

proAction

2022

PROGRESS REPORT

**PROACTION HIGHLIGHTS
AND NEWS**

**HOW PROACTION
SUPPORTS DFC'S
NET-ZERO TARGET**

**TELLING OUR STORY
OF COMMITMENT
TO EXCELLENCE**





Chair Message

On behalf of Dairy Farmers of Canada (DFC), I am pleased to present our 2022 proAction® Progress Report.

The proAction program provides a national quality assurance framework under which the nearly 10,000 dairy farmers in Canada demonstrate and document best practices in producing some of the safest, highest-quality milk on the planet.

The past year, Canadian dairy farmers announced a target of net-zero emissions by 2050. We are proud to be leaders in sustainability and this goal will build upon the many decades of conservation efforts that our dairy farmers have already made. proAction's Environment module provides clear benchmarks in areas like enhancing soil health, protecting biodiversity and reducing our carbon footprint, and works in tandem with the other five modules to offer transparency and confidence to our consumers and partners in the dairy supply chain.

We are committed to continuing to evolve the program to reflect the latest science and best practices, and demonstrating to consumers how these standards are being applied to all dairy farms across Canada.

On behalf of the proAction Committee and my fellow dairy farmers, I would like to thank everyone – including farmers, experts, researchers and industry partners – for their dedication, contributions and implementation of this program. I look forward to seeing where it will take us next.

David Wiens
Chair
proAction Committee



DFC is grateful for financial support provided through the AgriAssurance Program under the Canadian Agricultural Partnership for proAction.



Today's consumers want to know where their food comes from, how it is produced and under what conditions.

Under proAction, Canadian dairy farmers demonstrate excellence, accountability and transparency. They follow and implement some of the highest animal care and food production standards in the world. And Canadian dairy farmers are proud to do it.

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Canada's dairy farmers produce the highest-quality dairy, all while caring for their animals and supporting environmental sustainability. Through proAction, dairy farmers have done excellent work in implementing mandatory standards as they strive for continuous improvement and build trust with Canadians, so they know how the milk they love is produced.

– Hon. Marie-Claude Bibeau
Minister of Agriculture and Agri-Food



proAction[®]

Standards of Excellence

What's behind the Blue Cow logo? proAction, the Canadian dairy industry's quality assurance program, which demonstrates our commitment to the highest standards of practice and care in dairy farming.

The robust requirements of proAction reflect the values dairy farmers share with consumers and demonstrate that milk is responsibly produced on Canadian dairy farms.

Under proAction, farmers demonstrate excellence in these six distinct areas:



ENVIRONMENT

Building on existing provincial environmental farm plans, farmers ensure the best nutrient management, soil health, and wastewater management practices.



MILK QUALITY

Every day, farmers adhere strictly to provincially regulated milk quality standards to produce some of the world's highest-quality milk.



FOOD SAFETY

Farmers work to prevent, monitor and reduce food safety risks on farms, based on the principles of Hazard Analysis and Critical Control Points (HACCP) and Canadian Food Inspection Agency (CFIA) requirements.



BIOSECURITY

Farmers work with veterinarians to improve herd health and focus on preventing the introduction or spread of disease within their herds.



TRACEABILITY

This module ensures farmers uniquely identify their animals, record and report births, movements and animals disposed on farm. This tracking helps protect animal health and public health, while limiting losses and maintaining market access through improved emergency management.



ANIMAL CARE

Farmers provide excellent care for their animals, based on the *Code of Practice for the Care and Handling of Dairy Cattle in Canada*.



Strengthening our Stewardship

In the last year, validations on the Environment module were successfully completed on approximately half of the dairy farms in Canada. The first round of Environment module validations across all farms will be complete by September 2023.

The Environment module, the sixth module of proAction, was launched last year, and was a significant milestone completing years of work on the part of the industry and its stakeholder.

The Environment module builds on existing stewardship measures that farmers across Canada have been implementing for years as part of their commitment to a healthy and sustainable environment. This module helps mitigate risks and promote positive action. One of the foundational elements of this module is the Environmental Questionnaire.

As part of validation requirements, more than 5,000 Canadian dairy farmers (around 50% of farms) completed the Environmental Questionnaire between May 1, 2021 and August 31, 2022. DFC conducted an interim evaluation of the results, which provides a first in-depth look at the environmental stewardship and BMPs currently implemented on farms.

The Environmental Questionnaire is designed to help farms take note of the positive actions they are already taking with respect to environment and to inspire and motivate farmers to consider other Best Management Practices (BMPs) to further benefit the farm and the environment. Farmers are required to complete the questionnaire every two years.

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Lactalis Canada and the Blue Cow logo go hand-in-hand, as we both stand for high-quality dairy. Our brands benefit greatly from leveraging this iconic symbol underpinned by proAction, the industry's robust quality assurance and continuous improvement program under which Canadian dairy farmers demonstrate the highest standards in areas such as food safety, environmental sustainability, and animal care.

—Gilles Froment, Senior Vice-President
Government and Industry Relations, Lactalis Canada

Interim results of DFC's first Environmental Questionnaire

-  Canadian dairy farmers are readily adopting BMPs to improve and manage soil health, including those related to soil compaction, erosion and soil carbon levels. Minimum tillage is the most popular among farmers and is consistently practiced in fields across the country.
-  When it comes to reducing greenhouse gasses, reduced tillage practices and fully emptying manure storage two or more times per year are some of the top BMPs being adopted. Many Canadian dairy farmers are also upgrading their lighting, ventilation and milk house equipment to improve energy efficiency.
-  Biodiversity and maintaining wetlands and watercourses are also environmental priorities for farmers. Establishing buffer zones and vegetated areas along watercourses and wetlands is the most common BMP being implemented.
-  Some farms are managing and protecting biodiversity through rotational grazing, fencing off or maintaining natural areas for wildlife habitat. And some farms are prioritizing pollinator habitat and health by establishing or allowing others to install beehives on their farms.
-  Recycling plastic containers and other plastic waste is a common practice on dairy farms.

DFC is encouraged by these preliminary results and we are proud of the proactive actions farmers are taking to care for our environment. The Environmental Questionnaire will continue to help identify opportunities for improvement, and target the development of communication and extension tools for farmers.

Building a Sustainable Industry: Net-Zero by 2050

Dairy Farmers of Canada is committed to net-zero emissions from farm-level dairy production by the year 2050. This means achieving an overall balance between greenhouse gas (GHG) emissions and removals, like carbon sequestration through cover crops.

In February 2022, DFC set a goal to reduce emissions and sequester carbon at the farm level to bring total emissions to net-zero.

How does proAction support DFC's net-zero goal?

DFC's net-zero 2050 initiative is separate from proAction, but closely linked. Each of proAction's six modules supports sustainability – from increased milk quality, to improved animal health and disease prevention, to the entire Environment module. In fact, results from the environmental questionnaire will help inform sustainability progress!

Enhancing or adopting best management practices that are proven to reduce GHG emissions under the net-zero initiative also helps drive progress under proAction's standards of excellence. For example, steps taken to improve cattle longevity to drive sustainability could naturally also improve cattle health objectives under proAction's Biosecurity Risk Assessment. Therefore, while the two initiatives are separate, they work hand-in-hand.

What does this mean for Canadian dairy farmers?

For years, farmers have served as stewards of the land and our resources. This new goal supports our commitment to improve sustainability and address climate change, while continuing to produce high-quality Canadian milk. Not only will the net-zero initiative ensure dairy stays connected with the environmental values of consumers, but it may help farmers realize economic opportunities too and ensure we have a thriving dairy sector for generations to come.



Consumers are increasingly concerned about the overall health of our environment. Canadian dairy farmers have already been taking steps to improve sustainability and reduce GHG emissions by adopting practical solutions like optimizing animal genetics, enhancing nutrient application, generating green energy, and growing cover crops.





Continuous Improvements

Since the introduction of proAction's first module in 2001 (Food Safety), the program has evolved to become the robust quality assurance program it is today. September 2021 marked the launch of the final planned module, Environment, but the work to enhance and improve the program never stops.

As stakeholder and consumer priorities change over time, and research, innovation and experience inform better best practices, the proAction program must continue to evolve. That's why our proAction Committee and Technical Committees are dedicated to continuous program evaluation and recommend module updates that include the most relevant information, new practices, latest research and technical innovations.

Our commitment also includes regular reporting of our program, like this progress report that highlights program achievements and updates.

Here's a look at active projects the greater proAction team is engaged in this year to improve the program.



Third-party audit

As a national quality assurance program, a lot of work is carried out on individual farms and in the provincial and national offices to ensure the program is implemented consistently and credibly. There is a stringent validation process for farms and a rigorous internal auditing process for the national and provincial offices, including evaluating validators at the farm level.

In addition to the monitoring processes currently in place, DFC began undertaking a third-party 'process audit' this year to independently review proAction's operations. The audit will be conducted over three years, evaluating the national office, all provincial offices, and a sample of validators in each province on farms.

Market demands for transparent, quality assurance have increased, and the third-party audit will help address these expectations while also identifying areas where DFC can further improve quality control and best practices. DFC will use the audit findings to further strengthen the program, where needed. The audit will provide another level and type of audit assurance that will enhance confidence in the robustness of the program and its value to farmers and stakeholders.

Related modules: All modules

Timeline: February 2022 – December 2024





proAction review

Working with the Provincial Coordinators Committee, DFC has engaged a third-party company to evaluate all of proAction's farm requirements with an eye towards continual improvement. This review will focus on identifying opportunities to strengthen the program, improve consistency and increase efficiencies.

DFC will ensure recommendations are consistent with the program's original intent, ensure the continued credibility of the program, and implement applicable improvements.

Related modules: All modules

Timeline: April 2022 – December 2022



Cattle handling review and farm personnel training

The proAction requirements for on-farm personnel training and cattle handling are being reviewed this year to evaluate if they need to be improved. This review is focused on taking a positive, preventative approach to ensure the program adequately covers these topics.

Related modules: Animal Care (cattle handling review)

All modules (farm personnel training)

Timeline: March 2022 – March 2023



Data management on the farm

Did you know? DFC also initiated a data management project, engaging a third-party company to consult with Canadian dairy farmers to gain a better understanding of the administrative demands of today's farms. DFC understands that delivering our industry's highest standards requires additional data and administrative requirements. This review looked at the time and technology requirements of record-keeping, how data is being collected, what data farmers are required to collect or report, and where the information is being reported. The results will help DFC identify opportunities to improve or streamline data collection and reporting. The scope of the data management project is much wider than proAction, but the results may influence new recommendations to the program.

Related modules: All modules

Timeline: April 2022 – December 2022





proAction Progress

In addition to the 2022 proAction projects, work on the individual modules continues. Here's a look at the latest proAction module updates and what to watch for.



IN 2022,

52 INDEPENDENT
VALIDATORS AND

26 ASSESSORS

ensured proAction
conformance across Canada

4,780*
on-farm validations

* from September 2021
to August 2022

4,833*

Canadian dairy farmers
conducted their own proAction
review and provided the
information through a self-
declaration process to DFC

MILK QUALITY

- This module was originally focused on reducing the regulatory limit for somatic cell counts from 500,000 to 400,000 cells/ml. The new standard was included in the federal government's *National Dairy Code* in 2012.
- Canadian farmers continue to meet or exceed provincial regulatory milk quality parameters.

FOOD SAFETY

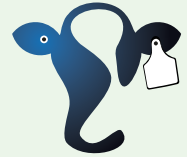
- Implementation of this module started on-farm in 2001 and was included in validations in 2004 on a voluntary basis. Provinces agreed to transition to mandatory implementation by the end of 2015.
- A review of the Food Safety module was completed in 2022 with no major changes recommended.

ANIMAL CARE

- This module was implemented on-farm in 2015 and included in validations in 2017.
- A renewed contract with Holstein Canada for their delivery of the cattle assessments program was developed and signed in September 2022.
- New animal care technical materials, including a podcast series and videos have been developed and posted.
- DFC received renewed recognition of the Animal Care module from the National Farm Animal Care Council in October.
- Coming in 2023 and the years ahead: once the new *Code of Practice for the Care and Handling of Dairy Cattle* is published, DFC will evaluate the new requirements and start planning their integration into the Animal Care module. DFC will also transition from the current four-zone transitory cattle assessment requirements to the long-term requirements.

TRACEABILITY

- The Traceability module was implemented on-farm in 2015 and included in validations in 2017.
- This module has been successfully integrated with DairyTrace (mandatory since 2021).
- A review of communications materials to support brand updates with dairy partners has been conducted, including the development of a new tag retention factsheet.
- DFC is preparing for future amended federal regulations for traceability.
- The Traceability module review is scheduled for 2023.



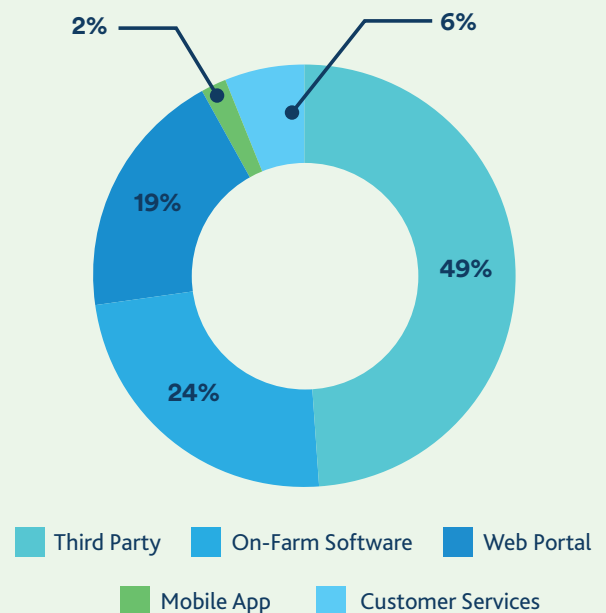
DairyTrace

Lactanet provides and manages the DairyTrace program which includes federal traceability regulations and proAction Traceability module requirements. Using the dairy tags to report animal movements within the DairyTrace system, our industry ensures complete traceability of dairy animals.

Did you know? DairyTrace and proAction encourage dual tagging as the ideal practice for identifying all animals born on dairy farms across Canada. As an allowable exception, the white single button RFID tag was introduced by DairyTrace in 2020 as an option for identifying calves born on your farm but are destined for purposes other than dairy production.

Since the launch of DairyTrace in October 2020, over 90% of active dairy farmers outside the province of Québec* have activated their DairyTrace accounts. By doing so, they have access to their DairyTrace proAction report, which is a handy tool farmers can provide to validators to demonstrate conformance with the reporting requirements.

2021 EVENTS REPORTED BY SOURCE TO SIMPLITRACE & DAIRYTRACE



*Quebec has pre-existing regulations (p-42) that already require farmers to report on births, deaths and movement and so to respect provincial regulations, Quebec dairy farmers continue to report directly to Attestra using SimpliTRACE.

BIOSECURITY

- Implementation of this module started on-farm in 2017 and was included in validations in 2019.
- The Biosecurity module is currently under review for updates and includes farmer and stakeholder consultation.

ENVIRONMENT

- This module was implemented on-farm in 2019 and included in validations in 2021.
- The Environment module has successfully completed the first full year of on-farm validations.
- A first analysis of the data collected through the environmental questionnaire has been completed. Data analysis will continue as information from the questionnaire is collected as part of the validations process.
- The transition from the Environment Working Group to a more focused Environment Technical Committee has been completed to review technical issues and module updates as necessary.
- Work continues to align the module with DFC's sustainability strategy.
- A strategic review of the module is planned for early 2023.
- New communications initiatives, including podcasts, are being developed.

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Using DairyTrace tools, farmers can be ready for their upcoming validations. Thanks to feedback from producers, we have completed various updates to enhance the user experience, like the addition of herd management numbers linked to each animal's unique identification number and the creation of a one-time excel file upload. DairyTrace is designed to help farmers report easily, and we are continuously working on improvements to our reporting tools to continually improve the efficiency and data integrity.

– Mackayla de Kwant
DairyTrace Program Manager, Lactanet Canada –
National Responsible Administrator for Dairy Cattle Traceability





Telling our Story of Commitment to Excellence

When nine out of 10 Canadians recognize DFC's Blue Cow logo as a signifier of dairy excellence, we know we're doing our job. The proAction program underpins the iconic Blue Cow logo, making the rigorous standards behind the program a valuable tool for our industry. DFC is continuously building upon and leveraging the strength of the Blue Cow logo and the proAction program to connect with consumers and help give them the social license to consume dairy.

Building our brand

DFC consumer marketing initiatives help strengthen the Blue Cow logo as a symbol of trust in Canadian dairy farmers and the commitment farmers make to the proAction program.

DFC's marketing activities emphasize all the values and hard work that goes into producing high-quality Canadian milk. Many of DFC's marketing activities include running broad national campaigns, working with partners to drive consumption at retail and in restaurants. Looking forward, our upcoming campaigns are all about connecting with the next generation of consumers through ads, social media, unique sponsorships and promotions, and more.

Central to DFC's campaigns is the Blue Cow logo. More and more consumers are associating the Blue Cow logo, with farmers' commitments to things like sustainability, animal care, food safety, and milk quality. Not to mention the pride that comes in supporting Canadian farmers and the local economy.

DFC consumer marketing in action

DFC continues to build consumer marketing campaigns like the *Hey Dairy Farmer Sustainability Partnership* that launched in January 2022.

This marketing initiative saw DFC launch complementary campaigns on sustainability, leveraging core pillar messaging to drive the meaning of the Blue Cow logo and build on the strong reputation of Canadian dairy farmers. This 360° campaign leveraged real Canadian dairy farmers in debunking myths and demonstrating how dairy farmers are pioneering on environmental initiatives with innovative industry practices. This campaign reached nine million Canadians. Seven out of 10 who recalled the campaign took positive action toward dairy after seeing it, highlighting the strength of its message.

Featured on nearly 9,000 products from more than 500 brands, the Blue Cow logo is emblematic of the dairy industry's commitment to excellence. It's crucial to demonstrating the value of Canadian dairy farmers and their products to consumers.

As one of the most influential logos in Canada, DFC's Blue Cow logo is a powerful symbol of excellence in production. It plays an important role in the dairy sector's efforts to connect with today's consumer.

ONE OF THE
Top 3
Most influential & trusted food logos according to Cohesion Strategies

89%*
Brand equity

* according to IMI International

RECOGNIZED BY
9 out of 10*
Canadians

NEARLY
9,000
SKUs now feature the Blue Cow logo

53
New licensees in 2021-22

545
New products in 2021-22



*pro***Action**

2022

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www.dairyfarmers.ca/proaction