



COVID-19 AND CANADA'S DAIRY INDUSTRY

GRADES 10 - 12



In the news during the month of April, there have been many reports of dairy farmers across Canada dumping milk on their farms.

1. What do you think or feel when you read these headlines?

2. Using the chart below identify 3 questions you have about the dumping of milk.

As you work through the following lesson, jot down any information that helps you answer those questions.

Your questions	Research answers

TAKING A DEEPER LOOK

Read the following reports then answer questions 1 – 4 below:

- **CBC** April 9, 2020 *Why Canada's dairy farmers are dumping milk despite food supply issues in COVID-19*
<https://www.cbc.ca/news/business/dairy-covid-19-1.5528331>
 - **CBC** April 6, 2020 *Dairy farmers dumping milk as demand drops*
<https://www.cbc.ca/news/canada/ottawa/dairy-demand-covid19-ottawa-farmers-1.5521248>
 - **Vancouver Sun** April 7, 2020 *COVID-19: B.C. farms dumping milk because of problems getting it to the store*
<https://vancouversun.com/news/local-news/covid-19-b-c-farms-dumping-milk-because-of-problems-getting-it-to-the-store/>
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1. What factors created by COVID-19 have led to the dumping of milk?
 2. How has consumer behaviour during COVID-19 contributed to the need to dump milk?
 3. What are the production factors and characteristics of milk that have contributed to the need to dump milk?
 4. Who will absorb the financial loss created by the dumped milk?
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WHAT'S HAPPENING IN MANITOBA

Read the following then answer the questions below:

- Global News, April 8, 2020, *Restaurant closures mean less demand for Manitoba milk: farmers' association*
<https://globalnews.ca/news/6796270/restaurant-closures-manitoba-milk-coronavirus/>
 - Farms.com, April 9, 2020, *Man. dairy farmers donating milk surplus*
<https://www.farms.com/ag-industry-news/man-dairy-farmers-donating-milk-surplus-338.aspx>
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1. Give reasons why Manitoba has not had to dump milk?
2. How are Dairy Farmers of Manitoba planning to handle surplus milk?

A WORD FROM DAIRY FARMERS

Talking to people on the front lines to get a firsthand account is often advisable. Included below is a:

- Facebook posting from an Ontario dairy farmer, owner of **Donegal Farm**, a small family-owned farm
- a joint statement from the **Dairy Farmers of Canada**, and the **Dairy Processors Association of Canada**.



Donegal Farm

April 9 at 9:11 PM · 🌐



"My head and heart hurt with all the negative comments regarding dumping milk. It's astounding how quickly consumers can turn on you with a little bit of misinformation. In my own words, I'm going to attempt to address these concerns in a question/answer based format.

1) **The family is home so we are buying 2x more milk. How do you not have a market for your milk?** 🐄

The school, restaurant and food industry closures have resulted in a changing market. It takes time for processors to pivot from making small butter packets and 250 ml containers to getting our product to the consumers in a way that it can be used to meet current demand.

2) **People are struggling to secure food right now, can't you make it into something useful instead of dumping?** 🐄

Dairy products are the most perishable item with the shortest shelf life. We cannot compromise the integrity of our product or risk public health and safety.

3) **Stop giving them hormones to make them milk.** 🐄

There are no artificial growth hormones in Canadian milk. Dairy cows have been selectively bred for milk yield. We can't just turn them off.

4) **Donate to food banks.** 🐄

Dairy farmers of Ontario have donated \$100 000 to provincial food banks on top of regular donations. This milk will need to be pasteurized before being made available for donation. Our industry leaders are working with processors and transportation companies to bring this to fruition. It is a coordinated effort that takes a lot of cooperation but is already happening in British Columbia.

5) **Lower the price.** 🐄

Farmers do not set the grocery store price to consumers. For anyone who has invested in their farm recently, like we have, we can't endure long term drastic price decreases. We have farm mortgages in unfathomable amounts to pay. We have animals to feed and care for.

6) **I hear farmers will still get paid for their milk. How can you justify getting paid for something that never reaches shelves?**

So what is meant by, "farmers are still getting paid for the milk" is not that we are going to be paid for dumped milk. We aren't. It means, the farmers that are asked to dump, will not be penalized disproportionately. To put it very simply, every dairy farmer will be pitching in to pay that farmer for their milk by taking a smaller piece of the pie so to speak. They will be paid a fair price for that milk but the collective price for milk produced in Ontario will be less. It is called a blend price and it will be lower for all producers. Don't think that dairy farmers will be profiting unfairly off of Canadians right now. It will not cost the public a cent. Dairy farmers will all be carrying this burden. I am not privy to decision making...but this is my understanding. See #7.

7) **So much for your world-renowned supply management system.** 🐄

The farmers that are asked to dump milk have a constructive and environmental means to do so. We will share this loss among all farmers. This is a collective effort. As a small producer, I am grateful for our system which protects my family and my little 90 head as much as it does the 1000 cow dairy.

In the United States, there is no safety net. When the price of milk drops, the big farms just add on and on. They milk more and more cows. When their price is low, they make up for it in volume. Little farms are forced out and the environment suffers and animal welfare takes a back seat to the profit margin. Canadian farmers will take a hit but with any luck, our system will guarantee the little farmer doesn't get left behind.

Hang in there with us friends. We are continuing to care and provide for our animals amidst some troubling times, while hoping for safety and health for all our Canadian consumers.

https://www.facebook.com/permalink.php?story_fbid=211282590303060&id=107279877369999&__tn__=K-R

STATEMENT FROM DAIRY FARMERS OF CANADA AND DAIRY PROCESSORS ASSOCIATION OF CANADA

STATEMENT | APRIL 2, 2020 | OTTAWA, ON

Across Canada, dairy farmers and dairy processors are continuing to work with our partners throughout the supply chain to do everything they can to feed the nation as we all cope with unprecedented circumstances and challenges.

The COVID-19 outbreak has resulted in unforeseen rapid fluctuations in demand for many key products including milk and dairy products. The near complete shutdown of the restaurant industry and changing grocery shopping patterns, in particular, have had significant impacts on the demand for key dairy products.

Across Canada, dairy farmers and dairy processors are continuing to work with our partners throughout the supply chain to do everything they can to feed the nation as we all cope with unprecedented circumstances and challenges. In addition, dairy farmers and processors are donating significant volumes of dairy products to food banks in order to support Canadians in need.

The dramatic changes in demand and the related challenges being felt throughout the supply chain have resulted in the need for the disposal of some raw milk, which is extremely unfortunate and difficult. A cow produces a certain amount of milk per day and farmers must continue to milk them to keep them comfortable and well. At the same time, we need to ensure production is maintained, as consumers shift their purchases of dairy products to retail stores in greater numbers during the pandemic. The entire supply chain is working diligently to react to these sudden shocks and to adjust to changes in demand for dairy and other foods.

The last thing anyone wants to see is milk being discarded, least of all farmers and their partners in the value chain. Every day, 7 days a week, 52 weeks a year, farmers and processors are dedicated to supplying the market with the milk that is needed to feed Canadians.

Finally, we salute the hard-working men and women throughout the supply chain, from the farm to the processing plants, to retail stores and restaurants and food service outlets, all working very hard in unprecedented circumstances and we thank the many public health officials, organizations, front-line healthcare workers, emergency personnel and all those who, tirelessly, provide care and work to contain the spread of this virus.

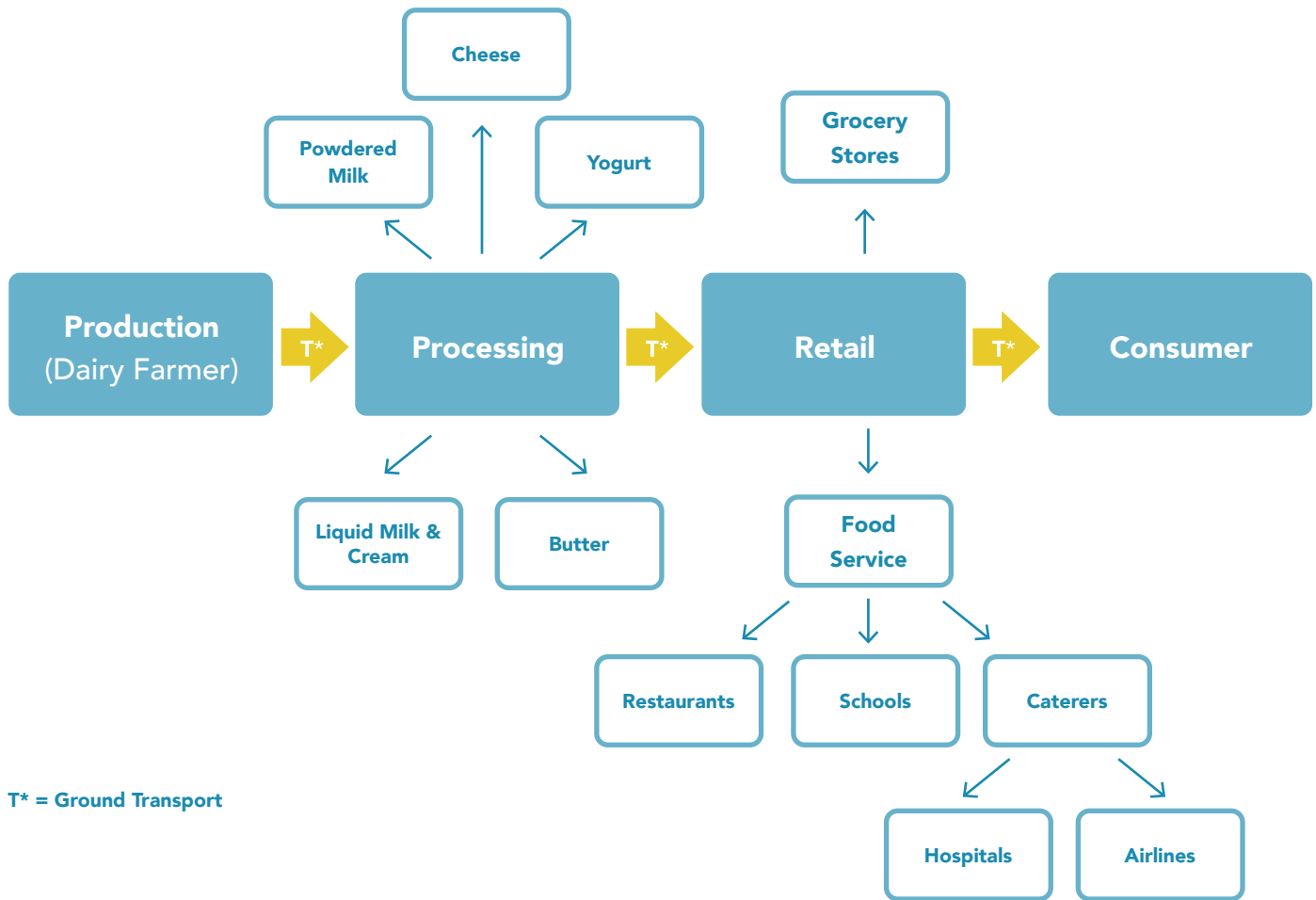
About Dairy Processors of Canada

The Dairy Processors Association of Canada (DPAC) is Canada's national industry association representing the public policy and regulatory interests of the Canadian dairy processing industry. DPAC's members represent some of the most recognized brands in Canada, providing work to over 23,000 Canadians and contributing \$17.3 billion to the national economy.

<https://dairyfarmersofcanada.ca/en/statement-dairy-farmers-canada-and-dairy-processors-association-canada>

SUMMARIZING THE CHALLENGE

Here is a graphic of a simple representation of the supply chain which identifies the stages of production for dairy products.



T* = Ground Transport

Dairy value chain

Like other food chains in Canada, the dairy supply chain has continued to function and maintain food supply while trying to adapt to many sudden changes brought on by COVID-19.

Find out more about Canada's dairy industry through virtual tours

- Dairy Farming <https://www.farmfood360.ca/en/dairycowfarms/voluntary-milking-system/>
- Cheese Processing <https://www.farmfood360.ca/en/dairy/cheese/>

Check out these quick snapAG sheets for additional information:

- Dairy Cows <https://aitc-canada.ca/en-ca/learn-about-agriculture/category/animal-care/dairy-cows>
- Milk Pasteurization <https://aitc-canada.ca/en-ca/learn-about-agriculture/category/food/milk-pasteurization>

QUESTIONS

1. The dairy supply chain, like all food supply chains, is driven by consumer demand. Explain how consumer behaviour changed due to COVID-19 and describe how the retail sector responded to the sudden changes in demand.

2. COVID-19 caused the closure of most of the Food Service area of the Retail sector. How did this affect the Processing sector?

3.
 - a. How many Canadians are employed in the dairy processing sector?

 - b. All food workers already wear personal protective gear because they work in highly regulated hygienic conditions, but what effect do you think social distancing rules have had on processors?

4. As COVID-19 changes and uncertainty have rippled through the supply chain how has this affected the dairy farmer?

5.
 - a. Define raw milk. (Suggested resource [snapAG Milk Pasteurization](#))

 - b. What characteristics of raw milk made it difficult to quickly donate excess supply to food banks?

 - c. Identify all of sectors of the dairy supply chain that are working together to make excess raw milk into dairy products that can be donated to food banks.

6. Look back at what you thought or felt about the headlines at the beginning of this lesson. Now that you have looked past the headlines, how are you feeling about the dumping of milk?

7. Complete additional research as needed to answer the 3 questions you identified at the beginning of this lesson. Then record your answers on page 1.