



Canada's

Agriculture, Food and Beverage INDUSTRY

Canada's Dairy Industry

Canadian milk and dairy products are recognized internationally for their superior quality. Strict quality standards at both the farm and processing levels contribute to this reputation.

In 2005, total net farm cash receipts from the dairy sector stood at \$4.8 billion. The dairy industry ranks fourth in the Canadian agricultural sector following grains, red meats and horticulture. Approximately 38,000 people work on dairy farms and about 26,000 others work at the primary processing level.

Canada exports higher-value dairy products to traditional and new markets. These products include aged cheddar cheese, specialty cheeses, ice cream and dairy beverages. Canada also exports easily stored products such as butter, milk powders, and condensed and evaporated milk to developing countries. In 2005, exports totaled more than \$242.6 million.

Canada also imports dairy products, \$597.6 million worth in 2005. Cheeses were the major import. The European Union, the United States and New Zealand are Canada's main suppliers of imported dairy products.

Canada has a long tradition of dairy cattle improvement. Dairy cattle performance has attained high levels, thanks to strong milk recording and genetic evaluation programs, which have been in place in Canada since 1905. In 2005, exports of dairy semen and embryos were valued at more than \$69 million. Major export markets included the United States, the European Union, Japan, Mexico and China.

The industry has excellent research and development capabilities, both at the production and processing levels. Impressive research facilities (government,

universities and private-sector) contribute to the long-term competitiveness of the sector – as well as the safety and quality of dairy products – through the development and transfer of innovative technologies.

Canada's dairy sector functions under a supply management policy framework. This orderly marketing system is designed to encourage the production of sufficient volumes of industrial milk and cream to meet domestic demand for dairy products as well as certain planned exports.



The Canadian Dairy Commission and Agriculture and Agri-Food Canada, in partnership with producer associations such as the Dairy Farmers of Canada and dairy processors' organizations such as Dairy Processors Association of Canada, play a key role in helping ensure that the Canadian dairy industry remains strong and dynamic.



Additional Information

There are two markets for domestic milk in Canada: the fluid market (table milk and fresh cream) and the industrial market (manufactured dairy products such as butter, cheese, yogurt and ice cream).

Over 81 per cent of Canada's dairy farms are in Ontario and Quebec.

In 2005, 1.05 million cows on 16,224 dairy farms produced more than 75 million hectolitres of milk. In 2005, dairy products shipped from approximately 463 processing plants were valued at \$11.5 billion, accounting for 15.9 per cent of all processing sales in the food and beverage industry in Canada.



In 2005, Canadian cheddar cheese production was 131,872 tonnes. Specialty cheese production was 219,952 tonnes. Mozzarella accounted for over 55 per cent of total specialty cheese production. Overall, Canada produces more than 450 different varieties of fine cheeses including raw milk cheeses and goat and sheep cheeses. In 2005, Canadians also produced 83,519

tonnes of butter, 562 million litres of ice cream and ice cream products and 7.8 million litres of frozen yogurt. Yogurt production continued to grow, totalling 233 million kilograms, a 45 per cent increase from 2001.

The market for functional dairy products in Canada is very promising. Already several products have been developed, such as probiotic yogurts and dairy products containing Omega-3 fatty acids.

Production of organic milk is steadily increasing in Canada. It reached 35.3 million litres in 2004-2005, which represents less than 1 per cent of total dairy output. Production of goat and ewe milk is also on the rise.

High standards and innovation have promoted the growth and competitiveness of the Canadian Dairy Industry and have contributed to Canada's reputation for high quality dairy products.

For More Detailed Information

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Other Links:

Canadian Dairy Information Centre
www.dairyinfo.gc.ca

Dairy Farmers of Canada
www.dairygoodness.ca

Dairy Processors Association of Canada
www.dpac-atlc.ca

Further information on products, suppliers and investment opportunities in the Canadian agri-food industry is available on the Agri-Food Trade Service web site at: www.ats.agr.gc.ca

Canada's food and agricultural products reflect our dedication to excellence, and our deep commitment to safety, quality, environmental responsibility, innovation and service.

In every facet of our industry, we seek to earn the trust of our customers by answering their needs and exceeding their expectations. Those values along with our belief in building strong relationships, have given Canadian agriculture and food products an international reputation for excellence. Customers around the world know that they can trust the goodness of Canada.

