

Dairy Farmers of Canada



Les Producteurs laitiers du Canada

THE MARKET

The Canadian agriculture and agri-food sector plays an important role in the Canadian economy. In 2005 the dairy industry contribution to the Canadian Gross Domestic Product was estimated at \$9.7 billion. Moreover, through the supply management of milk, consumers in Canada benefit from a stable supply of high-quality products at reasonable prices.

The Canadian dairy industry is diversifying and evolving as sales hit over \$8.5 billion in 2007. The average Canadian household spends \$612 on dairy-case products throughout the year, accounting for 17.4% of their annual grocery spend. On average, dairy-case products are included in the shopping basket 44% of the time. Milk, prepackaged natural cheese, excluding snacks, and yogourt remain the top three categories, accounting for almost 55% of total dairy-case sales in 2007.

Today's dairy case contains the staple products that Canadians know and love — milk, cheese, yogourt and cream. When Canadians shop for food,



this important vitamin. Dairy Farmers of Canada (DFC) promotes the wholesome goodness of dairy products as part of a healthy, balanced diet and encourages healthy eating for all Canadians.

ACHIEVEMENTS

In 2009 DFC will be celebrating its 75th anniversary. Over the years, many pioneers have left their mark on the Canadian dairy industry, and many changes have occurred to bring the industry to its present state.

DFC was the first national farm organization to embark on a national advertising campaign for dairy products in the 1960s. The 75th anniversary will be important to commemorate all that's been accomplished.

Milk and milk products have emerged as an important part of a balanced diet, as new research continues to reveal milk's role in good health. The health benefits of milk, yogourt and cheese go above and beyond bone health. In fact, research shows milk products can help reduce the risk of several diseases and conditions, including high blood pressure, risk of breast cancer and colon cancer, diabetes, osteoporosis and can even help in achieving and maintaining a healthy weight.

HISTORY

Dairy Farmers of Canada (DFC) has been the voice of Canadian dairy producers since it was founded in 1934 as the Canadian Federation of Milk Producers. At that time, it was a part of the National Dairy Council, the national organization representing Canadian processors. The Canadian Federation of Milk Producers separated from the National Dairy Council in 1936, and the organization was renamed Dairy Farmers of Canada in 1942. On February 1, 1994, DFC merged with the

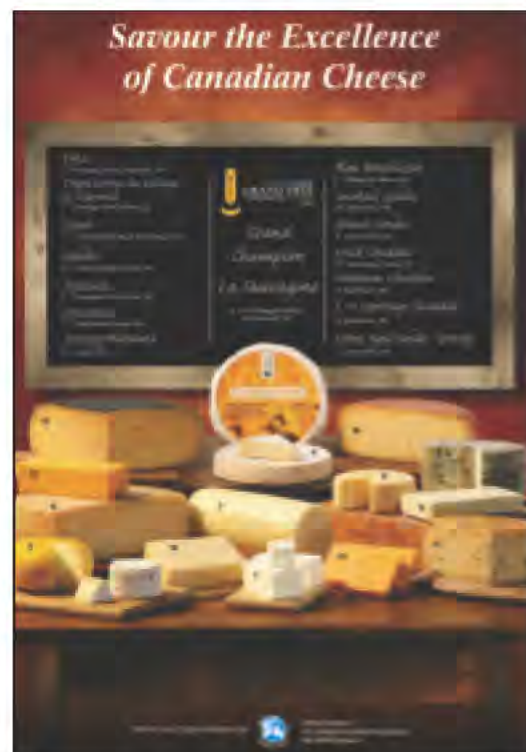
Dairy Bureau of Canada. All policy, marketing, nutrition and market research activities were regrouped under the newly expanded organization which retained the name Dairy Farmers of Canada.

Now representing Canada's 14,600 dairy farmers, DFC is a national lobby and promotional organization run for producers, by producers. All of its operations, including promotional activities, are completely funded by dairy producers. DFC is responsible for the national promotion of Canadian dairy products made from industrial milk, as well as fluid milk and cream in Ontario and the Maritimes.

THE PRODUCT

Milk. Milk and milk products made exclusively from Canadian dairy ingredients are an essential part of the Canadian diet. Ninety-five percent of Canadian milk comes from Holstein cows. Jersey, Guernsey, Ayrshire and Brown Swiss cows produce the remaining 5%. No other beverage compares to milk for natural nutrient content. Milk is a natural source of 15 essential nutrients, plus it is fortified with vitamin D.

Cheese. Canadian cheese is a delectable reflection of our country's rich heritage. Historians date the start of cheese-making in Canada toward the early 17th century, when



maintaining good health is one of their primary considerations. Milk products (including milk, flavoured milk, cream, cheese and yogourt) are naturally well positioned to respond to this concern; milk products contain 15 essential vitamins and minerals and are an excellent source of calcium and vitamin D, making it one of few food sources of



Samuel de Champlain introduced cattle to New France.

Today Canada boasts more than 350 cheeses, and 98% of Canadian households consume cheese. Worth \$4 billion in Canada, the cheese category has universal appeal and is the ultimate comfort food.

Cream. Real cream, used in coffee or as a topping, makes food extra special and is a chef's secret ingredient when cooking and baking. As with other milk products, cream is also available in different varieties: sour cream, whipping cream, double cream and coffee or table cream.

According to Statistics Canada, Canadians are using more cream and dairy farmers are selling more cream to dairies. Retail sales volume of Cream grew by 2.4% in 2006.

Nutrition. Recent surveys confirm that milk products are a significantly under-consumed food group in Canada. Adults perceive dairy as the best source of calcium, but they tend to overestimate their intake. Adult consumption of milk is low, at half a glass per day. Age is central to milk consumption; the aging population accounts for a loss of about one litre per person per year.

DFC's group of Registered Dietitians educates consumers, teachers and health professionals on the role milk products play in overall health. The unique value of dairy products in a healthy diet and their important position in Canada's Food Guide is highlighted through various marketing initiatives. Through their work, DFC's Registered Dietitians understand and translate the science and art of healthy eating into effective, innovative and award-winning resources.

RECENT DEVELOPMENTS

The dairy industry continually develops new products to respond to the continually changing marketplace. Today there is a dazzling array of innovative products. For example, consumers can now purchase milk that is fine-filtered, contains DHA (an important omega-3), has added calcium or fibre, or contains prebiotics and probiotics. Also, Canadian dairy products are now more convenient. Dairy products are now available in re-sealable, single-serve bottles that can be stored without refrigeration.

DFC supports development and innovation in the Canadian dairy industry by creating partnerships with well-known dairy and food processors.

PROMOTION

Canadian Cheese Grand Prix.

The Canadian Cheese Grand Prix is a unique opportunity for cheesemakers to show off their best, most inventive cheeses. This competition recognizes the high quality and variety of Canadian cheese, and to win is a significant honour for the cheesemakers.

DFC's goal in organizing the Canadian Cheese Grand Prix is to increase the knowledge

and appreciation of Canadian cheese among consumers and industry professionals.

Pure Determination Fund. As a sponsor of the Canadian Olympic Committee (COC), Dairy Farmers of Canada created the Pure Determination Fund in 2002. Its goal was to provide financial support to Canada's up-and-coming Olympic athletes. Over the course of this four-year program, a total of \$800,000 was distributed to Canadian Olympic hopefuls. A committee composed of athletes, COC members and DFC representatives oversaw the Fund.



Nutrition Every Day Program. In early 2006 DFC launched a comprehensive two-year *Every Day* national campaign aimed at consumers, healthcare professionals and policy shapers to promote the role of dairy products in maintaining a healthy weight. The *Every Day* program is one of DFC's biggest nutrition marketing undertakings to date. It reaffirms DFC's commitment to providing consumers with accurate science-based nutrition and lifestyle information about milk products and Canada's Food Guide.

Wine Festivals. Throughout the year, DFC provides cheese information to visitors of various events so that they can discover and learn about Canadian cheese.

For example, since 2004, DFC has sponsored the Niagara and Okanagan Wine Festivals. Sponsoring key events helps facilitate the discovery of Canadian cheese through sampling activities, tutored seminars and presentations. DFC's involvement in these activities creates new partnerships and relationships with the wine and food industries, offering further opportunity to promote



Canadian cheese. DFC also provides them with cheese distribution contacts to help them access Canadian cheese more easily.

Real Cream. Dairy Farmers of Canada works with processors, retailers and the foodservice and bakery industries to expand the Real Cream program. Advertising continues to build awareness and enhance the image of real cream with consumers and food-service operators. A key factor in the program is the 'Made with Real Cream' logo, which appears on all advertising and promotional material, differentiating real cream from imitation products.



BRAND VALUES

A corporate logo brings all DFC's activities under one common symbol, which is represented by a cow and a maple leaf. DFC's little blue cow with the tagline 'Quality Milk' represents Canadian dairy products made from milk of the highest standards. When consumers see the little blue cow, they can be confident the food they are eating is safe and wholesome, and they can feel proud that they are purchasing a Made in Canada product.



THINGS YOU DIDN'T KNOW ABOUT MILK AND CHEESE

- The average dairy farm in Canada has about 65 cows.
- Two tablespoons of cream has only 5g of fat and 49 calories, along with as much vitamin A as a peach.
- Chocolate milk is just as nutritious as white milk and has about the same amount of sugar as unsweetened apple juice.
- A 50g serving of cheddar cheese contains as much vitamin A as 125 ml of broccoli and as much protein as 2 large eggs.