

# The next budget is the Government's opportunity to keep its word



**In March, the Liberal Government will table its last budget before the election. This is the opportunity, now or never, for it to keep its commitments to the dairy sector.**

At a public meeting in Saint-Hyacinthe on January 18, 2019, Prime Minister Trudeau gave this answer to a dairy farmer's question:

"With CETA, CPTPP and NAFTA, we asked dairy farmers on three occasions to give up a little more. And I can tell you that we will not ask for anything else. Because the agreements we are in the process of negotiating, and those that will follow, will have no impact on farmers. That's a promise. And we will ensure there is appropriate compensation, not determined by the federal government, but by dairy farmers like you."

This answer has it all: The recognition that the dairy sector has paid the price of Canada's future economic prosperity in three consecutive agreements. The promise to spare us in the future. And the commitment to compensate us for our losses. These commitments are totally justified.

First, because the dairy sector is a major contributor to the Canadian economy, with impacts in terms of jobs, GDP contribution and tax revenues comparable to those of the aerospace, automobile and forest industries, and far ahead of the steel and aluminium sectors combined. Its contribution is vital for the regional economy, not only in Quebec and Ontario, but across Canada. In 7 out of 10 provinces, milk production holds one of the top two ranks in agricultural revenues.

Second, because our sector is dynamic, resilient and innovative despite the repeated hits it has taken in the past few years. Quebec dairy farmers, for example, have invested over half a billion dollars annually from their own pockets in the past three years to modernize their facilities, equipment and machinery. Imagine what can be achieved in the future if we put an end to the uncertainty in which the recent trade negotiations have placed us and if we are compensated for the expropriation of our markets.

Lastly, despite what our detractors say, supply management is still the best agricultural policy to ensure a fair income to farmers, at no cost to the public treasury, and to provide high-quality local food at a fair price for consumers. At a time when environmental issues are so important, supply management is also the most effective way to avoid surplus production and waste and to reduce transportation-related greenhouse gas emissions while encouraging local production. In short, this is a model for the future and it must be maintained.

During the last election campaign, in October 2015, the Conservative Government had announced programs totalling \$4.3 billion to compensate the sectors under supply management, primarily the dairy sector, for the losses that will result from CETA with Europe and the Trans-Pacific Partnership (TPP). We know what happened next. The Conservatives lost and the Liberals scrapped these programs.

It was the Liberals who finally concluded and ratified the new version of the TPP in January 2018, as well as the new NAFTA, the CUSMA, last October. In market losses alone, the three agreements cumulatively will deprive Canadian dairy farmers of \$450 million a year of gross revenue. If we add the costs of the removal of Class 7 and the imposition of a surtax on our exports, the bill could well reach \$800 million a year.

Mr. Trudeau said in his answer to the farmer's question that the compensation would be determined not by the Government but by dairy farmers like her. We participated in good faith in the working group set up by his government for this purpose. The estimate of the losses to be compensated in the long term was produced extremely rigorously, according to standard practices. The working group's report was submitted to the Minister of Agriculture at the end of January.

If he does not want to fuel public cynicism about politicians and if he intends to be fair to expropriated farmers for the benefit of the country as a whole, Mr. Trudeau must keep his commitments in the next budget.

Chairman

# Dairy farms in the age of big data: a world of opportunities... and challenges!

- The ever-increasing use of technological tools on dairy farms is generating massive amounts of data.



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Processing all that data, through software, algorithms, and soon artificial intelligence, opens the door to developing powerful and practical applications and innovative tools for dairy farmers. To reap the benefits of this digital revolution, producers have a vested interest in ensuring the data collected on their farms are exploited to their full value and used appropriately. Some reflection is in order...

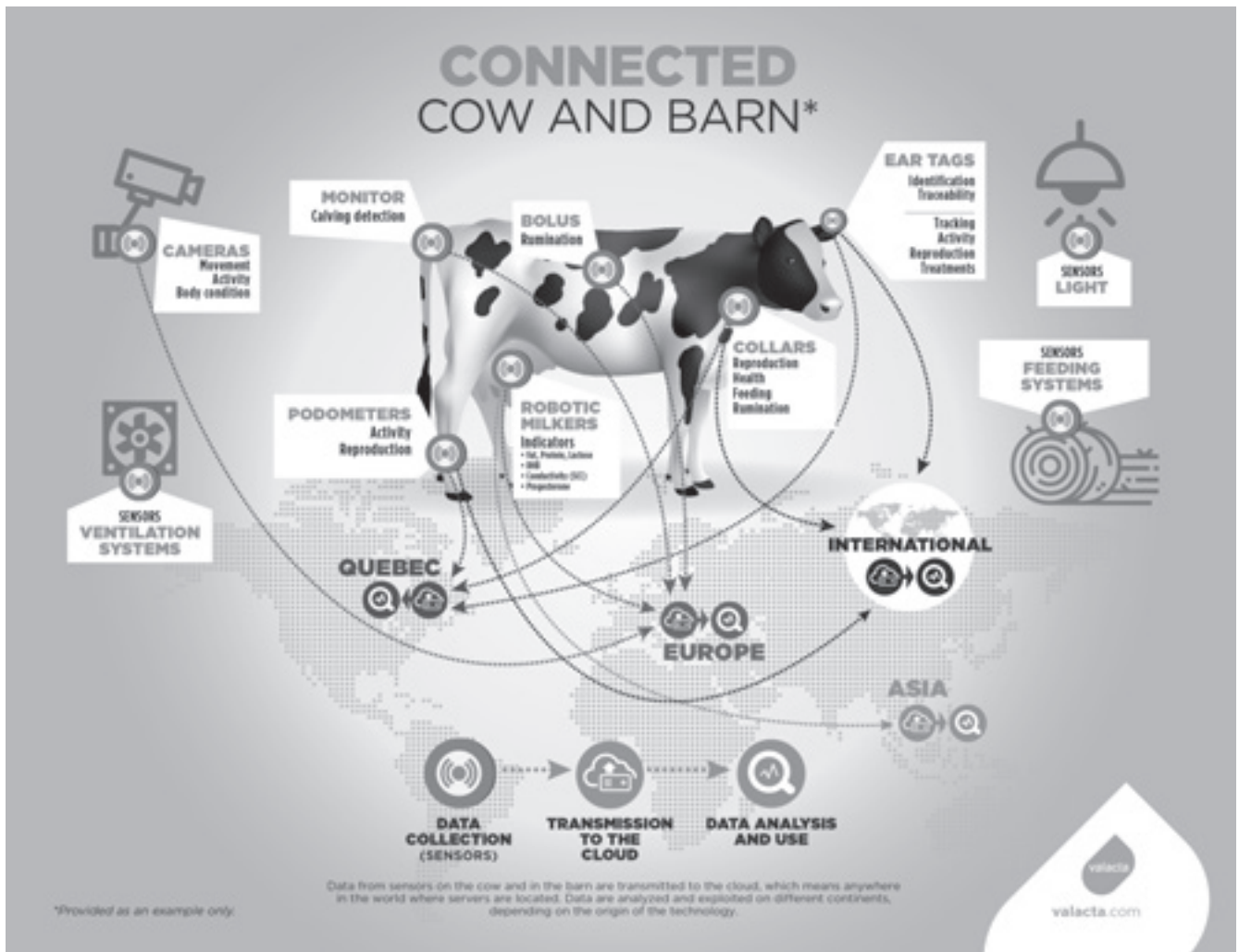
## DATA, DATA AND MORE DATA

The dairy sector has long been using data to improve herd performance. Pedigree and milk recording data, for example, have been collected for over 100 years now for the purpose of genetic improvement. Over the past decades, data gathering has multiplied to include information on management, feeding, health, and milk payments, among others. Through sensors, cameras and automated milking systems, a cow now generates data with every chew, every movement and at each milking of each of her quarters. That information serves a number of purposes, from detecting heat and pregnancy to detecting diseases, such as mastitis and metabolic disorders, to ascertaining stress levels in individual cows, which can affect milk production. From ventilation to feeding systems, equipment in the barn is linked to sensors that also contribute to the dataset.

All the data generated by high-tech hardware and software are geared towards facilitating herd and farm management. How are producers and their advisors to navigate this sea of information?

## CAPITALIZING ON THE DATA

Despite their enormous potential, data only have value if they are



exploited fully and deliver a benefit, such as:

- reducing and/or facilitating workload and herd management;
- improving feed efficiency or reducing ration cost without affecting productivity;
- improving herd performance (calving intervals, milk components);
- reducing the incidence and impact of stress and disease on animals.

There is also the largely untapped potential of increasing the value of the data by aggregating datasets to improve herd performance indicators. Imagine, for example, a data bank combining historical data for barn temperature, changes in production and milk components (shipments and milk recording), rumination and activity. Producers might be able to use that information to predict and quantify milk revenue losses during the hot summer months, and then take mea-

sures to limit heat stress. Add genomic data to that and it might even be possible to identify bloodlines with greater resistance to heat stress! Aggregating and analyzing these different datasets as a whole markedly increases their potential.

### DATA CHALLENGES

For data to be fully exploited, they must be accessible and combinable. This is already the case for milk recording and milk payment data, in addition to some health and, even more recently, AMS data, which can all be processed and exploited as a whole. For example, AMS farms can transmit data from those systems to Valacta's database. That information can then be coupled with milk recording data to produce a management report that allows producers to assess the performance of their systems and herds and compare their indicators with averages for AMS farms and then take action to

increase the efficiency of their robotic milkers. And this represents only a fraction of the potential of AMS data, since information doesn't yet move easily from one system to another.

When systems are incompatible and cut off from one another, as is so often the case, adding value to data becomes much more complex. What happens to all the data generated by the connected cow and barn (Figure 1)? Isolated in separate clouds, are they being exploited to their full value for the benefit of producers, who have already paid for them?

In this age of big data and high technology, producers have reason to ask themselves: Who exactly has access to my data? Do I have full control over my data and am I making the most of that information? Would my technology provider be able to facilitate the transfer of my data to organizations run by dairy producers? Who foots the bill to develop the infra-



## NEW STRATEGIC COMMITTEE ON DIGITAL TRANSFORMATION AT VALACTA

Given the importance of data management and exploitation, representatives from 13 Quebec dairy sector organizations have been called together to form a new strategic committee on digital transformation. During the first meeting, representatives shared their respective views and actions pertaining to data management. They also discussed data sharing and exploitation, as well as consent for use by third parties, both in Quebec and beyond our borders. Committee members agreed on a common strategy for exploring some of the key concerns regarding data, such as governance and the flow of data between organizations. In the future, they will also explore how to aggregate and add value to data to better serve the interests of the dairy sector, in both a collective and individual manner.

structures required to transfer data between producer organizations and technology providers?

Data ownership and use are important issues, an integral part of what is called data governance. Data must be managed soundly, in an informed manner, for the benefit of dairy producers and all dairy sector stakeholders.

### SOME REFLECTION IS IN ORDER...

If multiple datasets from different sources represent unprecedented potential for dairy production, they also raise a number of critical issues, such as access, sharing, and governance. To better benefit their industry, dairy producers will need to ask the right questions and demand a greater return on their investment through value-added data. ■

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### Centralized Quota Sales System (SCVQ)

JANUARY 2019

Fixed Price: \$24,000.00

	Number	kg of BF/day
<b>Offers to sell</b>		
Total	37	485.77
Eligible for allocation	37	485.77
Successful	37	485.77
<b>Reserve</b>		
Quantity purchased (-) / sold (+)		-0.06
<b>Offers to buy</b>		
Total	1,254	12,374.93
Eligible for allocation	1,253	12,360.43
Successful	1,253	485.71

Participation on a prorata basis in any unprocessed offer to purchase equal to or higher than 0.31 kg of BF/day.

#### ALLOCATION OF OFFERS TO SELL AND TO PURCHASE PER PRICE STRATUM

SALES				PURCHASES		
Number	kg of BF/day	Cumulation	Price offered \$/kg of BF/day	Number	kg of BF/day	Cumulation
			< 24,000.00	1	14.50	
37	485.77	485.77	24,000.00 ceiling price	1,253	12,360.43	12,360.43

#### ALLOCATION TO BUYERS AND SELLERS

	Number	kg of BF/day	%
<b>Buyers</b>			
Startup Assistance Program	1	16.00	3.3
Holding of less than 12 kg of BF/day	0	0.00	0.0
Reimbursement of startup loans	15	1.50	0.3
Iteration (0.19 kg of BF/day)	1,252	237.24	48.8
Prorata (1.91%)	1,217	230.97	47.6
<b>3.93% of the offers have been processed</b>		<b>485.71</b>	<b>100.0</b>
<b>Sellers</b>			
Seller who stopped producing 1 or more month ago	0	0.00	0.0
Offers partially processed in the previous month	0	0.00	0.0
Offers in the current month	37	485.77	100.0
<b>100.00% of the offers have been processed</b>	<b>37</b>	<b>485.77</b>	<b>100.0</b>

### Quota prices in Canadian provinces JANUARY 2019

	\$/kg of BF/day		\$/kg of BF/day		\$/kg of BF/day
Nova Scotia	24,000.00 ceiling	Quebec	24,000.00 ceiling	Alberta	39,900.00
Prince Edward Island	24,000.00	Ontario	24,000.00 ceiling	Saskatchewan	33,000.00
New Brunswick	24,000.00	Manitoba	30,001.00	British Columbia	36,500.00