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# Dairy Farmers of PEI Strategic Plan

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## Dairy Farmers of PEI maps out five-year plan to support Island dairy industry



Dairy Farmers of PEI general manager Doug Thompson

Citing major changes in the industry and its own looming staff turnover due to retirements, Dairy Farmers of PEI (DFPEI) has completed and released its first-ever five-year strategy.

The plan, which runs until 2028, lays out how the board will modernize the way it regulates and promotes the production, transportation and sales of fluid milk and manufactured milk products on PEI. The strategy covers five areas – communications, marketing, processing, lobbying, and cost-effectiveness.

Funded through PEI's Business Development Program under the federal-provincial Canadian Agricultural Partnership, the strategy is part of an 18-month modernization project by the regulatory board that has included reviews of its human resources, offices, and IT.

"A lot of change was coming," says DFPEI general manager Doug Thompson, explaining the need for the strategy.

"The industry has grown bigger, operations are now more complex, and at the same time, four of our 10 staff members are nearing retirement. We wanted to look at industry needs and set out, in a very organized way, the tasks that would fulfill those needs."

Created in 1986 as the PEI Milk Marketing Board, DFPEI currently represents the province's more than 150 dairy farms, which hold approximately 1.3 per cent of Canada's national dairy quota.

While the number of Island dairy farms has shrunk by over 400 in the last 30 years, the remaining operations have grown to meet demand, producing 117.5 million litres of milk in 2022.



Islanders drink about 10 per cent of that production as fluid milk. The remaining 90 per cent is made into cheese and other dairy products.

Like everything else, the cost of regulating and promoting the industry has grown, says Thompson, with dairy farmers themselves paying most of that cost through levies on their butterfat production.

"It's no secret that the administrative cost of running DFPEI has grown," says Thompson. "When you are spending other people's money, how do you make sure you're doing what people want or need while meeting regulatory goals, and do it in a way that is most beneficial to the industry?"

"That's what the strategy addresses."

A key component of the strategy will be directing more traffic to improved databases and websites as way to control costs and make sure producers are getting the information and services they need.

Thompson points to the quota exchange as an example. Producers are still filling in forms by hand and sending them to the DFPEI office for staff to input into the system.

He says the goal is to modernize the database to allow producers to enter the bids themselves.

“This is something that producers are asking for,” says Thompson.

“Dairy farmers do a lot of stuff like this after hours and so it is much easier for them to be able to log in on their own time. A lot of younger farmers are managing their farms on their phones.”

Thompson says the enhanced on-line tools will also help the industry implement its ProAction agenda, covering key industry and consumer concerns like the environment, animal welfare, food safety, milk quality, traceability, and biosecurity.

The strategy also recognizes the recent shift in dairy consumption with consumers drinking less milk and buying more dairy products.

Only five years ago, dairy farmers were producing surplus butterfat in fluid milk. Today, that butterfat is in demand with heavier creams for a growing coffee culture and shoppers buying more cheese, yoghurt, and other processed dairy products.

**“ We are driving an image of an industry that is ethical in its treatment of animals, dedicated to quality, and trying to price its milk fairly. ”**

- Doug Thompson

“With our changing demographics, it appears there is a shift to eat your dairy rather than drink your dairy,” says Thompson. “For a while, dieticians said you should reduce all fat in your diet, but now there is recognition of the health

benefits of dairy fat.”

With that demand, the DFPEI strategy supports building dairy processing capacity in the Maritimes.

The plan also calls for continuing strong national and local marketing campaigns to build consumer demand for dairy products.

Thompson sees value in partnering with Dairy Farmers of Canada on national marketing campaigns that include grocery chain flyers, TV commercials and ads on Island bus stops.

However, DFPEI created its own marketing coordinator position in 2019. The board will direct about 40 per cent of its marketing efforts to local campaigns like the Fill up the Fridge food bank drive, and to exhibits at events like Farm Day in the City and the Victorian Christmas Market in Charlottetown.

DFPEI’s promotions will use its Blue Cow logo in concert with Dairy Farmers of Canada’s national logo to enhance the identity of PEI dairy products.

“We are driving an image of an industry that is ethical in its treatment of animals, dedicated to quality, and trying to price its milk fairly.”

Thompson says DFPEI will continue to lobby hard for improvements in dairy market structure and government regulations that make the industry more responsive to changes in market demand and ensure that producers are selling their milk at a fair price.

To turn the strategy into action, the regulatory board will produce annual operational plans and track their progress in meeting long-term goals.

Thompson says the government’s financial support in the process has been important.

“We appreciate that governments are able to step up and support us with things like this,” he says. “The Business Development Program really provides support where it is needed.”