



20th Annual General Meeting

November 25 & 26, 2020

Webinar



AGENDA

Wednesday, November 25th [OPEN MEETING]

- | | |
|----------|---|
| 10:00 am | Welcome from Chair |
| 10:10 am | Approval of Agenda |
| 10:15 am | Canadian Dairy Commission Report |
| 10:45 am | Dairy Farmers of Canada Report & Questions |
| 11:15 am | General Manager Report & Questions |
| 11:35 am | 2020/2021 Budget |
| 12:00 pm | Open Mic |
| 12:40 pm | Outgoing Director Recognition / General Manager Recognition |
| 1:00 pm | Adjourn |

Thursday, November 26th [CLOSED MEETING – PRODUCERS ONLY]

- | | |
|----------|---|
| 10:00 am | Welcome from Chair |
| 10:05 am | Test Question (to ensure polling function works) |
| 10:08 am | Motion to Destroy Ballots from Fall Election |
| 10:10 am | Approval of 19 th Annual General Meeting Minutes (January 15 & 16, 2020) |
| 10:15 am | 2019/2020 Audited Financial Statements |
| 10:40 am | 2020/2021 Budget Review & Vote |
| 11:00 am | Appointment of Auditors |
| 11:05 am | Council Presentation |
| 11:20 am | Questions from Board |
| 11:50 am | Open Mic |
| 12:50 pm | Wrap up by Chair |
| 1:00 pm | Adjourn |



TABLE OF CONTENTS

Board of Directors' Report.....	Page 4-5
General Manager's Report.....	Page 6-7
Dairy Farmers of Canada Report.....	Page 8-13
proAction Report.....	Page 14
Nova Scotia Federation of Agriculture Report.....	Page 15-16
Nova Scotia Cattle Producers Report.....	Page 17
Minutes of 19th Annual General Meeting.....	Page 18-25
2019-20 Financial Statements.....	Page 26-44
2020-21 Budget Projections.....	Page 45-46
DFNS 2020 Virtual AGM Questions.....	Page 47-49
Timeline of Regulatory & Policy Changes & Consultation.....	Page 50
2021 Board Directory Milk Committee Members.....	Page 51

BOARD OF DIRECTORS' REPORT

This report will update the issues and major decisions taken by your Board of Directors. The board switched almost exclusively to conference calls / webinars following our February face-to-face meeting. This new way of communicating, while time-efficient and cheaper than meeting at the office, makes wholesome discussion and debate of the issues facing our industry more difficult. The other gap was created in communication and consultation with our Milk Committees and producers being forced to become arms-length. Not only was our industry trying to reach to never before seen market swings, but the vital communication links were challenging. Following my challenge last year for producers to step up for the Board election, six candidates vied for two positions. Dustin Swinkels was re-elected and Steven Nielsen joins the Board while we thank Hans Vermeulen for his service. Thank you to everyone who let their name stand.

On the national front several trade-related issues took the stage. Producers received direct payments for the first of an eight-year, \$1.75 billion compensation package. We are still awaiting announcement and firm details about year two. CUSMA came into force July 1 which meant that the feared and unprecedented export cap was reduced, and dairy year import access increased, to Year 2 levels August 1! As we all know, total access by imports will hit 18% of our domestic market once CUSMA is fully implemented in 2024. Dairy Farmers of Canada led a lobby campaign to hold the federal government accountable for their commitment to **“full and fair compensation”**. I believe I speak for all Canadian dairy farmers that we would far prefer to fill those markets lost to imports – markets which your promotion investments helped grow!

Dairy Farmers of Canada and DFNS extended our Nutrition and Marketing Services agreement to cover 2021. The Board continues to work on reaching a common understanding with DFC for the types and scope of provincial initiatives. This joint work increases the transparency of how your marketing dollars are invested.

The P5 Quota Committee had a very active year in sending signals to producers to match milk and markets. Incredibly productions dropped quickly in April but rebounded to levels above last year by September. Major changes included: dropping the SNF threshold from 2.35 to 2.30 last January; moving the lower tolerance limit from -30 to -15 days effective August 2022; adopting the new SNF producer payment model in all provinces between February and August, 2021; and gearing up for all provinces to use the Credit Limitation policy if needed. A minor quota correction will be made for NS coincident with the next adjustment. The marketplace, consolidation and processing capacity challenges will likely grow, making the work of this committee essential for filling, but not overfilling, the P5 market. This fall there were three applicants for one position under our 2021 New Entrant Program.

The P5 Chairs and GMs met many times this spring to compare notes and coordinate provincial responses at operational and governance levels to Covid-19. They also undertook a tender process to secure added processing of surplus skim milk. Seven responses were received and the review / selection process should be completed in early 2021. These efforts parallel national efforts to create new temporary programs to help when raw milk was in surplus last spring. Those programs remain as “tools in the toolkit” for any unanticipated future market disruptions. A review of the Chocolate / Flavoured promotion program is also underway.

BOARD OF DIRECTORS' REPORT

Nationally, the P5 and Western Milk Pool and DFNL are working with the CDC to refine how the new P10 revenue-sharing pool introduced June 1 can be expanded to include selected pooled costs and markets. Several previous attempts to establish a National Pool have been unsuccessful, but the current initiative will help mitigate risks and share both the benefits and costs between the regional pools. Lots of discussion, debate and mutual understanding will be needed to reach the compromises needed for a broader P10 pool.

Natural Products Marketing Council reported its investigation findings and directives soon after last January's AGM. The Board has been diligently responding ever since. This has been an enormous file occupying much of the Board's attention while also creating considerable work for management between Board meetings. That said we are getting much closer to fully addressing the eight findings. Collecting producer license beneficial ownership information and finalizing comprehensive regulation / policy changes remain. The Board is also working with Council to enhance governance which should create an even better model and improved practices going forward.

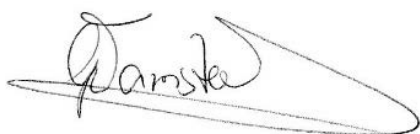
DFNS resigned both component and quality lab agreements this year, each for three year terms. Fortunately the costs have dropped, despite doubling bacteria testing frequency from 2x to 4x per month. While missing results remain a concern, operational improvements have been undertaken and we anticipate the situation to improve. Yes, having timely results is important, but the responsibility still lies with each producer to seek out their results and take corrective actions when problems start.

Your Board of Directors wishes to welcome incoming General Manager Alana Croft and thank management and staff for their continued hard work as we work on your behalf. Their experience and commitment to our industry is greatly appreciated.

We also want to express our appreciation and a GREAT THANK YOU to Brian Cameron, our outgoing General Manager. Brian's commitment and dedication has been tremendous for us provincially and nationally. His knowledge and experience will be missed by the whole dairy industry. We like to wish Brian and his wife Corinne the very best in the future and a great healthy retirement!

Looking forward we have to continue to monitor and respond to marketplace, consumer and public pressures. Many new files will be opened in the coming year with few being completed despite our best efforts. Setting priorities and adjusting emphasis where and when needed is critical. I believe DFNS is up to these challenges, as we act collectively with fellow producers across the country.

Respectfully Submitted,



Gerrit Damsteegt on behalf of the DFNS Board

GENERAL MANAGER'S REPORT

It is my pleasure to submit this report to our Membership. Our staff accomplished many items in 2020, but some challenges remain. Here is a snapshot:

Information Technology –The contract with the Quebec Marketing Board has been in place for about 18 months but early progress has slowed due mainly to Covid-19 and trade-related priorities. The expected transition period has been extended accordingly. Funding for the initial investment has been set aside in our restricted reserve. The plan to adopt the Quebec system in parallel with New Brunswick will help for cost-sharing. Several P5 Policy changes (Credit Limitation, new SNF payment, New Entrant, etc.) are being programmed into our legacy system. The IT file overall remains a priority for DFNS to balance increased operational efficiency with wise investments.

Handheld Devices – The Board approved adopting the Quebec hand held program and devices, with the expected change happening in the first half of 2021. While this ends a long term multi-province program, it will help dovetail our transition to the central IT Quebec program mentioned above. Information from hand holds continues to provide the foundation of producer and transporter payment and processor billing.

Regulation Changes – Numerous regulation changes happened this past year including the quarterly bulk haulage rates, TPQ and Milk Producer Licensing. The largest change was establishing the authority for and scope of a temporary prohibition on certain quota and share transfers effective September 1. This prohibition will allow the Board to collect and confidentially review beneficial license ownership information from all producers. The Board also established a new catastrophe relief policy covering facility, herd owner and herd catastrophes. It is in front of Council at this time.

Staffing Changes – Alana Croft, our incoming General Manager, and I have been transitioning for all of November leading to her assuming the role December 1, 2020. More on this later on. For the third year in a row a long term staff member is no longer with DFNS and we wish Jennifer Walters all the best in her future endeavors. Under Alana's and Assistant GM Kimberly Harrison's direction, the staffing compliment and functions will be rebalanced, adding back-up for critical functions. This is a never-ending task as the operational challenges continue to mount.

Pool and National Technical Work – Alana will represent DFNS on many technical committees where options for policy makers are formulated using the most current figures and trend analysis. The *Quota TC* met numerous times this past year, developing policy options plus our usual task of analyzing production and market trends, largely caused by Covid-19. I assisted with technical support as national negotiations between producers and processors looked at the trade impacts and possible outcomes of scenarios being considered. Travel for all these meetings ended mid-March and has been replaced with many more webinars across the P5 Pool and country.

GENERAL MANAGER'S REPORT

proAction – Nancy Douglas and Micha Jopp continue to provide valuable support for producers following their proAction validations. Despite being suspended for a few months, catch-up validations are helping get back on schedule. We appreciate producers adopting safe on-farm protocols and respecting the new measures being followed by Validators. The introduction of DairyTrace, tagging changes and planning for the Environment Module being added September 2021 were highlights.

DFC Services Agreement – The Board created a Promotion Committee, consisting of three Directors, which gives management at both DFNS and DFC valuable direction and suggestions. 2020 was a very challenging and different year as many promotion, advertising, nutrition education and school milk plans had to be suspended, re-worked or dropped. We have an improved approach with DFC Marketing and Nutrition Managers in adapting to the Covid-19 reality. DFNS & DFC also pursued a joint partnership with Agropur in the last part of 2020 and is planning something else with Saputo in early 2021.

In the Office – This has been a challenging year in placing milk due to Covid-19 market disruptions. Fortunately we minimized the raw milk losses to just two weeks in April as producers scrambled to reduce production while the distribution systems and markets recalibrated. I believe this is a testament to our supply managed system and producers acting collectively. Other “behind the scenes” work this past year included: planning for hosting DFC’s Annual Meeting that was eventually changed into a webinar; updating pooling and processor invoice programs; assisting with Dal ‘AC soybean and cereal variety plot claims; and negotiating numerous contracts with service providers and stakeholders.

Looking Forward – 2021 will be a transition year for DFNS operations as I retire and Alana Croft takes over this challenging role. I feel the organizational priorities fall into three categories: IT, Human Resources and Finance. As Covid-19 challenges continue to evolve, the essential efforts of your management and staff will continue. DFC AGM has been moved to 2030 and Dairy Focus Atlantic to 2022 so the focus can remain on serving our industry.

Despite these challenges, I have full confidence in the dedication of our new GM and her staff and want to express my admiration for their flexibility, hard work, and problem-solving approaches in carrying out their monthly routines and implementing board direction. After 17.5 years at the helm it’s time for me to move on to other challenges. It has sincerely been a pleasure and honor to serve Nova Scotia’s dairy industry.

Respectfully submitted,



Brian Cameron

This past year (2019-20), dairy farmers have been tested by a slew of challenges, most notably the COVID-19 pandemic. Canadian dairy farmers are resilient, and thanks to Canada's supply management system, we were able to rebalance production in a timely, coordinated way while limiting impacts on dairy farmers. Our dairy sector fared better than many other sectors of the Canadian economy, and in other countries where supply management does not exist, the impacts on dairy farmers were much more profound.

DFC has continued its important work advocating on behalf of dairy farmers for the winning conditions to foster a stable and vibrant dairy industry. DFC has also worked to address issues like emerging consumer concerns about milk standards and food security, regaining the relevance of dairy among millennials and generation-Z, developing win-win partnerships throughout the value chain, and engaging Canadians on the benefits of dairy products and a stable dairy industry.

While it is impossible to summarize all achievements over the past year, the following provides a brief overview.

Working in extraordinary times: The COVID-19 pandemic

The pandemic caused sudden, rapid fluctuations in demand for milk and dairy products, from an initial period of rush-buying at the outset to a decline in overall demand as consumers adopted new consumption patterns. While the retail sector did capture some of the lost demand from the hotels, restaurants and institutions sector (HRI), it was not nearly enough to offset total losses. Adjusting to the shifts in demand and reorienting the entire supply chain from one market to another was a major feat. As product destined for the HRI sector is typically packaged in bulk and distributed differently than product intended for the home consumer, our industry experienced some short-term bottlenecks in the supply chain while the entire industry worked to adjust to mitigate the situation.

Supporting Canadians in Challenging Times

The sudden closure of so many workplaces put many Canadians at risk of financial hardship. Collectively, dairy farmers across Canada donated more than \$10 million in dairy products to food banks to support Canadians in need, over and above contributions made throughout the year. A \$1 million donation from DFC was combined with federal government contributions to allow Food Banks Canada to purchase \$3 million in quality dairy products for distribution in communities right across Canada, including Northern Canada.

Mitigating the Impacts of COVID-19 through Advocacy

DFC collaborated with provincial dairy organizations and our stakeholders, including processors and retailers, to have key functions and services in the dairy sector identified by the federal and provincial governments as essential services. Collaborative efforts were also undertaken to encourage the government to facilitate the entry of temporary foreign workers during the pandemic, who are needed on some farms. Our advocacy efforts paid-off when the government adopted, in mid-May, legislation to increase the borrowing capacity of the Canadian Dairy Commission from \$300 million to \$500 million. That additional capacity allows for the possible expansion of storage programs for butter and cheese, for example, which will help address any additional COVID-19 market disruptions.

Stimulating the Marketplace

In the COVID-19 era, consumers are more interested than ever before in knowing what's in the food they eat and where it comes from. Through our innovative marketing efforts, including the timely *Here for Canada* campaign, DFC helped reassure Canadians of the safety and quality standards behind Canadian milk and dairy products. As data showed that Canadians were cooking more at home, DFC's national nutrition team

DAIRY FARMERS OF CANADA REPORT

launched the *Only Good Things* campaign which highlighted the delicious and healthy options of cooking with dairy.

DFC showed support for the beleaguered HRI sector by participating in the *Canada Takeout* campaign and #TakeoutDay in conjunction with Restaurants Canada and other key partners. The campaign encouraged Canadians across the country to order takeout from local restaurants to lend support to the foodservice industry, which employs millions of people across the country and relies on Canadian agriculture to serve its patrons. Dairy Farmers of Canada promoted the campaign across its social media platforms, including Twitter, Facebook and Instagram.

DFC 2.0 Updates:

Stemming from the implementation of DFC 2.0, DFC pursued four strategic priorities through 2019: governance, engaging Canadians, marketing to millennials and partnerships. By executing on these strategic objectives, DFC made significant progress on the organization’s overall key performance indicators with end of year results on our benchmarks surpassing the three-year objective in all three areas.

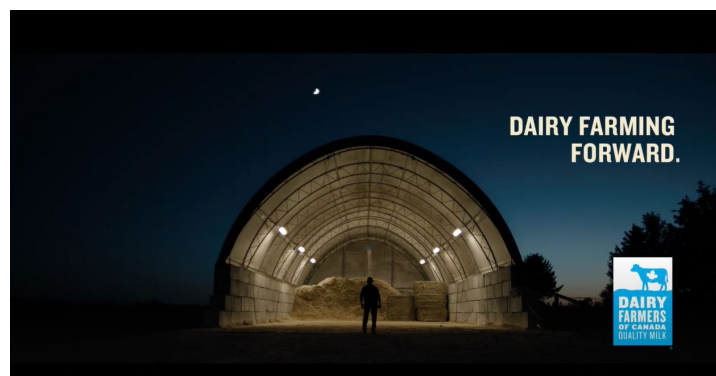
Measurement	Baseline	Mid-Year 2019	Year-End 2019	Mid-Year 2020	Three-Year Objective	Stretch Objective
% of Canadians surveyed						
Reputation of dairy farmers	72.2	69.0	70.4	70.6	70.2	74.8
Support for supply management	57.0	59.4	60.8	62.6	57.0	61.8
Millennial support for the consumption of dairy	51.3	51.6	56.3	59.0	51.3	56.0

Marketing: Regaining the relevance of dairy

DFC’s 2019 marketing activities emphasized the forward-thinking values and practices embodied by farmers in producing high-quality Canadian milk and leveraged the strength of the Blue Cow logo and proAction® program to raise awareness of milk and milk products and neutralize the erosion of attitudes towards dairy. Campaigns were designed to advance this messaging while dispelling myths and misconceptions that affect consumer purchasing decisions, with a focus on dairy farming practices pertaining to milk quality, the environment and animal care – the hallmarks of the proAction® program. Campaigns included:

Dairy Farming Forward

- Ran in two iterations, the campaign brought the industry’s commitment to environmental stewardship and socially responsible practices to the forefront using snapshots of real dairy farmers. The first iteration of the campaign reached 9.4 million Canadians (IMI Research).



Milk: It's in the Stuff You Love

- Focused on highlighting the presence of milk in foods that people already enjoy daily, the campaign raised the profile of milk and communicated key messages around the five dairy categories (milk, cream, cheese, butter, ice cream). The campaign reached 9.4 million Canadians and saw a five-point gain on shifting millennial perception on the statement “milk is a core ingredient” (IMI Research).

Santa Surprise and Both Sides of the Glass

- While *Santa Surprise* took a more timeless approach to reminding consumers that the Blue Cow logo is representative of Canadian quality milk standards, *Both Sides of the Glass* featured a youthful, fun-loving Santa dispelling myths around dairy and dairy farming practices. These two holiday campaigns both successfully raised awareness of the Blue Cow logo by 85 and 89% respectively (IMI Research).

Here for Canada

- *Here for Canada* reassured Canadians how dairy farmers are working relentlessly through difficult conditions to ensure the high quality, safety and reliability of Canadian dairy as well as donating to food banks across Canada – helping families in need. Sentiment and perceptions toward Dairy Farmers were already extremely positive and this campaign reinforced our commitment to Canadians. Positive sentiment towards dairy farmers stood at 79%, up +3% post-campaign (IMI Research)



Hey Dairy Farmer – High Standards

- Through real farmers, *Hey Dairy Farmer* communicated to consumers our sector’s superior standards and in doing so, connected with millennial parents. We showed consumers that dairy farmers in Canada work hard to provide safe, high-quality milk, produced according to some of the most stringent standards in the world. The first iteration of this campaign reached 9.67 million Canadians with highest awareness among millennials (at 46%) and a five-point gain on their perception of dairy farmers (IMI Research).

Blue Cow Logo Effect

By the end of 2019, the Blue Cow was recognized as one of the top three most influential logos in Canada (Cohesion Strategies) and nearly 20 million Canadians are now familiar with the logo.

More than 8,200 dairy products now feature the Blue Cow logo and we can anticipate that the logo will become even more important as consumers seek out more Canadian products considering the COVID-19 pandemic and impacts of recent trade deals.

In early 2020, it was announced that one of the largest dairy processors in Canada, Lactalis Canada, would be featuring the iconic Blue Cow logo on leading cheese products made with Canadian milk. The Blue Cow logo is also being featured by some of Canada’s most influential vendors and can be found on point-of-sales material at Tim Hortons, on Boston Pizza’s television advertisements, Burger King advertisements for shakes

and mini-shakes, and GoodFood's branded milk. In July, 2020, McDonald's Restaurants of Canada Limited also joined the growing family of companies and products leveraging the Blue Cow logo to help consumers identify products made with 100% Canadian milk.

DFC also worked with national retailers to create specific promotions using the Blue Cow logo as part of a strategy to drive additional dairy consumption in the COVID era, and worked with processors to find additional opportunities to move Canadian-made dairy products and help recapture some of the volumes lost from other business lines.

The Better with Real Butter partnership between Dairy Farmers of Canada and Cineplex Media promoted real butter popcorn topping and the Blue Cow logo to movie-goers across the country. The partnership was planned to run through June 30, 2020, but the COVID-19 pandemic required that it be placed on hold; however, the agreement will be extended in order to reflect the lost time.

Advocacy: A tireless champion for dairy farmers

With the help of our provincial members and farmers across Canada, DFC continued to advocate on key issues affecting the sector. Highlights include:

CETA, CPTPP and CUSMA

Canada's new trade agreement with the United States and Mexico, CUSMA, came into force earlier than anticipated on July 1 during the COVID-19 pandemic. The dairy sector had previously secured support of parliamentarians to have CUSMA come into force in conjunction with the beginning of the dairy year August 1. As a result of CUSMA and other trade agreements, Canada will have outsourced the equivalent of 18% of our domestic dairy production to foreign countries by 2024.

DFC continued to seek assurance that the balance of the compensation owed to producers over the next seven years for CETA and CPTPP will be "locked-in" in subsequent budgets and made in the form of direct payments. DFC is also seeking full and fair compensation for the market access concessions made under CUSMA. The government renewed its commitment to "full and fair" in September's Throne Speech, and DFC will continue to hold the government to account for these promises.

The government announced interim Tariff Rate Quotas (TRQs) for CUSMA following consultations with industry and DFC, establishing how the import access under CUSMA is allocated by product category to parties within the supply chain. The majority of these new TRQs have been allocated to processors, similar to the allocation of TRQs in place under CPTPP. Allocating the majority of TRQs to Canadian processors helps to ensure that more imported dairy products complement products produced in Canada, instead of duplicating them or directly competing with them.

The second phase of the broader public consultation on the long-term allocation and administration of TRQs for the World Trade Organization (WTO), CETA, CPTPP and CUSMA was put on hold until further notice. DFC has already met with officials from Global Affairs Canada to discuss the proposed options and continues to carefully monitor any next steps.

Healthy Eating Strategy

DFC continued to advocate that nutritious dairy products should be exempt from Health Canada's proposed initiatives around front-of-package labelling and marketing to children. After a successful advocacy education campaign by DFC, Senators raised concerns over Bill S-228 (marketing to children) and delays to the legislation were caused; with the dissolution of Parliament prior to the 2019 election, the bill was effectively terminated. However, following the election, both issues were included in the mandate letter to the new Minister of Health Patty Hajdu and are still being pursued by Health Canada. The federal

government assured DFC that it will be consulted when these issues move forward. We continue to advocate that the government should consider the best-available science, which points to broad health and nutritional benefits of dairy.

proAction®: Telling our story

As part of its objective to increase awareness and understanding of the program, DFC worked throughout the year to make various stakeholders better aware of proAction® and its comprehensiveness. By helping stakeholders become familiar with proAction®, they will in turn be better positioned to speak about it with their peers and professional contacts, helping to build further awareness of the program.

In June 2020, Lactanet Canada was officially recognized by the Canadian Food Inspection Agency as the Responsible Administrator for dairy cattle in Canada. Full implementation of DairyTrace became a reality in October 2020, providing a single, common framework for dairy farmers to track animal identity and movements. DairyTrace will promote information-sharing and add value to research and genetics initiatives, all while aligning with the traceability module of the proAction® program.

Research: Driving innovation

DFC's continued investments in dairy production, human nutrition and health research provide the science-based evidence needed to drive innovation in the sector and build support for dairy among consumers and policymakers alike. Findings have supported policy development, validated proAction® requirements, improved farm management practices and contributed to consolidate the nutritional benefits of dairy products.

Research by the numbers

23 FUNDING PARTNERS

31 ONGOING PROJECTS

34 CANADIAN RESEARCH INSTITUTIONS

142 CANADIAN SCIENTISTS INVOLVED

OVER 75 GRADUATE STUDENTS

APPROXIMATELY 2,000 FARMS INVOLVED

Nutrition: Reinforcing understanding of dairy's role in human health

DFC's national nutrition team continues to keep health professionals informed about emerging research and new support tools which reinforce the role of milk products in promoting health. Following the release of the new Food Guide in early 2019, DFC updated its resources for health professionals underlining the role of milk products in bone health as well as its consumer resources highlighting milk products as a key source of highly bioavailable calcium. These resources were actively promoted through the year with dietitians, physicians, and other health care providers.

DFC held another successful annual nutrition symposium in the fall of 2019 focusing on the issue of sustainable diets. 39% of participants reported improved knowledge of animal agriculture as it relates to environmental sustainability, particularly in the Canadian context.

Nova Scotia Services Agreement – Marketing and Nutrition Initiatives

Consistent with the objective of supporting the development of lifelong dairy consumption in early childhood, DFC delivered a range of new resources, programs and events for teachers and early childhood educators in Nova Scotia.

DFC completed a full content mapping exercise identifying gaps in nutrition resources and has adjusted work plans accordingly to ensure it provided the necessary resources to all target audiences identified in our business plan.

DAIRY FARMERS OF CANADA REPORT

In early 2020, DFC sent a survey to 1,293 dental hygienists across the region, the majority of whom were millennials, to gauge their understanding of dairy's contribution towards overall health, including dental health. We received more than 250 responses, offering DFC some positive feedback and insights to guide the future development of a parent brochure for dental offices. The goal is to leverage this important group of professionals as influencers to encourage the consumption of milk products.

DFC also worked with its counterparts in Nova Scotia and New Brunswick to develop a marketing campaign to promote the School Milk Program to parents. Since there are uncertainties with access to the school milk program because of COVID-19, this year's campaign was developed to be adaptable in the event of school closures. The campaign encourages parents to make milk the beverage of choice for lunch, whether their child is attending school or learning from home. The bilingual campaign will launch November 23 via television, radio and social media spots.

Although most farm tours were put on hold in 2020, we did host one in March (prior to the lockdown) with 33 post-secondary nutrition students from Mount Saint Vincent University at Bokma Farm.

In light of the COVID-19 pandemic, DFNS requested that DFC realign the service agreement plan in order to recoup costs. As such, all activation activities planned for the second quarter of 2020 were cancelled. The revised plan for DFNS saw two media and retail flights, one at the start of the year and the other towards the end of the fourth quarter. DFC also undertook some consumption-driving activities to further increase purchase of dairy, specifically in quarter four.

Working with DFNS under the service agreement, DFC helped secure a partnership agreement with Agropur for a shopper activation campaign. The goal of the 360° Integrated Shopper Program Activation is to increase consumption of ice cream and fluid dairy in Nova Scotia via promotion at stores under the Sobeys banner located in the province. The campaign began in September and will end in late December 2020.

Finally, beginning Saturday November 14, we will be activating over the course of three weeks a customized photo booth branded Dairy Farmers of Canada inside the Mic Mac Mall. As part of this activation, there will be a contest opportunity where participants can share their photo, via Facebook and Instagram, with the hashtag #LookForTheBlueCowLogo for a chance to win a prize. In addition to this activation, we will be participating the Mall's Holiday Haven event for a period of three additional weeks. Guests will be treated to a complimentary hot cocoa from our hot cocoa station (the photo booth will also be part of this station), while learning more about our commitments to quality, animal care and sustainability. Multiple touchpoints give us repeated opportunities to convey messaging around quality Canadian dairy and highlight innovative farming practices and family farm stories that behind our dairy production.

To access the full version of DFC's 2019-20 Annual Report, published in July, please visit:

<https://dairyfarmersofcanada.ca/en/annual-report-2019-20>

PROACTION REPORT

This year has been a year unlike any other. The global pandemic affected every home and industry to some extent. proAction saw on farm validations paused in March, straight across Canada, for roughly three months. When on farm activities resumed in July, validators and farmers worked together to get all activities completed and back in line. Your cooperation and support is greatly appreciated.

Moving forward, we will continue to face challenges from Covid-19. Together as industry, we will make changes and adapt as needed. Validators will continue to wear PPE for as long as the need is required. Producers are encouraged to wear a face mask during validations as well. Although there are many opportunities to maintain social distancing during the validation, everyone's protection is of utmost importance to all.

Dairy Trace was launched in early October of this year. This was the dairy industry's response to a national reporting system, that allowed for everyone outside of Quebec, to have full access to report. The system has a website and an app, along with a full customer service support. Lactanet is the national administrator of this system but was developed with full cooperation from DFC and many other partners. If you have not had a chance to set up your account yet, you are encouraged to do so during the winter months. Waiting until the busier cropping season may not be ideal.

A notice of change for the Animal Care animal health assessment and the Livestock Traceability requirements has recently been circulated to all producers. Full details are in the Notice of Change documents, but here are some highlights:

Animal Assessment:

- Beginning March 2021, a temporary dark red zone will be added. Producers in that zone, and then moving forward, the red zone, will have more frequent assessments with more cattle. Corrective action plans will require more detail and industry signatures. Zones will become set percentages, not percentiles.

Livestock Traceability:

- All producers must start reporting to the Dairy Trace by September 1, 2021 and will be part of the validation requirements after that date.
- There is a move to a single white RFID button tag for animals destined to the beef industry, born on a dairy farm. Mandatory September 1, 2023
- Customer Service lines open Monday through Friday 8-5 EST
- www.dairytrace.ca info@dairytrace.ca 1-866-55-Trace

Environment Module:

- Mandatory September 2021- added to proAction validations. Producer training will happen in the spring. Farms will be required to have a current environmental farm plan on the date of your validation.

As always, if you have questions, please contact your Provincial coordinators.

Nancy Douglas and Micha Jopp

Atlantic proAction[®] Coordinators



*On-Farm Excellence
Excellence à la ferme*

NSFA Update

NSFA Staff

Henry Vissers, *Executive Director*
Carolyn Van Den Heuvel, *Director of Outreach & Member Relations*
Shelly MacKenzie, *Administrative Services Coordinator*
Katherine Tuttle, *Communications Coordinator*
Maxine MacLean, *Policy Analyst*
Tracey Otterson, *Financial Services Coordinator*
Heather Boyd, *AgSector Coordinator*
Lori Brookhouse, *Farm Safety Advisor*
Janette McDonald, *Public Trust Coordinator*
Macy Cameron, *Public Trust Assistant (Term)*
Cory Roberts, *EFPP Coordinator*
Trevor Davison, *EFPP Coordinator*
Nicole Shanahan, *EFPP Assistant (Term)*

NSFA Council

Victor Oulton, *President*
Tim Marsh, *1st Vice President & CFA Director*
Chris deWaal, *2nd Vice President*
Allan Melvin, *Corporate Secretary & Treasurer*
Lauren Park
Josh Oulton
Andy Parker
Peter Morine
Jacob Mullen
Joe Piotti
Gordon Jackson
Chris van den Heuvel, *Past President*

Strategic Plan 2019-2023

Mission

To influence and affect change for the continual success of agriculture in Nova Scotia

Vision

A prosperous and sustainable future for Nova Scotia farms and farmers

Our Commitment

- To work in the best interest of the farming community in Nova Scotia; presenting a unified voice to effectively advocate and lobby for the betterment of the industry
- To work collaboratively with industry and key stakeholders to ensure a prosperous and sustainable future for our farms
- To support Nova Scotia farmers in managing their business risks through delivery of programs and services
- To connect, engage and communicate with our members
- To promote a positive image of our industry

Policy Update

At our 2019 Annual Meeting NSFA members adopted a new set of bylaws, these bylaws created the Policy Advisory Committee, often referred to as PAC. PAC's responsibilities include providing direction for the development of policies and positions, overseeing resolutions and receiving updates on industry trends and issues.

NSFA continues to meet with Minister Colwell and NSDA staff monthly, in addition to these meetings we have also sat down with Environment, Labour and Advanced Education, Lands and Forest, and Transportation and Infrastructure Renewal to discuss solutions to the challenges that our industry is facing.

In addition to our government department meetings, NSFA met with the caucuses for both the Progressive Conservative Party and the New Democratic Party over the summer months. Here we provided a brief overview of the agriculture industry in Nova Scotia, as well as the Federation. After that, we discussed the future for agriculture in NS, touching on land resources and land protection, rural barriers such as Internet and mobile service, roadways and labour, as well as how government can best support agriculture. We appreciate the parties giving us time in their busy schedules.

Standing Policies 2020*

**This will be updated with Policies for 2021, following the NSFA AGM on December 3. Draft Standing Policies for 2021 can be found in your October News & Views.*

Agricultural Land

Ensuring farmers have access to agricultural land is the primary objective behind this policy. Actions on resources and strategies to keep agriculture land in production drove the progress of this policy which is guided under the direction of the Agriculture Land Use Policy Committee.

Soil Health

The purpose of this policy was to ensure healthy agriculture soils is a top priority with decision makers. While the exact direction of the policy has yet to be determined, broad themes included lobbying for a comprehensive soil health improvement program, protection from top soil removal and strategies to mitigate against erosion.

Labour

A new commitment under the Labour Standing Policy this year was for NSFA to lobby for the Nova Scotia Department of Labour and Advanced Education to review the Labour Standings Code and the Minimum Wage Order with an agriculture lens to understand the full implications to agriculture.

Regulatory Standing Policy

Consistent service delivery of inspectors throughout the province, clear interpretation of regulations and participation in opportunities to consult on changes as they apply to farm businesses are all elements NSFA will continue to lobby.

Transportation

Much like the Labour Standing Policy, Transportation was also heavily focused on addressing Agriculture's uniqueness in using the roads. With the passing of the Traffic Safety Act in the legislature and the following development of regulations, NSFA ensured that Agriculture's voice continued to be recognized in the development of the Traffic Safety Regulations.

Member Relations Highlights

Communications

Communications work this year focused on supporting NSFA's advocacy efforts and communication efforts for our various programs. Our Communications Coordinator has been working hard with a group contracted to revamp the websites for NSFA, EFP, Farm Safety, Young Farmers, and the development of the AgSector website - we are excited to share those with you soon! Don't forget about our member benefits! We have a number of great benefit partners providing you with discounts and special promotions throughout the year. We have recently welcomed Maritime Fuels and Superior Propane! Check them out on our website!

Annual Meeting

We hope you will join us the week of November 30 - December 4, as we celebrate #NSFA125! We have a week long virtual event planned with webinars, panels, meetings and more - there's something for everyone! For more details or to register please visit nsfa-fane.ca/agm or call the office (902) 893-2293.

COVID-19

The COVID-19 pandemic played a significant role in NSFA operations this year. With our staff working from home March until mid-June, we tackled COVID-19 and its impact on the agriculture industry. Providing COVID-19 updates to membership on a daily basis, eventually moving to an as needed basis to keep our membership informed. Together with NSDA and Perennia, on a working group was established to support farmers with Temporary Foreign Workers. NSFA staff and Council met with government officials and lobbied for supports to help our industry through the challenging first months of the pandemic.

Program Updates

AgSector Program

The AgSector Program was launched this year to support farms by providing access to the tools and resources they need to ensure a sustainable workforce. The work is focused on the needs of employers and workers, and actively promotes agriculture as a rewarding career. This year the Farm Technician trade designation was approved by Nova Scotia Apprenticeship Agency Board. Once the course is developed and launched, farms will be able to enroll new and existing employees to work toward provincial certification to help address the demand for a skilled, sustainable workforce. We will be releasing the winter schedule for Workplace Education courses soon, as well as an online training marketplace! Be sure to keep an eye out for those announcements!

Environmental Farm Plan

2020 has been a busy year for the EFP program. We continue to work towards revamping our program and have developed a new vision for how the EFP program will be delivered.

EFP coordinators, will be delivering the same high levels of service as in the past including one-on-one farm visits, newly designed detailed reports, risk assessments and detailed recommendations (Appendix A and B) so farmers can prioritize actions on the farm and supply documentation for program

funding applications. The EFP program now falls within the new Agri-Environmental initiative which is a three-way partnership between NSFA, Perennia and the NSDA. Perennia has hired a new Agri-Environmental Specialist, Thomas Harrington.

Farm Safety Nova Scotia

Farm Safety Nova Scotia has been working hard to bring new tools, resources, training and education to the farming community in Nova Scotia. In spring of 2020 we launched our Online Training platform on our website that has 7 certificate courses two of which are in Spanish. WHMIS, Introduction to Farm Safety, and Animal handling are just a few examples of the courses offered at no cost. Farm Safety is currently working on developing a Mental Health Action Plan for Nova Scotia farmers. Part of this action plan includes a number of mental health workshops that are available over the coming months! Visit the farmsafetyns.ca/events for more details.

Meet Your Farmer

NSFA contracted Crystal MacKay of Loft32 to lead the development of a strategy for food and farming in Nova Scotia. Crystal traveled to Nova Scotia in February of 2020 to guide a facilitated session with stakeholders from all across the food system. This, combined with multiple online surveys and interviews from organizations across the country, formed the basis for the public trust strategy. This year Meet Your Farmer launched the Your Farmers, Your Nova Scotia campaign. This campaign was created to better connect the people across our province with the farmers in their communities. It features farm family profiles, recipes, food safety resources, events, and where to buy local. In addition to launching the campaign, MYF hosted a number of events, including Canada's Ag Day, Meet Your Farmer on Heritage Day at Cole Harbour Place and virtual Open Farm Day that featured over 30 farms!

Nova Scotia Young Farmers

This year, NSFA and Nova Scotia Young Farmers established a formal working relationship that provides the Young Farmers with more access to NSFA staff and resources. This includes additional support from our AgSector program. Through this relationship, the Young Farmers organization was brought into our branding strategy which allowed us to help with the redesign of their logo! Back in March, NSFA staff met with the entire Young Farmers board for a strategic planning session where they revised the mission and vision of the organization and outlined their priorities moving forward. Their new mission and vision are as follows:

Mission: To support the growth and development of young farmers and ag professionals through networking and learning opportunities

Vision: Growing the next generation of industry leaders to ensure a sustainable future for Nova Scotia agriculture.

For more information:

Phone: 902.893.2293

Email: info@nsfa-fane.ca

Web: nsfa-fane.ca

7 Atlantic Central Drive

East Mountain, NS

B6L 2Z2

NS CATTLE PRODUCERS REPORT

Cattle market prices started off strong this year, flattening due to COVID-19 uncertainties of processing. Locally, demand was strong which helped hold prices steady in Nova Scotia.

The Nova Scotia Cattle Producers had an eventful year, working jointly with the Dairy Farmers of Nova Scotia on projects.

The Nova Scotia Cattle Producers worked with the Dairy Farmers of Nova Scotia and the Canadian Food Inspection Agency to facilitate workshops, delivering the amendments to the livestock transportation regulations in February 2020. These workshops occurred in late February 2020 across the province, with nearly 100 attendees throughout the four locations.

The Maritime Beef Council (MBC) released in Spring 2020 a new local dairy-beef resource: *Beef on Dairy: A Maritime Dairy-Beef Production Guide*. This first volume manual, *From Breeder to 500lb Feeder*, was a joint collaboration from various Maritime industry organizations, such as provincial livestock specialists, Atlantic Veterinary College, all three Maritime Dairy Farmers associations, all three Maritime Beef Producers associations, provincial veterinarians and Milk 2020. This resource can be found at nscattle.ca/members/industry-fact-sheets/.

Also in Spring 2020, the Nova Scotia Cattle Producers started tracking cattle market pricing within the Eastern Canada region. This information is gathered each week, with the weekly cattle price from the week prior added to our website each Monday morning. This includes pricing from feeders (500-900 lbs), fed steers, cull cows and bob calves (good and average). This can be found on the Market Price Reports webpage: nscattle.ca/members/market-price-reports/. We encourage dairy producers to utilize this resource as a reference for when entering cattle into the beef system.

In Summer 2020, the Nova Scotia Cattle Producers and Dairy Farmers of Nova Scotia jointly wrote and submitted a letter of interest for the *Climate Adaptation Leadership Program* through the Nova Scotia Environment - Climate Change Unit and the Nova Scotia Department of Agriculture project. The Cattle (Beef and Dairy) sector was selected as one of the three industry topics, being the only livestock group involved. Throughout the next two years, there will be focus groups routinely meeting between beef and dairy who will represent both industries, as well as selected value chain stakeholders, with the end result being a completed adaptation strategy. Updates will be provided along the way of this project.

Throughout the year, the Nova Scotia Cattle Producers worked with the Agri-Commodity Management Association on the *Nova Scotia Animal Transport Resource and Training Program* through funding obtained by CAP. This allowed for a resource to be developed, the *Livestock Transportation Manifest*. Manifest books are available at the Nova Scotia Cattle Producers office for a fee of \$10. Additionally, this funded livestock commercial truckers in the province to undergo online Canadian Livestock Transport (CLT) Training, to have the certification in animal transport in Canada with current regulations. There are livestock training sessions planned to occur in the near future for producers. Details will be announced as they are finalized.

If you have questions, comments or concerns, please feel free to contact Brad McCallum at the NSCP office, at office@nscattle.ca or 902-893-7455.

Larry Weatherby

Larry Weatherby, Chair





**19th Annual General Meeting
Dairy Farmers of Nova Scotia
Best Western Glengarry, Truro, NS
January 15-16, 2020**

January 15th, 2020

Call to Order and Chair's Opening Remarks

DFNS Chairman Gerrit Damsteegt called the meeting to order at 9:40 am. He welcomed members, out-of-province producers, processors, government and agribusiness representatives, and other guests, acknowledged the sponsors, and invited everyone to participate during the meetings and discussions.

Roll Call

Roll call was conducted by having members sign in prior to entering the meeting room. A list of the 83 registered producers attending is attached to these minutes.

Canadian Dairy Commission Report – Chantal Paul

DFNS Director Hans Vermeulen introduced Chantal Paul, Corporate Services Director, Canadian Dairy Commission.

Ms. Paul explained that as part of the CETA and CPTPP trade deals a national working group recommended a compensation package for dairy farmers. This \$1.75 billion / 8 year package follows the \$250 million CETA Dairy Farm Investment Program. Ms. Paul stated that the CDC has been mandated to make the compensation payments and is working closely with AAFC and the provincial milk boards to ensure efficient and timely delivery of the payments to producers. Currently, 90% of the \$320 million year one direct payment compensation cheques have been issued to Nova Scotia producers, with 23 producers not yet registered.

Ms. Paul reported an increase farm gate price of 1.93% for class 1 to 4 milk products beginning on February 1st, 2020. The Canadian dairy sector includes 10,951 farms where 945,000 cows produce close to 8.5 billion litres of milk per year.

The CDC has launched the Workforce Development Initiative (WDI) in 2018, a three-year, \$5 million investment to develop and support a qualified workforce in the Canadian dairy industry. The WDI is composed of four key funding programs including: Scholarship Program- scholarships for graduate students in fields related to the dairy industry; Career Promotion Program- promotion of careers in the dairy industry; Education Program- creation of government-certified, full-time educational programs in order to train qualified staff to work in dairy plants; and Continuing Education Program- opportunities for continuing education for current dairy plant and farm staff.

Mr. Vermeulen thanked Ms. Paul for responding to several questions after presenting the CDC report.

NSDA – New Regulations – Steve Tattrie

DFNS Director Hans Vermeulen introduced Steve Tattrie, Director Animal and Crop Protection, Nova Scotia Department of Agriculture.

Mr. Tattie discussed the new Raw Milk Production and Transportation Regulations being implemented March 15th, 2020. He focused on the Dairy Inspector responsibilities of performing routine inspections on licensed dairy farms to ensure that producers maintain their facilities in accordance with the Dairy Industry Act and the Raw Milk Production and Transportation Regulations. He listed common deficiencies on the 90 farms inspected against the new regulations since April 2019. NSDA, DFNS and NPMC have collaborated in forming a Standard Operating Procedure (SOP) to ensure that inspectors conduct fair, thorough and consistent inspections.

Mr. Tattie fielded producers' questions before Mr. Vermeulen thanked him for discussing these new regulations.

Masstown Market Creamery – Ron Smith

Hans Vermeulen introduced Ron Smith, Business Development Manager, Masstown Market Limited.

Mr. Smith gave an interesting presentation on the new Masstown Creamery. Since January 2019, the small-scale creamery began processing milk from local dairy farms into bottled milk, cheese, butter and several flavours of delicious cheese curds. The Creamery plans to increase their line of value-added products at the popular destination.

Mr. Vermeulen thanked Mr. Smith for the interesting story of Masstown's 50 years in business and their ability to adapt and grow.

Messages from Other Provinces

Hans Vermeulen welcomed out-of-province guests: Heini Hehli (Alberta); Stefan Signer (DFM); Gordon MacBeath (DFPEI); Gilbert Matheson (DFNB); Pascal Leduc (PLQ); and Normand Barriault (PLQ) - who each brought greetings from their respective provinces, thanking DFNS for the invitation. In particular, the P5 representatives expressed appreciation for DFNS's leadership efforts and overall commitment to our industry. A few key statements below:

- Mr. MacBeath noted his province is putting a proposal forward for Agri-Recovery after the poor harvest in 2019. He mentioned the milk pricing is not keeping up with the food basket pricing and says farmers can not exist to just pay bills, they must make a profit to stay in business.
- Mr. Leduc indicated the PLQ sees the issue with COP as well, suggesting P5 provinces join voices together and be heard.
- Mr. Signer indicated their board is looking forward to coming to Nova Scotia in July for the DFC AGM. Similar to the East, the West had a difficult harvest. Combined with a major barn fire knocking out 2% of their production and struggling with having enough processing capacity, it has been a difficult year.
- Mr. Hehli gave an update on Alberta, BC and Manitoba fully integrating into the new Milk Marketing System (MMS). Production is roughly 2.2 million litres per day with butterfat up to 4.3kg/hl. He briefly spoke of their New Entrant Program as well as the milk concentration facility that is looking at huge transportation savings for the West, who are currently seeing more milk than ever before.

Mr. Vermeulen thanked the out-of-province guests for their remarks.

Open Mic

Discussion involving directors, producers and guests surrounding the main topics of the new regulations mentioned earlier in the day, how the West is saving on transportation costs and processing capabilities and constraints in NS and the Maritime region.

Lunch

BUSINESS MEETING

Call to Order

Chairman Damsteegt called the business meeting to order at 1:35 pm. He explained the voting procedure and voting cards to members. Chairman Damsteegt appointed Alana Croft, Lindy Brown and Kimberly Harrison as scrutineers during the voting portion of the meeting.

Adoption of Agenda

Motion: A motion to approve the agenda, with moving the 'Appointment of Auditors' to tomorrow, was moved by Paul Taylor and seconded by Elizabeth Biggs.

Motion Carried.

Chair's Address

Chairman Damsteegt began his address by introducing the 2020 DFNS Board of Directors, including Liz Crouse. Mr. Damsteegt reported 2019 has been a challenging year in part due to the weather and also in milk transportation with the Salmon River powder plant down for repairs for 20 days this fall. Last winter, there were several road closures and weather which disrupted farm pick-up and getting milk out of province. He stressed the importance on finding ways to go on and making things work. He also mentioned the need to earn public trust in order to grow or maintain markets. "We must promote dairy products as an essential part of the consumer's healthy diet. Only 2% of the Canadian population works in agriculture, so we need to speak up and defend not only dairy but all agriculture."

Mr. Damsteegt stressed the importance of good stewardship of our industry. He thanked the board and staff for their hard work and dedication. He said it is a privilege to be a dairy farmer in Canada, and welcomed producers to continue their hard work and create opportunities for our next generation.

Approval of Minutes of 18th Annual General Meeting – January 16-17, 2019

Motion: A motion to approve the minutes of the 18th Annual General Meeting, as circulated, was moved by Lauchie MacEachern and seconded by Kees Langelaan.

Motion Carried.

Reports

Board of Directors

Byron Lamb read the Board of Directors report and directors answered various questions. Mr. Damsteegt thanked Mr. Lamb for reviewing the report.

General Manager

Brian Cameron thanked DFNS staff and the board for their dedication to our industry. He invited participants to read his report, which was included in the AGM booklet. He then presented "A Year in Review 2019," which covered significant events happening each month of the last year.

2018-19 Audited Financial Statements

Maxime Lessard, PricewaterhouseCoopers, reviewed DFNS's 2018/19 audited financial statements, noting it is a "clean report". The statements were previously approved by the DFNS Board.

2019-20 Budget Projections

Esben Arnfast, DFNS's Chief Financial Officer, presented the Treasurer's Report, noting the budget, which the board conditionally approved, will be voted on tomorrow during the policy discussions. Approving the budget is the responsibility of the board, but directors recognize the importance of input from, and endorsement of, the membership. Mr. Arnfast fielded questions ranging from CDC / DFC refund to proAction penalty dollars.

Motion: A motion to adjourn the business meeting, was moved by John Vissers and seconded by Jeff Scothorn.

Motion Carried.

The Business Meeting adjourned at 3:00 pm.

Policy Discussions

SNF Payment & Policy Changes

DFNS Executive Member Dustin Swinkels updated the AGM participants on several policy changes that have recently been announced. These include: changing the SNF:BF payment threshold from 2.35 to 2.30 effective this month; the issuance of Additional Production Days in the fall of 2020 (1 day August, 2 each for September and October and 1 for November); and narrowing the lower end of the production sleeve from -30 days to -20 days in August 2021 and then to -15 days 12 months later. He also introduced a new producer price calculation methodology to recognize the SNF market requirements. The use of a market threshold (2.0) and a deterrent threshold (2.30) for pricing means producers will no longer benefit from selling milk at or just under the 2.30.

Mr. Swinkels fielded numerous questions regarding the complex topics he presented.

Break

Closed Session

All AGM guests left the meeting and the producer-only Closed Session began.

Chairman Damsteegt addressed the Membership and reviewed the rules of engagement for the closed session.

Mr. Damsteegt welcomed Jonathan Wort, Ruminant Livestock Specialist, Perennia. Mr. Wort gave an insightful presentation on the Health of Animals Transport Regulations and the potential of Dairy Beef as a solution, which lead to numerous questions and good discussion.

Mr. Damsteegt thanked him for his thought-provoking presentation.

The meeting adjourned for the day at 5:15 pm.

Banquet

A banquet was held at 6:30 pm with the focus on Ann Landers' retirement. Already a DFNS Honorary Member from her work when DFNS was formed in 2001, DFNS was pleased to give Special Recognition to Ann Landers for her 40+ years of dedicated service to the Nova Scotia and national dairy industry. Ralph Ballam spoke to Ann's notable contributions, mentioning her dedication to the industry as a whole. Happy retirement Ann!

January 16th, 2020

The meeting reconvened at 9:05 am with DFNS Executive Member Byron Lamb as Chair.

NSFA Report

Byron Lamb introduced Tim Marsh, Nova Scotia Federation of Agriculture's first Vice President.

Mr. Marsh noted 2019 has been a dynamic year with a move to a new building and changes which saw the Council of Leaders and the Executive Committee become one, now known as Council, the single governing body of the Federation.

Mr. Marsh spoke to standing policies for 2020, the Environmental Farm plan, Mental Health in Ag program, Meet Your Farmer, and the new AgSector program. He ended his presentation discussing the Disaster Financial Assistance program designed to help individuals, small businesses and not-for-profit organizations which incurred uninsurable losses, from Hurricane Dorian, to return to pre-disaster conditions.

Mr. Lamb thanked Mr. Marsh for his presentation.

proAction Update

Byron Lamb introduced Atlantic proAction Coordinators Nancy Douglas and Lindy Brown to provide an update on the proAction program.

Ms. Douglas was pleased to report all producers in Nova Scotia have now undergone a proAction validation involving Food Safety, Animal Care and Livestock Traceability modules. On September 1, 2019, the Biosecurity module was added to the validation process and has been well received by producers and she encouraged collaboration with herd veterinarians to complete the requirements.

Ms. Brown noted the implementation of Phase 1 (Environmental Farm Plan) is scheduled to roll out with validations beginning September 1, 2021. A Phase 2 is currently under review and being piloted across Canada from January to March 2020.

Ms. Douglas and Ms. Brown answered various questions before Mr. Lamb thanked the ladies for their presentation.

Dairy Farmers of Canada Report – Pierre Lampron and Bobby Matheson

Byron Lamb introduced Pierre Lampron, President, Dairy Farmers of Canada. Mr. Lampron welcomed everyone to the meeting, and explained it's been a year of challenges and change. Many issues were faced, from uncertainty over trade agreements, shifting consumer demands, to changing government policies.

Mr. Lampron touched on many topics, the main ones included: a new strategic plan called DFC 2.0 (operating with 45% less revenue and 40% less staff); the success of branding and awareness of the Blue Cow Logo; promotional campaigns, partnering with Tim Horton's and Cineplex; School Milk Program; and Farm tour programs.

Mr. Lamb introduced Bobby Matheson, Vice President Operations, DFC. Mr. Matheson thanked DFNS for the invitation and explained that Canada is large, which makes communication a challenge, yet producers need to speak up to make themselves heard. Throughout Canada's negotiations on various trade agreements, DFC has been working tirelessly to bring dairy farmers' concerns to the forefront. It was this concentrated effort that impacted the federal government announcing \$1.75 billion dollars to compensate dairy farmers for the losses incurred by the European and Trans-Pacific trade agreements.

Looking ahead at 2020, Mr. Matheson says DFC will continue to work to regain dairy's relevancy with millennials, engage Canadians to support their dairy farmers and supply management, develop key partnerships and build on the relationship with processors to tackle industry issues.

Mr. Lampron and Mr. Matheson answered numerous questions from the floor before Mr. Lamb thanked them for their presentations.

Break

BUSINESS MEETING – Reconvenes for Voting on Budget

Reports – Continued

2019-20 Budget Projections

Gerrit Damsteegt, Brian Cameron and Esben Arnfast addressed questions on the 2019-2020 budget from the membership.

Motion: A motion endorsing the board's conditional approval of the 2019-2020 DFNS budget, as circulated, was moved by Mark Sutherland and seconded by Jeff Scothorn.

Motion Carried.

2018-19 Audited Financial Statements

Maxime Lessard, PricewaterhouseCoopers, reviewed DFNS's 2018/19 audited financial statements yesterday and it was noted the following motion was missed:

Motion: A motion accepting the auditor's report was moved by Robert J. Dillman and seconded by John Vissers.

Motion Carried.

New Business

Appointment of Auditors

Esben Arnfast reported that DFNS recommended that the membership appoint Bishops & Company Chartered Professional Accountants Incorporated as our auditors for the next fiscal year.

Motion: A motion to appoint Bishops & Company Chartered Professional Accountants Incorporated as DFNS's auditors for the 2019-20 fiscal year, was moved by Jeff Scothorn and seconded by Rob Smit.

Motion Carried.

Motion: A motion to adjourn the business meeting, was moved by Robert J. Dillman and seconded by Arnold Verschuren.
Motion Carried.

Policy Discussions

DFNS Director Tony Versteeg welcomed Executive Member Dustin Swinkels back to the podium to resume yesterday's conversation regarding the new SNF policy. Mr. Swinkels presented three more slides detailing the new policy. After answering more questions from the floor, various other topics were discussed. Directors and membership discussed processing issues of milk produced from cows fed palm fats, paying a premium to producers with high butterfat, current butter stock inventory, milk quality samples and testing and results, reasons surrounding some processors not using the blue cow logo, and the fact that Canadians do want to buy Canadian.

Lunch

Closed Session

All AGM guests left the meeting and the producer-only Closed Session began. Chairman Damsteegt reminded the Membership about the rules of engagement for the closed session.

Producers discussed various topics including: Milk Urea Nitrogen Testing, Council Findings, new Transportation Regulations, Quota Policy review, Farm Mergers, Shared Facilities, and the lack of quota available on the exchange.

Wrap Up and Adjournment

Chairman Damsteegt concluded the meeting by thanking members and out of province producer guests for their attendance and participation throughout the meeting, and positive remarks going into the future. He stated the closed session is a good opportunity to receive direct input from members and to develop solutions for issues in our industry. He assured the membership that good communications between the board and producers will continue, and feedback is always encouraged and welcomed.

The meeting adjourned at 3:16 pm.



Gerrit Damsteegt
Chair



Brian J. Cameron
General Manager

REGISTERED ATTENDEES 2019 AGM (JANUARY 15 & 16 2020)

Afton Hills
Andrew & Susie Dueck
Antrim Farms Ltd
Archibald Dairy
Aron and Elma Penner
Bacon Farms Ltd
Ballam Farms Ltd
Beech Hill
Bekkers Farms Ltd
Belland Farms
Ben Harbers & Sons Farm Ltd
Bethseda Holsteins Ltd
Bidalosy Farm
Biggs Farms
Bishop Farms Ltd
Black Avon Farms
Bokma Farm
Boundry Lane Farm
Broad Cove Farm
Bruce Leck
Canning Farm
Carree Valley Farms
Casey McLellan
Charles Hill & Sons
Clover Crest Farm Ltd
Cornelius Penner
Courthouse Hill Farm
Dabro Farms
Dale P. Henderson
Dalhousie University
Dykheuval Farms
Eloc Farm
Ferguson Brothers
Folly River Farm
Fort Lands Farm
Gary S. Bennison
Greenough Family Farm
Havey Widden
Hillpeak Farms Ltd
Hilltop Dairy
Huybers Dairy
James & Colin Kent
James H Lamb Farms Ltd
John van de Reit
Jubilee Lane Dairy Farm Ltd
Kipawo Holsteins
Langelaan Farms
Lellavan Farms
Levi D., Marvin and Lena Friesen
Lindenoord Farm
Luchtenburg Farm
MacGregor Dairy Farm
Marsh Farms
Matthew & Jessica MacDonald
Matthews Farms Ltd
Michael & Sandra van Oirschot
Michael & Tammy Carree
Musquie Valley Farms
Norman & Dora Penner
Northumberland Dairy Farm
Oostdale Farm
Overview Farms
Patterson Farms Ltd
Paul Taylor & Bill Munroe
Pine Haven Farm
Robert Sutherland
Roguniel Farm
Scothorn Farms
Smit Farms
Sunny Point Farm
Sunnycroft Farms
Takes Two Farm
Trevor Forbes
Trivee Farms
Troy Van den Hoogen and Melissa Cummings
Tulip Farms
Valleyside Holsteins
Van Vulpen Farms
Vermeuland Farms
Windcrest Farm
Winding River Farms
Windy Lane Farms
Wynt Farm



DAIRY FARMERS OF NOVA SCOTIA
Financial Statements
Year Ended July 31, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of Dairy Farmers of Nova Scotia

Opinion

We have audited the financial statements of Dairy Farmers of Nova Scotia (the Organization), which comprise the statement of financial position as at July 31, 2020, and the statements of receipts and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at July 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian Auditing Standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Dairy Farmers of Nova Scotia for the year ended July 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on December 6, 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

(continues)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bishop & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Wolfville, NS
October 28, 2020

DAIRY FARMERS OF NOVA SCOTIA

Statement of Financial Position

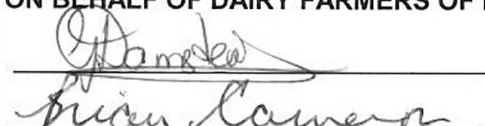
July 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash unrestricted	\$ 15,169	\$ 14,089
Accounts receivable (Note 4)	24,124,797	22,937,248
Inventory	20,684	8,735
Prepaid expenses	138,154	39,997
	24,298,804	23,000,069
PROPERTY AND EQUIPMENT (Note 5)	204,758	246,789
CASH INTERNALLY RESTRICTED	3,908,988	3,690,289
	\$ 28,412,550	\$ 26,937,147
LIABILITIES AND NET ASSETS		
CURRENT		
Operating line of credit (Note 6)	\$ 3,705,000	\$ 2,135,000
Accounts payable (Note 7)	18,852,867	19,216,876
Deferred income - promotion levy (Note 8)	668,919	631,585
	23,226,786	21,983,461
DEFERRED INCOME - HANDHELD EQUIPMENT GRANT (Note 9)	25,718	32,147
	23,252,504	22,015,608
NET ASSETS - UNRESTRICTED		
Net assets - invested in property and equipment	204,758	246,789
Unrestricted	696,301	984,460
	901,059	1,231,249
NET ASSETS - INTERNALLY RESTRICTED		
Bad debt reserve (Note 10)	3,741,086	3,523,839
Milk pricing	152	142
Quota exchange	3,360	1,920
Projects (Note 11)	164,389	164,389
PLQ IT project capital reserve (Note 12)	350,000	-
	4,258,987	3,690,290
	5,160,046	4,921,539
	\$ 28,412,550	\$ 26,937,147

CONTINGENT LIABILITY (Note 16)

COMMITMENTS (Note 17)

ON BEHALF OF DAIRY FARMERS OF NOVA SCOTIA



 Brian Cameron

DAIRY FARMERS OF NOVA SCOTIA
Statement of Receipts and Expenditures
Year Ended July 31, 2020

	2020	2019
RECEIPTS		
Unrestricted		
General receipts (Schedule 1)	\$ 1,376,573	\$ 1,557,166
Restricted		
Milk pricing (Schedule 2)	183,884,527	183,063,966
Bad debt reserve (Schedule 3)	217,247	230,348
Quota exchange (Schedule 4)	1,669,680	8,589,360
Promotion levy (Schedule 5)	2,731,150	2,492,551
	189,879,177	195,933,391
EXPENDITURES		
Unrestricted		
General expenditures (Schedule 1)	1,356,763	1,450,290
Restricted		
Milk pricing (Schedule 2)	183,884,517	183,318,227
Quota exchange (Schedule 4)	1,668,240	8,587,440
Promotion levy (Schedule 5)	2,731,150	2,492,551
	189,640,670	195,848,508
EXCESS OF RECEIPTS OVER EXPENDITURES	\$ 238,507	\$ 84,883

DAIRY FARMERS OF NOVA SCOTIA
Statement of Changes in Net Assets
For the Year Ended July 31, 2020

	General	Bad debt Reserve	Milk pricing	Quota exchange	Projects	PLQ IT project capital reserve	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 1,231,249	\$ 3,523,839	\$ 142	\$ 1,920	\$ 164,389	\$ -	\$ 4,921,539	\$ 4,836,656
Excess of receipts over expenditures	19,810	217,247	10	1,440	-	-	238,507	84,883
Transfer to PLQ IT project capital reserve	(350,000)	-	-	-	-	350,000	-	-
NET ASSETS - END OF YEAR	\$ 901,059	\$ 3,741,086	\$ 152	\$ 3,360	\$ 164,389	\$ 350,000	\$ 5,160,046	\$ 4,921,539

DAIRY FARMERS OF NOVA SCOTIA
Statement of Cash Flows
For the Year Ended July 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of receipts over expenditures	\$ 238,507	\$ 84,883
Item not affecting cash:		
Amortization of property and equipment	42,031	50,024
	<u>280,538</u>	<u>134,907</u>
Changes in non-cash working capital:		
Accounts receivable	(1,187,549)	1,425,712
Inventory	(11,949)	900
Accounts payable	(364,009)	276,962
Deferred income - promotion levy	37,334	631,585
Prepaid expenses	(98,157)	(5,421)
	<u>(1,624,330)</u>	<u>2,329,738</u>
Cash flow from (used by) operating activities	<u>(1,343,792)</u>	<u>2,464,645</u>
INVESTING ACTIVITY		
Purchase of property and equipment	-	(11,973)
Cash flow from (used by) investing activity	<u>-</u>	<u>(11,973)</u>
FINANCING ACTIVITIES		
Operating line of credit	1,570,000	(2,206,000)
Deferred income - Handheld equipment grant	(6,429)	(8,037)
Cash flow from (used by) financing activities	<u>1,563,571</u>	<u>(2,214,037)</u>
INCREASE IN CASH FLOW	219,779	238,635
Cash - beginning of year	<u>3,704,378</u>	<u>3,465,743</u>
CASH - END OF YEAR	\$ 3,924,157	\$ 3,704,378
CASH CONSISTS OF:		
Cash unrestricted	\$ 15,169	\$ 14,089
Cash internally restricted	<u>3,908,988</u>	<u>3,690,289</u>
	<u>\$ 3,924,157</u>	<u>\$ 3,704,378</u>

DAIRY FARMERS OF NOVA SCOTIA

Notes to Financial Statements

For the Year Ended July 31, 2020

1. GOVERNING STATUTES AND NATURE OF ACTIVITIES

Dairy Farmers of Nova Scotia (DFNS), a corporate body, commenced its operations pursuant to Section 5 of the Dairy Industry Act, Bill No. 64, of the Province of Nova Scotia, dated November 27, 2000.

DFNS provides a regulatory and administrative service on behalf of the dairy industry of Nova Scotia including the operation of the quota exchange. The responsibility includes the purchase of milk from producers and the sale of milk to the processors and other provincial boards. DFNS strives to ensure that efficient producers receive a fair return for their product and consumers have a continuous supply of quality dairy products at reasonable prices. DFNS represents the interests of milk producers in the province of Nova Scotia through research, promotion and communications to government and the public.

The activities of DFNS include the following:

Milk pricing

DFNS has legislative authority to license and purchase milk from Nova Scotia milk producers and sell milk to processors for processing into milk products. The milk products are paid for by processors at the legislated prices according to reported utilization in various classes and recorded as revenue for DFNS. Payments to producers for raw milk received are made by a processor, acting as payment agent for DFNS, and recorded as milk purchases by DFNS.

DFNS, along with other provincial signatories, have entered into an arrangement with other provinces to equalize the milk prices paid to producers throughout the participating provinces. To provide for the equalization function, an amount is calculated and billed to (receivable from) the Canadian Dairy Commission (CDC) each month. The monthly equalization bill (receivable) from the CDC is in turn, billed (paid) by DFNS to milk producers in the province. Any adjustments required resulting from the equalization calculation will be accounted for in the same period billed by the CDC and will be billed to the provincial milk producers in the same period. Milk haulage costs are also equalized. Milk haulage revenue represents amounts received by DFNS from equalization while milk haulage expense represents reduction in the transportation rates paid by producers.

Quota exchange

The Dairy Industry Act and Regulations provide the authority and mechanism for the operation of a quota exchange by DFNS. The quota system is a means whereby DFNS regulates the supply of milk by producers to processors. The quota exchange is a mechanism to allow individual producers the flexibility to increase or decrease their individual share of the provincial market. Producers' offers to buy/sell quota (market share) are received by DFNS and are accepted/rejected on the monthly quota exchange in accordance with DFNS regulations and policy.

Projects

DFNS is responsible for funds restricted by the board for the cost of projects, including Dairy Focus Atlantic and Maritime Milk Refund. Net costs of the projects are recorded as expenditures in the year incurred.

General

All other DFNS revenues and expenditures are considered to be part of its general operations, with any resulting surplus or deficit forming the accumulated balance.

DFNS is a not-for-profit organization as defined in Section 149(1)(l) of the Income Tax Act and therefore is not subject to income taxes.

DAIRY FARMERS OF NOVA SCOTIA

Notes to Financial Statements

For the Year Ended July 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank indebtedness.

Inventory

Inventory consists of supplies and is valued at the lower of cost and replacement value with the cost being determined on a first-in, first-out basis.

Property and equipment

Property and equipment are stated at cost. Amortization is provided annually on the diminishing balance basis at rates calculated to write off the assets over their estimated useful lives as follows:

Office equipment and computers	20%
Furniture	20%
PAQS (software)	10%
Handheld equipment	20%
IT infrastructure	20%

Amortization in the year of purchase is recorded at one-half the normal rate.

The Organization regularly reviews its property and equipment to eliminate obsolete items. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue recognition

DFNS follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Milk sales are recognized in the period the milk has been utilized.

Quota exchange receipts are recognized as revenue in the period the quota is bought and sold.

Grant revenue is recognized when there is a reasonable assurance that all conditions necessary to obtain the grant have been complied with.

Government grants related to the acquisition of property and equipment are deferred and amortized on the same basis as the equipment to which they relate.

All other sources of receipts are recognized as revenue in the period in which they are earned.

(continues)

DAIRY FARMERS OF NOVA SCOTIA
Notes to Financial Statements
For the Year Ended July 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, investments in equity instruments that are quoted in an active market are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are subsequently reported at amortized cost, and tested for impairment when there are indicators of impairment.

Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at fair value are expensed when incurred. Transaction costs on the acquisition, sale, or issue of financial instruments which are subsequently reported at amortized cost are amortized over the expected life of the instrument.

DFNS' financial assets measured at amortized cost include cash and accounts receivable.

DFNS' financial liabilities measured at amortized cost include the operating line of credit and accounts payable.

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Senior management of DFNS is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary. The following analysis provides information about the Organization's risk exposure and concentration as of July 31, 2020.

Credit risk

The Organization is exposed to credit risk in connection with the collection of its accounts receivable. Management believes that DFNS has no significant credit risk due to mitigating factors described in Note 10. A significant portion of DFNS's accounts receivable represents amounts due from the provincial milk processors. No provision for uncollectible accounts has been made as none was considered necessary at year end.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Organization is exposed to interest rate risk related to its operating line as described in Note 6. Changes in the bank lending rates can cause fluctuations in cash flows and interest expense. The Organization does not use any derivatives to manage this risk.

(*continues*)

DAIRY FARMERS OF NOVA SCOTIA

Notes to Financial Statements

For the Year Ended July 31, 2020

3. FINANCIAL INSTRUMENTS *(continued)*

Liquidity and cash flow risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Management believes DFNS has no significant risks from liquidity of cash flow due to DFNS having significant cash in hand and the reasonable expectation of receiving sufficient revenue to enable DFNS to meet its core needs for the next year.

4. ACCOUNTS RECEIVABLE

	2020	2019
Milk sales	\$ 13,062,280	\$ 13,010,731
CDC price equalization	7,990,746	6,392,289
Dairy producers - price equalization	1,742,973	1,770,495
Dairy processors - price equalization	1,222,297	1,554,494
Harmonized sales tax	68,863	68,236
CDC surplus	27,730	131,892
Other receivables and accruals	9,908	9,111
	<u>\$ 24,124,797</u>	<u>\$ 22,937,248</u>

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Office equipment and computers	\$ 85,572	\$ 69,272	\$ 16,300	\$ 20,375
Furniture	4,750	3,984	766	957
PAQS (software)	274,393	208,453	65,940	73,267
Handheld equipment	212,831	125,093	87,738	109,672
IT infrastructure	85,089	51,075	34,014	42,518
	<u>\$ 662,635</u>	<u>\$ 457,877</u>	<u>\$ 204,758</u>	<u>\$ 246,789</u>

6. OPERATING LINE OF CREDIT

The bank operating loan is limited to \$6,500,000, bears interest at the bank's prime lending rate minus 0.5% and is secured by a general security agreement over deposit accounts and trade receivables. During the year, interest of \$49,159 (2019 - \$73,547) was charged and expensed on the operating line of credit.

DAIRY FARMERS OF NOVA SCOTIA

Notes to Financial Statements

For the Year Ended July 31, 2020

7. ACCOUNTS PAYABLE

	<u>2020</u>	<u>2019</u>
Milk purchases	\$ 13,062,282	\$ 13,010,730
Dairy processors	4,241,788	3,953,037
Trade payables and accruals	1,500,692	1,761,156
CDC - payable to producers	27,730	131,892
Employee deductions payable	20,375	22,146
Producers quota exchange	-	337,915
	<u>\$ 18,852,867</u>	<u>\$ 19,216,876</u>

8. DEFERRED INCOME - PROMOTIONAL LEVY

A policy change at Dairy Farmers of Canada (DFC), effective January 2019, resulted in a change to the presentation of producer promotion dues paid to DFC. This flows from the newly executed DFC 2.0 Promotion Services Agreement for 2019. The agreement covers budgeted Nova Scotia services in areas of DCF Core Functions and Strategic Objectives, along with Nova Scotia Regional Services, which includes nutrition programs, marketing, and provincial initiatives. The collection of the dues from the producers and the promotional services provided by DFC are recorded on the statement of receipts and expenditures on a gross basis whereas in prior years, these services were recorded on a net basis.

During the year, DFNS collected dues from producers in connection with the DCF 2.0 Promotion Services Agreement, continuing the \$1.50/hl check-off rate in effect since 2013. There was a one month promotion levy holiday for milk produced in the month of April 2020. The amount of levies collected during the year which had not been invested has been recognized as deferred revenue and will be recorded as receipts once the related expenses have been incurred.

The DFNS Board of Directors formed a promotion sub-committee of the board on October 30, 2019 tasked with co-ordinating with DFC to support Nova Scotia milk marketing initiatives.

	<u>2020</u>	<u>2019</u>
Opening balance	\$ 631,585	\$ -
Promotion levy receipts collected in excess of expenditures	37,334	631,585
Closing balance	<u>\$ 668,919</u>	<u>\$ 631,585</u>

9. DEFERRED INCOME - HANDHELD EQUIPMENT GRANT

In 2015, DFNS received a grant of \$69,765 from the Province of Nova Scotia to assist in funding the purchase of handheld equipment. This grant is deferred and amortized on the same basis at the equipment to which it relates.

	<u>2020</u>	<u>2019</u>
Opening balance	\$ 32,147	\$ 40,184
Amortized into income	(6,429)	(8,037)
Closing balance	<u>\$ 25,718</u>	<u>\$ 32,147</u>

DAIRY FARMERS OF NOVA SCOTIA

Notes to Financial Statements

For the Year Ended July 31, 2020

10. BAD DEBT RESERVE

As of February 1, 2003, DFNS is collecting \$0.32/hl on white milk sales. This amount is held in a bad debt reserve to be administered by DFNS. The purpose of the bad debt reserve is to minimize any negative financial impact resulting from the possible failure by a processor to pay for raw milk by accumulating in the reserve a full month's milk value for the largest processor supplied by DFNS. Included in the increase in the bad debt reserve is \$54,262 (2019 - \$66,212) of interest earned on these funds.

11. PROJECTS

	Dairy Focus Atlantic	Maritime Milk Refund	2020	2019
Balances - beginning and end of year	\$ 34,047	\$ 130,342	\$ 164,389	\$ 164,389

12. PLQ IT PROJECT

DFNS has set aside reserve funds for a multi-year capital project to upgrade the specialized software to administer the purchase and sale of milk. DFNS has entered into a multi-year agreement with Les Producteurs de lait du Québec (PLQ) to provide this software with an estimated cost of \$350,000 for time and materials, and an estimated completion date of December 31, 2023. At year end, there were no costs incurred related to this project.

13. GOVERNMENT ASSISTANCE

Government assistance in the amount of \$21,000 was received during the year from the Province of Nova Scotia Department of Agriculture. This grant is year 1 of a 3 year grant, is reported in income, and is not repayable. The project is titled "Evaluation of improved genetics for sustainable cropping practices" and is also funded by the Atlantic Grains Council in the amount of \$7,750 per year.

14. MILK QUALITY AND PROACTION PENALTIES

During the year, the Board passed a motion to return milk quality and proAction penalties in excess of \$60,000 to producers in the monthly price. The \$60,000 is retained to generally offset the proAction Coordinator costs. Penalties collected and returned during the year were as follows:

	2020	2019
Penalties collected	\$ 110,713	\$ 127,754
Penalties returned to producers	(50,713)	-
	<u>\$ 60,000</u>	<u>\$ 127,754</u>

15. PENSION PLAN

DFNS contributes to a defined contribution pension plan for its employees which is administered through RRSPs. Contributions made to the plan and expensed in the current year total \$31,293 (2019 - \$31,822).

DAIRY FARMERS OF NOVA SCOTIA

Notes to Financial Statements

For the Year Ended July 31, 2020

16. RELATED PARTY TRANSACTIONS

DFNS regularly engages in transactions with its members who are considered related parties. Transactions with members are not disclosed separately. They are undertaken in the normal course of operations and are reflected at the exchange amount.

17. CONTINGENT LIABILITY

DFNS has a contingent liability related to an agreement whereby costs arising from certain national promotional initiatives are pooled among the ten Provinces. As the amount of production related to the initiatives in the other Provinces is not known, the amount of the liability cannot be reasonably estimated.

18. COMMITMENTS

During the year DFNS renewed its office lease agreement for a one year period ending February 28, 2021. Minimum annual lease payments are \$24,224, inclusive of HST.

19. IMPACT OF COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, and social and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Organization in future periods.

20. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified in order to conform with the financial statement presentation adopted for the current year.

DAIRY FARMERS OF NOVA SCOTIA
Statement of Receipts and Expenditures - General
For the Year Ended July 31, 2020

Schedule 1

	(Unaudited) Budget 2020	Actual 2020	Actual 2019
RECEIPTS			
Milk producer dues	\$ 1,313,183	\$ 1,221,922	\$ 1,327,459
Cost of production study	17,662	17,728	16,672
Grants and cost recoveries (Note 13)	35,000	40,179	42,770
Interest	1,200	2,552	1,147
Milk quality and proAction penalties (Note 14)	60,000	60,000	127,754
proAction validation recoveries	37,500	19,500	22,250
Quota transaction fees	10,000	5,230	10,245
Other income	7,000	9,462	8,869
	<u>1,481,545</u>	<u>1,376,573</u>	<u>1,557,166</u>
EXPENDITURES			
Meeting expenses			
Annual meeting	35,000	30,703	35,127
Regional and zone meetings	44,000	14,787	52,613
Directors, executive and committee	152,000	115,125	144,690
Honorariums	37,500	37,500	37,500
Milk committees	22,000	-	19,706
Advisory committees	2,500	2,910	1,967
	<u>293,000</u>	<u>201,025</u>	<u>291,603</u>
Operating expenses			
Scholarships and donations	-	-	19,165
Amortization	50,000	42,031	50,024
Rental	32,000	28,109	29,775
Insurance	8,000	8,338	7,758
Bank charges	5,000	4,398	3,536
Computer expenses	63,000	59,296	42,269
Telephone	8,000	9,376	7,935
Professional fees	46,000	61,031	39,805
Postage and courier	15,000	8,698	15,164
Printing	8,000	5,307	6,938
Office	4,000	2,022	2,636
Consulting fees	70,000	62,107	58,637
Salaries and benefits	596,000	557,857	571,493
Travel	35,000	29,073	30,486
	<u>940,000</u>	<u>877,643</u>	<u>885,621</u>
Other expenses			
Dairy Farmers of Canada dues	79,000	79,000	76,244
Staff and board development	5,000	2,481	4,854
DFC2020 Conference costs	-	12,623	-
Communications	15,000	12,565	12,084
Milk transportation supplies	21,000	17,956	41,154
Handhelds	30,000	34,197	29,738
proAction validations	37,500	28,852	43,965
Cost of production study	15,500	15,271	15,750
proAction coordinators	53,000	46,653	48,705
Research	40,000	28,000	342
Miscellaneous	500	497	230
	<u>296,500</u>	<u>278,095</u>	<u>273,066</u>
	<u>1,529,500</u>	<u>1,356,763</u>	<u>1,450,290</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>\$ (47,955)</u>	<u>\$ 19,810</u>	<u>\$ 106,876</u>

DAIRY FARMERS OF NOVA SCOTIA**Statement of Receipts and Expenditures - Internally Restricted - Milk Pricing****Year Ended July 31, 2020****Schedule 2**

	2020	2019
RECEIPTS		
Milk sales	\$ 174,049,904	\$ 173,719,670
Promotion initiative and other pooling recoveries	66,229	-
Milk skimming pooling revenue	61,421	76,557
Milk haulage recoveries	9,337,042	8,790,432
School milk program fees	47,065	70,814
Milk testing fees	295,136	274,601
CDC surplus	27,730	131,892
	183,884,527	183,063,966
EXPENDITURES		
CDC surplus payments	27,730	386,154
Pooling payments	494,464	775,746
Promotion initiative and other pooling	66,229	-
Milk purchases	173,555,430	172,943,923
Milk skimming costs	61,421	76,557
Milk haulage	9,337,042	8,790,432
School milk program payments	47,065	70,814
Milk testing expenses	295,136	274,601
	183,884,517	183,318,227
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	\$ 10	\$ (254,261)

DAIRY FARMERS OF NOVA SCOTIA

Statement of Receipts and Expenditures - Internally Restricted - Bad Debt Reserve

Year Ended July 31, 2020

Schedule 3

	<u>2020</u>	<u>2019</u>
RECEIPTS		
Processor contributions from milk sales	\$ 162,985	\$ 164,136
Interest	<u>54,262</u>	<u>66,212</u>
	<u>\$ 217,247</u>	<u>\$ 230,348</u>

DAIRY FARMERS OF NOVA SCOTIA

Statement of Receipts and Expenditures - Internally Restricted - Quota Exchange

Year Ended July 31, 2020

Schedule 4

	<u>2020</u>	<u>2019</u>
RECEIPTS		
Quota sales	\$ 1,669,680	\$ 8,589,360
EXPENDITURES		
Quota purchases	<u>1,668,240</u>	<u>8,587,440</u>
EXCESS OF RECEIPTS OVER EXPENDITURES	<u>\$ 1,440</u>	<u>\$ 1,920</u>

DAIRY FARMERS OF NOVA SCOTIA**Statement of Receipts and Expenditures - Internally Restricted - Promotion Levy****Year Ended July 31, 2020****Schedule 5**

	<u>2020</u>	<u>2019</u>
RECEIPTS		
Producer promotion levies collected	\$ 2,768,484	\$ 3,124,136
Deferred producer promotion levies	<u>(37,334)</u>	<u>(631,585)</u>
	<u>2,731,150</u>	<u>2,492,551</u>
EXPENDITURES		
DFC core functions and strategic objectives	1,157,670	676,783
DFC regional services and operations	1,144,075	458,570
Other promotion costs	359,644	-
DFC payments (final payments August to December 2018)	-	1,357,198
Scholarships/donations	<u>69,761</u>	<u>-</u>
	<u>2,731,150</u>	<u>2,492,551</u>
EXCESS OF RECEIPTS OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>

DRAFT 2020-2021 BUDGET NOTES

The draft budget shows the budget and actual for the previous fiscal year along with budgeted amounts for the 2020-2021 dairy year. Membership dues are 16 cents / kg BF as implemented August 1, 2014. Additional comments on items for the 2020-2021 Budget:

- Milk Producer Dues are based on filling 99.5% of the August 1, 2019 Nova Scotia provincial quota allocation. The quota allocated to producers has not been adjusted subsequently.
- Grants and Cost Recoveries have been budgeted for known revenue however there is a possibility of funding from the federal government for Covid-19.
- Milk Quality and proAction Penalties has been budgeted for \$60,000 to help offset some the budgeted proAction Coordinator costs not covered by the validations fees that are charged directly to producers. proAction Validation Revenue reflects the \$375 per farm fee with 100 farms planned to have validations completed and charged directly during the dairy year.
- proAction Validation Expense provides for the estimated validation costs and the proAction Coordinators Expense includes the NS shares of their salaries, travel and meetings.
- Meeting Expenses have been reduced for the Annual General Meeting planned to be held virtually. The possibility of an in-person summer policy meeting has been included and will be determined at a later date by the Board. Directors Expenses has been adjusted to reflect limited travel and meal costs for a portion of the current dairy year.
- DFNS Rent and Office Expenses includes monthly rental costs and other costs such as cleaning and maintenance. The Office rent is increased for two additional offices.
- Computer Software support includes the costs to support and license the two main software programs used by DFNS to process monthly producer and processor information. The producer Production and Quota System (PAQS) requires additional program support and modifications planned for the previous year but will occur in the current dairy year. Computer Network costs are the monthly fees paid by DFNS and have been matched to the previous year actual costs.
- Consultants includes \$115,000 for expert assistance with database updates and data transfers back and forth with the PLQ software system. Additional consulting costs have been budgeted for IT system security and staff transition.
- Staff Salaries and Benefits include adjustments for staff changes this year.
- Handhelds Expense has been increased to reflect the prior year's actual of \$34,197. A switch to PLQ handheld system is planned for this year which will involve rental costs and a one-time write-off of remaining depreciation for the older units. It is expected that there will be a reduction in the monthly handheld operating costs but the timing and amount is unknown.
- The Surplus balance of \$696,301 shown excludes the investment in Net Assets as of July 31, 2020 and the \$350,000 PLQ contract. It is projected to increase to \$781,363 with the budgeted 2021 surplus of \$85,062. The DFNS Board of Directors passed a new surplus policy that will maintain a maximum surplus of 58.33% of 2-year average of total expenses.

**DAIRY FARMERS OF NOVA SCOTIA
DRAFT BUDGET
DAIRY YEAR ENDING JULY 31, 2021**

	Budget 2019/20	Draft Actual 2019/20	% OF BUDGET	Budget 2020/21
REVENUE				
Milk Producer Dues	\$1,313,183	\$1,221,923	93%	\$1,301,852
National COP Income	17,662	16,978	96%	17,510
Grants and Cost Recoveries	35,000	40,179	115%	21,000
Interest Revenue	1,200	2,552	213%	1,200
Quota Transaction Fees	10,000	5,230	52%	5,000
Milk Quality/ProAction Penalties	60,000	60,000	100%	60,000
ProAction validations	37,500	19,500	52%	45,000
NSCP Fees	2,000	1,924	96%	2,000
Miscellaneous	5,000	7,538	151%	5,000
TOTAL REVENUE	\$1,481,545	\$1,375,824	93%	\$1,458,562
EXPENSES				
<u>Meeting Expenses</u>				
Annual Meeting (Lodging, Meals, Room rental)	35,000	30,703	88%	2,000
Other Meeting Expenses (AGM, Policy, Reg., BOD)	44,000	14,787	34%	17,000
Directors (Travel, Meals, Per diems, Registrations)	152,000	115,125	76%	132,000
Honorariums	37,500	37,500	100%	37,500
Milk Committees (Per diems, Mileage, Registrations)	22,000	0	0%	8,000
Advisory Committee (Chair, meals, meeting rooms)	2,500	2,910	116%	3,000
Total Meeting Expenses	293,000	201,025	69%	199,500
<u>Operating Expenses</u>				
Accounting/Audit	16,000	16,450	103%	14,500
Scholarship/Donations				
Depreciation	50,000	42,031	84%	44,000
Rent & Office Expenses	32,000	28,109	88%	34,000
Board/Office Insurance	8,000	8,338	104%	8,500
Bank Interest and Service Fees	5,000	4,399	88%	5,000
Software Support	33,000	15,267	46%	35,000
Telephone	8,000	9,376	117%	10,000
Computer Network	30,000	44,030	147%	44,000
Legal Fees	30,000	44,581	149%	40,000
Postage & Courier	15,000	8,698	58%	10,000
Printing	8,000	5,307	66%	6,000
Office Supplies	4,000	2,022	51%	3,000
Consultants	70,000	62,107	89%	147,500
Staff Salaries & Benefits	596,000	557,857	94%	552,000
Staff Travel	35,000	29,073	83%	5,000
Total Operating Expenses	940,000	877,644	93%	958,500
<u>Other Expenses</u>				
DFC Dues	79,000	79,000	100%	0
Staff/Board Development	5,000	2,481	50%	8,000
DFC2020 Conference Costs		12,623		0
Producer Communications	15,000	8,056	54%	8,000
Milk Transportation supplies, misc	21,000	17,956	86%	20,000
Handhelds	30,000	34,197	114%	35,000
National COP	15,500	14,521	94%	15,000
ProAction Validations	37,500	33,361	89%	36,000
ProAction Coordinators	53,000	46,653	88%	53,000
Research	40,000	28,000	70%	40,000
Miscellaneous	500	497	99%	500
Total Other Expenses	296,500	277,346	94%	215,500
TOTAL EXPENSES	1,529,500	1,356,014	89%	1,373,500
NET INCOME (Loss)	(\$47,955)	\$19,810		\$85,062
Surplus Balance July 31, 2020 and Projected 2021		\$696,301		\$781,363

DFNS 2020 VIRTUAL AGM QUESTIONS

The year 2020 has been a busy one for the DFNS board. In addition to hiring a new General Manager and dealing with the variability of milk supply and demand due to COVID-19, we have been working through the findings of a review by the Natural Products Marketing Council. In preparation for the closed session of the upcoming virtual AGM, the board has drafted a set of questions for the membership to consider. These are broad questions, with the key word in most being “explore”. The board has not initiated the drafting of any new policies with respect to these issues and is open to exploring all options. The questions are intended as a straw poll to gauge producer opinions. Your feedback will provide a starting point to inform board discussions in the coming year.

Each question will be read by a moderator, followed by an opportunity for producers to ask for clarifications before the poll is opened. The goal is to move through the series of questions relatively quickly, followed by an open mic discussion on these or any other questions the membership chooses to raise. Please review the questions in advance. Talk them over with your family, neighbors and business partners. Do not hesitate to contact your directors, either before or after the AGM, if you would like more information or have additional comments you would like to share.

Fresh Sampling

1) *DFNS currently offers 2x/week milk component sampling, and as of October 2020, 4x/month bacteria sampling. Some processors have moved to sampling every load for bacteria and milk components, as well as inhibitors.*

Should DFNS provide increased bulk milk sampling to producers? (Yes/No)

2) *Milk Urea Nitrogen is a milk test that is frequently used by nutritionists to balance dairy cow diets. MUN is an excellent indicator of either an excess or shortage of protein in diets and is another management tool that could increase profitability on your farm. Other provinces have successfully adopted milk tank MUN sampling into their fresh sampling routine.*

DFNS needs to provide bulk tank MUN samples? (Yes/No)

License Ownership

3) *DFNS has embarked on the process of collecting information on all beneficial shareholders of quota holders within Nova Scotia. This process may reveal situations where shareholders or family members of one quota may also have an interest in another quota operated at a different site. DFNS currently does not have a specific policy on this. Several other provinces have policies that address various scenarios where multiple license ownership may be desired by producers. These scenarios include: a producer purchasing a second license in preparation for future succession where multiple siblings are involved, or a producer purchasing a neighboring farm to gain efficiencies through sharing resources.*

Do you believe DFNS should explore a policy allowing multiple license ownership? (Yes/No)

DFNS 2020 VIRTUAL AGM QUESTIONS

- 4) *Over the years, the size of the average farm operation has grown. More milk is being shipped from individual sites, resulting in a larger percentage of the provincial quota needed to satisfy the market coming from a smaller number of production sites. Considering issues around catastrophe (of either herd or buildings), efficiency, location, feed inventory, manure handling and succession planning;*
Do you believe DFNS should explore policies limiting the size of a single production site? (Yes/No)
- 5) *Further consolidation of the dairy industry will lead to fewer and fewer dairy farms. The amount of quota held by some individuals, families, or companies could become quite substantial. It may reach a point where a large percentage of the provincial quota is controlled by a very few individuals. With this in mind;*
Do you believe DFNS should explore a policy capping the amount of quota that can be licensed? (Yes/No)
- 6) *Over the past few years, other provinces within the P5 have developed policies that restrict the movement of quota out of certain geographical areas in order to maintain regional production. This ensures essential farm services such as veterinarian, feed suppliers and equipment services will maintain a presence in the region. When these essential services are forced to shut down it puts pressure on the remaining farms within the region.*
Do you believe DFNS should explore policies that restrict the movement of quota from one geographic region to another? (Yes/No)

Quota Policy

- 7) *One of the pillars of supply management is production controls (quotas). Within the setting of provincial regulations and in the context of the pools (for us the P-5/P-10) each province has adopted policies to regulate the handling of quota. For example, the requirement to be a licensed producer, production controls, trading of quota, quality standards, etc. Market changes and trade deals have had a negative effect on the dairy industry overall, and quota availability has been low.*
Do you believe that current quota policies will be sufficient for the next 5 years to allow the industry / your farm to succeed? (Yes/No)
- 8) *Currently, there are two ways that quota can change hands: 1) off-exchange, such as whole farm transfers, and 2) through the quota exchange. With minimal amounts of quota being available for purchase on the exchange, the opportunity for growth through the quota exchange has been minimal.*
Do you believe DFNS should explore policies to make a portion of off-exchange quota transfers available on the quota exchange? (Yes/No)
- 9) *DFNS currently requires all quota transfers to be done via the quota exchange. This allows equal access and price to all producers. The only exceptions are for whole farm transfers, generational transfers and the assisted new entrant program. Several other provinces have additional exceptions*

to allow for farm growth and to alleviate the tax burden of forcing all transfers through the exchange. These policies could give more flexibility to producers when transferring quota.

Do you believe DFNS should explore policies to allow quota to transfer “off exchange”? (Yes/No)

10) *Challenges in the dairy industry such as aging infrastructure, labor, financial stress, and succession have forced producers to consider innovative solutions to resolve these issues. One suggestion is to allow more than one producer operate out of the same barn. Among other benefits, this arrangement may enable a potential new producer to build up enough equity to start farming on their own, allow an existing producer to achieve a more flexible work/life balance, or help a producer through a disaster situation.*

Do you believe DFNS should explore a policy allowing multiple producers to operate out of the same facility? (Yes/No)

Marketing/Promotion

11) *The basis of the Canadian supply management system is that dairy producers have preferential access to all domestic markets. This also comes with the obligation that Canadian producers will commit to fill ALL Canadian markets regardless of their value. Over the past several years, much of the market growth has been in lower-value classes such as butter. This has led to an erosion in the blend price paid to producers. Promotion dollars are generally targeted at fluid milk and cheese; however, the high-value fluid class continues to decline. Promoting butter sales will grow producer quota but will also continue to create excess SNF which must be sold into low value markets.*

Do you believe DFNS should target promotion dollars towards lower-value markets such as butter, knowing this may help grow quotas, but also lower the blend price? (Yes/No)

12) *Traditionally Dairy Farmers of Canada has been responsible for promotion throughout most of Canada. Within the last few years there has been a shift to allow DFNS to direct a portion of our promotion levy. Should DFNS be using this money for promotions within NS to try to grow NS markets, or in more population-dense areas such as Toronto or Montreal where there is more potential for growing the P5 market?*

Do you believe DFNS should be doing more marketing within Nova Scotia to build Nova Scotia markets? (Yes/No)

13) *New innovative dairy products continue to be introduced into the marketplace. DFNS traditionally manages the raw milk supply as a co-mingled, commodity-type product. These new products would require additional management, trucking and new policies at DFNS. However, they could potentially create valuable new markets and processing opportunities for dairy products.*

Do you believe DFNS needs to increase efforts to explore new market opportunities (ie Grassfed, A2, ultrahigh quality) (Yes/No)

TIMELINE OF REGULATORY & POLICY CHANGES & CONSULTATION

Event	Comment
DFNS approve MPL & TPQ regulation changes, forward to Council	Based on ACM recommendation
Inform P5 Quota Committee of initiative and upcoming policy consultations	Bring P5 Quota in the loop as precursor for further consultations
DFNS add holding companies to temporary prohibition policy, effective same future date as TPQ regulations effective	Close a known loophole
Establish consequences if producers miss or ignore information submission deadline	Possible progressive 5%/month quota suspension?
Council regulation approval – Dec 1 effective? January 15, 2021 deadline?	Earliest possible time, maybe too optimistic? Could be December 1
New regulations defining information effective, inform members and send information request to all	Form being finalized based on current regulation amendments / Chicken example. Access DB and PLQ also aligned
Report timeline and progress to AGM	Encourage membership to cooperate Consider communication to broader Agribusiness (lenders, accountants, etc.)
Deadline for ownership information submitted to DFNS	Capture in Access DB as they arrive – partial response likely Set a minimum % responses to allow for meaningful review
Board and management conduct confidential ownership profile review looking for risks	Ownership concentration, OP ownership, farm size, etc.
<u>Consultation with:</u> <ul style="list-style-type: none"> • Council (follow-up to Findings 1&2) • Milk Comm (follow-up to Fall Policy Session) • P5 Quota Committee (follow-up Oct 22) • Full Membership – virtual Regional Mtg (x3?) 	Consult on findings of review, risks identified and potential changes to quota policy / regulations in context of what's best for the future of NS industry and why...
Review scope of Temporary Prohibition Policy in context of policy / new regulation changes	Adjust scope with rationale
Draft revised policy / regulation changes	Reduce scope or lift prohibition once regulation changes implemented
Submit any regulation changes to ACM & Council	Follow usual approval process
New regulatory environment? Fall 2021	Earliest possible, depending on degree of regulation changes
Continue producer / P5 consultations	Refine as needed...

Note: DFNS expects this process to be completed in Fall 2021

2021 BOARD DIRECTORY

The 2021 Board of Directors will take effect on November 26, 2020, and will be comprised of the members listed below. Officers will be elected at a board meeting held immediately following the AGM.

Andrew McCurdy

2408 Highway 236
Beaver Brook NS B6L 1H4
cell: 902-897-7998
home: 902-895-0142
email: bidalosy@gmail.com

David Bekkers

583 Route 337 Antigonish
NS B2G 2L2
cell: 902-870-9002
home: 902-863-6403
email: davidbekkers@gmail.com

Gerrit Damsteegt

919 North Salem Road
North Salem NS B0N 2H0
cell: 902-758-5857
email: g.damsteegt@outlook.com

Stephen Nielsen

51 Riverside Road
Fort Ellis NS B0N 2J0
cell: 902-957-1828
home: 902-639-2886
email: spakanielsen@gmail.com

Byron Lamb

4385 Brooklyn Street
Berwick NS B0P 1E0
cell: 902-670-1879
email: byronalexanderlamb@gmail.com

Dustin Swinkels

7685 Highway 4
Afton NS B0H 1A0
cell: 902-870-2980
email: aftonhills@ns.sympatico.ca

Greg Archibald

71 Archibald Brook Road
Middle Musquodoboit NS B0N 1X0
cell: 902-890-2938
home: 902-384-2439
email: lgarchibald@live.ca

Tony Versteeg

2362 Heatherton Guysborough Rd.
Heatherton NS B0H 1R0
cell: 902-863-7999
email: silversteeg@hotmail.com

Elizabeth Crouse

Appointed by Minister of Agriculture
74 Research Drive
Bible Hill NS B6L 2R2
phone: 893-6511
Cell: 986-2697
fax: 893-6573
email: Elizabeth.crouse@novascotia.ca

2021 MILK COMMITTEE MEMBERS

Region 1

Gary Benison
William Cox
Robbie Sutherland
Arnold Verschuren

Region 4

Jeff Scothorn
Murray Holman
Nick Bokma
David Cole

Region 2

John Oostvogels, Jr.
Jason Van der Linden
Derek MacNeil
William Vosman

Region 5

David Anderson
Darren Davidson
Lindsay Greenough
Phillip Vroegh

Region 3

Vincent Kouwenberg
Alan Porter
Lauchie MacEachern
Nick van Vulpen

Region 6

Geoff Bishop
James Kinsman
Kees Langelaan
4th Person [pending election]



THANK YOU!



We welcome your feedback

Please contact us at dfns@dfns.ca

100-4060 Highway 236
Lower Truro NS B6L 1J9
Phone (902) 893-6455
Fax (902) 897-9768

www.dfns.ca
dfns@dfns.ca