

# B.C. Milk Industry 2021

## 2021 QUICK FACTS

- B.C. milk production is regulated at the federal and provincial levels under supply management. All farmers producing any quantity of milk for non-personal use must be registered with the B.C. Milk Marketing Board (the Milk Board) and hold quota.
- The dairy production year runs from August 1, 2020 to July 31, 2021. All numbers reported are for this period.
- In 2020-21, B.C.'s 469 milk farmers produced 856 million liters of milk, worth \$698 million in farm cash receipts.
- Dairy is B.C.'s largest land-based agriculture industry by farm cash receipts. Dairy farm cash receipts represent 16% of B.C.'s total farm cash receipts of \$4.4 billion.
- The Lower Mainland produces 75% of the milk in the province. It is followed by the Interior at 17% and Vancouver Island at 6%. The remaining 1% is produced in the North (Bulkley Valley/Cariboo, Kootenays, and Peace River regions).
- The average licenced B.C. milk farmer produced 1,825,838 litres of milk.
- There are 2 producers who produce up to 270 kilolitres of milk per year for on farm processing of goods like cheese or yogurt under the Milk Board's Cottage Industry Program.
- There are 57 dairy processors in B.C. 28 federally licenced and 29 provincially licenced.

## Canadian Milk Production at the Farm (2020-21)

Prov.	Hectolitres	%
QC	34,383,454	36%
ON	31,181,565	33%
<b>BC</b>	<b>8,563,182</b>	<b>9%</b>
AB	8,388,234	9%
MB	4,187,226	4%
SK	2,980,130	3%
NS	2,091,121	2%
NB	1,580,614	2%
PEI	1,221,333	1%
NL	473,105	0%
<b>Canada</b>	<b>95,050,160</b>	<b>100%</b>

Source: Canadian Dairy Information Centre

## MARKET TRENDS

There are two markets for milk in Canada. In 2020-21, the fluid market (table milk and fresh cream) accounted for approximately 28% of milk production, while the industrial market (butter, cheese, yogurt, and other manufactured products) accounted for the remaining 72% of production. In B.C., approximately 40% of production is for the fluid market and 60% is for industrial use.

Industrial milk is broken down into components (primarily butterfat and skim) to facilitate processing. Global consumer demand for higher-fat dairy products (butterfat) is driving an increase in global milk production.

Retail sales of dairy products remains strong. While demand for fluid milk is decreasing, consumption of cream is increasing. In the 2020-21 production year, cream demand increased by 6.2%.



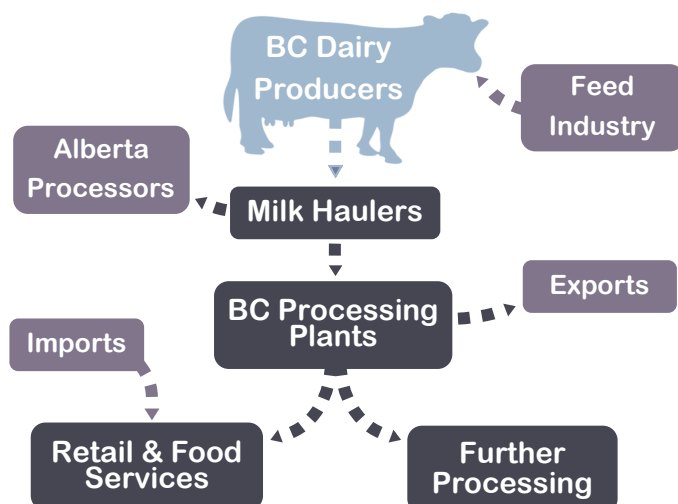
Source: BC Milk Marketing Board

## TRADE

In 2021, Canadian dairy imports totalled 218.8 million kg (\$1,082.93 million), and exports totalled 190.9 million kg (\$383.07 million). This is a 6.7% increase over last year for imports and 16.8% for exports.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Canada US Trade Agreement (CUSMA), and the Canada-Europe Trade Agreement (CETA) increase allowed dairy imports into Canada. Total market access for dairy under all trade agreements is estimated at approximately 10% of Canada's production. To help mitigate this, the Government of Canada implemented the Dairy Direct Payment Program (DDPP) in 2019. Administered by the CDC, this program will distribute \$1.75 billion to Canadian dairy farmers over the next four years.

## INDUSTRY VALUE CHAIN



Dairy farmers milk their cows every day. This fresh milk is stored in a temperature-regulated bulk tank. Every second day, the milk is picked up by licenced transporters, who collect milk from multiple farms before delivering it to the processing plant. There are 39 dairy plants licenced in B.C. by the Milk Board.

At the plant, the milk is pasteurized, separated, and recombined into various products, such as skim milk or cheese.

Small producer-processors can obtain quota through the Cottage Industry Program, which is designed to facilitate small-scale, on-farm production of dairy products like cheese and yogurt.

## BIOSECURITY & ANIMAL CARE

Farm-level biosecurity management practices are in place to maintain the health of the herd as well as prevent the introduction of infectious diseases that could have negative impacts on human health. The B.C. dairy industry participates in Dairy Farmers of Canada (DFC) proAction biosecurity program.

Antibiotic use is strictly regulated for all types of milk production. When a dairy cow must be treated with antibiotics, her milk is removed from the milk supply for a regulated period of time.

Animal care is also a very important part of the B.C. dairy industry. Mandatory standards that are based on the national Code of Practice for the Care and Handling of Dairy Cattle help ensure high levels of animal care on B.C. dairy farms. Third party audits ensure that B.C. producers follow the proAction animal care program.

## GOVERNANCE

Canada's dairy industry is supply-managed. It operates under federal and provincial legislation and agreements.

At the federal level, the industry is regulated by the Canadian Dairy Commission (CDC), a federal Crown corporation established under *Canadian Dairy Commission Act*. The CDC coordinates federal and provincial dairy policies.

The CDC chairs the Canadian Milk Supply Management Committee, which sets the national industrial milk production target and implements a national marketing plan that allocates shares of industrial milk production (quota) to provinces.

At the provincial level, the Milk Board is the first instance regulator of milk production in B.C. under the *Natural Products Marketing (BC) Act* and the British Columbia Milk Marketing Board Regulation.

The Milk Board is responsible for the orderly marketing of milk. It has the legislated authority to promote, regulate, and control the volume of production, transportation, packing, storing, and marketing of milk. In conjunction with the CDC, it sets the price producers receive for milk. The BC Dairy Association represents producers, and the Western Dairy Council is the trade association for B.C.'s dairy processors.

The B.C. Farm Industry Review Board is responsible for ensuring the Milk Board meets its responsibilities in an effective, strategic, and accountable manner that results in sound marketing policy.

## SOURCES

BC Milk Marketing Board (2021). "Annual Report for the 2019-2020 dairy year". Retrieved from [bcmilk.com](http://bcmilk.com)

BC Milk Marketing Board (2022) "2021 PARP Report" Retrieved from [www.gov.bc.ca/bcfirb](http://www.gov.bc.ca/bcfirb)

Ministry of Agriculture. (2022). "Fast Stats 2020: British Columbia's Agriculture, Food and Seafood Sector." Retrieved from [www2.gov.bc.ca](http://www2.gov.bc.ca)

Dairy Information Centre (2018). "Dairy industry at a glance" Retrieved from [www.dairyinfo.gc.ca](http://www.dairyinfo.gc.ca)

BCDEPI. (2018). "The economic impact of British Columbia's dairy, egg and poultry industries— 2018 update". Retrieved from [www.bcchicken.ca](http://www.bcchicken.ca)

Canadian Dairy Commission. Annual Report for 2020-2021 Dairy Year.



# BC Farm Industry Review Board

[www2.gov.bc.ca/bcfarindustryreviewboard](http://www2.gov.bc.ca/bcfarindustryreviewboard)

BCFIRB Office: 250-356-8945