates of sleep-deprivation, and its detrimental impact on overall health, among Canadians. The campaign further enhanced Canadian dairy farmers' reputations as caring, supportive members of communities across the nation. *Project Sleep* comprised a media relations campaign, and broadcast and electronic public service announcements (PSAs) in which representatives of Canada's dairy farmers addressed sleep deprivation.

The campaign overlapped Dairy Farmers of Canada's annual reporting years, with the comprehensive results tabulated in September 2016. *Project Sleep* reached its predetermined objective of enhancing the image of dairy producers. One-in-four Canadians had seen the campaign and positive sentiments for Dairy Farmers of Canada increased five percent to 80 percent from 75 percent. The website developed for the duration of the campaign had 119,000 visitors. There were also more than 600,000 video views and more than 84,000 engagements with the Twitter ad.

Fuelling Women Champions

In its second year, Fuelling Women Champions launched a research publication and video ads ([ad 1](#), [ad 2](#)) showcasing the personal stories of two girls who have overcome a number of challenges in pursuing their sports.

The Champions Fund

In November 2016, Dairy Farmers of Canada launched the \$100,000 inaugural Champions Fund to level the playing field for women who often face inequity in pursuing sports compared to their male counterparts. A total of 20 recipients received a grant of \$5,000 each toward the cost of equipment, tournament fees, and access to training facilities.

The recipients were selected from 2,357 applications across Canada and included youth sports teams, individual athletes, and grassroots women's and girls' sports organizers.

The Elementary School Milk Campaign

Ontario celebrated the 30th anniversary of milk in schools in October 2016. To mark the occasion, a public relations event was held on September 28, 2016, World School Milk Day, at Settlers Green Elementary School in Mississauga. Olympic athlete Nathalie Spooner joined 200 students for a fun-filled morning of activities that was aired live on City TV's morning program, *Breakfast Television*.

For the first time, the program included TV ads encouraging Ontario parents to enroll their children in the school program while leveraging the tagline "Milk gives kids the energy to conquer the afternoon slump." In addition to the TV campaign that ended in October 2016, an eight-week campaign was integrated with *Breakfast Television's* school day weather forecast.

Across Canada 5,184 schools participate in elementary school milk programs.



30th anniversary
of milk in schools
in October 2016.



Recharge with Milk

The 2016 Recharge with Milk campaign continued to position chocolate milk as an excellent post-workout recovery beverage, and to encourage physically active Canadians to consume it for better performance.

A retail program was developed in partnership with Shoppers Drug Mart and Loblaws stores in Ontario and Atlantic Canada during the 2016 summer and fall. Dairy Farmers of Canada conducted a sampling demonstration in 37 Shoppers Drug Mart locations and interacted with 4,179 consumers which resulted in 732 direct sales. Both partners provided consumers with an incentive to purchase chocolate milk through their respective rewards programs.

Recharge with Milk also sponsored 22 events in Ontario and the Maritimes, including the Recharge with Milk Triathlon Series, five marathons, a mountain bike race and basketball championships. A partnership was also developed with the Greater Toronto Hockey League. During the events Dairy Farmers of Canada promoted the post-workout recovery benefits of chocolate milk to 28,000 consumers, and distributed 31,000 chocolate milk cartons and 22,500 branded items.

The Milk Glass™

Dairy Farmers of Canada announced the launch of *The Milk Glass™*. A fun and provocative tone was used in this campaign to position milk as desirable and encourage Canadians to see milk in a new light. The campaign introduced an “unbelievable” new innovation—a special glass specifically designed for milk.

The September 2016 campaign was promoted in 30-second and 15-second TV spots, through Dairy Farmers of Canada’s YouTube channel and campaign website, themilkglass.ca. The campaign was also promoted through outdoor ads, including a station domination in midtown Toronto and Halifax.

Consumers were able to order the glass through themilkglass.ca. The entire stock of 3,000 limited edition glasses was depleted within 24 hours.

In a follow-up campaign launched in December 2016, Dairy Farmers of Canada partnered with Loblaws Click & Collect Online Shopping to promote end-of-year milk sales. A special edition *Holiday Milk Glass* was offered as a gift with purchase when shoppers at key locations in Ontario bought 4L bags of milk. Online banners with the Holiday Milk Glass ran for one week on the Loblaws Click & Collect website. Facebook posts also promoted the online shopping site. In total, 7,296 holiday milk glasses were given away.

During the first week of the campaign, which began Sunday, December 18, 2016, Loblaws Click and Collect sales of 4L milk bags increased by 149 percent over the same week in 2015.

Cheese Retail – Sobeys Canadian Cheese Festival

Dairy Farmers of Canada partnered with Sobeys in July 2016 to promote cheese that featured the 100% Canadian Milk symbol. The campaign was developed to increase the familiarity and consumption frequency of Canadian cheeses, while promoting a sense of pride among consumers for cheeses made from 100% Canadian Milk. With each store’s speciality cheese section, Canadian cheese was prominently differentiated from those produced by competitors. A total of 346 stores across Canada participated in the campaign which resulted in an increase of 71.8 percent in sales over the previous year.

Cheese Sponsorship – Toronto International Film Festival

Dairy Farmers of Canada participated in the Toronto International Film Festival (TIFF) held in September 2016. The on-site campaign was promoted through Twitter with a contest to win a VIP Red Carpet experience. Of the 9,153 contest entries received, more than 5,000 were generated from “conversational ads”.

Dairy Farmers of Canada also provided festival-goers with an opportunity to sample Canadian cheese while viewing a movie trailer for a Canadian film screened at TIFF, preceded and followed by short clips promoting Canadian cheese pairings. A total of 13,700 cheese samples and 5,011 copies of *All You Need is Cheese* magazine were distributed along with coupons and recipe ideas.

Fairs, Exhibits and Sponsorships

British Columbia

Dairy Farmers of Canada participated in the Okanagan Summer Wine Festival in August and the Fall Festival in September/October of 2016. Canadian Cheese was showcased in two events: The *Blind Wine & Cheese Party*, *Sparkling up the Cheese in your Life*, and in two educational cheese seminars.

The *Colour & Chef Meets BC Grape*, *Victoria International Wine Festival* and *Cornucopia*.

The Okanagan Winter Wine Festival 2017 was attended and showcased Canadian Cheese in seven events throughout the Festival.

Atlantic Canada

DFC & PEI *Fall Flavours* worked with top Canadian Chefs and the best of Canadian Cheeses to present consumers with recipes, cheese and beer tasting seminars as well as sampling opportunities.

Indulge and *Devour Film & Food Festival* were once again part of our events to highlight many of our local cheeses through various cheese & wine seminars.

Atlantic, Ontario and Western regions: 6 Fairs and Exhibition Shows

DFC provided educational cheese tasting seminars to consumers providing product visibility for processors in addition to allocating them with space to sample and sell their products.

Trade and Industry – DFC exhibited at Restaurant Canada Show February 26-28, 2017

Grocery Specialty Food West (March 20 & 21, 2017)

SIAL Toronto (May 2-4, 2017)

DFC invited processors to present their brands and products and network with industry representatives.

Cheese Holiday Campaign

To build awareness of and appreciation for the diversity of Canadian cheeses, while increasing the volume of sales through the holiday season, a national month-long holiday retail campaign was launched in December. The campaign comprised an integrated program of mass media, retail and on-site experiential activities. A decorated life-sized snow globe was rotated through local events held in Toronto, Halifax, Calgary and Vancouver, and staffed by Dairy Farmers of Canada brand ambassadors who offered visitors a selection of Canadian cheeses.

A total of 47,050 samples were distributed, exceeding the target of 46,000. An additional 22,000 copies of *All You Need is Cheese* Magazine were distributed. The snow globe activities in each of the cities was promoted through social media, local newspapers and out-of-home posters.

Cheese Holiday Retail

The retail program to drive sales of Canadian cheese included demos, deli point-of-sales (POS), digital and flyer promotion across the country.

95,000+ samples distributed

216 in-store demo events (2 days each)

100+ DFC Canadian Cheese POS displays merchandised in deli section of top performing retail locations

6 national and regional retail banners

Drove sales for 9 processors (Arla, ADL, Boursin, Bothwell, Cows Inc. Quality Cheese, Natural Pastures, St-Albert, The Village Cheese Co.)

3,503 mobile coupons redeemed through Checkout **51** across **10** offers for **8** processors

14 1-hour PC Cooking School demo classes featuring DFC recipes hosted across **3** provinces

2017 Milk Calendar

Dairy Farmers of Canada's 2017 Milk Calendar was launched in November 2016 with the bulk of the 1.7 million copies distributed in Ontario and Atlantic Canada. For the first time a French version of the calendar was also published for Canadian Francophone communities. More than 10,000 copies were printed in French and sent out to Ontario and Atlantic Canada. Distribution events were held in Toronto and Halifax to generate interest and distribute copies. The western provincial boards ordered approximately 125,000 copies for distribution in their regions. A digital campaign was also launched to reach younger Canadians through their mobile devices. Recipe videos have been disseminated through social media throughout 2017. The Milk Calendar is accessible at milkcalendar.ca.



2016 in Review – Retired Campaigns

In 2016, Dairy Farmers of Canada re-evaluated its programs to ensure they continued to support the ever-evolving dairy industry. Through this process Dairy Farmers of Canada identified programs that were operating on their own, with nothing to unify them or show their connection to DFC. To present one clear and strong identity—Dairy Farmers of Canada—some programs were retired and replaced with new initiatives that more closely align with and promote Canadian milk products.

All You Need is Cheese Magazine

The fall issue of *All You Need is Cheese* (AYNIC) Magazine was distributed as an insert in Canadian magazines across the nation. *Canadian House and Home* delivered the magazine to consumers in Ontario, the western and Maritime provinces. *Canadian Living* delivered the magazine to the western provinces and *Ricardo* covered Ontario and the west. AYNIC was also inserted in newspapers, distributed to retailers and industry, and mailed to subscribers. A total of 806,690 magazines were distributed.

The winter 2017 *All You Need is Cheese* Magazine was published in November 2016 and distributed through Food & Drink magazine. Copies were also mailed to subscribers and distributed to both industry and retail stakeholders. Close to a million copies of the AYNIC's final issue were distributed.

Canadian Cheese Rolling Festival

In August 2016, 153 competitors and close to 10,000 attendees gathered for the 9th edition of The Great Canadian Cheese Rolling Festival (GCCRF) in Whistler, British Columbia. The event comprised cheese rolling races featuring an 11-pound wheel of Aged Farmhouse Cheddar, produced by Courtenay, British Columbia-based cheese maker Natural Pastures. The festival was developed to promote Canadian cheese, and its key ingredient 100 percent cow's milk, and to increase cheese sales in British Columbia.

Due to a number of factors including the high cost of producing the festival versus the low return on investment, and unpredictable weather from year-to-year, the festival has been discontinued.



If it's
CANADIAN MILK,
it's worth crying over.

2017 Campaigns



If it's made with Canadian Milk— It's worth crying over

Following on Dairy Farmers of Canada's rebrand, announced in November 2016, and the unveiling of a new corporate logo, DFC began the New Year with a marketing campaign. The campaign also debuted the new certification mark of origin logo.

From January to April 2017, Dairy Farmers of Canada launched a new national campaign designed to play on the well-known expression "crying over spilled milk". The campaign, *If it's made*

with Canadian Milk, it's worth crying over captured the public's imagination through a short film, *The Dinner Party*, which aired in theatres, television and online.

Audiences were directed to qualitymilk.ca for more information about the Canadian dairy sector. The website's content was developed to educate Canadian consumers about the work and dedication Canadian dairy farmers put into the production of quality milk. Visitors are also reminded that Canadian milk is the key ingredient found in cheese, ice cream, yogurt and butter.

The campaign ran in English Canada for 12 weeks and included a mix of print ads, signage, 15-30 second spots, and a digital presence.

Website

The website received
76,000 visits

165,000
 section views

An additional **12,000** visits
 resulted from online advertising

Facebook

Facebook generated
2.1M views
 and an **86%** positive response

Instagram

Instagram received a further
235K views
 and a **91%** positive response

YouTube

YouTube tallied
735K views
 with a **58%** positive response

30 second video

2.5M views
 with a positive response of **87%**

451K views
 with a positive response of **90%**

345K views
 with a positive response of **24%**

15 second video

Pour a Tall Cold One – 2017

In February, Dairy Farmers of Canada launched a campaign, *Pour a Tall Cold One* presenting milk as an adult beverage for male consumers. A 30 second TV ad, reminiscent of traditional beer commercials, featured a group of men playing hockey before heading to their local watering hole for a cold one—milk.

The 30 second ad received more than 2 million views on combined online media, including Facebook, Instagram and Youtube, with an average of 87 percent positive response. Viewers also actively tagged their friends, discussed the ad and found it both funny and relevant.

The campaign also included a 15 second product spot, as well as six second YouTube and social video homepage takeovers on websites targeting predominantly male audiences such as ESPN, and out-of-home ads.

A follow-up survey indicated that 4-in-10 Canadians had seen at least one of the campaign elements. After watching the TV spot, 79 percent of the survey respondents responded positively to the message conveyed.

Through a partnership with the Toronto Blue Jays, running throughout 2017, Dairy Farmers of Canada will be prominently featured at the Rogers Center.

Chocolate Milk

The 2017 spring campaign launch transitioned *Recharge with Milk* to Chocolate Milk to align with Dairy Farmers of Canada's new brand identity. The 2017 campaign positioned chocolate milk as a post-workout recovery beverage for "very active everyday people" in addition to high performance athletes—to reach a larger audience with a broader message.

The campaign comprised a mix of retail, sponsorships and mass media advertising. Sponsorships for spring 2017 in Ontario and the Maritimes included:

- London Life Road Race
- The Mississauga Marathon
- The Blue Nose Marathon
- Ride to Conquer Cancer

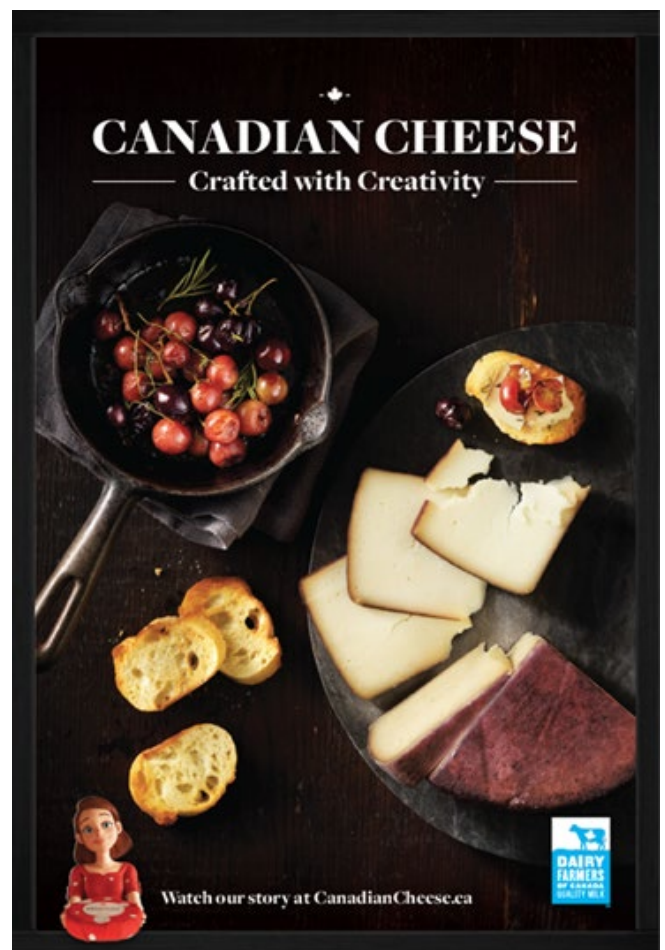
A mass media campaign was also run in transit shelters and in-gym posters, as well as in social media across Canada—with the exception of Québec, Manitoba and British Columbia. The mass media campaign also covered Alberta and Saskatchewan for the first time.

Cheese: Canadian Cheese. Crafted with Creativity

The 2017 cheese campaign targeting Millennial adults between the ages of 18-34 was launched in April. The campaign positioned cheese as a "national treasure, a global competitor and an indulgence worth sharing". It focused on elevating the perception of quality associated with Canadian cheese to maintain growth in the domestic market as the number of imported cheeses increases.

"Canadian Cheese. Crafted with Creativity" launched between April and June featuring an animated short film, *Mia & Morton* that emphasized the importance of creativity and innovation in Canadian cheese production while acknowledging traditional practices. The film underscores the message that Canadian cheese is distinct, diverse and creative.

The full campaign combined a mix of tactics including digital advertising, out-of-home, social outreach, and sponsorships promoting the themes presented in the animated film.



Nutrition

Through education programs, and policy work in nutrition and public outreach, Dairy Farmers of Canada's registered dietitians make positive contributions to Canadians' health. They are informed by and report on the latest findings in Canadian and international research on milk products and their impact on nutrition, food science and health.

Dairy Farmers of Canada also invests in scientific research conducted by independent scholars, under the research clusters, which are also federally funded, as well as in collaboration with the Natural Sciences and Engineering Research Council of Canada (NSERC).

National Outreach

Nutrition and Health Symposium

Dairy Farmers of Canada hosted the sixteenth annual Symposium on Nutrition and Health in Toronto on November 8, 2016, during the second leg of a cross-Canada tour which also visited Vancouver, Montreal and Moncton.

Entitled "Making Sense of Dietary Patterns", the Symposium featured a panel of leading scientific experts that explored eating patterns, including the role of milk products in a healthy diet.

By showcasing four independent experts, in four cities, Dairy Farmers of Canada offered tools to facilitate the work of dietitians and health professionals who provide health advice to Canadians about healthy eating.

The Toronto and Montreal legs of the cross-country tour were webcast. The live gatherings drew more than 1,000 participants, primarily dietitians, while more than 1,500 participants watched the event online. Physicians, nurses, and physical activity and dental health professionals were also in attendance.

Medical Community and Cardiovascular Health

Since the launch of Dairy Farmers of Canada's Physician Education Program in October 2016, DFC medical representatives have been meeting with doctors both one-on-one by visiting health clinics, and by participating in conferences catered specifically to doctors. As of April 2017, 70 percent of the doctors comprising Dairy Farmers of Canada's list of more than 6,000 physicians had been visited at least once.

Dairy Farmers of Canada hosted a booth at the Family Medicine Forum and the St. Paul's Hospital Continuing Medical Education Conference for Primary Care Physicians, both held in Vancouver, as well as the 54th Annual Scientific Assembly of the Ontario College of Family Physicians. DFC medical representatives met with an estimated 1,000 physicians during these events.

Since the program was launched, Dairy Farmers of Canada medical representatives have made just over 3,200 calls to family doctors across Canada.

Farm Tours

Dairy Farmers of Canada conducted farm tours with registered dietitians and university students enrolled in a nutrition program during the fall. The farm tours provided dietitians and students with an opportunity to interact with farmers directly to learn about farming practices. This hands-on experience provided dietitians with the knowledge they require to respond to questions from clients regarding where food comes from and how it is produced.

In September 2016, Dairy Farmers of Canada partnered with Farm and Food Care Canada and Egg Farmers of Ontario to hold a tour for dietitians in Hamilton, Ontario. In October, 10 registered dietitians visited three dairy farms in the Montreal vicinity. Farm tour participants included representation from the media, private practice, major food retailers and community services. Dairy Farmers of Canada's nutrition team in the Maritimes also conducted two farm tours attended by 44 university students and six professors from the Mount Saint Vincent University and Université de Moncton nutrition programs.

The Dairy Farmers of Canada Farm Tours successfully showcased dairy farming as a caring, humane, ethical, self-sustaining, and essential profession.

Nutrition Month

Dairy Farmers of Canada sponsored the 2017 Nutrition Month presented by Dietitians of Canada. This year, unlike previous years, DFC presented its campaigns under one official banner to increase the visibility and scope of the visual campaign. This created a platform for Dairy Farmers of Canada to publically associate itself with Nutrition Month, and promote dairy products as part of a balanced diet. The goal of this year's theme "Take the fight out of food! Spot the problem. Get the facts. Seek support" provided solutions to the most common issues people have with healthy eating. The Dairy Farmers of Canada nutrition team also developed a poster, fact sheets for health professionals and teachers, and launched a social media campaign aimed at demystifying some of the false beliefs about milk products.



Dairy Farmers of Canada nutrition team comprises 31 registered dietitians with 322 years' combined expertise. Located across the country, team members are responsible for upholding and adhering to the ethical standards established by the regulatory body for the province within which they work. Dairy Farmers of Canada's nutritionists also belong to Dietitians of Canada, which provides education and training opportunities over-and-above the rigorous university education dietitians must undertake for accreditation.

Get Enough: 2009-2016 campaigns

Since 2009, Dairy Farmers of Canada's *Get Enough* campaign has been raising awareness among Canadians regarding the importance of the daily consumption of milk products based on *Canada's Food Guide* recommendations. The focus of the campaign was on milk, yogurt and cheese's nutritional value, the fact that they contain up to 16 essential nutrients, and that they can help reduce the risk of numerous diseases and health conditions such as hypertension, colorectal cancer and osteoporosis. Dairy Farmers of Canada's nutrition team addressed this challenge through separate campaigns aiming to promote the consumption of yogurt, cheese and milk.

In partnership with the Heart and Stroke Foundation, Osteoporosis Canada and the Colorectal Cancer Association of Canada, Dairy Farmers of Canada has encouraged consumers to download the free *Get Enough Helper* app for smartphones from getenough.ca. The app helped consumers track their daily servings from the four Food Groups, as well as support the partners through a donation. As of December 2016, the app had been downloaded more than 250,000 times, and Dairy Farmers of Canada had donated \$402,000 in support of these three partners.

Events

In the latter part of last year, Dairy Farmers of Canada dietitians held exhibit booths across Canada at various scientific conferences targeting health professionals, including physicians, nurse practitioners, dietitians and researchers. Some of the events attended include:

- The New Brunswick Heart Symposium
- Le Congrès de l'Ordre professionnel des diététistes du Québec
- The Canadian Hypertension Congress

- The Canadian Diabetes Association Professional Conference
- Le Congrès de l'Ordre des infirmières et infirmiers du Québec
- The Heart and Stroke Clinical Update

Participating in these gatherings gave Dairy Farmers of Canada an opportunity to connect with health professionals from coast to coast and talk about the role of milk products in a healthy diet.

Help prevent osteoporosis.



USE THE **GET ENOUGH HELPER APP** EVERY DAY AND WE'LL DONATE* ON YOUR BEHALF.

> getenough.ca/app






Osteoporosis Canada
Ostéoporose Canada



*DONATIONS UP TO A MAXIMUM OF \$100,000.
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Regional/Provincial Outreach

In addition to programs run at a national level targeting consumers and health professionals, provincially-based Dairy Farmers of Canada nutritionists work with early childhood educators (ECE), family childcare providers, school teachers, fitness professionals and parents to impart the importance of nutrition on health and wellbeing. Comprehensive and credible nutrition programs developed for the education sector in support of provincial curricula are delivered in the Maritimes, Quebec, Ontario and Alberta. Nutrition programs in British Columbia, Saskatchewan, and Manitoba are managed by the provinces' dairy organizations.

Maritimes

Dairy Farmers of Canada's nutrition team in the Maritimes has developed a multipronged approach to advise educators on the role exercise and a healthy diet plays in wellbeing. The Maritimes outreach efforts include seven initiatives specifically tailored to reach different audiences with varying degrees of knowledge regarding nutrition. Dairy Farmers of Canada provides kindergarten to grade 9 teachers, daycare providers and parents with a wealth of information delivered through workshops, videos, rewards and scholarships, information kits and educational programs. In 2016-2017, the nutrition team initiatives included:

- DFC Workshops: 120 early childhood educators participated
- DFC Electronic educational materials (videos, activity sheets) for school teachers: 1,800 views, 1,300 downloads
- Consumer Outreach through events (DFC booths/sponsorship): 39,900 consumers reached

Quebec

The Quebec nutrition team engaged in nine diverse initiatives targeting family childcare providers, child daycare centre cooks, early childhood educators, preschool and elementary school teachers, physical education and health educators, and families. Dairy Farmers of Canada's Quebec outreach activities comprise workshops and training sessions, education materials, interactive tools, scholarships, day camps and a conference. In the 2016-2017 period, Quebec's nutrition team delivered:

- DFC Training sessions: 1,200 ECE, family childcare providers, elementary school teachers participated
- DFC Workshops: 2,000 family childcare providers participated
- DFC Conference: 315 health professionals attended
- Website content: 28,000 visitors

Ontario

Ontario's nutrition team delivers content tailored specifically to early childhood educators, elementary and secondary school teachers, health professionals, parents and consumers. The team delivers a mix of eight programs that include workshops, seminars, on-line courses and tools, newsletters, videos, events and lectures to convey nutrition and health messages to different target audiences. In the 2016-2017 period, Ontario's nutrition team delivered:

- DFC online nutrition course: 4,000 early childhood educators participated
- DFC e-newsletters: 3,500 early childhood educators reached; 12,000 teachers subscribed
- DFC workshops: 1,500 elementary teachers participated
- Electronic communications: 60,000 visitors; 2.6 million YouTube views; 3.6 million Facebook views

Alberta

In January 2017, Alberta based nutritionists transitioned from Alberta Milk to Dairy Farmers of Canada. Upon joining Dairy Farmers of Canada, the team began implementing 10 programs including information materials, videos, learning seminars and online activities targeting elementary school teachers, health professionals, fitness professionals and consumers across the province.

- DFC e-newsletter: 577 health professionals and health educators subscribed
- DFC presentations: 90 fitness leaders attended
- DFC electronic communications: 2,300 sessions, 3,838 views, 1,987 users/month

Research

Dairy Farmers of Canada’s 2016/17 research budget amounted to approximately \$2.4 million. The total research value leveraged from Dairy Farmers of Canada’s contribution to drive innovation in the Canadian dairy sector reached over \$10 million. This funding was directed to address farmers’ priorities for research in milk production, genetics, and human nutrition and health.

Dairy Farmers of Canada leveraged farmers’ research investments to match funding from two main government partners: Agriculture and Agri-Food Canada (AAFC) and NSERC.

Dairy Farmers of Canada also finances research initiatives that deliver national benefits in collaboration with its provincial members and other sectorial partners—they include, among others, Canadian Dairy Network, Canadian Dairy Commission, Alberta Milk, BC Dairy Association, Dairy Farmers of Manitoba, Novalait Inc., Valacta, CanWest DHI, and international partners through the Dairy Research Consortium.

Dairy Farmers of Canada Research Investment Impact

2016/17 Total Research Value = \$10.15 million

Dairy Farmers of Canada invests in six research programs including:

- Dairy Research Cluster
- Organic Science Cluster
- Nutrition Expert Scientific Advisory Committee (NESAC)
- DairyGen (managed by CDN)
- NSERC Industrial Research Chairs
- Dairy Research Consortium

- 15** Canadian Universities
- 10** Federal Research Centres
- 2** International Research Institutions
- 160** Scientists
- 130** Students (PhD, MSc, undergraduates)
- 52** Research Projects
- 1** Communications and Knowledge Transfer Plan

2016/17
Total Research Value =
\$10.15M



In 2016, the **NSERC Industrial Research Chair on Nutritional Control of the Production of Milk Components in Dairy Cows** was completed after six years of work.

Total DFC investment in this Chair was \$250,000

with partners from NSERC, Novalait, Producteurs de lait du Québec, Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec Valacta, and Centre de recherche en sciences animales de Deschambault.

Projects by Priority Theme

Dairy Cattle Health, Care and Welfare

There are 13 research projects that address dairy cattle health, cow comfort and welfare. The projects are financed through the Dairy Research Cluster, the NSERC Industrial Research Chairs program and the Organic Science Cluster.

Sustainable Milk Production

Within the sustainable milk production theme, projects focus on water use, feeding, cropping, and manure storage to improve whole farm sustainability. There are seven research projects in sustainable milk production financed through the Dairy Research Cluster and the Organic Science Cluster.

Dairy Genetics and Genomics

There are nine projects that address dairy genetics, genomics and epigenetics. The research focuses on rates of genetic and genomic progress, as well as the use of genetics to improve animal health and reproduction. The projects are financed through DairyGen, the Dairy Research Cluster, the Natural Sciences and Engineering Research Council, and Genome Canada.

Human Nutrition and Health

Investments in human nutrition and health research support 23 research projects. The research addresses the role and benefits of milk product consumption in human health. The projects are financed through the Dairy Research Cluster, NESAC, and the Dairy Research Consortium (International).

Projects Completed in 2016

In 2016, the NSERC Industrial Research Chair on Nutritional Control of the Production of Milk Components in Dairy Cows was completed after six years of work. Total DFC investment in this Chair was \$250,000 with partners from NSERC, Novalait, Producteurs de lait du Québec, Ministère de l'Agriculture, des Pêcheries et de l'Alimentation du Québec, Valacta, and Centre de recherche en sciences animales de Deschambault. The outcomes of the Chair included the development of diagnostic tools to measure the efficiency of the rumen and retention of fat and proteins in milk, identification of factors that modulate milk constituents and the study of forage and other fat supplements that impact the aroma and flavor of milk. Twenty-five people, at varying stages of their university studies (undergraduates, MSc., PhD. and post-doctorate) were trained within this Chair.

More information on research projects funded by Dairy Farmers of Canada and its partners can be found at dairyresearch.ca.

Partners

Financial Data

To consult
DFC's financial
information for

The year **16/17**
please click here

Dairy Industry

Providing a wealth of information about issues affecting the dairy industry in Canada and abroad.

Canadian Dairy Commission
Canadian Dairy Network
Holstein Canada
Jersey Canada
Ayrshire Canada
Canadian Livestock Genetics Association
CanWest DHI
Valacta
Dairy Processors Association of Canada
Gay Lea Foods Co-operative Limited
International Dairy Federation
Global Dairy Platform
World Farmers' Organization
Agropur

Nutrition and Health

Promoting a healthy lifestyle through nutrition and physical activity.

Association québécoise de la distribution de fruits et légumes
Canadian Association for the Advancement of Women and Sport and Physical Activity
Canadian Foundation for Dietetic Research
Canadian Nutrition Society
Canadian Obesity Network
Canadian Society for Exercise Physiology
Colorectal Cancer Association of Canada
Dietitians of Canada
Extenso
Fédération des éducateurs et éducatrices physiques enseignants
Heart and Stroke Foundation
The Elementary Teachers' Federation of Ontario
Osteoporosis Canada
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