

**CDC's Annual General Assembly**

**Remarks – Jennifer Hayes**

**January 30, 2024**

## **CHECK AGAINST DELIVERY**

Hello everyone and thank you for taking the time to participate in the Annual Meeting of the Canadian Dairy Commission. This public meeting covers the 2022-2023 dairy year. I'd like to acknowledge the attendance of members of our stakeholder groups, representatives from multiple government agencies, national and provincial producer organizations, processor representatives, CDC staff, consumer facing sectors, members of the media as well as the public. Welcome everyone.

The past dairy year presented many challenges for the industry, including labour shortages, inflation, rising interest rates, and major environmental events like wildfires and floods. These pressures continue to impact farms, processing facilities and grocery aisles. And above all, this turbulence also has an impact on you, your neighbours, and the world in general. Despite these challenges, markets and supply chains appear to have regained some stability and the dairy industry continues to make a significant contribution to the Canadian economy, generating farm receipts of \$8.23 billion in 2022. Producers, processors, the Canadian Dairy Commission, and the entire industry worked tirelessly to make sure Canadians could access dairy products at all times. We also looked at growth opportunities and potential for investment in a socially responsible and environmentally sustainable way.

To find strategic solutions to meet the challenges of structural surplus of solids non fat (SNF) in Canada while meeting consumer demand, the CDC facilitated discussions between producers and processors and is now delivering the Dairy Innovation and Investment Fund on behalf of Agriculture and Agri-Good Canada

(AAFC). In September last year, the Minister of Agriculture and Agri-Food, Lawrence MacAulay, launched this fund of up to \$333 million over the next 10 years. The objective of this fund is to provide dairy processors with non-repayable contributions to make investments to help supply-managed dairy sector manage SNF, add processing capacity for SNF and promote the use of these components in value-added products.

Additionally, in July 2023, the Canadian Milk Supply Management Committee approved the Market Growth Program with the aim of providing additional support to processors to invest and grow markets. This program seeks to accelerate and support investments aimed at reducing the structural surplus of non-fat solids, supporting market growth or processing milk in regions where the surplus of skimmed milk is significant and where processing capacities are insufficient. The first stream of the Market Growth Program, the Pre-production Funding Stream, was launched in Fall 2023. This marks the first national program dedicated to stimulating growth, fully funded by producers. And we are continuing to work with industry as they elaborate initiatives that promote the sustainable growth of the Canadian Dairy Industry, targeting spring 2024, so just around the corner, to launch the other stream.

Finally, AAFC has asked the CDC to administer the second iteration of the Dairy Direct Payment Program (DDPP). Under this program, \$1.2 Billion are provided to dairy producers over the next 6 years to fulfill the government's commitment to full and fair compensation to the supply-managed sectors related to concessions granted under the Canada-United States Mexico–Agreement or CUSMA. In 2023-2024, up to \$300 million in the form of direct payments will be delivered to

eligible dairy producers in Canada. The 2023-2024 program is available until March 31, 2024.

This year also marked the first full year with the current board members, which include Shikha Jain, Commissioner, Benoit Basillais, CEO, and me, as President. With the help of our extraordinary team at the CDC, particularly our senior management team whose hard-work and professionalism continue to amaze me every day, we are committed to achieving strategic objectives and meeting expectations related to our mandate in service to the Canadian dairy industry and to Canadian consumers while meeting our obligations to the federal government. And finally, we could not be successful without the collaboration of our dedicated stakeholders. Thank you to all of you.

This public meeting was organized to give a voice to anyone interested in the dairy industry and the activities of the Canadian Dairy Commission. I will therefore be happy to answer your questions during the question-and-answer session which will take place later.

I will now turn the floor to Benoit Basillais, CEO, for his report on the CDC.

Thank you.



### **Closing remarks**

This concludes the Canadian Dairy Commission's Annual Public Meeting for the dairy year 2022-2023. We hope you found this meeting interesting and informative. We want to thank you once again for taking the time to participate despite your busy schedule. We wish you a good day and a wonderful dairy year.